House Calendar No. 212

111TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
111–523

IN THE MATTER OF REPRESENTATIVE LAURA RICHARDSON

R E P O R T

OF THE

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

BOOK 3 OF 5

JULY 1, 2010.—Referred to the House Calendar and ordered to be printed

---

U.S. GOVERNMENT PRINTING OFFICE

57–239 WASHINGTON : 2010

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

ZOE LOFGREN, California
Chair
BEN CHANDLER, Kentucky
G. K. BUTTERFIELD, North Carolina
KATHY CASTOR, Florida
PETER WELCH, Vermont

JO BONNER, Alabama
Ranking Republican Member
K. MICHAEL CONAWAY, Texas
CHARLES W. DENT, Pennsylvania
GREGG HARPER, Mississippi
MICHAEL T. MCCAUL, Texas

R. BLAKE CHISAM, *Chief Counsel/Staff Director*
C. MORGAN KIM, *Deputy Chief Counsel*
DANIEL J. TAYLOR, *Counsel to the Chair*
KELLE A. STRICKLAND, *Counsel to the Ranking Republican Member*
TOM RUST, *Counsel*
DONALD SHERMAN, *Counsel*
FRANK DAVIES, *Senior Investigator*
AMELIA JOHNSON, *Investigative Clerk*

INVESTIGATIVE SUBCOMMITTEE

BEN CHANDLER, Kentucky
Chair
EMANUEL CLEAVER, II, Missouri

GREGG HARPER, Mississippi
Ranking Republican Member
SUE MYRICK, North Carolina

TOM RUST, *Counsel*
DONALD SHERMAN, *Counsel*
FRANK DAVIES, *Senior Investigator*
AMELIA JOHNSON, *Investigative Clerk*

Subject: RE: [redacted] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [redacted] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [redacted] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs3Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It

appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [redacted] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let managament know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [redacted] Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes $8109.81 + $405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:37:34 AM
To: Thomas, Michelle M.
CC: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [redacted] Richardson

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [illegible] Richardson

Ann.
Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [illegible] Richardson

What is going on with the Mod?

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [illegible] Richardson

Hi Michelle,
Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [illegible] Richardson

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [illegible] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [illegible] Richardson
Importance: High

Can you change back to presale stop code

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: 0729942433 Richardson >>
Thank you,
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [redacted] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.

Subject: RE: [redacted] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [redacted] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [redacted] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs
<< OLE Object: Picture (Metafile) >>
Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

sonya.springs@wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [redacted] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let managament know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [redacted] Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes $8109.81 + $405.49. This loan went to fc sale

which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19:03 AM
To: Rogers, Savannah L.
CC: Beal, Pamela S.; Mathis, Julie A.; Battaglia, Paul J.
Subject: RE: [redacted] Richardson

REDACTED

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.

Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [illegible] Richardson

Ann.
Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [illegible] Richardson

What is going on with the Mod?

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [illegible] Richardson

Hi Michelle,
Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [illegible] Richardson

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [redacted] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [redacted] Richardson
Importance: High

Can you change back to presale stop code

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [redacted] Richardson >>
Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [redacted] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted]chardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [redacted] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [illegible] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [illegible] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM

To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7—conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [redacted] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [redacted] Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes $8109.81 + $405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:18:40 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
CC: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

**********Please note my phone number has changed to **904-462-2150***

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann

Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann.
Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,
Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [redacted] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [redacted] Richardson
Importance: High

Can you change back to presale stop code

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [redacted] Richardson >>
Thank you,
Savannah Rogers
Homeownership Preservation

Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [redacted] Richardson

Are we ck with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [redacted] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [illegible] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [illegible] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.

Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7—conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [redacted] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [redacted] Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes $8109.81 + $405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Wednesday, July 2, 2008 10:01 PM
To: Thorn, Ann <ann.thorn@wamu.net>
Subject: FW: Richardson foreclosure -- Red Rock settlement
Attach: DOCSSEA1 Modifications suggested by Sheridan.doc

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Battaglia, Paul J.
Sent: Wednesday, July 02, 2008 7:00 PM
To: Chiu, Huey-Jen
Cc: Thorn, Ann; 'Martin T. McGuinn'
Subject: FW: Richardson foreclosure -- Red Rock settlement

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

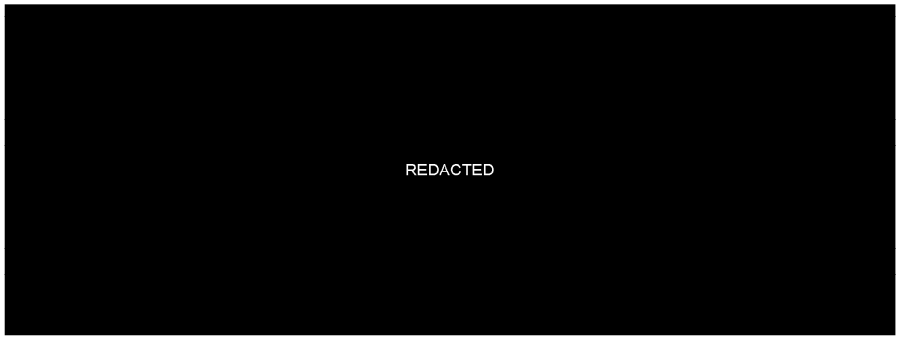
NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Battaglia, Paul J.
Sent: Wednesday, July 02, 2008 6:58 PM
To: Thorn, Ann; Brignac, Deborah P.
Cc: 'Martin T. McGuinn'
Subject: Richardson foreclosure -- Red Rock settlement

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Martin T. McGuinn [redacted]
Sent: Wednesday, July 02, 2008 6:21 PM
To: Battaglia, Paul J.
Cc: Stevens, Lawrence W.
Subject: DOCSSEA[redacted]Modifications suggested by Sheridan



REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525-
Direct Fax: (619) 525-

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is entered into as of June 18, 2008, by and between Washington Mutual Bank, , a federally chartered savings association ("WaMu"), California Reconveyance Company ("CRC"), James York ("York") and Red Rock Mortgage Inc. ("Red Rock"). York and Red Rock shall hereafter be collectively referred to as Red Rock. For purposes of this Agreement, the term "WaMu" shall also refer to all predecessors, successors, assigns and investors of WaMu, including, without limitation, any person or entity taking assignment of the Note and Deed of Trust originated by WaMu as described below, except as specifically identified herein. WaMu, CRC, York and Red Rock are at times referred to in this Agreement individually as a "Party" and, collectively, as the "Parties."

RECITALS

A. On or about January 4, 2007, WaMu made a loan to Laura Richardson, ("Richardson") evidenced by a promissory note in the sum of $535,001.00 (the "Note").

B. On or about January 4, 2007,, Richardson executed and delivered to WaMu a Deed of Trust (the "WaMu Deed of Trust") securing the real property located at 3622 West Curtis Drive, Sacramento, California 95818 ("the Property"). On or about January 10, 2007, the WaMu Deed of Trust was recorded in the County Recorder's Office for Sacramento County, California at Book 20070110, Page 1818.

Deleted: Trust

Deleted: Trust Deed

C. Richardson became delinquent on the Note and on December 14, 2007, WaMu caused CRC to record a Notice of Default against the Property at Book 20071214, Page 358. Thereafter, CRC recorded a Notice of Sale on March 19, 2008 setting the original sale date for the Property on April 7, 2008 at Book 2008-0319, Page 352. CRC conducted a foreclosure sale on May 7, 2008, and Red Rock was the highest bidder at the sale. On or about May 19, 2008, Red Rock recorded a Trustees Deed Upon Sale, which was recorded, at Book 20080519, Page 0487 in the Official Records of the Sacramento County Recorder.

D. Prior to the foreclosure sale through which Red Rock claims title to the Property, WaMu claims it had agreed in writing to provide Richardson with a postponement of the foreclosure sale to June 4, 2008. Red Rock acknowledges that it received a copy of said letter after the foreclosure sale. WaMu and CRC contend that as a result of theirpurported agreement to postpone the foreclosure sale to June 4, 2008, CRC did not have the requisite legal authority to proceed with the foreclosure sale on May 7, 2008, and that the sale to Red Rock was invalid and could be rescinded. On June 2, 2008, CRC recorded a Notice of Rescission of Trustee's Deed Upon Sale at Book 20080602, Page 0885 in the Official Records of the Sacramento County Recorder.

Deleted:

Deleted:

Deleted: c

E. Red Rock disagrees that CRC had the right to rescind the foreclosure sale conducted on May 7, 2008. Red Rock claims the foreclosure sale was final and that it was a bona fide purchaser for value and that it was not aware of the postponement issue

JPMC - 002139
CONFIDENTIAL
CSOC.RICH.003628

until after May 7, 2008. On June 12, 2008, Red Rock filed a lawsuit in Sacramento County Superior Court under cause number 34-2008.00013081-CU-OR-GDS (the "Action") seeking, among other things, to quiet title to the Property in Red Rock's name.

F. The parties wish to resolve their differences and avoid further litigation over the nature and extent of WaMu's and CRC's rights to rescind the foreclosure sale conducted on May 7, 2008, to confirm title to the Property in favor of Richardson subject to the lien of WaMu, and to reimburse Red Rock for its out of pocket expenses related to the Property and incurred in the Action and any related claims for loss arising over the quieting of title to the Property and any claims Red Rock may have against WaMu, CRC, or their agents or employees related to the rescission of the Trustee's Deed Upon Sale to Red Rock, and any dispute over title to the Property prior, during and after the foreclosure sale conducted on May 7, 2008.

G. The Parties desire to rescind the effect of the foreclosure sale through this Agreement whereby WaMu will pay a settlement to Red Rock and Red Rock will execute and deliver to WaMu a quitclaim deed from Red Rock to Richardson. Red Rock further agrees that by executing this Agreement, it is disclaiming any interest in the Property.

H. The Parties desire to clarify and confirm how the title to the Property will be held, resolve their differences, and confirm their understanding of how the foreclosure sale will be rescinded. The parties are entering into this Agreement in order to avoid the costs and uncertainty of litigation and settle all alleged claims Red Rock has against WaMu or CRC, known and unknown arising from the May 7, 2008 foreclosure sale and the rescission of the foreclosure sale and restoration of the viability of the Note and WaMu's Deed of Trust against the Property.

Deleted:

AGREEMENT

Deleted: RECITALS

The Parties, on behalf of themselves and on behalf of their respective principals, officers, directors, investors, parents, affiliates, employees, trustees, attorneys, agents, predecessors and successors, and on behalf of all other nonparties, in consideration of the promises set forth below, agree as follows:

1. OBLIGATIONS OF WaMu AND CRC.

1.1. WaMu agrees to pay the sum of $100,000.00 in certified funds to Red Rock upon the execution of the Agreement by all Parties. The sum of $100,000.00 includes sums to reimburse Red Rock for any out of pocket expenses it has incurred related to the Property, any interest on the funds paid by Red Rock at the foreclosure sale on May 7, 2008, Red Rock's anticipated profits on the resale of the Property and any legal fees incurred by Red Rock prior to and after the Action was filed.

Deleted: upon

1.2. WaMu, contemporaneously with the payment of the sum of $100,000.00, shall also return the sum of $388,000.01 paid by Red Rock at the foreclosure sale conducted on May 7, 2008.

JPMC - 002140
CONFIDENTIAL
CSOC.RICH.003629

1.3. WaMu and CRC agree to execute this Agreement and be bound by the terms of the Agreement.

2. Obligations of Red Rock and York under this Agreement.

2.1. Red Rock agrees to be bound by the terms of this Agreement and execute the Agreement.

2.2. Red Rock agrees to accept the sum of $100,000.00, plus the return of the $388,000.01 paid at the foreclosure sale on May 7, 2008.

2.3. Upon execution of the Agreement Red Rock also agrees to contemporaneously execute a quitclaim deed in recordable form for the Property to Richardson in the form attached hereto and incorporated herein by reference as Exhibit A.

2.4. Red Rock warrants and represents that it has not encumbered or transferred the Property to any third party after May 7, 2008 to, and including, the date of the execution of this Agreement.

2.5. Red Rock shall immediately file a dismissal of the Action with prejudice.

2.6. Red Rocks will deliver with its signatures to this Agreement all sets of the keys to the Property in its possession or control.

Formatted: Bullets and Numbering

3. Release of All Claims.

3.1. Upon execution of this Agreement by the Parties, and performance of all acts required to be done by each of them under this Agreement, the Parties release, each other and all who acted in concert or participation with them, their officers, directors, employees, agents, attorneys, investors, predecessors, successors, assigns, parents, affiliates, and all others (the "Related Parties") from and against all claims, causes of action, liabilities, demands, obligations, damages, costs, expenses, and attorneys' fees, of whatever kind or nature, whether known or unknown, whether accrued or not yet accrued, based on, arising out of, or relating to the foreclosure sale of May 7, 2008, the delivery of the Trustee's Deed from CRC to the Red Rock on or about May 19, 2008, all claims alleged in the Action, and any claims of loss or reimbursement of expenses or legal fees, including interest on said sums, arising out of or relating to the foreclosure sale of May 7, 2008, and the rescission of the Trustees Deed Upon Sale by CRC.

Deleted: Red Rock
Deleted: s
Deleted: WaMu, CRC
Deleted: –

3.2. In consideration of this Agreement, the Parties further waive and will not assert against the Related Parties, any claim, counterclaim, defense, offset, action, or cause of action under common law or any federal or state statute, rule, or regulation, that Red Rock may have prior to the date of this Agreement, based on, arising out of, or relating to the foreclosure sale of May 7, 2008, and the delivery of the Trustee's Deed from CRC to Red Rock on or about May 19, 2008, including, but not limited to, all claims alleged in the Action and any claims of loss or reimbursement of expenses or legal fees, including

Deleted: Red Rock
Deleted: s

JPMC - 002141
CONFIDENTIAL
CSOC.RICH.003630

interest on said sums, arising out of or relating to the purchase of the Property by Red Rock at the May 7, 2008 foreclosure sale and the rescission of the Trustees Deed Upon Sale by CRC.

4. Waiver of California Civil Code Section 1542.

4.1. It is the intention of the Parties to this Agreement that this Agreement shall be effective as a full and complete release of each and every claim that the Parties may have against each other and the Released Parties based on, arising out of, or relating to the foreclosure sale of May 7, 2008, the delivery of the Deed from CRC to the Red Rock on or about May 19, 2008, including, but not limited to, all claims alleged in the Action and any claims of loss or reimbursement of expenses or legal fees, including interest on said sums, arising out of or relating to the purchase of the Property by Red Rock and the rescission of the Trustees Deed Upon Sale by CRC, with the exception of obligations created under this Agreement.

Deleted: Red Rock
Deleted: WaMu, CRC

4.2. The Parties acknowledge each of them have been advised, and is familiar with, Section 1542 of the California Civil Code, which provides as follows:

Deleted: Red Rock
Deleted: s

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Deleted: _____
Formatted: Indent: Left: 0.5"
Deleted: Parties' Initials)¶

(York Red Rock WMB CRC

4.3. The Parties waive and release any right, claim, or benefit which each of them now has or may have under Civil Code Section 1542 to the full extent that each of them may lawfully waive all such rights and benefits in connection with the claims released in the Agreement.

Deleted: Red Rock
Deleted: s
Deleted: s

5. Time of the Essence. The Parties agree time is of the essence in the Agreement.

6. Assumption of Risk. Each Party expressly elects to assume all risks arising prior to this Agreement based on, arising out of, or relating to the foreclosure sale of May 7, 2008 and the delivery of the Deed from CRC to the Red Rock on or about May 19, 2008, including, but not limited to, all claims alleged in the Action and any claims of loss or reimbursement of expenses or legal fees, including interest on said sums, arising out of or relating to the purchase of the Property by Red Rock at the foreclosure sale of May 7, 2008 and the rescission of the Trustees Deed Upon Sale by CRC.

6.1. Each Party fully understands that the facts upon which this Agreement is executed may be found hereafter to be other than or different from the facts now

believed by them and their attorneys (if any) to be true, and expressly accept to assume the risks of such possible differences and facts and agree that the Agreement shall remain effective notwithstanding any such difference in facts.

7. Governing Law. This Agreement is made and entered into in the State of California and shall be enforced and governed by the laws of the State of California.

8. No Admission of Liability. This Agreement is entered into solely as a settlement and compromise of disputed claims; this Agreement shall not be deemed to constitute an admission of guilt or liability by any Party.

9. Drafting Ambiguities. The terms of this Agreement are contractual in nature and are not merely recitals. This Agreement shall not be construed in favor of or against any Party to this Agreement, but shall be construed as if all Parties prepared the Agreement. If any term, provision, covenant, or condition to this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated, unless such invalid, void or unenforceable provision is determined to be material to this Agreement.

10. Entire Agreement. This Agreement, and all prior or contemporaneous agreements, understandings, representations and statements, whether oral or written, and whether by a Party or a Party's legal counsel, are merged herein. No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing and signed by all Parties hereto. This Agreement constitutes the entire Agreement between the Parties as to the subject matter contained in this Agreement.

11. Warranty of No Sale or Assignment. All Parties to this Agreement represent, agree, and warrant to each other that each has not sold, assigned, or otherwise transferred in any manner to any person or entity, any rights, duties, obligations, claims, causes of action or other interests which are the subject matter of this Agreement, either in whole or in part, and each agrees to indemnify and hold harmless each other from and against all claims of every nature whatsoever which are based on or arise out of or in any way relate to any such sale, assignment, or transfer.

12. Execution of Other Documents. The Parties agree to execute and deliver any and all further documents and shall do all acts which may be necessary and appropriate to fully implement the provisions of this Agreement within the time required by this Agreement.

13. Enforcement of the Agreement. In the event that any Party brings any action or proceeding against the other for the recovery of any sum due pursuant to this Agreement, or due to any provision of this Agreement, or for any other relief, declaratory or otherwise, including appeal, the prevailing Party in each such action or proceeding shall recover its reasonable attorneys' fees and all costs from other Party to the action or proceeding, and that the right to reasonable attorneys' fees and costs shall be enforceable whether or not the actual proceeding is prosecuted to final judgment.

JPMC - 002143
CONFIDENTIAL
CSOC.RICH.003632

14. Authority to Execute Agreement. Each individual signing this Agreement warrants and represents that the individual has full authority to execute the Agreement on behalf of the Party on whose behalf the individual signs.

15. Counterparts. This Agreement may be executed in counterparts, and the counterparts shall constitute one and the same document.

16. Costs and Attorneys' Fees. The Parties agree that they shall be responsible for their own respective costs and attorneys' fees in connection with the drafting and negotiation of this Agreement, except as the parties may otherwise agree in a separate writing.

17. Venue. Should any dispute arise between the Parties as to the meaning and interpretation of this Agreement or should any of the parties be required to take legal action to enforce the terms of this Agreement, venue for any dispute shall be in Sacramento County, California.

18. Attorney Review. The Parties hereby represent and warrant and in executing this Agreement, that they have relied upon legal advice from an attorney of their choice; that the terms of this Agreement have been read and its consequences have been completely explained to them by that attorney; and that they fully understand the terms of this Agreement. The Parties further represent and warrant that in executing this Agreement, they have not relied on any inducements, promises or representations made by the other party or any person serving another party.

19. Survivability of Agreement. Any and all executory provisions under the Agreement and the documents referred to herein shall survive consummation of the Agreement and shall continue in full force and effect until fully performed and satisfied.

20. Notices. All notices under the Agreement shall be in writing and shall be deemed effective on the date of delivery (if delivered personally and a receipt obtained therefore), or on the third calendar day after mailing if mailed by first-class mail, registered or certified, postage prepaid, and shall be addressed as follows or as may be amended by written communication pursuant to this paragraph:

Washington Mutual Bank
California Reconveyance Company
c/o Martin McGuinn
Kirby & McGuinn A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Telephone: (619) 525-1659
Facsimile: (619) 525-1669

Washington Mutual Bank
California Reconveyance Company
Attn.: Paul Battaglia
1301 Second Avenue, WaMuT 3501
Seattle, WA 98101
Telephone: (206) 500-4261
Facsimile: (206) 377-2784

Red Rock Mortgage Inc.

JPMC - 002144
CONFIDENTIAL
CSOC.RICH.003633

James York
c/o Thomas B. Sheridan, Esq.
Wagner Kirkman Blaine
Klomparens & Youmans LLC
10640 Mather Blvd., Suite 200l
Mather, CA 956554
Telephone: (916) 920-5286
Facsimile: (916) 920-8608

Deleted: Esq.

21. Other Agreements with WaMu or CRC. Nothing contained herein shall effect, amend or modify any provision of any checking account, savings account, loan agreement, deed of trust, mortgage or any other contract or agreement between Red Rock or York and WaMu or CRC except as expressly set forth herein.

22. Taxes. WaMu makes no representation or warranty as to effect of this Agreement upon Red Rock's liabilities pursuant to federal, state or local tax laws, including, but not limited to, real property taxes or regulations. Red Rock acknowledges that any and all tax consequences of this Agreement are their sole responsibility.

23. Confidentiality. This Agreement and its terms as recited herein are and shall be treated as strictly confidential so that no Party, nor his, her, or its counsel may disclose the fact or the terms of, or the negotiation or circumstances surrounding the negotiation of, this Agreement to anyone, except with respect to any disclosure necessary to record any document with the Sacramento County Recorder; to an insurer for purposes of obtaining insurance; or to a tax preparer/accountant for tax or financial reporting purposes (however, upon disclosure for such tax or financial reporting purposes, the person making the disclosure shall advise the person to whom disclosure is made of this confidentiality provision). A Party may disclose the fact and terms of this Agreement in order to satisfy disclosure or reporting requirements imposed by law or to enforce the terms of this Agreement. In response to any inquiry by a non-party to this Agreement concerning the Agreement, the terms of this Agreement, the negotiation or circumstances surrounding the negotiation of this Agreement, whether such inquiry is formal, at a deposition, in any proceeding, or otherwise, a Party or counsel may respond only that the Action was resolved to the satisfaction of all Parties. Furthermore, the Parties and their respective counsel agree that they will not discuss with or disclose to any non-party to this Agreement the facts, circumstances and documents relating, giving rise to or alleged in the Action, except as may be required to be provided in connection with testimony under oath by judicial process, or as required by law. Breach or the threatened breach of this confidentiality clause shall entitle the non-breaching party to seek any remedy available under the law, including injunctive relief and/or damages. Any other provision of this paragraph notwithstanding, Red Rock is authorized to: (i) file a dismissal with prejudice in the Sacramento Superior Court, such as it is a part of the record in the Action and available for public inspection; and (ii) disclose the amounts received and all other terms of this settlement in connection with reporting and accounting requirements under the Internal Revenue Code.

JPMC - 002145
CONFIDENTIAL
CSOC.RICH.003634

I CERTIFY THAT I HAVE READ AND FULLY UNDERSTAND THE ENTIRE AGREEMENT

WASHINGTON MUTUAL BANK

By:_____
Its:_____

CALIFORNIA RECONVEYANCE COMPANY

By:_____
Deborah Brignac
Its: Vice President

Formatted: Tabs: -1", Left
Deleted: Manager ¶

RED ROCK MORTGAGE INC.

By:_____
James York, President

_____
James York

JPMC - 002146
CONFIDENTIAL
CSOC.RICH.003635

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Wednesday, July 2, 2008 9:58 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Brignac, Deborah P. <deborah.brignac@wamu.net>
Cc: Martin T. McGuinn <[redacted]>
Subject: Richardson foreclosure -- Red Rock settlement
Attach: DOCSSEA[redacted]-Modifications suggested by Sheridan.doc

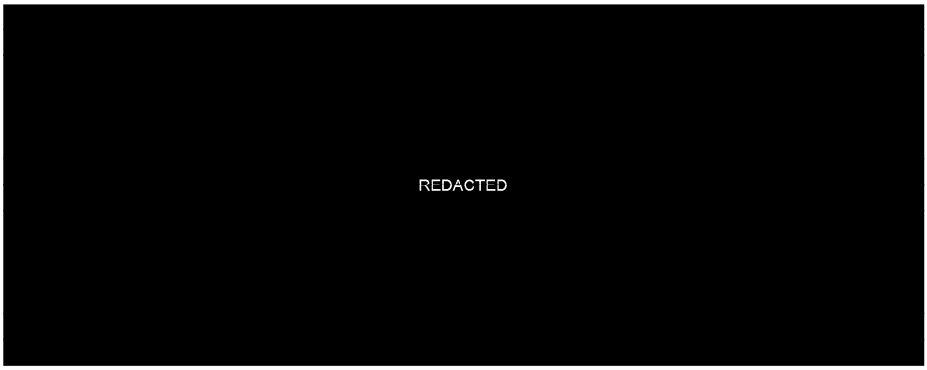
REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Martin T. McGuinn [[redacted]]
Sent: Wednesday, July 02, 2008 6:21 PM
To: Battaglia, Paul J.
Cc: Stevens, Lawrence W.
Subject: DOCSSEA[redacted]Modifications suggested by Sheridan

REDACTED



Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525
Direct Fax: (619) 525

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Brignac, Deborah P.
Sent: Wednesday, July 02, 2008 9:58:24 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply: Richardson foreclosure -- Red Rock settlement

I will be out of the office Friday, 7/3. If you require immediate assistance please contact Huey-Jen Chiu at (818) 775[illegible]
or huey-jen.chiu@wamu.net. Thank you.

NOTE: Please direct all DIL, Senior Lien Monitoring and TDUS inquiries to crcreferrals@wamu.net. Thank you.

From: Martin T. McGuinn [redacted]
Sent: Wednesday, July 2, 2008 9:21 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Stevens, Lawrence W. <lawrence.stevens@wamu.net>
Subject: DOCSSEA[redacted]v2-Modifications suggested by Sheridan
Attach: DOCSSEA[redacted]v2-Modifications suggested by Sheridan.doc

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525[redacted]
Direct Fax: (619) 525[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Martin T. McGuinn <[redacted]>
Sent: Thursday, June 26, 2008 5:37 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Cook, Don <donald.cook@wamu.net>
Subject: FW: Scanned Documents
Attach: SCAN_20080624_22305220.pdf

Paul:

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525[redacted]
Direct Fax: (619) 525[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

-----Original Message-----
From: Tom Sheridan [[redacted]
Sent: Thursday, June 26, 2008 2:31 PM
To: Martin T. McGuinn
Subject: FW: Scanned Documents

-----Original Message-----
From: Tom Sheridan
Sent: Tuesday, June 24, 2008 2:55 PM
To: 'Martin T. McGuinn'
Cc: Robin Klomparens
Subject: FW: Scanned Documents

Marty,

Here is the itemized cost breakdown detailing my client's costs in relation to the Curtis Drive property. Please let me know when you expect to deliver a draft of the Settlement Agreement. Thanks.

Tom Sheridan

Attorney at Law 10640 Mather Blvd.
Suite 200
Mather, CA 95655 Tel: (916) 920-5286
Fax: (916) 920-8608
Email: tsheridan

IF THE ABOVE RELATES TO A TAX MATTER THEN, PURSUANT TO IRS RULES, WE MUST ADVISE YOU OF THE FOLLOWING: THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE. Under IRS Rules, a taxpayer may rely on our advice to avoid penalties only if the advice is reflected in a more formal tax opinion that conforms to new IRS standards. Please contact us if you would like to discuss the preparation of a legal opinion that conforms to these rules.

==========

CONFIDENTIALITY NOTICE: This communication and any accompanying document(s) are confidential and privileged. They are intended for the sole use of the addressee. If you receive this transmission in error, you are advised that any disclosure, copying, distribution, or the taking of any action in reliance upon the communication is strictly prohibited. Moreover, any such inadvertent disclosure shall not compromise or waive the attorney-client privilege as to this communication or otherwise. If you have received this communication in error, please contact our office at (916) 920-5286. 06070603:20

CURTIS DRIVE COST BREAKDOWN

DATE:	PAYEE:	AMOUNT:
13-May	Newberry Lock	100.00
14-May	Scott--Labor	200.00
16-May	Home Depot	170.25
16-May	Juan Martinez--Labor	280.00
17-May	Ramero - Labor	100.00
19-May	Artistic Tile	2,000.00
15-May	Matt Wotten - Labor	1,083.33
15-May	Daniel Claybornie -Labor	1,750.00
22-May	Scott plumbing	475.00
23-May	Mario Landscape	250.00
23-May	Robert Pittman Cabinets	1,725.00
23-May	Artistic Tile	2,745.00
23-May	Advance Disposal	500.00
a/p	Bebermeyer Asset Mgmt, Inc.	3,500.00
a/p	Smud - Estimated	100.00
TOTAL:		**14,978.58**

From: Mathis, Julie A.
Sent: Tuesday, June 24, 2008 4:58:56 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply: [redacted] Richardson

I will be out of the office Wednesday, June 25th. I will return on Monday, July 7th. If you need immediate attention, please contact Nicol Peters for short sale matters and Pam Beal on modification matters.

Thank you,

Julie Mathis

From: Thorn, Ann
Sent: Tuesday, June 24, 2008 4:58:54 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply: [redacted] Richardson

I will be out of the office Wednesday, June 25th with limited access to email. If you need immediate assistant, please contact Sue Oakley at susan.oakley@wamu.net

Thank you
Ann

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Tuesday, June 24, 2008 11:45 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Fw: [redacted] Richardson

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Mathis, Julie A.
To: Thorn, Ann
Sent: Tue Jun 24 06:53:52 2008
Subject: FW: [redacted] Richardson

FYI

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [redacted] Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes $8109.81 + $405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Stevens, Lawrence W.
Sent: Monday, June 23, 2008 1:53:34 PM
To: Battaglia, Paul J.
Subject: RE: Richardson

No, we haven't opened a file on it. I will send it up.

Lawrence W. Stevens
First Vice President and Senior Counsel
Washington Mutual Bank Legal Department
201 Mission Street, 12th Floor
Mail Stop CSSF112
San Francisco, CA 94105
415-278-4585 (Phone)
415-278-6012 (Fax)
lawrence.stevens@wamu.net

NOTICE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Monday, June 23, 2008 10:52 AM
To: Stevens, Lawrence W.
Subject: RE: Richardson

Go ahead and forward it to me. Do you have a file open on this? Curious why the bill went to you.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Stevens, Lawrence W.
Sent: Monday, June 23, 2008 10:50 AM
To: Battaglia, Paul J.
Subject: Richardson

Paul-- I received Marty McGuinn's bill on this matter. Do you want me to sign off on it, or forward to you? Thanks.

Lawrence W. Stevens
First Vice President and Senior Counsel
Washington Mutual Bank Legal Department
201 Mission Street, 12th Floor
Mail Stop CSSF112
San Francisco, CA 94105
415-278-4585 (Phone)
415-278-6012 (Fax)
lawrence.stevens@wamu.net

NOTICE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Monday, June 23, 2008 1:51:34 PM
To: Stevens, Lawrence W.
Subject: RE: Richardson

Go ahead and forward it to me. Do you have a file open on this? Curious why the bill went to you.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Stevens, Lawrence W.
Sent: Monday, June 23, 2008 10:50 AM
To: Battaglia, Paul J.
Subject: Richardson

Paul– I received Marty McGuinn's bill on this matter. Do you want me to sign off on it, or forward to you? Thanks.

Lawrence W. Stevens
First Vice President and Senior Counsel
Washington Mutual Bank Legal Department
201 Mission Street, 12th Floor
Mail Stop CSSF112
San Francisco, CA 94105
415-278-4585 (Phone)
415-278-6012 (Fax)
lawrence.stevens@wamu.net

NOTICE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Stevens, Lawrence W.
Sent: Monday, June 23, 2008 1:49:56 PM
To: Battaglia, Paul J.
Subject: Richardson

Paul-- I received Marty McGuinn's bill on this matter. Do you want me to sign off on it, or forward to you? Thanks.

Lawrence W. Stevens
First Vice President and Senior Counsel
Washington Mutual Bank Legal Department
201 Mission Street, 12th Floor
Mail Stop CSSF112
San Francisco, CA 94105
415-278-4585 (Phone)
415-278-6012 (Fax)
lawrence.stevens@wamu.net

NOTICE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, June 20, 2008 6:35 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Friday, June 20, 2008 3:13 PM
To: Gaugl, Sara C.
Subject: RE: Follow-up on Loss Mit

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Friday, June 20, 2008 2:16 PM
To: Battaglia, Paul J.
Subject: RE: Follow-up on Loss Mit

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Friday, June 20, 2008 11:58 AM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann
Sent: Thursday, June 19, 2008 8:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Laura Richardson[redacted]]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at 202-225-7924 or cell 562-706[redacted].
Thanks, Laura

----- Forwarded Message ----
From: Laura Richardson [redacted]>
To: "Thorn, Ann" <ann.thorn@wamu.net>

Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,
I just sent the WaMu borrower assistance form via fax to 904-886-[redacted]. I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either 202-225-7924 or 562-706-[redacted]

Thanks,
Laura

----- Original Message ----
From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson [redacted]
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Friday, June 20, 2008 6:13 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Friday, June 20, 2008 2:16 PM
To: Battaglia, Paul J.
Subject: RE: Follow-up on Loss Mit

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Friday, June 20, 2008 11:58 AM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager

904-886-5644

For Internal Use Only

From: Thorn, Ann
Sent: Thursday, June 19, 2008 8:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Laura Richardson [redacted]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at 202-225-7924 or cell 562-706[redacted]
Thanks, Laura

----- Forwarded Message ----
From: Laura Richardson [redacted]>
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,
I just sent the WaMu borrower assistance form via fax to 904-886-[redacted] I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either 202-225-7924 or 562-706[redacted]

Thanks,
Laura

----- Original Message ----
From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson [redacted]n>
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, June 20, 2008 5:16 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Friday, June 20, 2008 11:58 AM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann
Sent: Thursday, June 19, 2008 8:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Laura Richardson [redacted]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.

Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at 202-225-7924 or cell 562-706[redacted]
Thanks, Laura

----- Forwarded Message ----
From: Laura Richardson [redacted]
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,
I just sent the WaMu borrower assistance form via fax to 904-886[redacted] I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either 202-225-7924 or 562-706[redacted]

Thanks,
Laura

----- Original Message ----
From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson <[redacted]>
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Warner, Anita M. <anita.warner@wamu.net>
Sent: Thursday, June 19, 2008 2:43 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Congresswoman Richardson
Attach: e6fa7ddcbf5a7370e362e3ef86732307.htm

<<...>>

Group seeks ethics probe of Calif. congresswoman

Watchdog group seeks ethics probe of Calif. congresswoman who defaulted on home loans

June 19, 2008: 01:08 PM EST

NEW YORK (Associated Press) - A watchdog group asked the House Ethics Committee to investigate U.S. Rep. Laura Richardson over her history of defaulting on home loans and other issues.

Citizens for Responsibility and Ethics in Washington wants the committee to determine whether the Long Beach Democrat received what amounted to an improper gift when Washington Mutual Inc. rescinded the foreclosure sale of one of her homes last month.

Richardson's spokesman dismissed the group's complaint, which was made Wednesday, as "mean-spirited" and said the congresswoman already had initiated a meeting with a committee attorney.

The real estate investor who bought the Sacramento house at auction has sued Richardson and the savings and loan alleging the sale was proper. The sale is officially recorded in Sacramento County.

The buyer, James York, said Richardson received special treatment from Washington Mutual because she's a congresswoman. Richardson has denied that, saying the 1,600-square-foot home she bought for $535,500 in January 2007 was sold into foreclosure without her knowledge and contrary to an agreement with Washington Mutual.

Top Stories

Oil tumbles $5 as China raises gas prices

Nasdaq advances, Dow adrift

Paulson: Wall St. reform needed now

Did the Fed go too far?

Bear case: Credit crunch's first prosecution

She had not paid the mortgage or property taxes on the house when it was sold in May.

Richardson also had two other homes in her Southern California district that have fallen into default six times.

The Long Beach Press-Telegram has reported that Richardson also has left car repair bills unpaid and failed to disclose certain financial details _ including a loan from a strip club owner _ when she served on the Long Beach City Council.

Moreover, even while falling behind in home payments last year, Richardson was lending herself $77,500 to finance her campaign in the contested special election congressional primary that she won in June 2007.

She then won the 37th Congressional District seat outright last August and is running unopposed for re-election in November.

"By failing to pay her debts, filing incorrect financial disclosure forms and funneling money that should have gone to pay her mortgage and property taxes to her congressional campaign, Rep. Richardson has signaled that legal and financial obligations can be ignored in the pursuit of political power," said Melanie Sloan, executive director of the ethics watchdog group.

Richardson has defended herself by saying her personal finances became a mess as she was jumping from one elective office to the next.

"The congresswoman has been very open and forthcoming about her personal financial challenges. Like many Americans facing difficulties during this economic downturn, she's confident that she will meet all of her financial obligations," Richardson spokesman William Marshall said in a statement Wednesday evening.

"This complaint is mean-spirited. It rehashes old news and doesn't serve any purpose other than kicking a person while they're down. The fact is that Congresswoman Richardson just last week met with a House Ethics counsel and was advised that her congressional financial disclosure statement is in full accordance with what is required."

Richardson went from Long Beach City Council to the state Assembly in 2006 and a year later won the Los Angeles-area congressional seat formerly held by the late Juanita Millender-McDonald.

Richardson bought the 3-bedroom, 1 1/2-bath Sacramento home in January 2007 as she was entering the state Legislature, four months before Millender-McDonald died of cancer.

A Washington Mutual spokeswoman did not immediately return a message. The company has declined to comment on the matter, saying Richardson had not granted permission for the company to discuss her case.

Under its own rules, the House Ethics Committee can initiate investigations on its own, when a member of Congress files a complaint or when a member of Congress certifies a complaint submitted by an outside group.

The complaint by Citizens for Responsibility and Ethics in Washington is not backed by a member of Congress, so the committee has no obligation to open an investigation. A spokesman for the House Ethics Committee declined comment.

Under House rules, loans are not considered gifts if they are received by lawmakers "on terms generally available to the public." The citizens group says that if Washington Mutual gave Richardson favorable treatment, it would violate that rule.

The House ethics manual begins by stating that a lawmaker "shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives." The citizens group says Richardson did not live up to that standard.

More Markets
Nasdaq advances, Dow adrift
Paulson says Wall Street reform needed now

Oil tumbles $5 as China raises fuel prices
The Hot List
100 best places to start a business
Diesel: The truck stops here
'You're working for gas now'

Copyright 2007 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten, or redistributed.
© 2008 Cable News Network. A Time Warner Company. All Rights Reserved. Terms under which this service is provided to you. Privacy Policy
Home Portfolio Calculators Contact Us Newsletters Podcasts RSS Mobile Widgets Press Center Site Map User Preferences
Advertise with Us Magazine Customer Service Download Fortune Lists Reprints Career Opportunities Special Sections Conferences Business Leader Council
Live Quotes automatically refresh, but individual equities are delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges. Market indexes are shown in real time, except for the DJIA, which is delayed by two minutes. All times are ET.
* : Time reflects local markets trading time. † - Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges. Disclaimer
Copyright © 2008 BigCharts.com Inc. All rights reserved. Please see our Terms of Use.
MarketWatch, the MarketWatch logo, and BigCharts are registered trademarks of MarketWatch, Inc.
Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges. All Times are ET.
Intraday data provided by Interactive Data Real-Time Services and subject to the Terms of Use.
Historical, current end-of-day data, and splits data provided by Interactive Data Pricing and Reference Data.
Fundamental data provided by Hemscott.
SEC Filings data provided by Edgar Online Inc..
Earnings data provided by FactSet CallStreet, LLC.

Subject: Accepted: Updated: Richardson Update
Location: 888-595[redacted]

Start: 6/19/2008 1:00 PM
End: 6/19/2008 1:30 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Baptista, Geri Ann S.
Resources: 888-595[redacted]

Subject: Updated: Richardson Update
Location: 888-595[redacted]

Start: 6/19/2008 1:00 PM
End: 6/19/2008 1:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Baptista, Geri Ann S.; Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Resources: 888-595[redacted]

When: Thursday, June 19, 2008 10:00 AM-10:30 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 888-595[redacted]

~~*~*~*~*~*~*~*~*

changing time to accommodate schedules

Subject: Accepted: Richardson Update
Location: 888-595[illegible]

Start: 6/19/2008 12:00 PM
End: 6/19/2008 12:30 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Baptista, Geri Ann S.
Resources: 888-595[illegible]

Subject: Updated: Richardson Update
Location: 888-595[redacted]

Start: 6/19/2008 1:00 PM
End: 6/19/2008 1:30 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Baptista, Geri Ann S.; Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Resources: 888-595-[redacted]

changing time to accommodate schedules

Subject: Richardson Update
Location: 888-595[illegible]

Start: 6/19/2008 12:00 PM
End: 6/19/2008 12:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Baptista, Geri Ann S.; Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Resources: 888-595[illegible]

When: Thursday, June 19, 2008 9:00 AM-9:30 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 888-595[illegible]

~~*~*~*~*~*~*~*~*

From: Martin T. McGuinn <[redacted]>
Sent: Wednesday, June 18, 2008 7:49 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: REDACTED
Attach: ~in9154.pdf

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525-[redacted]
Direct Fax: (619) 525-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Tom Sheridan [mailto:[redacted]]
Sent: Wednesday, June 18, 2008 4:32 PM
To: Martin T. McGuinn
Subject: FW: New fax received from , 2 page(s).

Marty,

Here is the letter I received from Laura Richardson's counsel. I am planning on informing her that the case has been amicably resolved and that her client will be dismissed without prejudice upon the execution of a formal settlement agreement. If your client would rather you speak to her, or speak with her directly that is fine too. Let me know. Thanks.

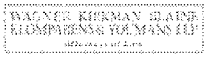
From: Reception Desk [mailto:[redacted]] **On Behalf Of** Network Fax
Sent: Wednesday, June 18, 2008 2:47 PM
To: Tom Sheridan; Cheryl Ewing; Darlene Tatlow
Subject: FW: New fax received from , 2 page(s).

Fax re: Laura Richardson et al adv Red Rock Mortgage

From: INCOMING (FACSys Connector) [mailto:NetworkFAX]
Sent: Wednesday, June 18, 2008 2:41 PM
To: Network Fax
Subject: New fax received from , 2 page(s).

You have received a new fax from

The image contains 2 page(s).



Network Fax

Tel:
Fax:
Email: netfax@wkblaw.com

IF THE ABOVE RELATES TO A TAX MATTER THEN, PURSUANT TO IRS RULES, WE MUST ADVISE YOU OF THE FOLLOWING: THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE. Under IRS Rules, a taxpayer may rely on our advice to avoid penalties only if the advice is reflected in a more formal tax opinion that conforms to new IRS standards. Please contact us if you would like to discuss the preparation of a legal opinion that conforms to these rules.

==========

CONFIDENTIALITY NOTICE: This communication and any accompanying document(s) are confidential and privileged. They are intended for the sole use of the addressee. If you receive this transmission in error, you are advised that any disclosure, copying, distribution, or the taking of any action in reliance upon the communication is strictly prohibited. Moreover, any such inadvertent disclosure shall not compromise or waive the attorney-client privilege as to this communication or otherwise. If you have received this communication in error, please contact our office at (916) 920-5286.

Jun 18 08 02:34p p.1

This facsimile message and its contents are legally privileged and confidential information intended solely for the use of the addressee. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, copying or other use of this message and its contents is strictly prohibited. If you have received this telecopy in error, please notify us immediately by telephone and return the original message to us at the address shown below via the United States Postal Service. Thank You.

Meredith L. Caliman, Esq.
3858 Carson Street, Suite 120
Torrance, California 90503
(310) 540-5701
Fax (310) 540-5702

TELECOPY

PLEASE DELIVER AS SOON AS POSSIBLE

DATE: June 18, 2008

TO: Carl P. Blaine, Esq. Tel: (916) 920[illegible] Fax: **(916) 920**[illegible]
Thomas B. Sheridan, Esq.

FROM: MEREDITH L. CALIMAN, ESQ.

CLIENT/MATTER: ***Laura Richardson et al adv Red Rock Mortgage, Inc.***

NO. OF PAGES: 2	OPERATOR:

IF NOT RECEIVED PROPERLY, PLEASE NOTIFY US IMMEDIATELY AT (310) 540-5701

MEREDITH L. CALIMAN
ATTORNEY AT LAW
3858 CARSON STREET, SUITE 120 • TORRANCE, CALIFORNIA 90503
(310) 540-5701 • FAX (310) 540-5702
meredith@calimanlaw.com

June 18, 2008

VIA FAX (916) 920

Carl P. Blaine, Esq.
Thomas B. Sheridan, Esq.
Wagner Kirkman Blaine Klomparens & Youmans LLP
10640 Mather Blvd., Suite 200
Mather, CA 95655

Re: ***Laura Richardson et al adv Red Rock Mortgage, Inc.***
Sacramento Superior Court Case No. Unknown

Dear Sirs:

This office will be assisting Laura Richardson with respect to the above lawsuit. You should serve this office with any papers related to the lawsuit that are directed towards Ms. Richardson, including the summons and complaint.

Very truly yours,

MEREDITH L. CALIMAN

MLC:wp.laurarichardson

From: Berens, John <john.berens@wamu.net>
Sent: Tuesday, June 17, 2008 10:00 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Klein, Jason C. <jason.klein@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: Re: Laura Richardson - Red Rock Counteroffer

REDACTED

----- Original Message -----
From: Battaglia, Paul J.
To: Berens, John; Klein, Jason C.
Cc: Cook, Don
Sent: Tue Jun 17 17:13:29 2008
Subject: Laura Richardson - Red Rock Counteroffer

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Martin T. McGuinn [redacted]

Sent: Tuesday, June 17, 2008 4:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: FW: 3622 Curtis Street Sacramento

REDACTED

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn[redacted]

Direct Dial: (619) 525-[redacted]

Direct Fax: (619) 525-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. ¬ 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Tom Sheridan[redacted]
Sent: Tuesday, June 17, 2008 4:13 PM
To: Martin T. McGuinn
Cc: Robin Klomparens
Subject: Re: 3622 Curtis Street Sacramento

Martin,

I spoke to my client. His offer is 75,000 plus 15,000 in costs, subject to an itemized statement, and 10,000 in attorneys' fees for a total of 100,000. I think this is the end of the road for him, so I hope we can make this work. Please let me know as soon as possible, I am under a lot of pressure to get this complaint served if we are not going to settle. Thanks.

----- Original Message -----
From: Martin T. McGuinn <[redacted]>
To: Tom Sheridan
Sent: Tue Jun 17 15:18:55 2008
Subject: RE: 3622 Curtis Street Sacramento

Yes, our counter is $65,000 plus $15,000 for expenses subject to verification and a cap of $10,000 for attorneys fees for a total of $$90,000.00.

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn[redacted]

Direct Dial: (619) 525[redacted]

Direct Fax: (619) 525[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. ∃ 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Tom Sheridan [redacted]
Sent: Tuesday, June 17, 2008 3:16 PM
To: Martin T. McGuinn
Subject: Re: 3622 Curtis Street Sacramento

I don't think he will want to take the time to do a breakdown until we have a tentative agreement on a number. Can you get me a number subject to a cost breakdown?

----- Original Message -----
From: Martin T. McGuinn <MMcguinn@kirbymac.com>
To: Tom Sheridan

Sent: Tue Jun 17 15:07:24 2008
Subject: 3622 Curtis Street Sacramento

Tom:

Can you get a break down of the $15,000 in expenses. You indicated yesterday Mr. York would be providing a list of the expenses but I have not received it yet. My client is asking me for this information. Thanks.

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmeguinn[redacted]

Direct Dial: (619) 525[redacted]

Direct Fax: (619) 525[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. ⊥ 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

Tom Sheridan
Attorney at Law

10640 Mather Blvd. Suite 200
Mather, CA 95655

Tel: (916) 920-[redacted]

Fax: (916) 920[redacted]
Email: tsheridan[redacted]

IF THE ABOVE RELATES TO A TAX MATTER THEN, PURSUANT TO IRS RULES, WE MUST ADVISE YOU OF THE FOLLOWING: THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE. Under IRS Rules, a taxpayer may rely on our advice to avoid penalties only if the advice is reflected in a more formal tax opinion that conforms to new IRS standards. Please contact us if you would like to discuss the preparation of a legal opinion that conforms to these rules.

==========

CONFIDENTIALITY NOTICE: This communication and any accompanying document(s) are confidential and privileged. They are intended for the sole use of the addressee. If you receive this transmission in error, you are advised that any disclosure, copying, distribution, or the taking of any action in reliance upon the communication is strictly prohibited. Moreover, any such inadvertent disclosure shall not compromise or waive the attorney-client privilege as to this communication or otherwise. If you have received this communication in error, please contact our office at (916) 920-5286. 06070603:20

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, June 17, 2008 8:13 PM
To: Berens, John <john.berens@wamu.net>; Klein, Jason C. <jason.klein@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: Laura Richardson - Red Rock Counteroffer

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Martin T. McGuinn [redacted]
Sent: Tuesday, June 17, 2008 4:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: FW: 3622 Curtis Street Sacramento

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525-[redacted]
Direct Fax: (619) 525-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Tom Sheridan [redacted]
Sent: Tuesday, June 17, 2008 4:13 PM
To: Martin T. McGuinn
Cc: Robin Klomparens
Subject: Re: 3622 Curtis Street Sacramento

Martin,

I spoke to my client. His offer is 75,000 plus 15,000 in costs, subject to an itemized statement, and 10,000 in attorneys' fees for a total of 100,000. I think this is the end of the road for him, so I hope we can make this work. Please let me know as soon as possible. I am under a lot of pressure to get this complaint served if we are not going to settle. Thanks.

----- Original Message -----
From: Martin T. McGuinn [redacted]
To: Tom Sheridan
Sent: Tue Jun 17 15:18:55 2008
Subject: RE: 3622 Curtis Street Sacramento

Yes, our counter is $65,000 plus $15,000 for expenses subject to verification and a cap of $10,000 for attorneys fees for a total of $$90,000.00.

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn[redacted]

Direct Dial: (619) 525[redacted]

Direct Fax: (619) 525[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Tom Sheridan [redacted]
Sent: Tuesday, June 17, 2008 3:16 PM
To: Martin T. McGuinn
Subject: Re: 3622 Curtis Street Sacramento

I don't think he will want to take the time to do a breakdown until we have a tentative agreement on a number. Can you get me a number subject to a cost breakdown?

----- Original Message -----
From: Martin T. McGuinn <[redacted]>
To: Tom Sheridan
Sent: Tue Jun 17 15:07:24 2008
Subject: 3622 Curtis Street Sacramento

Tom:

Can you get a break down of the $15,000 in expenses. You indicated yesterday Mr. York would be providing a list of the expenses but I have not received it yet. My client is asking me for this information. Thanks.

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn[redacted]

Direct Dial: (619) 525[redacted]

Direct Fax: (619) 525[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

Tom Sheridan
Attorney at Law

10640 Mather Blvd. Suite 200
Mather, CA 95655

Tel: (916) 92[illegible]
Fax: (916) 920[illegible]
Email: tsheridan[illegible]

IF THE ABOVE RELATES TO A TAX MATTER THEN, PURSUANT TO IRS RULES, WE MUST ADVISE YOU OF THE FOLLOWING: THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE. Under IRS Rules, a taxpayer may rely on our advice to avoid penalties only if the advice is reflected in a more formal tax opinion that conforms to new IRS standards. Please contact us if you would like to discuss the preparation of a legal opinion that conforms to these rules.

==========

CONFIDENTIALITY NOTICE: This communication and any accompanying document(s) are confidential and privileged. They are intended for the sole use of the addressee. If you receive this transmission in error, you are advised that any disclosure, copying, distribution, or the taking of any action in reliance upon the communication is strictly prohibited. Moreover, any such inadvertent disclosure shall not compromise or waive the attorney-client privilege as to this communication or otherwise. If you have received this communication in error, please contact our office at (916) 920-5286. 06070603:20

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, June 17, 2008 3:21 PM
To: Cook, Don <don.cook@wamu.net>
Subject: FW: Follow-up on Loss Mit
Attach: Scan001.PDF

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Thorn, Ann
Sent: Tuesday, June 17, 2008 12:15 PM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: FW: Follow-up on Loss Mit

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----
From: Thorn, Ann
Sent: Tuesday, June 17, 2008 3:14 PM
To: 'Laura Richardson'
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Washington Mutual
HOME LOANS

7255 Baymeadows Way
Jacksonville, FL 32256
Phone 1-904-886-5644
Fax (904) 886-1627

June 17, 2008

Re: Washington Mutual Loan Number: [redacted]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

Dear Ms. Richardson:

Your e-mail to Julie Mathis dated June 12, 2008 was forwarded to me. You indicated in your e-mail that you would be working on your Homeownership Preservation package over the June 14-15 weekend. I therefore expected to receive your updated financial information sometime on Monday. It is now Tuesday, and I still have not received anything from you, nor have you called to explain your delay.

As you know, in April, 2008, you contacted WaMu asking for the amount necessary to reinstate your loan. We sent you the reinstatement figures on April 17, 2008, along with a cover letter stating that we would postpone the foreclosure proceedings to June 4, 2008. Your property then went to foreclosure sale on May 7, 2008, where it was sold to the high bidder Red Rock Mortgage, Inc. At the time of the foreclosure sale, you were in default on your loan and there was not any loan workout or modification agreement in place between you and WaMu, as your prior request for a loan modification was denied.

Due in part to your comments to me that you fully intended to pay your obligation to WaMu, we honored our commitment to postpone the foreclosure sale by instructing the foreclosure trustee to record a Notice of Rescission of the foreclosure sale, thereby restoring legal title to the Property in your name.

Following the Notice of Rescission, we've had several telephone conversations where you reiterated your desire to fulfill your loan obligation. On May 28, 2008, Wendy Woodcock and I had a telephone conversation with you where we told you that you would have to send in updated financial information for review. We sent you the required forms on June 6, 2008, but they have not yet been completed and returned for our review.

Based on your most recent assurance that you would be working on providing the financial information over the June 14-15 weekend, we expect to have all of the information that we've requested by the end of the day on Friday, June 20, 2008. If we do not have all of the information requested, we will reschedule the foreclosure sale of your property.

Sincerely,

Ann Thorn

Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible]. Participant passcode is[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J.
Resources: Dial in at 1-866-736[illegible]. Participant passcode is[illegible]

Subject: Accepted: FW: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J.
Resources: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

From: Battaglia, Paul J.
Sent: Monday, June 16, 2008 3:03:08 PM
To: Oakley, Susan B.
Subject: RE: Laura Richardson - Counteroffer from foreclosure purchaser

We need to do this at 3:30 your time. My view of calendars showed this to be the time most invitees were available, and we need to have this call today. John Berens has accepted, so the business side should be covered with his participation.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Oakley, Susan B.
Sent: Monday, June 16, 2008 12:00 PM
To: Battaglia, Paul J.
Subject: RE: Laura Richardson - Counteroffer from foreclosure purchaser

Any chance of changing the time to 4:00? She has a Well's meeting at 3:30 that has already been rescheduled a couple times to accommodate so she could be there.

Sue Robert
Executive Assistant to Ann Thorn
Washington Mutual
7255 Baymeadows Way JAXA2035
Jacksonville, FL 32256
(904) 886-5694
Please note - Effective June 23, 2008 New Number will be (904) 462[redacted]

-----Original Appointment-----
From: Samuel, Susan L. **On Behalf Of** Battaglia, Paul J.
Sent: Monday, June 16, 2008 2:54 PM
To: Oakley, Susan B.
Subject: FW: Laura Richardson - Counteroffer from foreclosure purchaser
When: Monday, June 16, 2008 3:30 PM-4:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Dial in at 1-866-736[redacted] Participant passcode is[redacted]

Ann, would you please attend on behalf of Steve Champney?

Thank you,
Susan Samuel
Assistant to Steven Champney
904-886[redacted]

From: Battaglia, Paul J.
Sent: Monday, June 16, 2008 2:44 PM
To: Battaglia, Paul J.

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
When: Monday, June 16, 2008 3:30 PM-4:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Dial in at 1-866-736-[redacted]. Participant passcode is[redacted]

REDACTED

Seattle Participants meet in small conference room on 34.

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Battaglia, Paul J.; Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.; Klein, Jason C.; Parker, Gary L.
Resources: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

REDACTED

Seattle Participants meet in small conference room on 34.

From: Oakley, Susan B.
Sent: Monday, June 16, 2008 2:59:42 PM
To: Battaglia, Paul J.
Subject: RE: Laura Richardson - Counteroffer from foreclosure purchaser

Any chance of changing the time to 4:00? She has a Well's meeting at 3:30 that has already been rescheduled a couple times to accommodate so she could be there.

Sue Robert
Executive Assistant to Ann Thorn
Washington Mutual
7255 Baymeadows Way JAXA2035
Jacksonville, FL 32256
(904) 886-
Please note - Effective June 23, 2008 New Number will be (904) 462-

-----Original Appointment-----
From: Samuel, Susan L. **On Behalf Of** Battaglia, Paul J.
Sent: Monday, June 16, 2008 2:54 PM
To: Oakley, Susan B.
Subject: FW: Laura Richardson - Counteroffer from foreclosure purchaser
When: Monday, June 16, 2008 3:30 PM-4:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Dial in at 1-866-736- Participant passcode is

Ann, would you please attend on behalf of Steve Champney?

Thank you,
Susan Samuel
Assistant to Steven Champney
904-886-

From: Battaglia, Paul J.
Sent: Monday, June 16, 2008 2:44 PM
To: Battaglia, Paul J.
Subject: Laura Richardson - Counteroffer from foreclosure purchaser
When: Monday, June 16, 2008 3:30 PM-4:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Dial in at 1-866-736- Participant passcode is

REDACTED

Seattle Participants meet in small conference room on 34.

Subject: Declined: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J.
Resources: Dial in at 1-866-736-[illegible] Participant passcode is[illegible]

Paul, Steve Champney will not be able to attend this afternoon.

Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J.
Resources: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J.
Resources: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J.
Resources: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Battaglia, Paul J.; Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.; Klein, Jason C.; Parker, Gary L.
Resources: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

When: Monday, June 16, 2008 12:30 PM-1:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

~~*~*~*~*~*~*~*~*

REDACTED

Seattle Participants meet in small conference room on 34.

From: Martin T. McGuinn <[redacted]>
Sent: Friday, June 13, 2008 8:42 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Cook, Don <donald.cook@wamu.net>
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional
Attach: 001 Complaint Filed 6-12-08.pdf

Gentlemen:

REDACTED

Marty

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525-[redacted]
Direct Fax: (619) 525-[redacted]

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

CARL P. BLAINE (State Bar # 65229)
Email: cblaine
THOMAS B. SHERIDAN (State Bar #249306)
Email: tsheridan
WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
10640 Mather Blvd., Suite 200
Mather, California 95655
Telephone: (916) 920-5286
Facsimile: (916) 920-8608

Attorneys for Plaintiff
RED ROCK MORTGAGE, INC.

FILED
Superior Court Of California,
Sacramento
Dennis Jonas, Executive
Officer
06/12/2008
avlaisavich
By_____, Deputy
Case Number:
34-2008-00013081-CU-OR-GDS

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SACRAMENTO

Department
Assignments
Case Management 43
Law and Motion 54
Minors Compromise 25

RED ROCK MORTGAGE, INC.,

Plaintiff,

v.

WASHINGTON MUTUAL BANK, CALIFORNIA RECONVEYANCE COMPANY, LAURA RICHARDSON, and all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the complaint adverse to Plaintiff's title, or any cloud on Plaintiff's title, and DOES 1 through 20, inclusive,

Defendants.

Case No.

COMPLAINT FOR:

1. **SLANDER OF TITLE**
2. **CANCELLATION**
3. **QUIET TITLE**
4. **UNJUST ENRICHMENT**

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

1. Plaintiff RED ROCK MORTGAGE, INC. ("Plaintiff") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California

2. Plaintiff is informed and believes and thereon alleges that Defendant WASHINGTON MUTUAL BANK ("WAMU") is, and at all times herein mentioned was, a federal association organized and existing under the laws of the United States and doing business in the state of California.

3. Plaintiff is informed and believes and thereon alleges that Defendant

JPMC - 002222
CONFIDENTIAL
CSOC.RICH.003711

CALIFORNIA RECONVEYANCE COMPANY ("CRC") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California.

4 The real property that is the subject of this action, 3622 West Curtis Drive, Sacramento, California, Assessor's Parcel No. 013-0363-001-0000 ("Subject Property") is located in Sacramento County, California.

5. The Defendants named herein as "all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the Complaint adverse to plaintiff's title, or any cloud on plaintiff's title thereto" ("Unknown Defendants") are unknown to Plaintiff. These Unknown Defendants, and each of them, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-5608

6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious names. Their true names and capacities are unknown to Plaintiff. When their true names and capacities are ascertained, Plaintiff will amend this complaint by inserting their true names and capacities herein. Plaintiff is informed and believes and thereon alleges that Does 1-10, inclusive, are responsible in some manner for the occurrences herein alleged, and that Plaintiff's damages as herein alleged were proximately caused by such Defendants. Plaintiff is further informed and believes and thereon alleges that Does 11-20, inclusive, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

COMMON ALLEGATIONS

7. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 6 above.

8. Plaintiff is informed and believes and thereon alleges that on or about January 10, 2007, a Deed of Trust ("Deed of Trust") was recorded against the Subject Property to secure a loan in the amount $535,001.00 made by WAMU to LAURA RICHARDSON. CRC is the trustee under the Deed of Trust. (Attached hereto as Exhibit A, incorporated herein by reference, is a true and correct copy of the Deed of Trust.)

JPMC - 002223
CONFIDENTIAL
CSOC.RICH.003712

9. Plaintiff is informed and believes and thereon alleges that, at some point prior to December 17, 2007, Defendant RICHARDSON defaulted on the payments due on the loan secured by the Deed of Trust.

10. On December 17, 2007, CRC recorded a Notice of Default on the Subject Property. (Attached hereto as Exhibit B, and incorporated herein by this reference, is a true and correct copy of the Notice of Default.) The Notice of Default provides that, as of December 13, 2007, the amount of the default was $18,356.40.

11. On March 19, 2008, CRC recorded a Notice of Trustee's sale on the Subject Property, advertising the Trustee's Sale of the Subject Property to the general public. (Attached hereto as Exhibit C, and incorporated herein by this reference, is a true and correct copy of the Notice of Trustee's Sale.) Pursuant to the Notice of Trustee's Sale, the unpaid balance and other charges was approximately $578,384.52.

12. The Notice of Trustee's Sale provides that the sale was to occur on April 7, 2008, at 1:30 p.m., at the main entrance to the Sacramento County Courthouse, 720 9th Street, Sacramento, California.

13. Plaintiff is informed and believes and thereon alleges that the sale was postponed to May 7, 2008, at 1:30 p.m., to be held at the same location.

14. In accordance with the Notice of Trustee's Sale and the duly noticed postponement thereof, on May 7, 2008, Plaintiff appeared at the trustee's sale to bid on the Subject Property. Plaintiff secured a cashier's check in order to qualify to bid at the sale.

15. At the noticed time and place, CRC conducted the trustee's sale of the Subject Property. Plaintiff is informed and believes thereon alleges that Defendants complied with all statutory requirements in conducting the trustee's sale of the Subject Property.

16. Plaintiff bid at the trustee's sale. Plaintiff is informed and believes and thereon alleges that Plaintiff was the high bidder at the trustee's sale with a bid of $388,000.01.

17. Plaintiff timely delivered a cashier's check in the amount of $388,000.01 to CRC. CRC accepted the cashier's check from Plaintiff. (Attached hereto as Exhibit D & E,

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10540 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002224
CONFIDENTIAL
CSOC.RICH.003713

respectively, and incorporated herein by reference, are true and correct copies of the receipt of funds issued to Plaintiff and Plaintiff's cashier's check stub.)

18. Plaintiff is informed and believes and thereon alleges that the sale of the Subject Property was final and no further acts were required to consummate the sale.

19. Plaintiff is informed and believes and thereon alleges that, on or about May 9, 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

20. Immediately after Plaintiff purchased the Subject Property, Plaintiff immediately began improving the property and preparing to sell it, as Plaintiff is in the business of buying and selling real estate. Among other things, Plaintiff painted select portions of the residence, refurbished the flooring inside the residence, and performed general clean-up and landscaping in and around the Subject Property at its expense. Plaintiff is informed and believes and thereon alleges that the improvements made by Plaintiff enhanced the value of the Subject Property.

21. On or about May 28, 2008, WAMU contacted Plaintiff and informed Plaintiff that it wished to rescind the sale. Plaintiff informed WAMU that Plaintiff was the highest bidder at the Trustee's Sale and that it had paid the full consideration in the manner specified by the Notice of Trustee's Sale. Plaintiff also informed WAMU that Plaintiff had been issued the Trustee's Deed, and recorded it, and had no intention of rescinding.

22. On or about June 2, 2008, Defendants recorded a Notice of Rescission at the Sacramento County Recorder's Office. (Attached hereto as Exhibit G, and incorporated herein by this reference, is a true and correct copy of the recorded Notice of Rescission.)

FIRST CAUSE OF ACTION

[Slander of Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

23. Plaintiff realleges and incorporates by reference each and every allegation set

WAGNER KIRKMAN BLAINE KLOMPARENS & TOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5294 Fax (916) 920-8608

JPMC - 002225
CONFIDENTIAL
CSOC.RICH.003714

forth in paragraphs 1 through 22 above.

24. On our about May 7, 2008, Plaintiff became the fee owner of the Subject Property based upon its purchase of the Subject Property at the Trustee's Sale.

25. Plaintiff is informed and believes and thereon alleges that, on or about June 2, 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to be recorded a Notice of Rescission.

26. The Notice of Rescission was false and continues to cause doubt to be cast on Plaintiff's title to the Subject Property.

27. The recording of the Notice of Rescission directly impairs the vendibility of the property on the open market. Accordingly, Plaintiff has been damaged by Defendants recording of the Notice of Rescission.

28. Plaintiff is informed and believes and thereon alleges that, in doing the things herein alleged, WAMU and CRC acted with malice, oppression, and/or fraud as defined under Civ. Code § 3294(c), in conscious disregard of Plaintiff's rights, thereby warranting an assessment of punitive damages in an amount appropriate to punish Defendants and deter others from engaging in similar misconduct.

29. The recording of the Notice of Rescission made it necessary for Plaintiff to retain attorneys and to bring this action. Therefore, Plaintiff is entitled to recover attorney's fees and costs incurred. The exact amount of such damages is not known to Plaintiff at this time, and Plaintiff will move to amend this complaint to state such amount when the same becomes known, or on proof thereof.

SECOND CAUSE OF ACTION

[Cancellation of Cloud on Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

30. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 29 above.

31. Defendants claim an interest in the Subject Property which is adverse to the Plaintiff. Defendants' interest in the Subject Property is purportedly based on the Notice of

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002226
CONFIDENTIAL
CSOC.RICH.003715

Rescission, recorded on June 2, 2008, which states that the sale is rescinded.

32. The Notice of Rescission is invalid and void because the Defendant has no further rights to the Subject Property after the Trustee Sale was completed and the Trustee's Deed Upon Sale was issued and recorded.

33. Defendants' claim to the Subject Property clouds the Plaintiff's title, depreciates the property's market value, and prevents Plaintiff from enjoying the use of the Subject Property.

THIRD CAUSE OF ACTION

[Quiet Title]

(Against Defendants WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive)

34. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 33 above.

35. Plaintiff is the sole owner of the fee simple title to the Subject Property.

36. The basis of Plaintiff's title is that Plaintiff was the high bidder at the Trustee's Sale of the Subject Property; Plaintiff tendered the full amount of its bid to the trustee; the trustee accepted Plaintiff's tender; and, the trustee issued a Trustee's Deed Upon Sale to Plaintiff, which was subsequently recorded, granting Plaintiff fee simple title to the Subject Property.

37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to Plaintiff which would have the affect of restoring the state of title to the Subject Property to the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 923-5286 Fax (916) 929-5608

JPMC - 002227
CONFIDENTIAL
CSOC.RICH.003716

38. Plaintiff seeks to quiet title to the Subject Property as of May 7, 2008, which is the date Plaintiff purchased the Subject Property at the Trustee's Sale.

FOURTH CAUSE OF ACTION

[Unjust Enrichment]

(Against Defendants WAMU, LAURA RICHARDSON, and DOES 1-10, inclusive)

39. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 38 above.

40. Plaintiff has completed numerous improvements to the Subject Property, which have significantly increased its value. If Defendants are permitted to rescind the Trustee's Deed Upon Sale, Defendants will be unjustly enriched by their retention of the increased value of the Subject Property.

PRAYER

Wherefore, Plaintiff prays judgment against Defendants as follow:

1. For general damages, in an amount to be proven at trial;
2. For punitive and exemplary damages in an amount to be proven at trial;
3. For the Notice of Rescission to be delivered to the clerk for the court for cancellation and that it be declared void;
4. For a judgment that Plaintiff is the owner in fee simple of the Subject Property and that Defendants have no interest in the Subject Property adverse to Plaintiffs;
5. For restitution;
6. For attorneys' fees and costs incurred herein; and
7. For such other and further relief as the court may deem proper.

DATED: 6/11/2008

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP

By: _____
THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE, INC.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002228
CONFIDENTIAL
CSOC.RICH.003717

EXHIBIT A

JPMC - 002229
CONFIDENTIAL
CSOC.RICH.003718

Recording Requested By:
Washington Mutual Bank

Return To:
2210 Enterprise Drive
Doc Ops - MS SC00140
Florence, SC 29501

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20070110 PAGE 1818
Check Number 4266
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd $53.00 Nbr-0004594371
REB/51/1-19

Prepared By:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS
Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "**Security Instrument**" means this document, which is dated January 4, 2007, together with all Riders to this document.
(B) "**Borrower**" is Laura Richardson, An Unmarried Woman

Borrower's address is 717 E Vernon St, Long Beach, CA 90806. Borrower is the trustor under this Security Instrument.
(C) "**Lender**" is Washington Mutual Bank

Lender is a federal association
organized and existing under the laws of the United States

A

JPMC - 002230
CONFIDENTIAL
CSOC.RICH.003719

Lender's address is 1400 South Douglass Road, Suite 100, Anaheim, CA 92806

Lender is the beneficiary under this Security Instrument.
(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007
The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100 Dollars
(U.S. $535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037 .
(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☒ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☐ Planned Unit Development Rider	☐ 1-4 Family Rider
☐ VA Rider	☐ Biweekly Payment Rider	☐ Other(s) [specify]

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions
(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(L) "Escrow Items" means those items that are described in Section 3.
(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

JPMC - 002231
CONFIDENTIAL
CSOC.RICH.003720

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of SACRAMENTO :

[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

Legal Description Attached Hereto And Made A Part Hereof

Exhibit 'A'

Parcel ID Number: [redacted]

3622 West Curtis Drive
Sacramento
("Property Address").

which currently has the address of [Street]

[City], California 95818 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows.

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S.

Initials: [redacted]

JPMC - 002232
CONFIDENTIAL
CSOC.RICH.003721

currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

JPMC - 002233
CONFIDENTIAL
CSOC.RICH.003722

in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

JPMC - 002234
CONFIDENTIAL
CSOC.RICH.003723

lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

JPMC - 002235
CONFIDENTIAL
CSOC.RICH.003724

the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

JPMC - 002236
CONFIDENTIAL
CSOC.RICH.003725

attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

JPMC - 002237
CONFIDENTIAL
CSOC.RICH.003726

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

JPMC - 002238
CONFIDENTIAL
CSOC.RICH.003727

to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

JPMC - 002239
CONFIDENTIAL
CSOC.RICH.003728

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

JPMC - 002240
CONFIDENTIAL
CSOC.RICH.003729

requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

JPMC - 002241
CONFIDENTIAL
CSOC.RICH.003730

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

24. Substitute Trustee. Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. Statement of Obligation Fee. Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

JPMC - 002242
CONFIDENTIAL
CSOC.RICH.003731

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

_____	_____ (Seal) -Borrower Laura Richardson
_____	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower

JPMC - 002243
CONFIDENTIAL
CSOC.RICH.003732

State of California
County of Sacramento } ss.

On January 4, 2007 before me, Nikki Davis a notary public
personally appeared

Laura Richardson

, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

NIKKI DAVIS
COMM. #1520789
Notary Public-California
SACRAMENTO COUNTY
My Comm. Exp. Oct. 21, 2008

(Seal)

JPMC - 002244
CONFIDENTIAL
CSOC.RICH.003733

Exhibit "A"
Legal Description

Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18

Apn:

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 4th day of January, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at: 3622 West Curtis Drive, Sacramento, CA 95818

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR A CHANGE FROM THE INITIAL FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE AND FOR CHANGES IN THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 8.800 %. The Note provides for a change in the initial fixed interest rate to an adjustable interest rate and for changes in the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate Borrower will pay will change to an adjustable interest rate on the first day of February, 2009, and the interest rate Borrower will pay may change on that day every 6th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in **The Wall Street Journal**. The most recent Index figure available as of the date 45 days before the Change Date is called the "Current Index."

JPMC - 002246
CONFIDENTIAL
CSOC.RICH.003735

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding Four and 99/100 percentage points (4.990 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.600 % or less than 8.800 %. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000 %) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800 % or less than 8.800 %.

(E) Effective Date of Changes

Borrower's new interest rate will become effective on each Change Date. Borrower will pay the amount of Borrower's new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's interest rate and the amount of Borrower's monthly payment before the effective date of any change. The notice will include information required by law to be given to the Borrower and also the title and telephone number of a person who will answer any question Borrwer may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Covenant 18 of the Security Instrument is amended to read as follows:

(A) Until Borrower's intiial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument provides as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

JPMC - 002247
CONFIDENTIAL
CSOC.RICH.003736

(B) When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument shall then instead provide as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.

Laura Richardson _____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

[Sign Original Only]

JPMC - 002248
CONFIDENTIAL
CSOC.RICH.003737

EXHIBIT B

JPMC - 002249
CONFIDENTIAL
CSOC.RICH.003738

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311
800-892-6902
(818)775-2258 (Fax)

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20071214 PAGE 0358
Check Number 9109
Friday, DEC 14, 2007 8:41:18 AM
Ttl Pd $12.00 Nbr-0005192112
TNH/74/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is $18,356.40 as of December 13, 2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. 723397CA Loan No [redacted] Title Order No. M721884

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY , JACKSONVILLE, FL 32256, (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: 013-0363-001 Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 including the note(s) for the sum of $535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: December 13, 2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

Marilyn Aquas

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Marilyn L. Aquas

EXHIBIT C

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080319 PAGE 0358
Check Number 2572
Wednesday, MAR 19, 2008 9:07:55 AM
T41 Pd $11.00 Nbr-0005311112

JLW/14/1-1

Trustee Sale No.
Loan No.
Title Order No.

Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 01/04/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 04/07/2008 at 01:30 PM, CALIFORNIA RECONVEYANCE COMPANY as the duly appointed Trustee under and pursuant to Deed of Trust Recorded 01/10/2007, Book 20070110, Page 1818, Instrument , of official records in the Office of the Recorder of SACRAMENTO County, California, executed by: LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Beneficiary, will sell at public auction sale to the highest bidder for cash, cashier's check drawn by a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state Sale will be held by the duly appointed trustee as shown below, of all right, title, and interest conveyed to and now held by the trustee in the hereinafter described property under and pursuant to the Deed of Trust. The sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by the Deed of Trust, interest thereon, estimated fees, charges and expenses of the Trustee for the total amount (at the time of the initial publication of the Notice of Sale) reasonably estimated to be set forth below. The amount may be greater on the day of sale

Place of Sale. AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA

Legal Description LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: $578,384.52 (estimated)

Street address and other common designation of the real property 3622 WEST CURTIS DRIVE
SACRAMENTO, CA 95818
APN Number: 013-0363-001-0000

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein The property heretofore described is being sold "as is"

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
(714) 259-7850 or www.fidelityasap.com
(714) 573-1965 or www.prioritypostings.com

DEBORAH BRIGNAC, VICE PRESIDENT
9200 OAKDALE AVE
MAILSTOP N110612
CHATSWORTH, CA 91311

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

C

Description: Sacramento,CA Document - Book.Page 20080319.358 Page: 1 of 1
Order: 20080319nac Comment:

EXHIBIT D

JPMC - 002254
CONFIDENTIAL
CSOC.RICH.003743

Jun 09 08 10:54a owner 305-667-1513 p.5

PRIORITY
POSTING AND PUBLISHING

TRUSTEE SALE (X)
TRUSTOR PAYMENT ( )

RECEIPT OF FUNDS AND INSTRUCTIONS

T.S. NO. 723397 CA PRIORITY NO. 377335 DATE 5-7-08
TRUSTEE California Reconveyance Co.
ADDRESS 9200 Oakdale Ave, # 110612
CITY Chatsworth STATE CA ZIP 91311
PHONE NO. [redacted] CONTACT Deborah Brignac

CHECK NO.	NAME OF BANK	AMOUNT
0035906975	Wells Fargo BK	$ 388,000.01
		$
		$
		$
		$
		$

TOTAL OF ANY CASH RECEIVED $ -0-

SUCCESSFUL BID $ 388,000.01 TOTAL RECEIVED $ 388,000.01
TRANSFER TAX $ -0- AMOUNT REQUIRED $ 388,000.01
RECORDING FEES $ -0- REFUND AMOUNT $ -0-
REFUND PAYABLE TO N/A
RECEIVED BY [redacted] BUYERS SIGNATURE [redacted]
BUYERS NAME Jim York DRIVERS LICENSE NO. [redacted]
TITLE TO PROPERTY TO BE VESTED AS FOLLOWS Red Rock Mortgage, Inc.

ADDRESS 3600 American River Dr. # 135
CITY Sacramento STATE CA ZIP 958
PHONE NO. [redacted] 0

JPMC - 002255
CONFIDENTIAL
CSOC.RICH.003744

EXHIBIT E

JPMC - 002256
CONFIDENTIAL
CSOC.RICH.003745

00339 | 11-24
Office AU # | 1210(8)

CASHIER'S CHECK

SERIAL #
ACCOUNT#

Purchaser: JAMES P. YORK
Purchaser Account
Operator I.D. cu002254

May 07, 2008

PAY TO THE ORDER OF ***CALIFORNIA RECONVEYANCE COMPANY***

****Three hundred eighty-eight thousand dollars and 01 cent****

****$388,000.01****

WELLS FARGO BANK, N.A.
400 CAPITOL MALL
SACRAMENTO, CA 95814
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER – IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND

VOID IF OVER US $ 388,000 01

NON-NEGOTIABLE

Purchaser Copy

B-00[illegible] [illegible] 07[illegible]

EXHIBIT F

JPMC - 002258
CONFIDENTIAL
CSOC.RICH.003747

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080519 PAGE 0487
Check Number 9325
Monday, MAY 19, 2008 11:12:43 AM
Tbl Pd $12.00 Nbr-0005398638
006-Sacramento Cy DTT PAID
AMH/GB/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. Title Order No M721884

TRUSTEE'S DEED UPON SALE

APN 013-0363-001-0000 T.R.A. No.
The undersigned grantor declares:
1) The Grantee herein was not the foreclosing beneficiary.
2) The amount of the unpaid debt together with costs was.....$574,023.87
3) The amount paid by the grantee at the trustee sale was.....$388,000.01
4) The documentary transfer tax is $427.35
5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to **Red Rock Mortgage, Inc.** (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818
RECITALS:
This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

f

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being $388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

Karime Arias, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

IRMA GARCIA TORRES
Commission # 1508392
Notary Public - California
Los Angeles County
My Comm. Expires Aug 17, 2008

EXHIBIT G

JPMC - 002261
CONFIDENTIAL
CSOC.RICH.003750

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Frederick B. Garcia, Clerk/Recorder
BOOK 20080602 PAGE 0885
Check Number 365268
Monday, JUN 02, 2008 10:45:44 AM
Tkt Pd $14.00 Nbr-0005418923
MCY/82/1-2

Space above this line for recorder's use only

Trustee Sale No 723397CA Loan No [redacted] Title Order No M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $535,001 00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A P N [redacted]
Situs. 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3 That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4 On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC , being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect

6 The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

JPMC - 002262
CONFIDENTIAL
CSOC.RICH.003751

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE. 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Colleen Irby, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

SIERRIE HERRADURA
Commission # 1792714
Notary Public - California
Los Angeles County
My Comm. Expires Mar 3, 2012

This document filed for recording By Fidelity National Title Insurance and Trust as an accommodation only. It has not been examined as to its execution or as its effect upon the title.

From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 4:23:55 PM
To: Klein, Jason C.
CC: Stevens, Lawrence W.
Subject: RE: Laura Richardson

Excellent. Sorry I didn't use outlook calendaring. The technology is hard.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500
Fax: 206-377

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Klein, Jason C.
Sent: Friday, June 13, 2008 12:45 PM
To: Battaglia, Paul J.
Cc: Stevens, Lawrence W.
Subject: RE: Laura Richardson

Larry should join us.

From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 12:44 PM
To: Klein, Jason C.; 'Martin T. McGuinn'; Cook, Don; Parker, Gary L.
Subject: Laura Richardson

I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number: 866-736
Participant Code:

Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500
Fax: 206-377

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Parker, Gary L.
Sent: Friday, June 13, 2008 3:45:50 PM
To: Battaglia, Paul J.; Klein, Jason C.; Martin T. McGuinn; Cook, Don
Subject: RE: Laura Richardson

I'll meet you on your floor at 4:00.

Gary Parker
Legal Department

Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500[illegible] direct, 206.377[illegible] Fax
gary.parker@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 12:44 PM
To: Klein, Jason C.; 'Martin T. McGuinn'; Cook, Don; Parker, Gary L.
Subject: Laura Richardson

I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number: 866-736-[illegible]
Participant Code: [illegible]

Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500[illegible]
Fax: 206-377[illegible]

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Klein, Jason C.
Sent: Friday, June 13, 2008 3:45:04 PM
To: Battaglia, Paul J.
CC: Stevens, Lawrence W.
Subject: RE: Laura Richardson

Larry should join us.

From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 12:44 PM
To: Klein, Jason C.; 'Martin T. McGuinn'; Cook, Don; Parker, Gary L.
Subject: Laura Richardson

I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number: 866-736-
Participant Code:

Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-
Fax: 206-377-

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 3:44:10 PM
To: Klein, Jason C.; Martin T. McGuinn; Cook, Don; Parker, Gary L.
Subject: Laura Richardson

I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number: 866-736-
Participant Code:

Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-
Fax: 206-377-

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Thursday, June 12, 2008 12:12 PM
To: Parker, Gary L. <gary.parker@wamu.net>; Strom, Erik E. <erik.strom@wamu.net>
Subject: Laura Richardson

FYI. Washington Post story.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500[illegible]
Fax: 206-377[illegible]

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 8:30 AM
To: Cook, Don; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Cc: Elias, Alan
Subject: Congresswoman's Financial Report: This Won't Be Pretty.

FYI, below. It appears that the House members' annual financial reports are scheduled to be released on Monday, which may include specific information about Ms. Richardson's home loan issues.

Just so you are aware, I communicated to Mary Ann that I couldn't discuss Ms. Richardson's loan situation (not foreclosure sale).

I'll let you know if I receive any media calls today.

Congresswoman's Financial Report: This Won't Be Pretty.
Mary Ann Akers And Paul Kane
12 June 2008
The Washington Post

We may learn more about Rep. Laura Richardson's (D-Calif.) home foreclosure problems Monday, when House members' annual financial reports are scheduled to be released.

Richardson filed her report on time rather than seeking an extension, her spokesman, William Marshall, tells On the Hill. But Marshall says he can "neither confirm nor deny" whether the disclosure report will reflect the full extent of the beleaguered congresswoman's financial woes, which include foreclosure on one home and loan defaults on two others.

Marshall declined to answer questions about how Richardson, who won a special election last August, wound up in such dire straits. She lost her Sacramento home to foreclosure after failing to make payments, at the same time that she reportedly owed Sacramento County some $9,000 in property taxes and defaulted on loans six times on two other California homes.

In the meantime, however, Richardson rose in one year from Long Beach councilwoman to state assemblywoman to a member of the U.S. Congress.

According to the Long Beach Press-Telegram, Richardson also failed to pay hundreds of dollars worth of car repairs to one mechanic, then ultimately abandoned the car at another auto body shop.

Yesterday, the story took a new twist. The Los Angeles Times reported that the home Richardson lost in foreclosure could be returned to her, because the lender, **Washington Mutual**, filed a letter of rescission of the foreclosure sale and asked the new owner for the keys back.

"They took the property back, and they didn't even send back the money," the new owner, real estate investor James York, told the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs," he said. "You don't have to be smart to understand what's happening."

Richardson isn't saying anything. Referring to the congresswoman's lender, her spokesman told us, "This is about **Washington Mutual**." He urged us to call **Washington Mutual** for comment. But a **Washington Mutual** spokeswoman told us she couldn't comment on the foreclosure sale because Congresswoman Richardson "has not provided us with authorization to publicly discuss her loan."

The left-leaning watchdog group Citizens for Responsibility and Ethics in Washington calls Richardson a "deadbeat congresswoman."

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue I WMC40 I Seattle WA 98101

206.500[illegible]direct I 206.228[illegible] cell

sara.gaugi@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Wednesday, June 11, 2008 5:56 PM
To: Martin T. McGuinn <[redacted]>
Subject: FW: Loan No.[redacted] - Richardson
Attach: Check.pdf

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Wednesday, June 11, 2008 2:43 PM
To: Battaglia, Paul J.
Subject: RE: Loan No.[redacted] - Richardson

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110G12
Chatsworth, CA 91311

818-775[redacted] direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, June 11, 2008 2:05 PM
To: Chiu, Huey-Jen
Subject: RE: Loan No.[redacted] - Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Wednesday, June 11, 2008 1:37 PM
To: mmcguinn@kirbymac.com
Cc: Battaglia, Paul J.; Brignac, Deborah P.
Subject: RE: Loan No. [redacted] - Richardson

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Chiu, Huey-Jen
Sent: Tuesday, June 03, 2008 4:45 PM
To: mmcguinn@kirbymac.com
Cc: Battaglia, Paul J.
Subject: Loan No. [redacted] - Richardson

Check has been sent out via FedEx, 7910-7974-6682 along with a conformed copy of the rescission of trustee'deed, which I am attaching to this email.

California Reconveyance Company
P.O. BOX 6200, NORTHRIDGE, CA 91328

UNION BANK OF CALIFORNIA, N.A.
FINANCIAL INSTITUTIONS
1649-6/1220 1050200341

06/03/2008

PAY TO THE ORDER OF Red Rock Mortgage, Inc. $ **391,190.05

Three Hundred Ninety-One Thousand One Hundred Ninety and 05/100********** DOLLARS

MEMO

ts# [redacted] loan # [redacted]

CALIFORNIA RECONVEYANCE COMPANY

Red Rock Mortgage, Inc. 06/03/2008 [redacted]
Invalid Sale 391,190.05

Union Bank ts# [redacted] loan # [redacted] 391,190.05

CALIFORNIA RECONVEYANCE COMPANY

Red Rock Mortgage, Inc. 06/03/2008 [redacted]
Invalid Sale 391,190.05

PAYMENT RECORD

Union Bank ts# [redacted] loan # [redacted] 391,190.05

SUPERIOR PRESS · (888) 590-7998 IR1007479

From: Chiu, Huey-Jen <huey-jen.chiu@wamu.net>
Sent: Wednesday, June 11, 2008 5:43 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Loan No. [redacted] - Richardson
Attach: Check.pdf

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, June 11, 2008 2:05 PM
To: Chiu, Huey-Jen
Subject: RE: Loan No. [redacted] Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Wednesday, June 11, 2008 1:37 PM
To: mmcguinn@kirbymac.com
Cc: Battaglia, Paul J.; Brignac, Deborah P.
Subject: RE: Loan No. [redacted] - Richardson

Good afternoon,

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Chiu, Huey-Jen
Sent: Tuesday, June 03, 2008 4:45 PM
To: mmcguinn@kirbymac.com
Cc: Battaglia, Paul J
Subject: Loan No. [redacted] Richardson

REDACTED

California Reconveyance Company
P.O. BOX 6200, NORTHRIDGE, CA 91328

UNION BANK OF CALIFORNIA, N.A.
FINANCIAL INSTITUTIONS
1649-6/1220 1050200341

[redacted]

06/03/2008

PAY TO THE ORDER OF Red Rock Mortgage, Inc. $ **391,190.05

Three Hundred Ninety-One Thousand One Hundred Ninety and 05/100********** DOLLARS

MEMO

ts# [redacted] loan # [redacted]

[redacted]

CALIFORNIA RECONVEYANCE COMPANY

Red Rock Mortgage, Inc. 06/03/2008 [redacted]
Invalid Sale 391,190.05

Union Bank ts# [redacted] loan # [redacted] 391,190.05

CALIFORNIA RECONVEYANCE COMPANY

Red Rock Mortgage, Inc. 06/03/2008 [redacted]
Invalid Sale 391,190.05

PAYMENT RECORD

Union Bank ts# [redacted] loan # [redacted] 391,190.05

SUPERIOR PRESS · (888) 590-7998 IR1007479

JPMC - 002275
CONFIDENTIAL
CSOC.RICH.003764

From: Chiu, Huey-Jen <huey-jen.chiu@wamu.net>
Sent: Wednesday, June 11, 2008 4:37 PM
To: mmcguinn[redacted]
Cc: Battaglia, Paul J. <paul.battaglia@wamu.net>; Brignac, Deborah P. <deborah.brignac@wamu.net>
Subject: RE: Loan No.[redacted] - Richardson
Attach: Document.pdf

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Chiu, Huey-Jen
Sent: Tuesday, June 03, 2008 4:45 PM
To: mmcguinn@kirbymac.com
Cc: Battaglia, Paul J.
Subject: Loan No.[redacted] Richardson

REDACTED

PARKINSON PHINNEY

916-449-1444
916-449-1440

June 10, 2008

Via Federal Express

Huey-Jen Chiu
Vice President
California Reconveyance Company
9200 Oakdale Ave.
Chatsworth, CA 91311

Re: James York and Red Rock Mortgage, Inc.
Trustee Sale No. [redacted]
Loan No. [redacted]
Property Address: 3622 W. Curtis Drive, Sacramento, CA

Dear Mr. Chiu,

I am returning your check in the sum of $319,109.05. By returning this check, I am also rejecting your offer to rescind the foreclosure sale. Please refer any questions or comments to Tom Sheridan at Wagner Kirkman et al, telephone number (916) 920-5286, to whom any litigation matters relating to this has been referred.

Donna T. Parkinson

Very truly yours,

PARKINSON PHINNEY

Donna T Parkinson

By Donna T. Parkinson
DTP:tb
Enclosures

Cc: Jim York
Tom Sheridan
Robin Klomparens

{7725/00014/DTP/A0053585.DOC}

From: Gaugl, Sara C.
Sent: Tuesday, June 10, 2008 4:47:42 PM
To: Battaglia, Paul J.
Subject: http://thedistrictweekly.com/daily/staff-infection/briefing/congresswoman-laura-richardson-gets-her-house-back/

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.[illegible] direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Owen, Jan L.
Sent: Tuesday, June 10, 2008 4:31:57 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply: Laura Richardson

Thank you for your email. I am out of the office the week of June 9th returning June 16th. I will have sporatic access to email during this week. Should youed immediate attention please call Seattle, Erik Strom at 206-500[illegible]or erik.strom @wamu.net. I will respond to your email when I return. Thank you. Jan

Subject: Accepted: Updated: Richardson Update
Location: 877-709[illegible] passcode: [illegible]

Start: 6/5/2008 7:00 PM
End: 6/5/2008 8:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode: [illegible]

From: Martin T. McGuinn [redacted]
Sent: Wednesday, June 4, 2008 1:32 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Laura Richardson
Attach: Melendrez v D&I Investment Inc. 05 WL 704130 BFP is not defined by CC 2924 Yates rejected.pdf;002 MTM to Parkinson Enclosing Rescission 6-2-08.pdf;003 Sheridan to MTM dtd 6-3-08.pdf

REDACTED

Westlaw.
2005 WL 704130
2005 WL 704130 (Cal.App. 6 Dist.)
(Cite as: 2005 WL 704130 (Cal.App. 6 Dist.))

Only the Westlaw citation is currently available.

Court of Appeal, Sixth District, California.
Miguel MELENDREZ et al., Plaintiffs and Appellants,
v.
D & I INVESTMENT, INC., Defendant and Respondent.
No. H027098.

March 29, 2005.

Santa Cruz County Superior Court, Superior Court No. CV141726, Hon. Robert B. Atack.

Maryam S. Karson, Richard S. Timan, Timan & Walsh, Attorneys for Plaintiffs/Appellants.

Edward C. McDonald, Jr., McDonald Law Offices, Benjamin R. Levinson, Law Office of Benjamin R. Levinson, Patric J. Kelly, Duane W. Shewaga, Adleson, Hess & Kelly, Robert H. Darrow, Darrow Law Offices, Attorneys for Defendant/Respondent.

PREMO, J.

***1** Miguel and Maria Melendrez (Borrowers) lost their Watsonville home through a nonjudicial foreclosure sale in July 2001, approximately eight months after their loan default. The residence was purchased by a third party, defendant Royal Realty (Buyer). Borrowers thereafter sued to set aside the trustee's sale and to cancel the trustee's deed. They claimed that the sale was in violation of a repayment agreement (which included a conditional agreement to postpone the sale) with their lender, Washington Mutual Bank, N.A. (Lender), and thus violated Civil Code section 2924g, subdivision (c)(2). [FN1]

FN1. All statutory references are to the Civil Code unless otherwise indicated.

After a three-day bench trial, the court concluded that the trustee's sale was valid. It decided that the sale did not violate the repayment agreement between Borrowers and Lender. It held further that Buyer was a bona fide purchaser for value (BFP) of the property at the sale.

Borrowers appeal. They argue that the trustee's sale was invalid because it took place notwithstanding a repayment agreement under which Lender agreed to postpone the sale. Borrowers contend further that the court erred by applying the wrong legal standard in reaching the conclusion that Buyer was a BFP. They assert that the correct standard required significant consideration of the fact that Buyer was experienced in foreclosure sales.

We review case law suggesting that an experienced foreclosure buyer who acquires property at significantly less than its fair market value cannot be a BFP and reject that conclusion. Accordingly, we hold that the trial court properly determined that Buyer was a BFP. The conclusion flowing directly from the fact that Buyer was a BFP was that the trustee's sale was unassailable as to Buyer in the absence of fraud. Since there was no evidence of fraud chargeable to Buyer, we conclude that the court properly rejected Borrowers' request to void the trustee's sale. We thus affirm the judgment.

FACTS

1. Borrowers' Loan And Default

In or about June 1987, Borrowers executed a note and deed of trust in favor of Great Western Savings, Lender's predecessor-in-interest. The deed of trust granted a security interest in residential property located at 61 White Street, Watsonville, California (Property). Borrowers defaulted on the loan, and Lender initiated foreclosure proceedings in January 2001. [FN2]

FN2. All dates are 2001 unless otherwise indicated.

On January 26, Lender, through the trustee, California

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

Reconveyance Company (Trustee), recorded a notice of default. Borrowers received a copy of the notice. The default notice indicated that Borrowers had defaulted with respect to monthly payments commencing in November 2000, and that the amount due under the loan as of January 24 was $4,266.08.

Lender, through Trustee, recorded a notice of trustee's sale, dated April 27; the notice set the sale date for May 22. Borrowers received a copy of that sale notice as well. The trustee's sale was postponed initially from May 22 to June 4; it was postponed a second time to July 16. [FN3]

> FN3. The Trustee's certificate of postponement indicated that the sale was postponed from June 4 to July 16. The complaint, however, noted-- consistent with testimony by Lender's representatives and Lender's records--that the sale was postponed from June 4 to July *14*. Since July 14 was a Saturday and it is undisputed--as reflected in the trustee's deed-- that the trustee's sale took place on July 16, it appears that the Trustee postponed the sale from June 4 to July *16* because July 14 was a Saturday.

II. *Repayment (Forbearance) Agreement*

***2** After receiving the notice of sale in early May, Miguel Melendrez contacted Lender to make payment arrangements concerning the default. [FN4] Miguel understood from his telephone conversation with Lender's representative, Mary Garcia, that he and his wife, Maria, needed to make three payments, namely, (1) $5,000 before the sale date, (2) a payment at the end of June, and (3) a payment at the end of July. According to Miguel's testimony, Garcia said that, if the $5,000 payment was made before the sale date, Lender would "cancel" the sale. [FN5] Miguel understood further that, if either of the payments due in June or July were missed, Lender would "start" the sale again.

> FN4. For convenience and clarity, we refer to Mr. and Mrs. Melendrez by their first names. We mean no disrespect in doing so.

> FN5. The written repayment agreement contradicted Miguel's understanding from the telephone conversation with Garcia that the sale would be "cancelled." It provided that the trustee's sale would not proceed on May 22, if Borrowers made all of the required payments, and that the sale would be postponed from time to time if timely payments were made. In addition, Garcia testified that she merely "took the preliminary information," and that the repayment plan was later "set up" (i.e., written agreement was prepared) by another employee, Robbie Carter. Garcia testified that the repayment plan that she discussed with Miguel involved a postponement of the May 22 trustee's sale as long as Borrowers made the initial payment.

Thereafter on May 3, Lender faxed a letter (Repayment Agreement, or Agreement) to Borrowers at Maria's store. Miguel was in Greenfield at the time and asked Maria to sign the Repayment Agreement on his behalf and return it by fax to Lender. Maria signed it for herself and on her husband's behalf, and returned it to Lender by fax on May 3.

The typeface of the Repayment Agreement faxed on May 3 was indisputably unclear. Patricia Friedberg (Lender's vice president) testified that it was faxed to Borrowers not only on May 3, but also on May 22, May 23, and May 29. Miguel testified that he was able to read "part of" the Agreement but did not attempt to obtain a better copy. Maria--who does not read English--did not read the agreement and was not concerned about its legibility.

The Repayment Agreement [FN6] provided: "This letter when signed by you, dated and returned to Washington Mutual as indicated below, will be your Agreement with Washington Mutual as to the repayment arrangement negotiated on 05-[illegible]-01 [illegible] the outstanding delinquency on the above referenced loan. The following are the terms of the repayment plan which were agreed upon:

> FN6. Our quotation of portions of the Agreement is based upon our review of the

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

letter (trial exhibit 7) itself. Illegible words are noted.

```
PLAN   DATE       AMT
01     05/10/01   5,000.00
02     06/29/01   3,556.22
03     07/30/01   3,556.22."
```

The letter stated that all payments were to be made "in *CERTIFIED FUNDS ONLY*, " and that they were required to "be *received* in our office on or before the due dates indicated, not mailed on those dates. Any grace period afforded by your loan documents is not applicable to the terms of this repayment arrangement."

On the issue of postponement of the trustee's sale, the Agreement provided: "Washington Mutual shall not proceed with the Trustee's Sale on 05/22/01 provided that you make all payments required under the terms of this Agreement and all other payments required under the subject promissory note ... The Trustee's sale shall initially be postponed to a date following the next payment due under this Agreement. Subsequent postponements will occur after each timely payment is received under the terms of this repayment arrangement.... [¶] ... Should timely payments not be received as described in this arrangement, we reserve the right to immediately proceed with the scheduled Trustee's sale without further notification."

III. *Alleged Modification Of Repayment Agreement*

***3** On or about May 18, Borrowers made the $5,000 payment by cashier's check under the Agreement. Several days later, Miguel spoke to Lender's foreclosure specialist, Claudio Hernandez, who asked Miguel to fax him a copy of the cashier's check. Miguel testified that during this conversation, he asked whether he could make the second payment (due at the end of June) when he made the third payment at the end of July; Hernandez told him that combining these two payments at the end of July would be acceptable.

Hernandez testified that he had a telephone conversation with Miguel on or about May 21. [FN7] Hernandez told Miguel that he needed a copy of the cashier's check for the initial payment under the Repayment Agreement in order to postpone the sale. Miguel told Hernandez that he had a copy of the $5,000 cashier's check he had used to make the initial payment, and that he had signed the Agreement. [FN8] At Hernandez's request, on May 22, Miguel faxed a copy of the cashier's check and a copy of the second page of the Agreement. Hernandez forwarded these documents to Lender's collections department. Based upon receipt of the documents, Hernandez postponed the trustee's sale. [FN9]

FN7. Miguel called Hernandez after Maria had previously called Lender on May 21 to determine the status of the loan. In the prior call, Hernandez told Maria that Borrowers were on a repayment plan with a payment of $5,000 due, and he asked Maria to have her husband call him.

FN8. The notes entered on the computer by Hernandez concerning this May 21 telephone call with Miguel read: "Revd cll frm bwr (husband)[.] He advsd he has a copy of the cek he used to make his $5K rpa pmt. Gave him fax no. and advsd to fax copy to my attn.. CRII." (Capitalization omitted.)

FN9. Hernandez made two entries for May 22 into the computer. The first entry read: "Clld bwr and advsd tier2 needs signed slip. Bwr faxed page w/signature on it. Wll fwd to tier2

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

> ... CRH." (Capitalization omitted.) The second entry read: "Revd copy of cek# 400728601 tao $5,000.00 paid by borrower to WAMU for their initial rpa pmt. Clld CRC and rqstd to p/pne sale to 7/14/01. *Nxt rpa due 6/29/01* ... Claudio x8821." (Capitalization omitted, italics added.)

According to Hernandez, Miguel and he did not discuss the June payment due under the Agreement, and Miguel did not ask to defer that payment to the end of July. Hernandez made no notes concerning any such modification request. [FN10] Since Hernandez was not responsible for repayment agreements, had Miguel made such a request, he would have referred it to the collections department.

> FN10. This is borne out by the notes Hernandez recorded contemporaneously with his telephone conversations with Miguel on May 21 and May 22. (See fns. 8 and 9, *ante*.)

After the telephone conversation with Hernandez, Borrowers received a letter from Lender dated May 24. The letter noted that there had been a change in the May 3 Repayment Agreement, namely, that the "plan 01" payment was due May 30. The letter indicated that the "plan 02" and "plan 03" payments were still due on June 29 and July 30, respectively. After Miguel read the May 24 letter, he was not concerned that it contained a different agreement than the one he thought he had with Hernandez. Miguel did not contact Lender to advise that the May 24 letter did not accurately set forth his understanding of the Repayment Agreement. Lender's representative (Friedberg) confirmed that Borrowers never objected to the statement in the May 24 letter that the second payment was due under the Agreement on June 29.

IV. *Foreclosure*

The trustee's sale took place on July 16. There were approximately four bidders (including Buyer) interested in the Property. Following the auction crier's announcement of Lender's opening bid of approximately $76,000, there were a number of bids by the four prospective buyers. The Property was sold to Buyer as the highest bidder; it paid $197,100.

Buyer's principal, Dominic Ip, is a licensed real estate broker. Ip testified that, in the five years before September 2001, he--either individually or through his real estate business--had bought approximately 15 properties at foreclosure sales. Approximately 50 percent of Buyer's sales resulted from brokerage deals transacted on behalf of others (i.e., *not* Buyer's personal investment transactions).

***4** Prior to the trustee's sale, Ip conducted some research regarding the first lien against the Property, drove by the Property, and ran comparable sales with Multiple Listing Service to determine the Property's value. Ip did not contact Trustee or Lender prior to the sale. [FN11] Similarly, Ip did not contact Borrowers, and he had no knowledge of any repayment agreement between Lender and Borrowers.

> FN11. Ip, however, did call the number listed on the sale notice from which potential buyers (or, for that matter, the trustors) could determine by voice mail whether the sale was postponed, and, if not, the amount of the opening bid at the sale.

The trustee's deed (recorded July 26) conveyed the Property to Buyer. [FN12] The deed noted that a default as indicated in the default notice had occurred and existed at the time of the sale. It also contained a recital that "[a]ll requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with." Borrowers became aware of the trustee's sale after they saw an eviction notice posted on the front door of their residence in late July.

> FN12. The trustee's deed conveyed the Property to "Royal Realty, a California corporation." Buyer was sued as "Royal Realty," an unknown entity; Buyer, however, filed its answer to the complaint (as well as a cross-complaint) as "D & I Investment, Inc., doing business as Royal Realty." Ip confirmed

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

at trial that D & I Investment, Inc. is a corporation that does business as Royal Realty. Thus, our references throughout this opinion to Buyer are to D & I Investment, Inc., dba Royal Realty.

V. *Value Of Property*

Miguel testified that he believed that the value of the Property was approximately $375,000 as of July 2001. The parties apparently agree--based upon the testimony of their respective expert witnesses--that the fair market value of the Property was between $317,000 and $380,000.

PROCEDURAL HISTORY

On September 14, Borrowers filed suit seeking, among other things, to set aside the trustee's sale and to cancel the trustee's deed. [FN13] Borrowers named Lender, Buyer, and Trustee as defendants.

FN13. The record reflects that Buyer filed an action for unlawful detainer against Borrowers, case No. CV141471. Borrowers sought an order consolidating their action with Buyer's unlawful detainer action. The court denied that motion but ordered that trial of Borrowers' action precede trial of the unlawful detainer action.

Borrowers filed a first amended complaint (complaint) on February 10, 2003, alleging seven causes of action. Borrowers alleged that the trustee's sale under which Buyer took title to the Property was invalid because it was conducted in violation of an alleged repayment agreement between Borrowers and Lender, as well as in violation of the Lender's own internal procedures. The complaint asserted equitable and legal claims, including claims to cancel trustee's deed, to quiet title, and for wrongful foreclosure.

Prior to trial, Borrowers, Lender, and Trustee entered into a partial settlement. The settlement included the dismissal of the wrongful foreclosure claim, and a stipulation that Lender and Trustee would remain as nominal defendants as to the equitable claims to cancel the trustee's deed and to quiet title. [FN14]

FN14. The settlement stipulation included a recital that on June 11, 2003, the court granted summary adjudication as to three causes of action, namely, claims for cancellation of deed based upon deprivation of due process, breach of fiduciary duty (against Trustee), and breach of implied good faith covenant. (The settlement also included a dismissal of the claim for an accounting.) While the court's summary adjudication order was not made part of the record on appeal, there appears to be no dispute that the trial proceeded between Borrowers and Buyer on only the causes of action for cancellation of trustee's deed, and to quiet title. Lender and Trustee remained defendants as necessary parties; they, however, did not actively participate at the trial.

The case proceeded to a court trial on October 20, 2003. After a three-day trial, the court concluded that the trustee's sale was valid and found for defendants. On December 23, 2003, the court entered a modified statement of decision and judgment. [FN15]

FN15. Buyer filed a cross-complaint against Lender and Trustee, alleging, in essence, a contingent claim for damages, i.e., that if Borrowers prevailed in the action, it would be as a result of the negligence of cross-defendants, and that Buyer would be damaged thereby. The judgment therefore includes a recital that because Borrowers did not prevail on their complaint, the cross-complaint was dismissed as moot.

Borrowers filed a notice of appeal on February 20, 2004. The appeal from the judgment was filed timely (Cal. Rules of Court, rule 2(a)(1)) and is a proper subject for appellate review.

DISCUSSION

I. Issues On Appeal

Borrowers challenge the court's entry of judgment against them, asserting the following:

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

***5** 1. The court used an incorrect standard in holding that Buyer was a BFP. (The court's finding directly implicated its rejection of Borrowers' claims.) Using the proper standard, there was no substantial evidence to support the court's conclusion that Buyer was a BFP.

2. The trustee's sale was void because it was held in violation of an agreement between Borrowers and Lender to postpone the sale; the sale going forward notwithstanding this agreement was in violation of section 2924g, subdivision (c)(2).

3. The court abused its discretion in finding that there were no irregularities with respect to the trustee's sale.

4. The court abused its discretion by concluding that the trustee's sale was valid since the sale was "contrary to law."

5. Lender was estopped from enforcing the forbearance agreement.

Because we deem it dispositive of this appeal, we begin by addressing the first contention. In so doing, we: (1) summarize the parties' contentions; (2) briefly review the statutory scheme concerning nonjudicial foreclosures; (3) identify the proper standard for determining whether a buyer at a foreclosure sale is a BFP; (4) determine whether there was substantial evidence supporting the court's conclusion here that Buyer was a BFP; (5) discuss the legal implications of Buyer's status as a BFP under the statutory presumptions of section 2924; and (6) decide the legal effect--disregarding section 2924--of Buyer as a BFP acquiring the Property at the trustee's sale. [FN16]

> FN16. We discuss in part III, *post*, Borrowers' second contention that the foreclosure was invalid because it violated the Repayment Agreement. Finding no merit to this contention, we need not address Borrowers' remaining claims of error.

II *Buyer's Status As Bona Fide Purchaser*

A. *Contentions of the Parties*

The court, in its modified statement of decision, concluded that Buyer "was a bona fide purchaser of the real property for value without notice of any adverse interest or of any irregularity in the sale proceedings." (As we will discuss in part II F, *post*, this determination is of central importance to Borrowers' challenge of the trustee's sale.) Borrowers contend that the court applied an incorrect standard. They claim--citing *Estate of Yates* (1994) 25 Cal.App.4th 511 (*Yates*)--that the test to determine whether Buyer was a BFP *should have been* whether Buyer (1) was a speculator who frequently bought property at foreclosure sales, and (2) purchased the Property at the trustee's sale for a price that was substantially less than its fair market value. In the event that both questions are answered in the affirmative (Borrowers argue), the foreclosure buyer *cannot* qualify as a BFP. Applying the *Yates* standard here, Borrowers assert that there was no substantial evidence to support the conclusion that Buyer was a BFP.

Buyer responds that the court applied the proper standard in reaching the conclusion that it was a BFP. Quoting a recent decision of this court, Buyer contends that it was a BFP because "[a] bona fide purchaser is one who pays value for the property without notice of any adverse interest or of any irregularity in the sale proceedings. [Citations.]" (*Nguyen v. Calhoun* (2003) 105 Cal.App.4th 428, 442 (*Nguyen*).)

B. *Nonjudicial Foreclosure*

***6** "[S]ections 2924 through 2924k provide a comprehensive framework for the regulation of a nonjudicial foreclosure sale pursuant to a power of sale contained in a deed of trust." (*Moeller v. Lien* (1994) 25 Cal.App.4th 822, 830 (*Moeller*); see also *Knapp v. Doherty* (2004) 123 Cal.App.4th 76, 86- 87.) This comprehensive statutory scheme has three purposes: "'(1) to provide the creditor/beneficiary with a quick, inexpensive and efficient remedy against a defaulting debtor/trustor; (2) to protect the debtor/trustor from wrongful loss of the property; and (3) to ensure that a properly conducted sale is final between the parties and conclusive as to a bona fide purchaser.' [Citations.]" (*Nguyen, supra*, 105 Cal.App.4th at p. 440.)

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

The manner in which the sale must be conducted is governed by section 2924g, subdivision (a), which requires, inter alia, that the property be sold at public auction to the highest bidder in the county where the property is located. "As a general rule, the purchaser at a nonjudicial foreclosure sale receives title under a trustee's deed free and clear of any right, title or interest of the trustor. [Citation.] A properly conducted nonjudicial foreclosure sale constitutes a final adjudication of the rights of the borrower and lender. [Citation.] Once the trustee's sale is completed, the trustor has no further rights of redemption. [Citation.]" (*Moeller, supra,* 25 Cal.App.4th at p. 831.)

C. *Definition of Bona Fide Purchaser*

Under section 2924, there is a conclusive presumption [FN17] created in favor of a bona fide purchaser who receives a trustee's deed that contains a recital that the trustee has fulfilled its statutory notice requirements. Section 2924 reads in relevant part: "A recital in the deed executed pursuant to the power of sale of compliance with all requirements of law regarding the mailing of copies of notices or the publication of a copy of the notice of default or the personal delivery of the copy of the notice of default or the posting of copies of the notice of sale or the publication of a copy thereof shall constitute prima facie evidence of compliance with these requirements and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value and without notice." [FN18]

FN17. "A 'conclusive presumption' requires the trier of fact to find the existence of the presumed fact from the existence of the basic fact. An adverse party is not permitted to introduce evidence to contradict or rebut the existence of the presumed fact. [Citation.]" (2 Jefferson, Cal. Evidence Benchbook (Cont.Ed.Bar 3d ed. 2004) Presumptions, § 46.6, p. 1055; see also Cal. Law Revision Com. com., 29B pt. 2 West's Ann. Evid.Code (1995 ed.) foll. § 601, p. 38.)

FN18. Buyer emphasizes the importance of this conclusive presumption in disposing of this case on appeal. The potential application of this statutory presumption to this case is discussed in part II E, *post.*

Section 2924 does not contain a definition of "bona fide purchaser" to guide us in evaluating whether the conclusive presumption of the statute is to be applied to a particular foreclosure sale in which the buyer has received a trustee's deed containing the requisite recitals. In the context of applying the presumptions applicable under section 2924, however, we have recently held that a BFP "is one who pays value for the property without notice of any adverse interest or of any irregularity in the sale proceedings. [Citations.]" (*Nguyen, supra,* 105 Cal.App.4th at p. 442.)

This definition of a BFP in the context of section 2924 is consonant with decisions defining the term under California's recording statutes, including sections 1107 [FN19] and 1214. [FN20] Thus, "a bona fide purchaser for value who acquires his interest in real property without notice of another's asserted rights in the property takes the property free of such unknown rights. [Citations.]" (*Hochstein v. Romero* (1990) 219 Cal.App.3d 447, 451; see also *In re Marriage of Cloney* (2001) 91 Cal.App.4th 429, 437; *Reiner v. Danial* (1989) 211 Cal.App.3d 682, 689-690.) "The elements of bona fide purchase are payment of value, in good faith, and *without actual or constructive notice of another's rights.* [Citation.]' [Citation.]" (*Gates Rubber Co. v. Ulman* (1989) 214 Cal.App.3d 356, 364.) The same elements exist to determine whether a party who takes or purchases a lien is a bona fide encumbrancer. (*Caito v. United California Bank* (1978) 20 Cal.3d 694, 702; *First Fidelity Thrift & Loan Assn. v. Alliance Bank* (1998) 60 Cal.App.4th 1433, 1441 (*First Fidelity*).)

FN19. "Every grant of an estate in real property is conclusive against the grantor, also against everyone subsequently claiming under him, except a purchaser or incumbrancer who in good faith and for a valuable consideration acquires a title or lien by an instrument that is first duly recorded." (§ 1107.)

FN20. "Every conveyance of real property or an estate for years therein, other than a lease for a term not exceeding one year, is void as

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

JPMC - 002288
CONFIDENTIAL
CSOC.RICH.003777

> against any subsequent purchaser or mortgagee of the same property, or any part thereof, in good faith and for a valuable consideration, whose conveyance is first duly recorded, and as against any judgment affecting the title, unless the conveyance shall have been duly recorded prior to the record of notice of action." (§ 1214.)

***7** Thus, the two elements of being a BFP are that the buyer (1) purchase the property in good faith *for value*, and (2) have no knowledge or notice of the asserted rights of another. (14 Powell on Real Property (1996) Recording Acts and Priorities, § 82.01[2], p. 82-12.) The first element does not require that the buyer's consideration be the fair market value of the property (or anything approaching it). (*Id.* at § 82.02[2], pp. 82-77 to 82-79.) Instead, the buyer need only part with something of value in exchange for the property. (See *Horton v. Kyburz* (1959) 53 Cal.2d 59, 65-66 [rejecting contention that BFP must give "adequate consideration" sufficient to obtain specific performance of a contract].) Thus, while "the 'adequacy' or amount of the consideration given by a subsequent purchaser or encumbrancer may reflect upon his 'good faith,' it does not preclude the consideration from being 'valuable.' The objective of the [recording statutes protecting bona fide purchasers and encumbrancers] is to protect persons who have invested substantial sums of money or property, or who have performed valuable services, in reliance on an honest belief that they are acquiring a good title or lien." (5 Miller & Starr, Cal. Real Estate (3d ed. 2000) Recording and Priorities § 11:52, p. 140, fn. omitted; see also 14 Powell on Real Property (1999) Transfer by Deed, § 81.A.07 [3][d], p. 81A-141 [where BFP "acquires an interest in land and makes an investment in the land, that party is entitled to have his or her expectations protected"].)

The second element required to establish BFP status is that the buyer have neither knowledge nor notice of the competing claim. (*Triple A Management Co. v. Frisome* (1999) 69 Cal.App.4th 520, 530 (*Triple A Management*).) The rationale for this requirement is that "[t]he recording laws were not enacted to protect those whose ignorance of the title is deliberate and intentional ... Their purpose is to protect those who honestly believe they are acquiring a good title, and who invest some substantial sum in reliance on that belief." (*Beach v. Faust* (1935) 2 Cal.2d 290, 292-293.) "A person generally has 'notice' of a particular fact if that person has knowledge of circumstances which, upon reasonable inquiry, would lead to that particular fact. [Citations.]" (*First Fidelity, supra*, 60 Cal.App.4th at p. 1443.)

Borrowers here, however, contend that an entirely different standard applies to determine whether Buyer was a BFP at the foreclosure sale. Citing the Miller & Starr treatise and *Yates, supra*, 25 Cal.App.4th 511, Borrowers claim that a purchaser at a nonjudicial foreclosure sale is *not* bona fide if the purchaser "(1) [is] a speculator who frequently purchases at foreclosure sales, and (2) pays substantially less than the value of the property." We disagree.

In *Yates*, the trustee--knowing that the borrower had died and that the public administrator was administering her estate--failed to give the estate *any notice* of the decedent's default. (*Yates, supra*, 25 Cal.App.4th at p. 516.) While the property had been valued at $120,000 the year before foreclosure (*id.* at p. 515), the buyer of the property--who purchased it from the successful bidder at the trustee's sale--paid $12,000, and took title subject to an existing $20,000 trust deed. (*Id.* at p. 517.) Based upon the complete absence of notice to the administrator and a sale at a grossly inadequate price (i.e., approximately one-quarter of its value), the court set aside the trustee's sale. (*Id.* at pp. 522-523.)

***8** The appellate court in *Yates* affirmed, concluding that "[t]here [was] sufficient evidence in the record to support the probate court's implied conclusion that [the buyer] was not a bona fide purchaser." (*Yates, supra*, 25 Cal.App.4th at p. 523.) This evidence included (1) the fact that the buyer had purchased between 300 and 500 properties in foreclosure over 16 years, (2) the buyer's testimony that " 'there was a lot of juice [equity] in the property,' " and (3) the fact that there was a "gross inadequacy of the sales price." (*Ibid.*)

Nowhere did the court in *Yates* hold that the *fact* that the buyer is experienced in purchasing foreclosure properties necessarily disqualifies him or her from

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

being a BFP under section 2924. To the contrary, the most that can be said is that the appellate court in *Yates* held that there was sufficient evidence to support the trial court's conclusion that the buyer had notice of the sale's irregularity (i.e., negating the second BFP prong). Its conclusion was based in part upon the buyer's *vast* foreclosure experience (i.e., 300 to 500 foreclosure purchases). [FN21]

> FN21. Likewise, Borrowers' reliance upon the Miller & Starr treatise is unavailing. *Yates* was the only authority cited by the authors of the treatise in support of the view that "a speculator who frequently purchases at foreclosure sales [and] who pays substantially less than the value of the property at a foreclosure sale is not a bona fide purchaser." (4 Miller & Starr, Cal. Real Estate (3d ed. 2003) Deeds of Trust § 10:210, p. 673, fn. omitted.)

Further, we see no reasoned basis for a blanket rule that would preclude a buyer from being a BFP simply because he or she has experience in foreclosure sales and purchases the property at less than fair market value. The law is designed to protect outside buyers [FN22] who part with value and have no knowledge or notice of a defect. In this respect, the presumption of section 2924 affords protection to the novice and experienced foreclosure buyer alike, and "was clearly designed to provide incentives to the public at large to attend the sales in order to obtain a better price at the sale." (*Homestead Savings v. Darmiento* (1991) 230 Cal.App.3d 424, 434.) A holding that an experienced foreclosure buyer perforce cannot receive the benefits of the law as a BFP if he or she buys property for substantially less than its value would chill participation at trustee's sales by this entire class of buyers, and, ultimately, could have the undesired effect of reducing sales prices at foreclosure.

> FN22. A beneficiary who acquires the property at foreclosure sale through a credit bid may not qualify as a BFP. (See *Tomczak v. Ortega* (1966) 240 Cal.App.2d 902, 907; see also 4 Miller & Starr, Cal. Real Estate, *supra*, Deeds of Trust § 10:211, pp. 680-681.)

We conclude therefore that the proper standard to determine whether a buyer at a foreclosure sale is a BFP is whether the buyer (1) purchased the property *for value*, and (2) had *no knowledge or notice* of the asserted rights of another. [FN23] Applying this test, we now review the court's determination here that Buyer was, in fact, a BFP. [FN24]

> FN23. Of course, in evaluating whether a buyer at a trustee's sale is a BFP, the buyer's foreclosure sale experience may be considered in making the factual determination of whether he or she had knowledge or notice of the conflicting claim.
>
> FN24. Our conclusion here is not inconsistent with our holding in *Nguyen*, where we indicated--citing *Yates*--that "[t]here is authority suggesting that an experienced foreclosure bidder may not qualify as a bona fide purchaser." (*Nguyen, supra*, 105 Cal.App.4th at p. 442.) In *Nguyen*, however, we did not reach the question of whether the buyer was a BFP. Because of the absence of any potential grounds for invalidating the foreclosure sale in *Nguyen*, we noted that we did not need to address the issue of whether the sale was governed by a rebuttable or conclusive presumption under section 2924. (*Nguyen, supra*, at p. 444, fn. 7.)

D. *Court's Conclusion That Buyer Was a BFP*

We note preliminarily that the issue of whether a buyer is a BFP is a question of fact. (*Triple A Management, supra*, 69 Cal.App.4th 520, 536; *Asisten v. Underwood* (1960) 183 Cal.App.2d 304, 311.) Accordingly, we will reverse a trial court's determination on this question only if it is not supported by substantial evidence. (*Triple A Management, supra*, at p. 536; *Hochstein v. Romero, supra*, 219 Cal.App.3d 447, 451.) Moreover, this factual determination is based upon the circumstances that existed at the time of the buyer's acquisition; information learned after the acquisition does not affect the buyer's BFP status. (*Reiner v. Danial, supra*, 211 Cal.App.3d 682, 690.)

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

***9** As we have concluded, a purchaser at foreclosure is a BFP if he or she (1) purchases the property in good faith and for value, and (2) has no knowledge or notice of the asserted rights claimed by another. The evidence was undisputed that Buyer acquired the Property for value: it paid $197,100 at the auction, after engaging in competitive bidding with three rivals. This purchase price was more than double the initial bid made by Lender. There was no evidence that Buyer acquired the Property in bad faith. The fact that it paid less than the Property's fair market value--giving rise to Borrowers' contention that the consideration was "inadequate"--is of no legal consequence. (See *Horton v. Kyburz, supra,* 53 Cal.2d 59, 65-66.) Indeed, "it is common knowledge that at forced sales such as a trustee's sale the full potential value of the property being sold is rarely realized." (*Strutt v. Ontario Sav. & Loan Assn.* (1972) 28 Cal.App.3d 866, 876; see also *Alliance Mortgage Co. v. Rothwell* (1995) 10 Cal.4th 1226, 1236 [property's price at trustee's sale "is not deemed the equivalent of the property's fair market value"].)

There was also substantial evidence supporting the second BFP requirement (i.e., absence of knowledge or notice of the competing claim). Buyer had no knowledge of the Repayment Agreement; in fact, it had no contact whatsoever with either Lender or Borrowers. Further, at the time of the trustee's sale, Buyer had no notice of Borrowers' asserted rights (i.e., their claim that the Repayment Agreement, as modified, required postponement of the trustee's sale). While we acknowledge that Buyer had significant foreclosure experience, we reject Borrowers' suggestion that this experience compels the conclusion that notice of the Repayment Agreement should be "imputed" to Buyer. There is no authority that would support such a theory of imputed notice under the facts of this case. (See, e.g., *Pierson v. Fischer* (1955) 131 Cal.App.2d 208, 215 [refusing to set aside trustee's sale based upon claim, inter alia, that sale postponement not properly announced, where BFP was unaware of alleged fraud by trustee]; *Karrell v. First Thrift of Los Angeles* (1951) 101 Cal.App.2d 536, 539 [rejecting trustor's challenge to trustee's sale, where BFP had no knowledge of any postponement agreement or other transactions between trustor and beneficiary].)

In this instance, therefore--applying the proper BFP test--there was substantial evidence supporting the court's conclusion that Buyer was a BFP. Indeed, there was *little, if any, evidence supporting a contrary conclusion.* We will now address the legal implications of the court's finding that Buyer was a BFP.

E. Effect of Buyer's BFP Status Under Section 2924

As noted above, section 2924 provides that, where the trustee delivers a deed to the buyer at the foreclosure sale, and the deed recites that all procedural requirements for the default notice and sale notice have been satisfied, there is a statutory rebuttable presumption that such notice requirements have been fulfilled; as to a BFP, this presumption is conclusive. (§ 2924; *Homestead Savings v. Darmiento, supra,* 230 Cal.App.3d 424, 432; *Napue v. Gor-May West, Inc.* (1985) 175 Cal.App.3d 608, 620-621.) This statutory presumption was clearly intended to subserve the third goal of the foreclosure statutes that we acknowledged in *Nguyen,* i.e., " 'to ensure that a properly conducted sale is final between the parties and conclusive as to a bona fide purchaser.' " (*Nguyen, supra,* 105 Cal.App.4th 428, 440; see also *Homestead Savings v. Darmiento, supra,* at pp. 433-434 [recognizing that intent of presumption language "was to promote certainty in favor of the validity of the private foreclosure sale because it encouraged the public at large to bid on the distressed property which in turn benefited the trustor"].)

***10** Here, the trustee's deed indisputably contained the recitals under section 2924 concerning Trustee's compliance with the required procedures for the default and sale notices. Since Buyer was a BFP, Buyer argues that section 2924's conclusive presumption language precludes *any* attack by Borrowers on the trustee's sale. We disagree.

The alleged irregularity in the trustee's sale of which Borrowers complain was that the sale violated the terms of their Repayment Agreement with Lender. As such, Borrowers contend that Trustee violated its statutory obligation of postponing the sale upon agreement of the beneficiary and trustor, as required under section 2924g, subdivision (c)(2).[FN25] Borrowers' challenge

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

to the trustee's sale does not involve a claim concerning whether Trustee followed all statutory procedures with respect to the default and sales notices; there is no dispute that Trustee followed the statutory procedures for the default and sales notices. We therefore hold that the conclusive presumption for BFP's under section 2924 does not apply to bar Borrowers' attempt to set aside the trustee's sale. [FN26]

FN25. "The trustee shall postpone the sale upon the order of any court of competent jurisdiction, or where stayed by operation of law, or by the mutual agreement, whether oral or in writing, of any trustor and any beneficiary or any mortgagor and any mortgagee." (§ 2924g, subd. (c)(2).)

FN26. Section 2924's conclusive presumption language for BFP's applies only to challenges to statutory compliance with respect to default and sales notices. In reaching this conclusion, we recognize that there is dictum that suggests that the conclusive presumption under section 2924 applies across the board to *any* claimed irregularities in the trustee's sale. The court in *Moeller* held that the presumption under section 2924 provides that the trustee's "sale has been conducted regularly and properly," and that, as against a BFP, the presumption operates to prevent the trustor from "attacking the validity of the sale." (*Moeller, supra,* 25 Cal.App.4th 822, 831.) Cases following *Moeller* have similarly described the conclusive presumption--applicable under section 2924 where the buyer is a BFP who has received a trustee's deed--as precluding *any* attack on the trustee's sale. (See *Residential Capital v. Cal-Western Reconveyance Corp.* (2003) 108 Cal.App.4th 807, 817 (*Residential Capital*) [once trustee's deed is delivered, "there was a conclusive presumption of validity under section 2924"]; *6 Angels, Inc. v. Stuart-Wright Mortgage, Inc.* (2001) 85 Cal.App.4th 1279, 1286 [same]; *Angell v. Superior Court* (1999) 73 Cal.App.4th 691, 699-700 [same].) To the extent that Buyer may construe these cases as describing section 2924's presumption as precluding *any* attack on the foreclosure sale as to a BFP-- irrespective of whether the challenge relates to the trustee's compliance with procedural requirements concerning the default and sale notices--we decline to follow such interpretation. (See 4 Miller & Starr, Cal. Real Estate, *supra,* Deeds of Trust § 10:211, p. 680 [section 2924 "presumption only applies to the propriety of the required notices, but it does not apply to other requirements of the foreclosure process"].)

F. *Effect of Buyer's BFP Status Generally*

We have concluded that the conclusive presumption under section 2924 did not preclude Borrowers' action to set aside the trustee's sale. We must consider further whether the trial court's conclusion that Buyer was a BFP--supported by substantial evidence--nonetheless rendered the sale invulnerable to Borrowers' challenge. We answer this question in the affirmative.

We begin with the general proposition that the trustor cannot set aside a foreclosure sale to a BFP "based on irregularities in the foreclosure sale process, except in the case of fraud." (4 Miller & Starr, Cal. Real Estate, *supra,* Deeds of Trust § 10:211, p. 683.) This rule is founded upon BFP principles, generally, that "a bona fide purchaser is not chargeable with the fraud of his predecessors and takes a title purged of any anterior fraud affecting it and free from any equities existing between the original parties. [Citations.]" (*Marlenee v. Brown* (1943) 21 Cal.2d 668, 675.) The general unassailability of foreclosures promotes twin policies: "[1] that a properly conducted sale be a final adjudication of the rights of the creditor and debtor [citations] and [2 that] the sanctity of title of a bona fide purchaser be protected." (*Moeller, supra,* 25 Cal.App.4th 822, 832.) In this respect, *Strutt v. Ontario Sav. & Loan Assn.* (1970) 11 Cal.App.3d 547 (*Strutt*) is instructive.

In *Strutt,* the trustor challenged the foreclosure sale on the grounds that (1) he had no notice of the sale, and (2) the beneficiary and trustee had both actual and constructive knowledge that he was suffering from a

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

legal disability at the time of the sale: namely, after the court, pursuant to former Penal Code section 1368, [FN27] suspended separate criminal proceedings pending against the trustor, he was committed to a mental facility by a criminal court after a finding that he was " 'unable to assist counsel in his defense.' " (*Strutt, supra,* 11 Cal.App.3d at p. 552.) The appellate court affirmed the trial court's dismissal of the action after summary judgment in favor of the buyer, Iler, rejecting the trustor's claim that the buyer was charged with constructive notice of trustor's alleged legal disability. (*Id.* at pp. 554-556; see also *Strutt v. Ontario Sav. & Loan Assn., supra,* 28 Cal.App.3d 866, 872 [in subsequent appeal involving trustor, beneficiary, and trustee, court acknowledged its prior holding in *Strutt* that trustee's sale could not be set aside because Iler was BFP].)

> FN27. "If at any time during the pendency of an action and prior to judgment a doubt arises as to the sanity of the defendant, the court must order the question as to his sanity to be determined by a trial by the court without a jury, or with a jury, if a trial by jury is demanded; and, from the time of such order, all proceedings in the criminal prosecution shall be suspended until the question of the sanity of the defendant has been determined, and the trial jury in the criminal prosecution may be discharged, or retained, according to the discretion of the court until the determination of the issue of insanity." (Former Pen.Code, § 1368, amended by Stats.1974, ch. 1511, § 3, p. 3317.)

***11** In concluding that the trustor's attempt to set aside the sale should be rejected, the court in *Strutt* reasoned: "Viewing the situation most favorably to plaintiff, the most that can be said is that, knowing of his alleged legal disability, [the beneficiary and trustee] may have been guilty of some fraud or imposition upon plaintiff in proceeding with the foreclosure and trustee's sale and that, as between plaintiff and those defendants, the trustee's sale may have been voidable. It would not follow, however, that the subsequent sale to Iler would be invalid, for it is well established that a subsequent good faith purchaser for value and without notice of the fraud or imposition is not chargeable with the fraud or imposition of his predecessor and takes title free of any equity of the person thus defrauded or imposed upon. [Citations.]" (*Strutt, supra,* 11 Cal.App.3d at p. 554; see also *Taliaferro v. Crola* (1957) 152 Cal.App.2d 448, 449-450 [trustor's attack on trustee's sale against buyer receiving trustee's deed must be based upon fraud--not mere irregularity--of which buyer had knowledge or notice].)

In this instance, Borrowers' theory was that the trustee's sale violated the Repayment Agreement; they claim the Agreement was orally modified to permit them to make the June payment at the end of July. Thus, applying the reasoning in *Strutt,* the *most* that can be said is that, in Borrowers' view, there was some potential fraud or imposition because Lender failed to instruct Trustee to postpone the foreclosure sale to a date after the second and third payments were due (i.e., after July 30). There was no evidence that Buyer knew about the Repayment Agreement itself, let alone its alleged modification. Further, there were no facts sufficient to put Buyer on notice of the Agreement or its alleged modification. Buyer was not chargeable with any alleged fraud or imposition, and there was simply no basis for setting aside the trustee's sale. Accordingly, adopting the court's finding that Buyer was a BFP, we must affirm the judgment against Borrowers.

III. *Absence Of Prejudicial Procedural Irregularity*

Assuming, arguendo, that Borrowers' challenge of the trustee's sale could survive the legal implications of the court's finding that Buyer was a BFP-- which we have found it cannot--we evaluate whether the court's judgment was nonetheless proper. We conclude that it was.

A nonjudicial foreclosure sale is accompanied by a common law presumption that it "was conducted regularly and fairly." (*Brown v. Busch* (1957) 152 Cal.App.2d 200, 204; see also *Stevens v. Plumas Eureka Annex Min. Co.* (1935) 2 Cal.2d 493, 497.) This presumption may only be rebutted by substantial evidence of prejudicial procedural irregularity. (*6 Angels, Inc. v. Stuart-Wright Mortgage, Inc., supra,* 85 Cal.App.4th 1279, 1284.) The "mere inadequacy of

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

price, absent some procedural irregularity that contributed to the inadequacy of price or otherwise injured the trustor, is insufficient to set aside a nonjudicial foreclosure sale. [Citations.]" (*Ibid.*; see also *Sargent v. Shumaker* (1924) 193 Cal. 122, 129 [gross inadequacy in price must be coupled with unfairness or advantage " '*resulting in such gross inadequacy* and consequent injury' " to borrower].) It is the burden of the party challenging the trustee's sale to prove such irregularity and thereby overcome the presumption of the sale's regularity. (*Hatch v. Collins* (1990) 225 Cal.App.3d 1104, 1113.)

***12** Of considerable significance as well is whether a trustee's deed has been prepared and delivered to the buyer. Thus, courts have sustained a number of foreclosure sale challenges where the actions have been brought *before* the transfer of the trustee's deed to the buyer. (See, e.g., *Residential Capital, supra,* 108 Cal.App.4th 807 [trustee refused to issue trustee's deed when it learned that sale had occurred despite postponement agreement between beneficiary and trustor]; *Angell v. Superior Court, supra,* 73 Cal.App.4th 691 [after sale but before delivery of trustee's deed, trustee discovered material understatements in default and sale notices concerning amounts due]; *Whitman v. Transtate Title Co.* (1985) 165 Cal.App.3d 312 [trust deed not issued after sale where trustee learned of its failure to grant postponement of sale required by statute]; *Little v. CFS Service Corp.* (1987) 188 Cal.App.3d 1354 (*Little*) [trustee discovered failure to provide statutory sale notices to trustor, junior lienor, and judgment creditor before issuing deed].) These cases--which include ones that Borrowers cite in support of their claims of error--often emphasize that the absence of delivery of a trustee's deed made possible the attack on the trustee's sale. [FN28] In contrast, Trustee here prepared and delivered a trustee's deed to Buyer.

> FN28. For instance in *Residential Capital*, the court specifically recognized that "[i]t might be a different case had the trustee's deed been issued" to the buyer. (*Residential Capital, supra,* 108 Cal.App.4th at p. 823; see also *Moeller, supra,* 25 Cal.App.4th 822, 832 [noting that "trustee may abort a sale to a bona fide purchaser" where foreclosure defect discovered before delivery of trustee's deed]; *Little, supra,* 188 Cal.App.3d at p. 1359, fn. 1 [noting that, in "[m]any notice defect cases ... the trustor was precluded from challenging the sale" because of delivery of the trustee's deed].)

In this instance, the court concluded that there was no procedural irregularity whatsoever with respect to the trustee's sale. It held that the foreclosure was conducted in accordance with all statutory requirements. The court concluded further that there was no "substantial defect in the foreclosure process apart from the requirements of Civil Code § 2924 et seq., which would justify setting aside the foreclosure sale." Underlying the court's decision was its finding that the Repayment Agreement was *not* orally modified to permit Borrowers to make the June 29 payment on July 30. This finding was supported by substantial evidence.

There was certainly *some* evidence--namely, Miguel's testimony--that Borrowers and Lender orally modified the Repayment Agreement to consolidate the second and third payments on July 30. [FN29] There was, however, *significant evidence to the contrary*. This evidence included: (1) the written Agreement, itself, signed by the parties, which provided unambiguously that the second payment was due in Lender's office by June 29, and which was never modified in writing to change this due date to July 30; (2) the fact that the Agreement was faxed to Borrowers *multiple times* after the alleged oral modification, and Borrowers never contacted Lender to advise that it contained an incorrect due date for the second payment; (3) the fact that Borrowers received Lender's May 24 letter (advising that the second payment was due June 29) and never advised Lender that this term was incorrect; (4) Hernandez's testimony that he had *no* conversation with Miguel about changing the due date of the second payment (or, in fact, concerning the second payment at all); and (5) Lender's records of May 22 (after Hernandez's telephone conversations with Miguel), indicating that the next payment was due on June 29.

> FN29. We summarily reject Borrowers' argument that the trustee's sale was improper

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

because it allegedly contravened the parties' agreement that the sale would be "cancelled" if Borrowers made the first payment of $5,000 before the original sale date. This claim was based solely on Miguel's testimony and was directly contradicted by the terms of the Repayment Agreement.

***13** Borrowers rely heavily on two cases, each of which concerned disputes between trustor and beneficiary regarding the terms of a repayment agreement. The cases--*Tully v. World Savings & Loan Assn.* (1997) 56 Cal.App.4th 654 (*Tully*), and *Sutherland v. Barclays American/Mortgage Corp.* (1997) 53 Cal.App.4th 299 (*Sutherland*)--are procedurally and factually distinguishable and offer Borrowers no support.

In *Tully*, the trustor filed an action to set aside a nonjudicial foreclosure sale, claiming, inter alia, that the beneficiary breached a repayment agreement. (*Tully, supra,* 56 Cal.App.4th at p. 657.) The beneficiary moved successfully for summary judgment, relying upon an *unsigned* document as establishing the terms of the parties' repayment agreement. (*Id.* at p. 658.) The trustor contradicted the terms of the agreement with a declaration indicating that the beneficiary had agreed to terminate the foreclosure when it accepted the trustor's $20,000 payment. (*Id.* at p. 659.) The appellate court reversed, holding that the trustor's declaration raised a triable issue of fact that precluded summary judgment. (*Id.* at pp. 660-661.)

Significantly, the court in *Tully* did not hold that the trustor was entitled to prevail; it merely held that there was a factual dispute as to the terms of the repayment agreement that could not be resolved by summary judgment. (*Tully, supra,* 56 Cal.App.4th at p. 661.) Also of importance, the buyer at the foreclosure sale in *Tully* was *the beneficiary itself.* (*Id.* at p. 658.) Thus, assuming the trier of fact in *Tully* ultimately concluded that the trustee's sale occurred in breach of the parties' repayment agreement, the buyer/beneficiary *could not* claim it was a BFP; it took title at the trustee's sale with full knowledge of the defect (i.e., breach of the repayment agreement).

Likewise, in *Sutherland,* the beneficiary obtained summary judgment in its dispute with the trustor over the terms of a repayment agreement. (*Sutherland, supra,* 53 Cal.App.4th 299, 309.) The trustor--whose condominium was severely damaged by the Northridge earthquake in 1994 (*id.* at pp. 304-305)--obtained from the beneficiary a three-month "stop" to her mortgage payments. (*Id.* at p. 305.) The beneficiary contended that the repayment agreement required the trustor to " 'catch up' " by making three monthly payments at the end of the three-month moratorium. (*Id.* at pp. 307, 310.) The trustor, however, understood that she was not required to make a "catch up" payment, and that the entire term of the loan would be extended by three months. (*Ibid.*) The appellate court reversed, concluding that summary judgment was inappropriate in light of the disputed fact issue as to the terms of the repayment agreement. (*Id.* at pp. 310-313.)

Again, *Sutherland* is distinguishable and offers no aid to Borrowers here. The court there did *not* conclude that the trustor was entitled to prevail; it merely held that summary judgment was improper. (*Sutherland, supra,* 53 Cal.App.4th at p. 311, fn. 7.) Furthermore, *Sutherland* did not involve a foreclosure sale at all. It was an action by the trustor for declaratory and injunctive relief to prevent the beneficiary from asserting a default that trustor claimed was contrary to the parties' agreement. (*Id.* at pp. 308-309.) Therefore, it did not present the issues central to the instant dispute, namely, whether trustors could invalidate a foreclosure sale and cancel a trustee's deed to a buyer who was a BFP, on the basis that the foreclosure allegedly violated the terms of their Repayment Agreement with the beneficiary.

***14** The trial court here was well within its power to reject Borrowers' contention that the Repayment Agreement was orally modified. Its conclusion was based upon substantial evidence. As a result--even apart from the fact that the trustee's sale was unassailable because Buyer was a BFP--we reject Borrowers' challenge of the court's conclusion that there was no procedural irregularity that overcame the presumption that the foreclosure was regularly and fairly conducted. (See *Crummer v. Whitehead* (1964) 230 Cal.App.2d 264, 268 [acknowledging trial court's discretion to

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

determine "whether the particular facts of a given case justify setting aside a trustee's sale"].) [FN30]

> FN30. Borrowers also claim that the trustee's sale should be set aside because: (1) Lender did not follow its own internal procedures in dealing with trustors in foreclosure proceedings (e.g., it failed to notify Borrowers of the postponed sale date); and (2) Lender did not properly credit Borrowers' first payment made in May under the Agreement, and this accounting failure resulted in Lender incorrectly noting a default under the Agreement that led to the ultimate foreclosure in July. We reject those contentions as well. As to the first claim, there is no authority for the proposition that a beneficiary's failure to follow its own internal procedures--where such failure is not a breach of its contractual or statutory obligations--is a procedural irregularity that makes a trustee's sale void or voidable. Lender was under no obligation to inform Borrowers of the postponed date(s) of the trustee's sale. Indeed, it is apparent that Borrowers could have easily learned this information by contacting Trustee. (See *Tully, supra,* 56 Cal.App.4th at p. 664 ["debtors bear the responsibility to remain informed about the status of their property that has been put into foreclosure" before their bankruptcy].) We likewise reject the second contention. Given the trial court's factual finding that the Repayment Agreement was not modified, Lender unquestionably had the right to foreclose on July 16, since Borrowers breached the Agreement by failing to make the second payment on or before June 29, 2001.

DISPOSITION

The judgment is affirmed.

WE CONCUR: RUSHING, P.J., and ELIA, J.

2005 WL 704130 (Cal.App. 6 Dist.)

END OF DOCUMENT

© 2005 Thomson/West. No Claim to Orig. U.S. Govt. Works.

KIRBY & McGUINN
A Professional Corporation

Leonard Ackerman
Dean T. Kirby, Jr.
Jana Logan
Kenneth G. Noorigian
Cheryl Edwards Tannenberg

600 B Street, Suite 1950
San Diego, CA 92101
(619) 685-4000

Martin T. McGuinn
Voice: 619.525.
Fax: 619.525.
E-Mail: mmcguinn

June 2, 2008

VIA EMAILONLY donna
Donna Parkinson, Esq.
Parkinson & Phinney LLC
400 Capitol Mall, 11th Fl.
Sacramento, CA 95814

Re:	*Your Clients:*	*James York and Red Rock Mortgage Inc. (collectively, "Red Rock")*
	Our Clients:	*Washington Mutual Bank ("WaMu") and California Reconveyance Company ("CRC")*
	Real Property:	*3622 W. Curtis Drive, Sacramento, CA (the "Property")*
	Borrower:	*Laura Richardson*
	Our File No.:	*WAS002-93*

Dear Ms. Parkinson:

WaMu has considered Red Rock's counter offer to its recent settlement proposal and has rejected it. In accordance with Civil Code section 1058.5 (b) and the case authority contained in our prior letter, enclosed please find an unrecorded copy of the Notice of Rescission of the Trustee's Deed Upon Sale. I will send a copy of the recorded Notice of Rescission as soon as I receive it. The foreclosure trustee, California Reconveyance Company, is mailing to you separately a check in the sum of $391,190.06, which includes refund of Red Rock's purchase funds of $388,001.01, plus 10% interest thereon through June 6, 2008 totaling $3,189.05. I will email to you the tracking number for the overnight delivery package containing the check, once I have that information, so you can track the progress of the delivery.

Mr. York previously advised me that he had incurred expenses related to the Property. WaMu will reimburse Mr. York for his expenses if you will kindly provide an itemization of the expenses and receipts for the expenditures.

Please advise your client and his agents, contractors or employees, to remove themselves and their equipment from the premises and to lock the front door when they have vacated the Property. Please notify me in writing when the equipment has been removed and the premises are locked, so that WaMu can notify the borrower that the locks need to be changed. If you are willing to send the keys to our client, I will provide you with a billing number for overnight delivery service so you can

return the keys at our expense.

If there is anything you wish to discuss regarding the transition and the removal of your client's equipment from the Property, please contact me so we can work together and avoid any miscommunication.

Thank you in advance for your continuing professional courtesy and cooperation in this matter. Should you have any questions, or concerns not addressed in this letter, please do not hesitate to contact the undersigned.

Very truly yours,

Martin T. McGuinn

cc: Paul Battaglia *(via email)*
Deborah Brignac *(via email)*
Donald Cook (via email)
Jan Owen (via email)

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $535,001.00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:
LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N.: [redacted]
Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC. AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE: 05/30/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Hana Konupek, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 6/2/08 before me, CARLA DODD, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, HANA KONUPEK AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

From: unknown Page: 1/5 Date: 6/3/2008 5:35:21 PM

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP
Attorneys at Law

June 3, 2008

Martin T. McGuinn, Esq.
Kirby & McGuinn
600 B Street, Suite 1950
San Diego, California 92101

VIA EMAIL:
mmcguinn[redacted]

VIA FACSIMILE: 619.525[redacted]

Re: 3622 W. Curtis Drive, Sacramento, California
Our File No[redacted]

Dear Mr. McGuinn:

This office is substituting in as litigation counsel for Red Rocks Mortgage, Inc. and James York with respect to the above-referenced property. In that capacity, I am in receipt of your letters dated May 28, 2008, and June 2, 2008, regarding same. We disagree that your client is entitled to rescind the trustee's deed for the above-referenced property due to an alleged unexecuted forbearance agreement.

In support of its position, your client relies on an extrapolated reading of *Bank of America, N.A. v. La Jolla Group II* (2005) 129 Cal.App.4th 706 and *Residential Capital LLC v. Cal Western Reconveyance Corp. (2003) 108 Cal.App.4th 807*. We believe these cases are inapposite and distinguishable from the facts of this case. The *Melendrez v. D & I Investment Inc.* 127 Cal.App.4th 1238 case, on the other hand, is on point and absolutely supports our position that, as a *bona fide* purchaser, our client's title to the property is unchallengeable.

In *La Jolla*, the trustors (debtors) defaulted on their loan. A Notice of Default, an Election to Sell under Deed of Trust, and a Notice of Trustee's Sale were recorded. Four days before the sale, the trustors tendered payment at a branch of the beneficiary. A branch employee accepted the payment and reinstated the loan. However, the beneficiary never notified the trustee that the loan had been reinstated, and the foreclosure sale proceeded as planned. La Jolla Group II (the buyer at the sale) purchased the property. The trustee issued a Trustee's Deed, which was promptly recorded. Five days after the deed was recorded, the trustee realized he made a mistake and that the sale should not have gone forward. The trustee recorded a notice of rescission of the Trustee's Deed and tendered a refund check for the amount paid. When La Jolla Group II refused to accept tender, the trustee filed an action against it seeking cancellation of the Trustee's Deed.

10640 Mather Blvd., Suite 200
Mather, CA 95655
(916) 920-5286 • FAX (916) 920-8608

967 Reserve Drive
Roseville, CA 95678
(916) 920-5286 • FAX (916) 920-8608

Applying these facts, *La Jolla* held that the sale was void. It based its holding on *Bisno v. Sax* (1959) 175 Cal.App.2d 714, which had held that "the tender and acceptance of a payment sufficient to cure a default on a loan secured by a deed of trust reinstated the loan and deprived the trustee of the power to foreclose." *La Jolla, supra*, 129 Cal.App.4th at 711. Citing *Bisno*, *La Jolla* approved of the proposition that, "[s]peaking generally, the acceptance of payment of a delinquent installment of principal or interest cures that particular default and precludes a foreclosure sale based upon such preexisting delinquency." *Id.* Applying Bisno to the facts of its case, *La Jolla* held that "[i]f, after default, the trustor and beneficiary enter into an agreement to cure the default *and reinstate the loan*, no contractual basis remains for exercising the power of sale.[emphasis added]" *Id.* at 712. Taking these holdings together, in order for the "*La Jolla*" exception to apply, there must be (1) a tender (2) of a payment sufficient to cure a default, (3) acceptance of that payment, and (4) reinstatement of the loan. Here, all four of these elements are missing. The holding of *La Jolla*, therefore, does not apply.

Residential Capital is clearly inapposite as no Trustee's Deed Upon Sale was issued or recorded. Moreover, in that case, the court stated that if a Trustee's Deed had been issued it might have been a different case. *Residential Capital, supra*, at 715. Accordingly, your clients' assertion that these cases, collectively, stand for the proposition that, under our facts, the trustee's deed is rescindable is without merit.

Your failure to attempt to distinguish the *Melendrez* is understandable.

In *Melendrez*, the borrowers lost their home through non-judicial foreclosure whereby an experienced third-party bought the property at the Trustee's Sale. The borrowers sued to cancel the sale contending that, *inter alia*, it was invalid because it took place notwithstanding a repayment agreement between the lender and the borrowers.

The court began its discussion by explaining the comprehensive framework of the regulations attendant to non-judicial foreclosure sales pursuant to a power of sale contained in the deed of trust. The court reiterated the tri-fold purposes of the statutory scheme, to wit:

> (i) to provide the creditor/beneficiary with a quick, inexpensive and efficient remedy against the defaulting debtor/trustor; (ii) to protect the debtor/trustor from wrongful loss of the property; and (iii) to ensure that a properly conducted sale is final between the parties and conclusive as to a bona fide purchaser.

"A properly conducted non-judicial foreclosure sale constitutes a final adjudication of the rights of the borrower and lender. Once the trustee's sale is completed, the trustor has no further rights of redemption." (*Melendrez*, at 1249-1250.)

The court then defined a "*bona fide* purchaser": "A *bona fide* purchaser is one who pays value for the property without notice of any adverse interest or of any irregularity in the sale proceedings." (*Nguyen* (2003) 105 Cal.App.4th 428, 442.) (*Melendrez*, at p. 1250.) The court specifically held that this definition of a *bona fide* purchaser in the context of Civil Code section 2924 is consonant with decisions defining the term under California's recording statutes. Therefore, "a bona fide purchaser for value who acquires his interest in real property without notice of another's asserted rights in the property takes the property free of such unknown rights." (*Id.*)

The court found that buyer was a purchaser for value. In addition, the court found that, like here, the buyer had no knowledge of the alleged repayment agreement and had no contact whatsoever with either the lender or the borrowers. In sum, the buyer had no knowledge of the borrower's asserted right and the court refused to impute notice of the alleged repayment agreement to the buyer lacking any authority upon which to do so. (*Melendrez*, at pp. 1254 and 1255.)

The court then averted to the presumption set forth in Civil Code section 2924: "Where the trustee delivers a deed to the buyer at the foreclosure sale, and the deed recites that all procedural requirements for the default notice and sale notice have been satisfied, there is a statutory rebuttable presumption that such notice requirements have been fulfilled; as to a BFP, this presumption is conclusive. (*Melendrez*, at p. 1255.) The court in Melendrez went on to say:

> In this instance, Borrowers' theory was that the trustee's sale violated the Repayment Agreement; ..., the most that can be said is that, in Borrowers' view, there was some potential fraud or imposition because Lender failed to instruct Trustee to postpone the foreclosure sale to a date after the second and third payments were due (i.e., after July 30). There was no evidence that Buyer knew about the Repayment Agreement itself, let alone its alleged modification. Further, there were no facts sufficient to put Buyer on notice of the Agreement or its alleged modification. Buyer was not chargeable with any alleged fraud or imposition, and there was simply no basis for setting aside the trustee's sale. Accordingly, adopting the court's finding that Buyer was a BFP, we must affirm the judgment against Borrowers. (*Melendrez, supra*, at 1258.)

Based on the above-quoted language from the *Melendrez* case, the responsible party for the failure to notify the trustee of the alleged forbearance agreement falls squarely on the shoulders of your client.

To reiterate, the distinction made clear from the *La Jolla* and *Melendrez* cases is the reinstatement of the loan in *La Jolla*, which rendered the power of sale provision in the deed of

trust ineffective. Such is not the case here. Rather, here, there was a mere alleged agreement to postpone the sale; there was no reinstatement. Accordingly, the *Melendrez* case is directly on point.

In further support of my client's position, I would direct your attention to *In Re Tydings-Monsour* (2006) 2006 Bankr. Lexis 2455, a 9th Circuit Bankruptcy Court case applying California law, where the court employed identical reasoning in finding that the *La Jolla* case created only a narrow exception in instances where there is, *inter alia*, a reinstatement of the loan.

Accordingly, even assuming the facts are as you state them, meaning that there was a forbearance agreement,[1] your client still loses as a matter of law because the loan was not reinstated, therefore, the power of sale provision contained in the deed of trust was not ineffective; thus, the sale is valid and cannot be unilaterally rescinded as against an undisputed *bona fide* purchaser.

Based upon the above-reasoning, I would implore your client not to record the Notice of Rescission attached to your letter of yesterday's date. If such Notice is recorded, my client will have no choice to but to file an action for slander of title wherein we will seek all remedies available under California law, which include attorneys' fees.

I would hope your client does not make a bad situation worse by forcing my client into litigation. Rather, I would urge you to make an offer to my client that adequately reflects the reality of this situation. I look forward to your response.

Very truly yours,

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP

THOMAS B. SHERIDAN

Cc: Client
Donna Parkinson

[1] The copy enclosed with your May 28, 2008, letter is unsigned, not on letterhead, and does not include enclosures.

From: unknown Page: 5/5 Date: 6/3/2008 5:35:23 PM

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP
Attorneys at Law

FACSIMILE COVER SHEET

THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE.

Date: June 3, 2008 Our File No.

		Fax No.	Telephone No.
To:	**Martin T. McGuinn**	(619) 525-	
Company:	**Kirby & McGuinn**		
From:	Thomas B. Sheridan		

Number of pages being transmitted including the cover page: 5

Message/Document(s): Correspondence re 3622 W. Curtis Dr., Sacramento, CA

Please call **Cheryl Ewing** at **(916) 920-** if all pages are not received.

ORIGINAL will follow by: Other:

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via the U.S. Postal Service. Thank you.

10640 Mather Blvd., Suite 200
Mather, CA 95655
(916) 920-5286 • (916) 920-8608
e-mail wkblaw.com

TOTAL P.05

From: Chiu, Huey-Jen <huey-jen.chiu@wamu.net>
Sent: Tuesday, June 3, 2008 7:45 PM
To: mmcguinn[redacted]
Cc: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Loan No. [redacted] Richardson
Attach: Document.pdf

REDACTED

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: 5 11 06 12
Chatsworth, CA 91311

THIS IS TO CERTIFY THAT THIS IS A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL RECORDED IN THE OFFICE OF THE COUNTY
RECORDER ON: June 2, 2008
AS DOCUMENT NO: BK: 20080602 / PG: 885
BY: s/ Khundy Vy
FIDELITY NATIONAL DEFAULT SOLUTIONS

(space above this line for recorder's use only)

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721694

NOTICE OF RESCISSION OF TRUSTEE`S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1516, Instrument, naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $635,001.00

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:
LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N.: [redacted]
Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95813

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/30/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC. AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE: 06/29/2006

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Colleen Irby, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jep Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 6/29/06 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEP CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

This document filed for recording
By Fidelity National Title Insurance and Trust
as an accommodation only. It has not been
examined as to its execution or as to its effect
upon the title.

SIERRIE HERRADURA
Commission # 1792218
Notary Public - California
Los Angeles County
My Comm. Expires Mar 3, 2010

From: Chiu, Huey-Jen
Sent: Tuesday, June 03, 2008 5:50:20 PM
To: Battaglia, Paul J.
Subject: Richardson Loan

Attachments: Richardson.doc

REDACTED

Richardson.doc
(35 kB)

Thank you.

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

June 3, 2008

Donna Parkinson, Esq.
Parkinson & Phinney, LLC
400 Capitol Mall, 11th Floor
Sacramento, CA 95814

Re: Your Clients: James York and Red Rock Mortgage, Inc.
Our Trustee Sale No. 723397CA
Loan No. [redacted]
Property Address: 3622 W. Curtis Drive, Sacramento, CA

Dear Ms. Parkinson:

Per letter sent to your office, dated June 2, 2008, from Martin T. McGuinn, Washington Mutual Bank's counsel, please find enclosed check no. for $391,190.06 payable to Red Rock Mortgage, Inc. The amount is for the refund for the purchase funds of $388,001.01, plus $3,189.05, which is the 10% interest through June 6, 2008.

I am also enclosing a conformed copy of the recorded Notice of Rescission of Trustee's Deed Upon Sale document.

Sincerely,

Huey-Jen Chiu
Vice President
(818) 775-2340

From: Battaglia, Paul J.
Sent: Tuesday, June 03, 2008 11:30:44 AM
To: Martin T. McGuinn
Subject: FW: Richardson Rescission Notice

Attachments: Document.pdf

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Monday, June 02, 2008 10:20 AM
To: Battaglia, Paul J.
Subject: RE: Richardson Rescission Notice

REDACTED

Document.pdf
(1 MB)

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 9:37 AM
To: Chiu, Huey-Jen
Subject: FW: Richardson Rescission Notice

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel

Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Friday, May 30, 2008 7:46 AM
To: Battaglia, Paul J.; Brignac, Deborah P.
Cc: Martin T. McGuinn; Cook, Don
Subject: RE: Richardson Rescission Notice

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Thursday, May 29, 2008 5:24 PM
To: Chiu, Huey-Jen; Brignac, Deborah P.
Cc: 'Martin T. McGuinn'; Cook, Don
Subject: Richardson Rescission Notice

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $535,001.00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:
LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N.: [redacted]
Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE: 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Colleen Irby, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

SIERRIE HERRADURA
Commission # 1792714
Notary Public - California
Los Angeles County
My Comm. Expires Mar 3, 2012

From: Chiu, Huey-Jen
Sent: Monday, June 02, 2008 1:20:25 PM
To: Battaglia, Paul J.
Subject: RE: Richardson Rescission Notice

Attachments: Document.pdf

REDACTED

Document.pdf
(1 MB)

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 9:37 AM
To: Chiu, Huey-Jen
Subject: FW: Richardson Rescission Notice

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Friday, May 30, 2008 7:46 AM
To: Battaglia, Paul J.; Brignac, Deborah P.
Cc: Martin T. McGuinn; Cook, Don
Subject: RE: Richardson Rescission Notice

REDACTED

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Thursday, May 29, 2008 5:24 PM
To: Chiu, Huey-Jen; Brignac, Deborah P.
Cc: 'Martin T. McGuinn'; Cook, Don
Subject: Richardson Rescission Notice

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax. 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $535,001.00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:
LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N.: [redacted]
Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE: 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Colleen Irby, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

SIERRIE HERRADURA
Commission # 1792714
Notary Public - California
Los Angeles County
My Comm. Expires Mar 3, 2012

From:
Sent:
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: RE: Questions from the Daily Breeze

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Friday, May 30, 2008 11:27 AM
To: Cook, Don; Battaglia, Paul J.; Owen, Jan L.; Elias, Alan
Subject: Questions from the Daily Breeze

All:
FYI, below.

REDACTED

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gene Maddaus [redacted]
Sent: Friday, May 30, 2008 10:28 AM
To: Gaugl, Sara C.
Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

2. If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

3. Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

4. Has Ms. Richardson allowed WaMu to discuss her case publicly? (If yes, there will be some other questions.)

Gene

----- Original Message -----
From: Gene Maddaus [redacted]
To: Gaugl, Sara C.
Sent: Thu May 29 16:47:09 2008
Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus
Daily Breeze
310 543[redacted]

Subject: Richardson Update
Location: 877-709-[redacted] passcode:[redacted]

Start: 6/2/2008 12:30 PM
End: 6/2/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.; GM QSM DTE
Resources: 877-709-[redacted] passcode: [redacted]

From: Brignac, Deborah P.
Sent: Thursday, May 29, 2008 8:24:24 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply: Richardson Rescission Notice

I will be out of the office Friday, 5/30. If you require immediate assistance please contact Huey-Jen Chiu at (818) 775-[illegible] or huey-jen.chiu@wamu.net. Thank you.

NOTE: Please direct all DIL, Senior Lien Monitoring and TDUS inquiries to crcreferrals@wamu.net. Thank you.

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Thursday, May 29, 2008 3:36 PM
To: Lyman, Daryl W. <daryl.lyman@wamu.net>
Subject: FW: Washington Mutual/Laura Richardson
Attach: 001 MTM to Parkinson re rescission dtd 5-28-08.pdf

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Martin T. McGuinn [mailto:[redacted]]
Sent: Wednesday, May 28, 2008 9:34 AM
To: Battaglia, Paul J.
Cc: Owen, Jan L.
Subject: FW: Washington Mutual/Laura Richardson

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525[redacted]
Direct Fax: (619) 525[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Beth Ward
Sent: Wednesday, May 28, 2008 9:09 AM
To: donna[redacted]
Subject: Washington Mutual/Laura Richardson

Good morning, Ms. Parkinson. Attached is Mr. McGuinn's letter of today's date regarding the above matter.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398
Direct Fax: (619) 398

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

KIRBY & McGUINN
A PROFESSIONAL CORPORATION

Leonard Ackerman
Dean T. Kirby, Jr.
Jana Logan
Kenneth G. Noorigian
Cheryl Edwards Tannenberg

600 B Street, Suite 1950
San Diego, CA 92101
(619) 685-4000

Martin T. McGuinn
Voice: 619.525
Fax: 619.525
E-Mail: mmcguinn

May 28, 2008

VIA EMAILONLY donna
Donna Parkinson, Esq.
Parkinson & Phinney LLC
400 Capitol Mall, 11th Fl.
Sacramento, CA 95814

Re:	*Your Clients:*	*James York and Red Rocks Mortgage Inc. (collectively, "Red Rocks")*
	Our Clients:	*Washington Mutual Bank ("WaMu") and California Reconveyance Company ("CRC")*
	Real Property:	*3622 W. Curtis Drive, Sacramento, CA (the "Property")*
	Borrower:	*Laura Richardson*
	Our File No.:	*WAS002-93*

Dear Ms. Parkinson:

This letter is being sent to you pursuant to California Code of Procedure section 1152 and Federal Rules of Evidence, rule 408. The contents of this letter may not be used in any pleading or constitute an admission of liability on the part of our client. The facts as we understand them to be are that Red Rocks was the high bidder at a foreclosure conducted by CRC on May 7, 2008. That foreclosure sale occurred despite an agreement between WaMu and Ms. Richardson to postpone the foreclosure sale to June 4, 2008. That postponement agreement was confirmed in writing by letter dated April 17, 2008, a copy of which is attached hereto.

As you know, California law permits a trustee to rescind a foreclosure sale where the borrower and the lender had an agreement to postpone the sale. California Civil Code section 1058.5(b) permits a trustee with the consent of either the beneficiary or the successful bidder to rescind a foreclosure sale due to the filing of a bankruptcy by the owner or otherwise.

The extent of a trustee's right to rescind a foreclosure sale has been the subject of litigation in several courts of appeal. *Residential Capital LLC v. Cal Western Reconveyance Corp.* (2003) 108 Cal.App.4th 807, 822 held: "The right of the trustor to postpone the foreclosure sale by agreement with the beneficiary is as important to the protection of the trustor's property from wrongful foreclosure as are the notice requirements." The Residential Capital court enunciated two important

principles: First, it reaffirmed the holding in *Little v. CFS Servicing Corp.* (1987) 188 Cal.App.3rd 1354 that the only recovery permitted to a third party bidder is the return of its capital paid at the sale, plus interest; and second, it held that the failure to postpone the sale at the request of the borrower when there was an agreement to do so was a substantial irregularity to a foreclosure sale permitting the trustee to rescind.

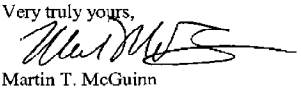
Although the TDUS was not delivered to the bidder prior to rescission in the Residential Capital case, later case law supported the beneficiary's and the trustee's right to rescind after the TDUS had been delivered and recorded. In *Bank of America v La Jolla Group II* (2005) 129 Cal.App.4th 706, 712 the court held: "But La Jolla has not relied on this presumption and, if it had, we would have concluded that the presumption was rebutted by the fact that the trustor and beneficiary entered into an agreement to cure the default and reinstate the loan before the foreclosure sale. In sum, the foreclosure sale was invalid." In *Bank of America*, the bidder contended that once the trustee's deed upon sale has been delivered with all the recitals of statutory compliance and the recital of authority under the power of sale "the deed cannot be 'void' as a matter of law." The court rejected that argument by noting: "We know of no authority for this proposition."

It is clear in this case that, based on the written agreement to postpone, WaMu has the right to rescind the sale. When the sale is rescinded, in addition to return of the funds paid at the sale ($388,000.01), Red Rocks is entitled to interest on the sales proceeds, plus reimbursement of any funds expended on the Property since the sale. Reasonable interest in this case totals approximately $2,500. As well, prior to your being retained by Red Rocks, Mr. York told me that he has expended approximately $10,000-15,000 in repairs to the Property.

In an effort to resolve this matter amicably, WaMu is willing to offer Red Rocks a small premium on its investment and pay a total of $25,000 to Red Rocks in exchange for a release of all right, title and interest that Red Rocks has in the Property. That amounts to an approximate $10,000 return on a one-month investment—a return that is not legally mandated. The payment is conditioned upon the parties executing a settlement agreement releasing each other from any liability or claims arising out of or relating to the May 7, 2008 foreclosure sale, including a Civil Code section 1542 waiver, and Red Rocks will provide a W-4 to WaMu to allow it to issue the check. We are prepared to immediately document the settlement. Please advise if this offer is acceptable to Red Rocks.

Thank you in advance for your continuing professional courtesy and cooperation in this matter. Should you have any questions, or wish to discuss the case further, please do not hesitate to contact the undersigned.

Very truly yours,



Martin T. McGuinn

cc: Paul Battaglia *(via email)*
Jan Owen *(via email*

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [redacted]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732[redacted]

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

Subject: Richardson Update
Location: 877-709[redacted] passcode:[redacted]

Start: 5/28/2008 6:00 PM
End: 5/28/2008 7:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Thorn, Ann; Battaglia, Paul J.; Gaugl, Sara C.; Woodcock, Wendy A.; Cook, Don
Resources: 877-709[redacted] passcode:[redacted]

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 10:08 AM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

Any change in how you would like me to respond/handle? I have not done anything at this point in time.

Seems that the new opinion coming out of John Berens office is that we should not rescind the sale unless she comes up with the reinstatement funds in which we gave her the 60 days to do so……..

Just wanted to pass this along.

Let me know…

Ann

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 1:08:10 PM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

Any change in how you would like me to respond/handle? I have not done anything at this point in time.

Seems that the new opinion coming out of John Berens office is that we should not rescind the sale unless she comes up with the reinstatement funds in which we gave her the 60 days to do so.....

Just wanted to pass this along.

Let me know...

Ann

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Subject: Richardson Update
Location: 877-709[illegible] passcode: [illegible]

Start: 5/28/2008 6:00 PM
End: 5/28/2008 7:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Thorn, Ann; Battaglia, Paul J.; Gaugl, Sara C.; Woodcock, Wendy A.; Cook, Don
Resources: 877-709[illegible] passcode: [illegible]

When: Wednesday, May 28, 2008 3:00 PM-4:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[illegible] passcode:[illegible]

~~*~*~*~*~*~*~*~*~*

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 10:08 AM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

Any change in how you would like me to respond/handle? I have not done anything at this point in time.

Seems that the new opinion coming out of John Berens office is that we should not rescind the sale unless she comes up with the reinstatement funds in which we gave her the 60 days to do so.....

Just wanted to pass this along.

Let me know...

Ann

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 1:08:10 PM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

Any change in how you would like me to respond/handle? I have not done anything at this point in time.

Seems that the new opinion coming out of John Berens office is that we should not rescind the sale unless she comes up with the reinstatement funds in which we gave her the 60 days to do so.....

Just wanted to pass this along.

Let me know...

Ann

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Owen, Jan L.
Sent: Wednesday, May 28, 2008 1:18:31 PM
To: Thorn, Ann; Gaugl, Sara C.; Battaglia, Paul J.
Subject: RE: Richardson

Ann: I will try and get a call in today- how late for you this pm tonite? That being said- I am having a tendency to agree with the new thought process. Thanks, Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 10:08 AM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

Any change in how you would like me to respond/handle? I have not done anything at this point in time.

Seems that the new opinion coming out of John Berens office is that we should not rescind the sale unless she comes up with the reinstatement funds in which we gave her the 60 days to do so.....

Just wanted to pass this along.

Let me know...

Ann

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Subject: Updated: Richardson update
Location: 877-709[illegible] passcode [illegible]

Start: 5/30/2008 3:30 PM
End: 5/30/2008 4:30 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Battaglia, Paul J.; Woodcock, Wendy A.; GM QSM DTE; Baptista, Geri Ann S.; Oakley, Susan B.; Gaugl, Sara C.; Cook, Don; Thorn, Ann; Thorn, Ann
Resources: 877-709[illegible] passcode [illegible]

Subject: Richardson update
Location: 877-709[illegible] passcode[illegible]

Start: 5/29/2008 1:00 PM
End: 5/29/2008 2:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.; Cook, Don; GM QSM DTE; Baptista, Geri Ann S.
Resources: 877-709[illegible] passcode[illegible]

When: Thursday, May 29, 2008 10:00 AM-11:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[illegible]passcode[illegible]

~~*~*~*~*~*~*~*~*

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, May 27, 2008 8:20 PM
To: Martin T. McGuinn
Subject: RE: Laura Richardson

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Martin T. McGuinn
Sent: Tuesday, May 27, 2008 5:05 PM
To: Battaglia, Paul J.
Subject: Laura Richardson

Paul when you get a chance please get me Legal Dept. billing no.

Marty

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525-
Direct Fax: (619) 525-

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000. and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Martin T. McGuinn [redacted]
Sent: Tuesday, May 27, 2008 8:05 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Laura Richardson

Paul when you get a chance please get me Legal Dept. billing no.

Marty

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525-[redacted]
Direct Fax: (619) 525-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 5:34:11 PM
To: Wilson-Aguilar, Jason
Subject: RE: Richardson

Now?

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Wilson-Aguilar, Jason
Sent: Tuesday, May 27, 2008 2:34 PM
To: Battaglia, Paul J.
Subject: Richardson

Can you let me know when you have a sec?

Jason Wilson-Aguilar
Vice President and Counsel
Legal Department
Home Loans and Consumer Lending Division

Washington Mutual
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4365 direct, 206.377.2786 fax
jason.wilson-aguilar@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Beth Ward <[redacted]>
Sent: Tuesday, May 27, 2008 12:36 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Consent

I'll let him know.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-[redacted]
Direct Fax: (619) 398-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 9:34 AM
To: Beth Ward
Subject: RE: Consent

I'll be calling Marty shortly.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Beth Ward [[redacted]n]
Sent: Tuesday, May 27, 2008 9:34 AM
To: Battaglia, Paul J.
Subject: RE: Consent

Okay. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-
Direct Fax: (619) 398-

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 9:32 AM
To: Beth Ward
Subject: RE: Consent

This is how it was sent to us.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Beth Ward[redacted]h]
Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian

Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-[redacted]
Direct Fax: (619) 398-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525 1669 or (619) 685 4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura [[redacted]]
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well.... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to

facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706[redacted]

Thank you,
Laura Richardson

-----Original Message-----
From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, May 27, 2008 12:34 PM
To: Beth Ward <[redacted]>
Subject: RE: Consent

I'll be calling Marty shortly.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Beth Ward [[redacted]]
Sent: Tuesday, May 27, 2008 9:34 AM
To: Battaglia, Paul J.
Subject: RE: Consent

Okay. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398[redacted]
Direct Fax: (619) 398[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 9:32 AM
To: Beth Ward
Subject: RE: Consent

This is how it was sent to us.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Beth Ward [redacted]
Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-[redacted]
Direct Fax: (619) 398-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank

1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura [redacted]
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well.... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706[redacted]

Thank you,
Laura Richardson

-----Original Message-----
From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Beth Ward <[redacted]>
Sent: Tuesday, May 27, 2008 12:34 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Consent

Okay. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-[redacted]
Direct Fax: (619) 398-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 9:32 AM
To: Beth Ward
Subject: RE: Consent

This is how it was sent to us.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Beth Ward [[redacted]]
Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-
Direct Fax: (619) 398-

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura [

Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well.... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706-

Thank you,
Laura Richardson

-----Original Message-----
From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, May 27, 2008 12:32 PM
To: Beth Ward
Subject: RE: Consent

This is how it was sent to us.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Beth Ward
Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398
Direct Fax: (619) 398

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well.... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706

Thank you,
Laura Richardson

-----Original Message-----
From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Beth Ward [redacted]>
Sent: Tuesday, May 27, 2008 12:26 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Consent

Thank you, however, it is still coming out landscaped across the page.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398[redacted]
Direct Fax: (619) 398[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 9:23 AM
To: Beth Ward
Subject: RE: Consent

Here it is.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Beth Ward [redacted]
Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398
Direct Fax: (619) 398

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura

Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well.... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706[redacted]

Thank you,
Laura Richardson

-----Original Message-----
From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 12:25:17 PM
To: Strakal, Tammy R.
Subject: RE: TeamConnect File

Add Leah. Don Cook as Senior VP.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Strakal, Tammy R.
Sent: Tuesday, May 27, 2008 8:50 AM
To: Battaglia, Paul J.
Subject: RE: TeamConnect File

Opened file [redacted]. Which paralegal should I add? Also do you know who we're using for the SVP?

Tammy

From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 8:30 AM
To: Strakal, Tammy R.
Subject: TeamConnect File

Tammy, can you open a TeamConnect file for me on

Borrower: Laura Richardson
Loan: [redacted]

Catagory: Alleged wrongful foreclosure.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, May 27, 2008 12:23 PM
To: Beth Ward <[redacted]>
Subject: RE: Consent
Attach: 20080527091544140.pdf

Here it is.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone. 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Beth Ward [[redacted]]
Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-[redacted]
Direct Fax: (619) 398-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura [redacted]
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well.... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706[redacted]

Thank you,
Laura Richardson

-----Original Message-----
From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

JPMC - 002360
CONFIDENTIAL
CSOC.RICH.003849

3001

AUTHORIZATION AND CONSENT
TO RELEASE OF PERSONAL, NON-PUBLIC INFORMATION

Borrower Name LAURA RICHARDSON

Loan Number [redacted]

Mailing Address 717 E. VERNON
LONG BEACH, CA 90806

Property Address 3622 West Curtis Drive
Sacramento, CA 9581[illegible]

I authorize Washington Mutual Bank ("Washington Mutual") to send the attached April 17, 2008 letter to Red Rock Mortgage, Inc.

Executed this 23RD day of MAY, 2008, at CALIFORNIA, [State]

(Signature)

From: Beth Ward [redacted]>
Sent: Tuesday, May 27, 2008 12:16 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: Consent
Attach: LR Auth Consent.jpg

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398[redacted]
Direct Fax: (619) 398[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura [redacted]
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well.... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-70[redacted]

Thank you,
Laura Richardson

-----Original Message-----
From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

AUTHORIZATION AND CONSENT
TO RELEASE OF PERSONAL, NON-PUBLIC INFORMATION

Borrower Name LAURA RICHARDSON

Loan Number [redacted]

Mailing Address 117 E. VERNON, LONG BEACH, CA 90805

Property Address 3422 West Curtis Drive, Stockton, CA 95219

I authorize Washington Mutual Bank ("Washington Mutual") to send the attached April 17, 2008 letter to Red Rock Mortgage, Inc.

Executed this 23rd day of MAY, 2008, at CALIFORNIA, [State]

(Signature)

From: Strakal, Tammy R.
Sent: Tuesday, May 27, 2008 11:50:25 AM
To: Battaglia, Paul J.
Subject: RE: TeamConnect File

Opened file 2008 002 785 104233. Which paralegal should I add? Also do you know who we're using for the SVP?

Tammy

From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 8:30 AM
To: Strakal, Tammy R.
Subject: TeamConnect File

Tammy, can you open a TeamConnect file for me on

Borrower: Laura Richardson
Loan: [redacted]

Catagory: Alleged wrongful foreclosure.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 11:30:02 AM
To: Strakal, Tammy R.
Subject: TeamConnect File

Tammy, can you open a TeamConnect file for me on

Borrower: Laura Richardson
Loan: [redacted]

Catagory: Alleged wrongful foreclosure.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, May 27, 2008 10:45 AM
To: Martin T. McGuinn
Subject: FW: Consent
Attach: LR Auth Consent.jpg

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well.... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706

Thank you,
Laura Richardson

-----Original Message-----
From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, May 27, 2008 10:42 AM
To: Martin T. McGuinn [redacted]>
Subject: FW: Laura Richardson

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 7:08 PM
To: Baptista, Geri Ann S.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don
Subject: AP: Laura Richardson

Hi team -
FYI, below.

From: Verdin, Tom [redacted]
Sent: Fri 05/23/2008 7:02 PM
To: Gaugl, Sara C.
Subject: RE: Laura Richardson

Sara, here's our first take on the Laura Richardson story tonight. Subsequent versions will have greater detail. Please let me know if WaMu wants to issue an updated statement.

Tom

¶ BC-CA--Congresswoman's House
¶ URGENT
¶ AP Interview: Calif. congresswoman says home sale 'improper'
¶ AP Interview: Calif. congresswoman claims sale of her Sacramento house shouldn't have happened
¶ Eds: APNewsNow. Will be led.
¶ ewfodtfotav1
¶ By ERICA WERNER
¶ Associated Press Writer
¶ 05-23-2008 18:36
¶ WASHINGTON (AP) _ California Congresswoman Laura Richardson claims the foreclosure auction of her Sacramento house was improper and contrary to a written agreement she had with her lender.

¶ In a lengthy interview with The Associated Press on Friday, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage. Her house was sold at auction earlier this month.

¶ Richardson said that sale never should have happened and that she has renegotiated her loan to pay it off.
¶ She insisted that she is not getting special terms because she's a congresswoman.
¶ In fact, Richardson said the experience has allowed her to relate to the thousands of other Americans _ including many in her Los Angeles-area district _ confronted with foreclosures. She even wants to testify before Congress about it.

¶

From: Verdin, Tom
Sent: Friday, May 23, 2008 6:27 PM
To: sara.gaugl@wamu.net
Subject: Laura Richardson

Sara, thank you for calling us back earlier this evening.

As it happens, our reporter in Washington who covers California's congressional delegation was on the phone with Laura Richardson while you and I were talking. In brief, Richardson is blaming WaMu. She claims she did not know her Sacramento house was being sold at auction and says WaMu told her no action would be taken on it until sometime next month.

She also claims to have documentation to support this claim but has yet to provide it to us.

We'll be moving a story based on Richardson's comments shortly.

Because AP did not have her statement when we spoke previously, I wanted to give WaMu an opportunity to respond.

We'll be sending our story in takes (individual bites will move before the final writethru), and I can send you those so you can see exactly what Richardson claims.

Regards,

Tom

Tom Verdin

Correspondent

Sacramento bureau
916-448-9555

<< OLE Object: Picture (Metafile) >>

The information contained in this communication is intended for the use of the designated recipients named above. If the reader of this communication is not the intended recipient, you are hereby notified that you have received this communication in error, and that any review, dissemination, distribution or copying of this communication is strictly

prohibited. If you have received this communication in error, please
notify The Associated Press immediately by telephone at +1-212-621-1898
and delete this email. Thank you.
[IP US DISC]
msk dccc60c6d2c3a6438f0cf467c9a4938

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 5:43 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Media Update: Claim from Richardson

FYI.

"We finally [saw] a notice on the front door about two and a half months ago," Burgos said. "It was a bank repossession notice."

http://cbs5.com/business/congresswoman.home.default,2,730339.html

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Battaglia, Paul J.
Sent: Friday, May 23, 2008 1:57 PM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Cook, Don
Sent: Friday, May 23, 2008 1:13 PM
To: Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

-----Original Message-----
From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 1:09 PM
To: Owen, Jan L.; Baptista, Geri Ann S.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: Media Update: Claim from Richardson

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228[redacted]cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Champney, Steven D.
Sent: Thursday, May 22, 2008 8:57:20 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply: Laura Richardson - Attorney Client Privileged Communication

Thank you for contacting me. I am presently out of office 5/22 - 5/27, so if this is an urgent matter or an emergency please contact my assistant Susan Samuel at 904-886[illegible]or susan.samuel@wamu.net, otherwise I will respond once I've returned. Thank you and have a WaMu day!

From: Baptista, Geri Ann S.
Sent: Thursday, May 22, 2008 8:02:35 PM
To: Battaglia, Paul J.
Subject: Richardson

Hi Paul,
Adrian is our Corp Comm division exec. Could you please share the update with him?

Adrian Rodriguez
adrian.rodriguez@wamu.net

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: richardson call

Start: 5/23/2008 1:00 PM
End: 5/23/2008 2:00 PM
Show Time As: Busy

Recurrence: (none)

From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 6:52:44 PM
To: Baptista, Geri Ann S.
CC: Gaugl, Sara C.
Subject: RE: Prepared Response to Richardson re Comm

This is fine. Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Baptista, Geri Ann S.
Sent: Thursday, May 22, 2008 3:43 PM
To: Battaglia, Paul J.
Cc: Gaugl, Sara C.
Subject: RE: Prepared Response to Richardson re Comm
Sensitivity: Confidential

Sorry, an addition at the bottom:

> Congresswoman Richardson:
>
> We appreciate your concern over media attention surrounding your loan situation. Please be aware that WaMu does not disclose our customers' personal financial information without written authorization from the customer.
>
> If we are asked by the media to verify or discuss aspects of your loan situation outside of what is available in public records, we require your written consent to do so. Attached is our standard media consent form for your signature, which can be faxed to XXX.XXX.XXXX.
>
> Please be aware that you are solely responsible for the content and accuracy of the statements you make about your personal accounts and personal financial information, and as a practical and policy matter, we cannot advise you on the statements you make.
>
> Thank you,
> Sara Gaugl

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612.[illegible]bell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.

Sent: Thursday, May 22, 2008 3:41 PM
To: Battaglia, Paul J.
Cc: Gaugl, Sara C.
Subject: Prepared Response to Richardson re Comm
Sensitivity: Confidential

Hi Paul,

REDACTED

Congresswoman Richardson:

We appreciate your concern over media attention surrounding your loan situation. Please be aware that WaMu does not disclose our customers' personal financial information without written authorization from the customer.

If we are asked by the media to verify or discuss aspects of your loan situation outside of what is available in public records, we require your written consent to do so. Attached is our standard media consent form for your signature, which can be faxed to XXX.XXX.XXXX.

Please be aware that you are solely responsible for the content and accuracy of the statements you make about your personal accounts and personal financial information.

Thank you,
Sara Gaugl

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Thursday, May 22, 2008 5:50 PM
To: Thorn, Ann <ann.thorn@wamu.net>
Subject: Richardson
Attach: 20080522144304877.pdf

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 11:43 AM
To: Battaglia, Paul J.
Subject:

This E-mail was sent from "MFDWMC3411" (LD245).

Scan Date: 05.22.2008 14:43:04 (-0400)

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 4:29:13 PM
To: Martin T. McGuinn
Subject: REDACTED

Attachments: Richardson reinstatement.doc

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [redacted]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732-[redacted]

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 3:34 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: AUTHORIZATION AND CONSENT TO RELEASE OF PERSONAL (14).doc
Attach: AUTHORIZATION AND CONSENT TO RELEASE OF PERSONAL (14).doc

<<...>>

AUTHORIZATION AND CONSENT
TO RELEASE OF PERSONAL, NON-PUBLIC INFORMATION

Borrower Name _____

Loan Number _____

Address _____

_____

I authorize Washington Mutual Bank ("Washington Mutual") to discuss with third-parties the facts and circumstances pertaining to my loan with Washington Mutual (Loan #[redacted] I understand that by doing so, I am authorizing Washington Mutual to disclose to third-parties personal, non-public information concerning me and my loan, including but not limited to information regarding any communications to refinance or modify my loan.

Executed this _____ day of _____, 2008, at _____, [State]

_____
(Signature)

From: Martin T. McGuinn
Sent: Thursday, May 22, 2008 1:45 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: More info re: York

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525
Direct Fax: (619) 525

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Thursday, May 22, 2008 10:36 AM
To: Martin T. McGuinn
Subject: FW: More info re: York
Importance: High

REDACTED

Paul J. Battaglia

First Vice President and Senior Counsel

Washington Mutual Bank

1301 2nd Avenue, WMC 3501

Seattle WA 98101

Phone: 206-500-4261

Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.

Sent: Thursday, May 22, 2008 10:33 AM

To: Battaglia, Paul J.

Cc: Owen, Jan L.

Subject: More info re: York

Importance: High

Money, Finance & Business*See other Money, Finance & Business Articles*

Title: **Congresswoman defaults on (mortgage) loan**Source: **Long Beach (Calif.) Press-Telegram**URL Source: http://www.presstelegram.comPublished: **May 22, 2008**Author: **(unknown)**Post Date: **2008-05-22 12:35:46** by **glc11733** Comments

***Rep. Laura Richardson lost her Sacramento home in a foreclosure auction two weeks ago*, and left behind nearly $9,000 in unpaid property taxes.**

Richardson, D-Long Beach, appears to have made only a few payments on the house, which she bought in January 2007 for $535,000.

After buying the home, Richardson hardly had time to live in it. Three months later, Rep. Juanita Millender-McDonald died and Richardson - then a freshman member of the state Assembly - launched a campaign to replace her in Congress.

Richardson won the election, pouring in $77,500 in personal loans to her own campaign. Around the same time, she stopped making payments on the Sacramento house. The bank issued a default notice in December, and the home was sold at a public auction on May 7 for $388,000.

Richardson declined Wednesday to be interviewed about the foreclosure, which was first revealed in Capitol Weekly, a Sacramento-based publication. But in a statement, Richardson denied that the home was in foreclosure and said it had not been seized by the bank.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement - with no special provisions," Richardson said in the statement. "I fully intend to fulfill all financial obligations on the property."

That would come as a surprise to James York, the Sacramento real estate broker who bought Richardson's house at auction. York specializes in buying and selling foreclosed homes, and said he eventually intends to resell Richardson's home, which overlooks a park in an upscale neighborhood. York produced a trustee's deed confirming that his company, Red Rock Mortgage Inc., owns the house.

York said the house was relatively clean when he found it, at least compared with other foreclosed homes, though the garage was "full of trash to the ceiling." Workers have been cleaning it out and tending to the yard, which had been left unmowed for months.

When he bought the house at 3622 W. Curtis Drive, York assumed responsibility for Richardson's unpaid property tax bill of $8,950.79.

"Tell Laura I'd be happy to have her pay my property tax," York said.

The real loser in the deal was Washington Mutual Bank, which issued Richardson a $535,000 loan with no money down in January 2007. By the time the default notice was issued, Richardson was underwater on the loan. She owed about $575,000, including $18,000 in missed payments.

Washington Mutual ended up writing off nearly $200,000 of that debt to get rid of the home.

"They took a beating," York said.

The previous owner of the home, Sharon Helmar, said the neighbors were "appalled" that Richardson was not maintaining the lawn. Another neighbor said that until recently the grass was about a foot high.

"It's kind of heartbreaking to see something you've worked on for 30 years be left and not taken care of," Helmar said. "You would have thought someone like that would have been a little more responsible."

The home is only a few minutes' drive from the Capitol. It is about 1,600 square feet, and has three bedrooms and 11/2 baths. It sits on a corner facing Curtis Park.

"It's your typical 1920s house," she said. "Hardwood floors, wallpaper. It's not huge, but it served us for a lot of years."

The neighborhood is known as affluent and politically liberal. A mayoral candidate lives nearby, and a former state senator lives three doors down.

"It is a very stable neighborhood," said Charlene Singley, the Realtor who sold the home to Richardson. "It has been affected by the downturn, however, because it is in the older, more established area of Sacramento, and it is close to the downtown urban core. It is one of the few neighborhoods that has not been hit as hard."

Singley was surprised to hear that the home had gone into foreclosure.

Although Richardson did not pay her property taxes or the balance of her loan, she has begun repaying the loans that she issued to her own political campaign.

Richardson, a former Long Beach city councilwoman, still owns a home in Long Beach.

One of Richardson's first votes upon arriving in Congress last fall was on the Mortgage Forgiveness Debt Relief Act of 2007. The bill helped homeowners by preventing the federal government from charging income tax on debt forgiven in a foreclosure, such as the $200,000 forgiven in Richardson's foreclosure.

Joining 385 of her colleagues, Richardson voted aye.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue I WMC40 I Seattle WA 98101

206.500.2822 direct I 206.228[redacted]cell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Chiu, Huey-Jen
Sent: Thursday, May 22, 2008 1:39:15 PM
To: Battaglia, Paul J.
Subject: FW: Richardson

Attachments: Affidavits 3 17 08.pdf; Document.pdf

Good morning,

REDACTED

723397CA
Affidavits 3
17 08.pdf
(527 kB)

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Chiu, Huey-Jen
Sent: Wednesday, May 21, 2008 5:00 PM
To: Battaglia, Paul J.
Subject: RE: Richardson

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 4:37 PM
To: Chiu, Huey-Jen
Subject: Richardson [redacted]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

AFFIDAVIT OF MAILING

Date: 03/17/2008

REF. No.:

Mailing: 104CA

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)

The declarant, whose signature appears below, states that he is over the age of eighteen (18) years; is employed in Riverside County, California; acting on behalf of California Reconveyance Company; is not a party to the within action; and that on March 17, 2008, he personally served the Notice, of which the annexed is a true copy, by depositing in the United States Mail a copy of such Notice in a sealed envelope, sent First Class, with postage prepaid, such envelope being addressed to the person(s) named at the addresses below.

I declare under penalty of perjury that the foregoing is true and correct.

X_____

Affiant Valdemar Botello

TSN NUMBER
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

TSN NUMBER
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

TSN NUMBER
LAURA RICHARDSON
717 E VERNON ST
LONG BEACH, CA 90806-2726

TSN NUMBER
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

TSN NUMBER
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

TSN NUMBER
LAURA RICHARDSON
717 E VERNON ST
LONG BEACH, CA 90806-2726

TSN NUMBER
LAURA RICHARDSON
717 E VERNON ST
LONG BEACH, CA 90806-2726

AFFIDAVIT OF MAILING

Date: 03/17/2008

REF. No.: [redacted]

Mailing: 104CA

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)

The declarant, whose signature appears below, states that he is over the age of eighteen (18) years; is employed in Riverside County, California; acting on behalf of California Reconveyance Company; is not a party to the within action; and that on March 17, 2008, he personally served the Notice, of which the annexed is a true copy, by depositing in the United States Mail a copy of such Notice in a sealed envelope, sent Certified Mail, with postage prepaid, such envelope being addressed to the person(s) named at the addresses below.

I declare under penalty of perjury that the foregoing is true and correct.

X_____
Affiant Valdemar Botello

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
717 E VERNON ST
LONG BEACH, CA 90806-2726

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
717 E VERNON ST
LONG BEACH, CA 90806-2726

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
717 E VERNON ST
LONG BEACH, CA 90806-2726

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 110612
Chatsworth, CA 91311
800 892-6902
(818)775-2258 (Fax)

The following copy of the original of which was filed for record on 12/14/2007 in the office of the County Recorder of the County set forth below is sent to you in as much as an examination of the title of the trust property shows you may have an interest in the Trustee's Sale Proceedings.

CALIFORNIA RECONVEYANCE COMPANY, Trustee

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is $18,356.40 as of 12/13/2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the above paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

To find out the amount you must pay, to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY JACKSONVILLE FL 32256 (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: [redacted] Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 Including the note(s) for the sum of $535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: 12/13/2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

_____

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 12/28/2007 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806	$ 0.41
Number of pieces: 3		$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X _____
(Declarant)

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth, CA 91311. I am over the age of eighteen years; On 12/28/2007 by Certified mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0290 6970		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818			
7179 2993 5780 0290 6987		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818			
7179 2993 5780 0290 6994		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806			
Number of pieces: 3		$ 1.23	$ 7.95	

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X [signature]
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, LINDA YELNICKER

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 01/10/2008 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON STREET LONG BEACH, CA 90806	$ 0.41
Number of pieces: 3		$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X _____
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.:

I, LINDA YELNICKER

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth, CA 91311. I am over the age of eighteen years; On 01/10/2008 by Certified mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0302 7742 Certified	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818	$ 0.41	$ 2.65	
7179 2993 5780 0302 7759 Certified	LAURA RICHARDSON 3622 W CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41	$ 2.65	
7179 2993 5780 0302 7766 Certified	LAURA RICHARDSON 717 E VERNON STREET LONG BEACH, CA 90806	$ 0.41	$ 2.65	
Number of pieces: 3		$ 1.23	$ 7.95	

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X
(Declarant)

From: Woodcock, Wendy A. <wendy.woodcock@wamu.net>
Sent: Thursday, May 22, 2008 12:26 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: Article: Calif. congresswoman's home threatened with repo

fyi

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

From: Jenne', Kevin M.
Sent: Thursday, May 22, 2008 12:21 PM
To: Woodcock, Wendy A.
Subject: FW: Article: Calif. congresswoman's home threatened with repo

Wendy, how are you? I'm forwarding this to you because I got Brad's out of office. Again, probably not news to you, but wanted to make sure.

From: Jenne', Kevin M.
Sent: Thursday, May 22, 2008 9:19 AM
To: Champney, Steven D.; Kallner, Brad; Johnson, Renee T.; Gaugl, Sara C.
Cc: Walser, Michael; Scharf, Will D.
Subject: Article: Calif. congresswoman's home threatened with repo

You probably already know all about this, but I never want to assume. There's some confusion about whether her home has been sold or not, and WaMu hasn't responded about it as of this report.

Calif. congresswoman's home threatened with repo

Thursday May 22, 11:49 am ET
By Don Thompson, Associated Press Writer

Calif. congresswoman's home threatened with repossession after she fails to pay mortgage

SACRAMENTO, Calif. (AP) -- Rep. Laura Richardson has an unusual perspective on the housing foreclosure bills moving through Congress: One of her own homes was threatened with repossession after she failed to pay the mortgage.

Richardson, a Southern California Democrat, bought a two-story home in a leafy, upper-middle-class neighborhood of Sacramento in January 2007, just months after winning a seat in the state Assembly.

She bought the three-bedroom, 1 1/2-bath home in the state capital for $535,500. The bill collectors started knocking soon after, according to records reviewed Wednesday by The Associated Press.

The city utility department placed a lien on her property in June 2007 for $154 in unpaid bills, according to documents at the Sacramento County recorder's office. In December, she received a default notice on the mortgage from the collection agency of Washington Mutual Inc., her lender. At that point, she owed $18,356.

At the time, she had left the Legislature after a quick rise from the Long Beach City Council and moved to Washington after winning a special election to fill a vacant congressional seat. Richardson on Wednesday blamed the frequent job-shifting for financial problems related to the Sacramento property.

A default notice in March this year put the "unpaid balance and other expenses" at $578,384 and said her 1,639-square-foot house would be auctioned at a trustee sale.

County records show the property was sold to a company called Red Rock Mortgage Inc of Sacramento for $388,000 -- although the county assessor's office continues to list Richardson as the owner. No listing could be found for Red Rock.

That sale was officially recorded Monday, according to the records. But Richards said the home was not in foreclosure and had not been seized.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions," Richardson said in a statement Wednesday. "I fully intend to fulfill all financial obligations of this property."

Richardson's chief of staff, Kimberly Parker, told the AP that the mortgage on the home had been sold but that the house had not. The collection agency referred inquiries to Washington Mutual, which did not return a call.

A real estate agent's lock box hung Wednesday from the front door of the 1926-vintage house.

Records at a Sacramento County tax office also show Richardson is delinquent in paying $8,950 in property taxes.

Richardson moved from the Long Beach City Council to her Assembly seat in 2006, and the next year won a special election to represent a heavily Democratic congressional district that includes Long Beach.

Congressional records show Richardson did not cast votes May 8 on three bills related to the Foreclosure Prevention Act. In her statement, she said she was away from Washington because of her father's funeral.

"I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable," Richardson said in her statement.

Associated Press writers Erica Werner in Washington and Samantha Young and Rich Pedroncelli in Sacramento contributed to this report.

Kevin Jenné | *FVP, Market Research Manager*
Research & *Customer* Insight
Washington Mutual
V: 206.500.2615 | E: kevin.jenne@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 11:50:40 AM
To: Gaugl, Sara C.
Subject: FW: Richardson

Attachments: Document.pdf

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Thursday, May 22, 2008 8:39 AM
To: Battaglia, Paul J.
Subject: RE: Richardson

REDACTED

Document.pdf
(1 MB)

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 8:22 AM
To: Chiu, Huey-Jen
Subject: RE: Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel

Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Wednesday, May 21, 2008 5:00 PM
To: Battaglia, Paul J.
Subject: RE: Richardson (

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 4:37 PM
To: Chiu, Huey-Jen
Subject: Richardson

REDACTED

Paul J. Battaglia

First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721684

TRUSTEE'S DEED UPON SALE

APN [redacted] T.R.A. No.
The undersigned grantor declares:
1) The Grantee herein was not the foreclosing beneficiary.
2) The amount of the unpaid debt together with costs was.....$574,023.87
3) The amount paid by the grantee at the trustee sale was.....$388,000.01
4) The documentary transfer tax is .....$
5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to **Red Rock Mortgage, Inc.** (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818
RECITALS:
This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being $388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

Karime Arias, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

IRMA GARCIA TORRES
Commission # 1508392
Notary Public - California
Los Angeles County
My Comm. Expires Aug 17, 2009

From: Chiu, Huey-Jen
Sent: Thursday, May 22, 2008 11:38:43 AM
To: Battaglia, Paul J.
Subject: RE: Richardson [redacted]

Attachments: Document.pdf

REDACTED

Document.pdf
(1 MB)

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 8:22 AM
To: Chiu, Huey-Jen
Subject: RE: Richardson [redacted]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Wednesday, May 21, 2008 5:00 PM
To: Battaglia, Paul J.
Subject: RE: Richardson [redacted]

REDACTED

<< File: Document.pdf >>

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 4:37 PM
To: Chiu, Huey-Jen
Subject: Richardson [redacted]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] e Order No. M721684

TRUSTEE'S DEED UPON SALE

APN [redacted] T.R.A. No.
The undersigned grantor declares:
1) The Grantee herein was not the foreclosing beneficiary.
2) The amount of the unpaid debt together with costs was.....$574,023.87
3) The amount paid by the grantee at the trustee sale was.....$388,000.01
4) The documentary transfer tax is .....$
5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to **Red Rock Mortgage, Inc.** (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818
RECITALS:
This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being $388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

Karime Arias, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

IRMA GARCIA TORRES
Commission # 1508392
Notary Public - California
Los Angeles County
My Comm. Expires Aug 17, 2009

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:10:22 PM
To: Battaglia, Paul J.
Subject: Draft Message to DS

REDACTED

****

Foreclosure tale shows that nobody is immune from crisis – *Capitol Weekly*
By Anthony York
Tuesday, May 20, 2008

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction.

According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

******

CONGRESSWOMAN LAURA RICHARDSON
For Immediate Release
May 21, 2008

The story published in the Capitol Weekly regarding residential property that I own in Sacramento requires clarification.

Within a 12-month period last year (2007-2008), I was a member of Long Beach City Council, the District Director for California Lt. Gov. Cruz Bustamante, a member of the California State Legislature, and, now a member of Congress. While the transitioning has impacted me personally, the residential property in Sacramento California is *not in foreclosure and has **NOT** been seized by the bank.*

I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property.

On two housing bills that were cited by the Capitol Weekly, the allegation is that I recused myself from these votes. I did not. I was absent from Washington, D.C., and my duties in the House of Representatives due to the untimely death of my father and his subsequent funeral in California.

I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Congresswoman Richardson Update
Location: 877-709[redacted] passcode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.; Cook, Don; Baptista, Geri Ann S.; GM QSM DTE; Kallner, Brad
Resources: 877-709[redacted] passcode

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 8:14:07 PM
To: Gaugl, Sara C.
Subject: FW: Richardson ([redacted]

Attachments: Document.pdf

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Wednesday, May 21, 2008 5:00 PM
To: Battaglia, Paul J.
Subject: RE: Richardson [redacted]

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 4:37 PM
To: Chiu, Huey-Jen
Subject: Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 110612
Chatsworth, CA 91311
800 892-6902
(818)775-2258 (Fax)

The following copy of the original of which was filed for record on 12/14/2007 in the office of the County Recorder of the County set forth below is sent to you in as much as an examination of the title of the trust property shows you may have an interest in the Trustee's Sale Proceedings.

CALIFORNIA RECONVEYANCE COMPANY, Trustee

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is $18,356.40 as of 12/13/2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the above paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. [redacted] Loan No. [redacted] Title Order No. [redacted]

To find out the amount you must pay, to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY JACKSONVILLE FL 32256 (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: [redacted] Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 Including the note(s) for the sum of $535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: 12/13/2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

_____

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 12/28/2007 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806	$ 0.41
Number of pieces: 3		$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X [redacted]
(Declarant)

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth, CA 91311. I am over the age of eighteen years; On 12/28/2007 by Certified mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0290 6970		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818			
7179 2993 5780 0290 6987		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818			
7179 2993 5780 0290 6994		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806			
Number of pieces: 3		$ 1.23	$ 7.95	

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X [signature]
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, LINDA YELNICKER

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 01/10/2008 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON STREET LONG BEACH, CA 90806	$ 0.41
Number of pieces: 3		$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X _____
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, LINDA YELNICKER

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth, CA 91311. I am over the age of eighteen years; On 01/10/2008 by Certified mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0302 7742 Certified	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818	$ 0.41	$ 2.65	
7179 2993 5780 0302 7759 Certified	LAURA RICHARDSON 3622 W CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41	$ 2.65	
7179 2993 5780 0302 7766 Certified	LAURA RICHARDSON 717 E VERNON STREET LONG BEACH, CA 90806	$ 0.41	$ 2.65	
Number of pieces: 3		$ 1.23	$ 7.95	

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X
(Declarant)

From: Chiu, Huey-Jen
Sent: Wednesday, May 21, 2008 7:59:43 PM
To: Battaglia, Paul J.
Subject: RE: Richardson [redacted]

Attachments: Document.pdf

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 4:37 PM
To: Chiu, Huey-Jen
Subject: Richardson [redacted]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 110612
Chatsworth, CA 91311
800 892-6902
(818)775-2258 (Fax)

The following copy of the original of which was filed for record on 12/14/2007 in the office of the County Recorder of the County set forth below is sent to you in as much as an examination of the title of the trust property shows you may have an interest in the Trustee's Sale Proceedings.

CALIFORNIA RECONVEYANCE COMPANY, Trustee

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is $18,356.40 as of 12/13/2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the above paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No [redacted] Loan No. [redacted] Title Order No. [redacted]

To find out the amount you must pay, to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY JACKSONVILLE FL 32256 (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: [redacted] Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 Including the note(s) for the sum of $535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: 12/13/2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

_____

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 12/28/2007 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806	$ 0.41
Number of pieces: 3		$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X _____
(Declarant)

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth, CA 91311. I am over the age of eighteen years; On 12/28/2007 by Certified mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0290 6970		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818			
7179 2993 5780 0290 6987		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818			
7179 2993 5780 0290 6994		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806			
Number of pieces: 3		$ 1.23	$ 7.95	

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X [signature]
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, LINDA YELNICKER

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 01/10/2008 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON STREET LONG BEACH, CA 90806	$ 0.41
Number of pieces: 3		$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X _____
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, LINDA YELNICKER

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth, CA 91311. I am over the age of eighteen years; On 01/10/2008 by Certified mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0302 7742 Certified	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818	$ 0.41	$ 2.65	
7179 2993 5780 0302 7759 Certified	LAURA RICHARDSON 3622 W CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41	$ 2.65	
7179 2993 5780 0302 7766 Certified	LAURA RICHARDSON 717 E VERNON STREET LONG BEACH, CA 90806	$ 0.41	$ 2.65	
Number of pieces: 3		$ 1.23	$ 7.95	

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X [signature]
(Declarant)

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 21, 2008 4:14 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 12:34 PM
To: Cook, Don
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -
Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at

auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is[redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] | cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----
From: Kevin Gould <KGould@CalBankers.com>
To: FSIR Meeting Group <FSIRMeetingGroup@CalBankers.com>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $335,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000.

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin

repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Organizer

Required Attendees: Battaglia, Paul J.; Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.; Klein, Jason C.; Parker, Gary L.
Optional Attendees: Thorn, Ann

REDACTED

Dial in Number: 866-736[illegible]
Participant Code: [illegible]

Seattle Participants meet in small conference room on 34.

Subject: Updated: Richardson Update
Location: 877-709[illegible] passcode:[illegible]

Start: 6/5/2008 7:00 PM
End: 6/5/2008 8:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.; GM QSM DTE
Resources: 877-709[illegible] passcode:[illegible]

From: Battaglia, Paul J.
Sent: Wednesday, May 28, 2008 11:57:01 AM
To: Baptista, Geri Ann S.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: York on his litigation position

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Baptista, Geri Ann S.
Sent: Wednesday, May 28, 2008 8:56 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: York on his litigation position

REDACTED

<http://www.presstelegram.com/news/ci_9396230>

Odds against Richardson reclaiming house

LAW: Congresswoman faces battle to get back home sold at auction, attorneys say.
By Gene Maddaus, Staff Writer
Article Launched: 05/27/2008 10:48:49 PM PDT

Rep. Laura Richardson will face an uphill fight as she tries to reclaim her Sacramento house, which was sold in a foreclosure auction three weeks ago.

Richardson, a first-year Democrat, said last week that she is working with her lender to try to rescind the auction on the grounds that it was held in error.

A real estate broker, James York, bought the house May 7 for $388,000. Richardson argues that she had previously made an agreement with her lender, Washington Mutual, to reinstate her loan, which should make the auction invalid.

But several attorneys said Tuesday that the law in such cases is stacked in favor of the buyer at a foreclosure auction. Only in rare cases can an auction be overturned.

"It's gonna be very, very hard - even if the sale itself was improper - to get the sale reversed," said Richard Timan, an attorney who has handled similar cases. "People who don't make payments are not beloved by judges."

York said Tuesday that he plans on hanging on to the house and would be surprised if Washington Mutual sues to get it back.

"I'm not too worried about it," he said. "Once you get the deed, it's pretty much a done deal."

In California, two appellate decisions from 2005 deal with such cases.

In Melendrez v. D&I Investment Inc., the court held that a foreclosure sale was valid, even though the Melendrez family, of Watsonville, believed it had agreed to a repayment plan and had begun making payments.

"The Melendrez family had the same claim as the congresswoman does," said Timan, the plaintiff's attorney on the case,

"which is that they had actually worked out a deal with the bank, and the bank hadn't documented it properly."

But all that mattered to the appellate court in that case was that D&I Investment was a "bona fide purchaser" - meaning, essentially, that the company bought the house in a fair auction, without committing fraud. The auction was upheld.

The other case, Bank of America v. La Jolla Group II, offers a ray of hope for Richardson. In that case, the Selesia family of Fresno fell behind on a loan with Bank of America. Before an auction was held, the family paid the entire arrearage on the loan. But the auction was erroneously held anyway, and the La Jolla Group II purchased the property.

The court voided the auction.

"Now it opens up the door for almost any sale to be challenged," said Susan Moore, who argued the case for the La Jolla Group II. "The trend seems to be moving more towards favoring the homeowner."

Richardson - who has also defaulted on her two other homes in Long Beach and San Pedro - described her agreement with Washington Mutual as a loan modification, and she said she had begun making payments on it.

Glenn Wechsler, who argued for Bank of America, noted that his case was limited to a reinstatement in which the entire arrearage was paid. He said he was unaware of a precedent that dealt directly with Richardson's circumstances.

gene.maddaus@dailybreeze.com <mailto:gene.maddaus@dailybreeze.com>

Geri Ann S. Baptista - VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[illegible] cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Wednesday, May 28, 2008 11:56:09 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: York on his litigation position

REDACTED

<http://www.presstelegram.com/news/ci_9396230>

Odds against Richardson reclaiming house

LAW: Congresswoman faces battle to get back home sold at auction, attorneys say.
By Gene Maddaus, Staff Writer
Article Launched: 05/27/2008 10:48:49 PM PDT

Rep. Laura Richardson will face an uphill fight as she tries to reclaim her Sacramento house, which was sold in a foreclosure auction three weeks ago.

Richardson, a first-year Democrat, said last week that she is working with her lender to try to rescind the auction on the grounds that it was held in error.

A real estate broker, James York, bought the house May 7 for $388,000. Richardson argues that she had previously made an agreement with her lender, Washington Mutual, to reinstate her loan, which should make the auction invalid.

But several attorneys said Tuesday that the law in such cases is stacked in favor of the buyer at a foreclosure auction. Only in rare cases can an auction be overturned.

"It's gonna be very, very hard - even if the sale itself was improper - to get the sale reversed," said Richard Timan, an attorney who has handled similar cases. "People who don't make payments are not beloved by judges."

York said Tuesday that he plans on hanging on to the house and would be surprised if Washington Mutual sues to get it back.

"I'm not too worried about it," he said. "Once you get the deed, it's pretty much a done deal."

In California, two appellate decisions from 2005 deal with such cases.

In Melendrez v. D&I Investment Inc., the court held that a foreclosure sale was valid, even though the Melendrez family, of Watsonville, believed it had agreed to a repayment plan and had begun making payments.

"The Melendrez family had the same claim as the congresswoman does," said Timan, the plaintiff's attorney on the case, "which is that they had actually worked out a deal with the bank, and the bank hadn't documented it properly."

But all that mattered to the appellate court in that case was that D&I Investment was a "bona fide purchaser" - meaning, essentially, that the company bought the house in a fair auction, without committing fraud. The auction was upheld.

The other case, Bank of America v. La Jolla Group II, offers a ray of hope for Richardson. In that case, the Selesia family of Fresno fell behind on a loan with Bank of America. Before an auction was held, the family paid the entire arrearage on the loan. But the auction was erroneously held anyway, and the La Jolla Group II purchased the property.

The court voided the auction.

"Now it opens up the door for almost any sale to be challenged," said Susan Moore, who argued the case for the La Jolla Group II. "The trend seems to be moving more towards favoring the homeowner."

Richardson - who has also defaulted on her two other homes in Long Beach and San Pedro - described her agreement with Washington Mutual as a loan modification, and she said she had begun making payments on it.

Glenn Wechsler, who argued for Bank of America, noted that his case was limited to a reinstatement in which the entire arrearage was paid. He said he was unaware of a precedent that dealt directly with Richardson's circumstances.

gene.maddaus@dailybreeze.com <mailto:gene.maddaus@dailybreeze.com>

Geri Ann S. Baptista - VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[illegible]cell | 206.377.2023 fax | gerlann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 12:23:10 PM
To: 'Beth Ward'
Subject: RE: Consent

Here it is.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Beth Ward [redacted]
Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward

Paralegal to Martin T. McGuinn

& Kenneth C. Noorigian

Kirby & McGuinn, A P.C.

600 B Street, Suite 1950

San Diego, CA 92101

Direct Line: (619) 398-[redacted]

Direct Fax: (619) 398-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura [mailto:laura.richardsonmc@mail.house.gov]

Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well.... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706[illegible]

Thank you,
Laura Richardson

-----Original Message-----
From: Thorn, Ann [<mailto:ann.thorn@wamu.net>]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Attachments:
20080527091544140.pdf (132321 Bytes)

From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 10:45:24 AM
To: 'Martin T. McGuinn'
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well.... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706

Thank you,
Laura Richardson

-----Original Message-----

From: Thorn, Ann [<mailto:ann.thorn@wamu.net>]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Attachments:
I.R Auth Consent.jpg (57335 Bytes)

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Thursday, June 12, 2008 1:48 PM
To: Cook, Don <don.cook@wamu.net>
Subject: FW: Loss Mit

FYI. Laura Richardson says she will work on the loss mit materials this weekend.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Thursday, June 12, 2008 10:07 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: FW: Loss Mit

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Mathis, Julie A.
Sent: Thursday, June 12, 2008 1:05 PM
To: Thorn, Ann; Woodcock, Wendy A.
Subject: FW: Loss Mit

Please see below.

Thanks,

Julie

From: Laura Richardson [redacted]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

Please advise Ann Thorne that I will work on this during the weekend. I apologize for the delay I did not recognize your email / name. I was looking for something from Ann or Ms. Woodcock, so I missed it.

I will be in touch.

Laura

----- Original Message ----
From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson[redacted]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Baptista, Geri Ann S.
Sent: Monday, June 02, 2008 4:27:58 PM
To: Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.
CC: Thorn, Ann
Subject: RE: Final Review: Richardson Response

REDACTED

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[illegible]cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 12:45 PM
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: RE: Final Review: Richardson Response

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

REDACTED

REDACTED

Questions:

- Has Ms. Richardson allowed WaMu to discuss her case publicly? Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

- Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

- If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Friday, May 30, 2008 4:22 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Boulton, Elizabeth A. <elizabeth.boulton@wamu.net>
Cc: Chiu, Huey-Jen <huey-jen.chiu@wamu.net>; Brignac, Deborah P. <deborah.brignac@wamu.net>; MMcguinn@kirbymac.com; Graves, Tracy A. <tracy.graves@wamu.net>; Hawk, Amanda L. <amanda.hawk@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: Re: Laura Richardson Foreclosure Rescission

U guys are the best. Thank u. Sorry I have been sitting by the pool all day without you!!!

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Battaglia, Paul J.
To: Thorn, Ann; Boulton, Elizabeth A.
Cc: Chiu, Huey-Jen; Brignac, Deborah P.; 'MMcguinn@kirbymac.com' <MMcguinn@kirbymac.com>; Graves, Tracy A.; Hawk, Amanda L.; Cook, Don

Sent: Fri May 30 12:50:25 2008
Subject: RE: Laura Richardson Foreclosure Rescission

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Thorn, Ann
Sent: Friday, May 30, 2008 12:39 PM
To: Battaglia, Paul J.; Boulton, Elizabeth A.
Cc: Chiu, Huey-Jen; Brignac, Deborah P.; 'MMcguinn Graves, Tracy A.
Subject: Re: Laura Richardson Foreclosure Rescission

Beth get with amanda hawk or guy to get this cut today.

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Battaglia, Paul J.
To: Thorn, Ann; Boulton, Elizabeth A.
Cc: Chiu, Huey-Jen; Brignac, Deborah P.; 'Martin T. McGuinn' <MMcguinn@kirbymac.com>
Sent: Fri May 30 12:17:19 2008
Subject: Laura Richardson Foreclosure Rescission

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Friday, May 30, 2008 4:26 AM
To: Chiu, Huey-Jen
Cc: Battaglia, Paul J.
Subject: Recission

REDACTED

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 29, 2008 7:50 PM
To: Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: follow-up

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228 cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gene Maddaus
Sent: Thursday, May 29, 2008 4:47 PM
To: Gaugl, Sara C.
Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus
Daily Breeze
310 543

From: Cook, Don
Sent: Wednesday, May 28, 2008 9:44:40 PM
To: Battaglia, Paul J.
Subject: FW: Richardson/CNN

Paul, for your information.

From: Gaugl, Sara C.
Sent: Wednesday, May 28, 2008 6:42 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Cook, Don; Adams, Carolyn; Owen, Jan L.; Elias, Alan
Subject: Richardson/CNN

All:
So you are aware, I just received a call from a producer with CNN re: Congresswoman Richardson's "debacle." Apparently, CNN's Campbell Brown plans to discuss the Congresswoman's situation during tomorrow's 8 p.m Eastern broadcast.

The producer said she's been tasked with cross-checking the accuracy of Ms. Richardson's statements with WaMu, at which point I informed her that we have not received consent from Ms. Richardson that would allow us to discuss her loan situation.

At that point, she informed me that CNN has talked with a forensic accountant. Based on his/her analysis of Ms. Richardson's financial situation, the accountant has "determined" that the Congresswoman probably shouldn't have qualified for the (WaMu) loan in the first place.

I'll keep you informed as I learn more. I expect to receive an update from CNN tomorrow.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Update on Congresswoman Richardson
Location: 877-709[illegible] passcode[illegible]

Start: 5/23/2008 2:30 PM
End: 5/23/2008 3:30 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Battaglia, Paul J.; Cook, Don; Thorn, Ann; Woodcock, Wendy A.; Baptista, Geri Ann S.
Resources: 877-709[illegible] passcode[illegible]

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 8:43:20 PM
To: Battaglia, Paul J.; Kellner, Brad; Cook, Don; Woodcock, Wendy A.
Subject: RE: (866) 723[illegible]PD[illegible]

Embedded below is Congresswoman Laura Richardson's statement to the media for your reference.

CONGRESSWOMAN LAURA RICHARDSON

For Immediate Release
May 21, 2008

The story published in the Capitol Weekly regarding residential property that I own in Sacramento requires clarification.

Within a 12-month period last year (2007-2008), I was a member of Long Beach City Council, the District Director for California Lt. Gov. Cruz Bustamante, a member of the California State Legislature, and, now a member of Congress. While the transitioning has impacted me personally, the residential property in Sacramento California is *not in foreclosure and has **NOT** been seized by the bank.*

I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property.

On two housing bills that were cited by the Capitol Weekly, the allegation is that I recused myself from these votes. I did not. I was absent from Washington, D.C., and my duties in the House of Representatives due to the untimely death of my father and his subsequent funeral in California.

I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Parker, Gary L. <gary.parker@wamu.net>
Sent: Monday, August 18, 2008 2:08 PM
To: Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Sledd, Charley
Sent: Monday, August 18, 2008 11:06 AM
To: Gaspard, Scott; Parker, Gary L.
Subject: SFGate: Calif. congresswoman's house a public nuisance

This may interest you, if you haven't already seen it. Charley

---

This article was sent to you by someone who found it on SFGate.
The original article can be found on SFGate.com here:
http://www.sfgate.com/cgi-bin/article.cgi?file=/n/a/2008/08/15/state/n104012D91.DTL

Friday, August 15, 2008 (AP)
Calif. congresswoman's house a public nuisance

(08-15) 16:26 PDT Sacramento, CA (AP) --
Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to $5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home.
Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents.

Inspectors came after calls to police about a suspicious person there.
A spokesman for Richardson, William Marshall Jr., says the city sent the notice to the man who previously bought the house from the bank, not Richardson. He says Richardson will maintain the property once "full possession has been returned" to her. ----------

Copyright 2008 AP

From: Gaugl, Sara C.
Sent: Monday, June 30, 2008 1:39:14 PM
To: Owen, Jan L.; Battaglia, Paul J.; Thorn, Ann
Subject: Latest media coverage on Richardson

FYI, only. Gene Maddaus is at it again.

Rep's got expensive wheels
By Gene Maddaus, Staff Writer
Article Launched: 06/29/2008

Taxpayers pay for Rep. Laura Richardson's car lease.

When she arrived in Congress last fall, Rep. Laura Richardson sought out a vehicle that would match her newfound status.

She settled on a 2007 Lincoln Town Car - the choice of many representatives who lease their vehicles at taxpayers' expense. But hers was distinct: at $1,300 a month, it was the most expensive car in the House of Representatives.

Richardson, a Democrat who represents Carson, has since become known for defaulting on two home loans and losing a third house - in an upscale neighborhood in Sacramento - at a foreclosure auction.

But her history with vehicles has been similarly fraught. When she was a councilwoman in Long Beach, she crashed her BMW, abandoned it at a body shop, failed to pay a prior repair bill, and then racked up 30,000 miles on a city-owned hybrid in one year - apparently violating a policy against personal use of city cars.

In her brief stint in the Assembly, she leased a 2002 Lincoln LS for $304 a month - all but $36 of it paid for by the state. So Richardson was already well versed in the use of government vehicles when she got to Washington.

A protege of Rep. Maxine Waters - she calls Waters "Big Mama" and herself "Little Mama" - Richardson has worked to cultivate an image of success since arriving in Congress last fall. That effort evidently included a major upgrade of her publicly funded car.

About 130 representatives leased cars last year, according to a report compiled earlier this year by Taxpayers for Common Sense. Most were in the range of $400 to $800 per month.

Richardson's 2007 lease costs show up on a more recent congressional spending report, because she did not pay the bill until February. According to the report, her first bill was for $1,299, and covered a one-month period from mid-October to mid-November. She then paid a prorated amount of $2,035 for the 45-day period from mid-November to the end of the year.

That makes her lease $300 more expensive than the costliest car in the Taxpayers for Common Sense report. As of last winter, the newest member of Congress had far and away the most expensive car in the House of Representatives.

"A $1,300 lease is a gold-plated lease," said Keith Ashdown, chief investigator for the watchdog group. "Because it's federal money and not their personal money, they're not looking for the best value."

Rep. Diane Watson, D-Los Angeles, also leases a 2007 Lincoln Town Car, but she pays only $686 per month for it.

According to a former staff member, Richardson insisted that her Lincoln be specially customized, which may explain the high cost.

Richardson's spokesman, William Marshall, initially stated that Richardson is paying only $940 per month for her Town Car, but gave no documentation of that. After he was presented with the expense report showing the $1,300 lease amount, he declined to answer further questions.

"No comment," he said.

Richardson got the car from a local Enterprise Rent-a-Car office for her use when she needed to travel around her congressional district. The cost would not have been affected by her personal credit history, because it was paid for by the federal government. The price tag also did not include insurance, which Richardson agreed to pay for on her own.

At 8:30 p.m. April 3, a staff member was driving the car on the San Diego (405) Freeway, when he got into a crash. According to a California Highway Patrol report, the staffer, Henry Rogers, reported being struck in the rear by a white sport utility vehicle. The impact caused him to spin out and hit the center median and left major damage to the left rear of the Town Car.

The CHP report gives no information about the insurance on the car, other than to say that it was a "rental." But Richardson's subsequent actions suggest that Rogers may not have been listed as an eligible driver on her insurance policy.

According to the former staffer, after the crash Richardson required her district employees to buy additional insurance so they could legally drive the Lincoln. The former staff member did not want to be identified out of fear of jeopardizing future

employment prospects.

Another former staffer said Rogers was not forced to pay for the damage to the car, but did not know how the issue was resolved.

Rogers referred questions about the crash to Richardson's spokesman, who did not return a call about the crash on Friday.

Richardson did not report the crash to Enterprise, but it is not clear that she was required to, given that she was self-insured.

Records also indicate that Richardson owes $83 for illegally parking the Town Car in Long Beach. The ticket was issued Jan. 23, in the amount of $40, but has since doubled because it was not paid on time.

Richardson also owes $9,000 in property taxes on the Sacramento home, which she is trying to get back. The new owner of the home has sued her and her lender, Washington Mutual, after the bank moved to rescind the foreclosure sale.

"She's got bigger problems than what she's leasing," said Ashdown of the Taxpayers for Common Sense.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Tuesday, June 24, 2008 12:33:38 PM
To: Baptista, Geri Ann S.; Owen, Jan L.
CC: Battaglia, Paul J.
Subject: RE: Richardson

Hi – I understand that Ms. Richardson qualified for and agreed to a loan modification, but we're awaiting signed paperwork.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Tuesday, June 24, 2008 9:05 AM
To: Gaugl, Sara C.; Owen, Jan L.
Subject: Richardson
Sensitivity: Confidential

FYI Re: A fundraiser for Richardson.
Any update on the loan matter?

Geri Ann

A House Seat Won, a House Lost, and a House Leader Divided

By Jeffrey H. Birnbaum
Tuesday, June 24, 2008; A15

http://www.washingtonpost.com/wp-dyn/content/article/2008/06/23/AR2008062301797_pf.html?nav=rss_opinion/columns

Every once in a while, events move fast in the nation's capital.

Last week, http://www.washingtonpost.com/ac2/related/topic/Steny+Hoyer?tid=informline, through a spokeswoman, said it might be a good idea for the ethics committee to look into some financial missteps by Rep. *Laura Richardson* (D-Calif.) that have been highlighted in the press.

This week -- tomorrow, in fact -- Hoyer is scheduled to host a fundraising reception for Richardson to help pay her campaign's substantial debt.

Whoa!

Richardson was elected to the House last August in a special election to replace the late Democratic Rep. http://www.washingtonpost.com/ac2/related/topic/Juanita+Millender-McDonald?tid=informline.

Subsequently, Richardson lost her Sacramento home to foreclosure after failing to make payments. She also reportedly owed http://www.washingtonpost.com/ac2/related/topic/Sacramento+County?tid=informline about $9,000 in property taxes and defaulted on loans six times on two other California homes.

On top of that, according to the Long Beach Press-Telegram, Richardson failed to pay an auto mechanic for hundreds of dollars' worth of car repairs and then abandoned the car at another body shop.

None of this was detailed -- as some of it probably should have been, according to critics -- on Richardson's legally mandated financial disclosure forms.

The liberal watchdog group http://www.washingtonpost.com/ac2/related/topic/Citizens+for+Responsibility+and+Ethics+in+Washington?tid=informline (CREW) dubbed Richardson a "deadbeat congresswoman" and filed a complaint. Both Hoyer and http://www.washingtonpost.com/ac2/related/topic/John+Boehner?tid=informline said that Richardson's woes might merit an ethics inquiry.

"Mr. Hoyer has always said the ethics committee should look at anything that's raised in the public sphere," Hoyer spokeswoman *Stacey Farnen Bernards* said last week. "That gives people the confidence that the House is policing itself."

But Hoyer's policy didn't deter him from going ahead with the fundraiser to help his beleaguered colleague pay off the $330,000 she owed as of last month. The event is scheduled from 5:30 to 7 tomorrow evening, in rented space at a private residence on http://www.washingtonpost.com/ac2/related/topic/Capitol+Hill?tid=informline. Hoyer's invitation seeks contributions of between $1,000 and $5,000 from political action committees, which are pools of money filled by individuals and used by corporations, industries and labor unions to donate to the coffers of lawmakers they wish to assist.

Probably a lot of PACs will pay up. Pleasing the House's majority leader is something political action committees are usually eager to do.

But help for Richardson?

CREW's executive director, http://www.washingtonpost.com/ac2/related/topic/Melanie+Sloan?tid=informline, thinks Hoyer's effort takes him in the wrong direction. "I'd prefer to see a member file an ethics complaint against Richardson rather than help retire her campaign debt," Sloan said in an e-mail.

Richardson's office did not return a telephone call seeking comment. Hoyer is not deterred and defends his decision to help Richardson. "There is no allegation of wrongdoing," Bernards said. "Mr. Hoyer feels comfortable supporting Representative Richardson as a fellow House Democrat."

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Friday, June 20, 2008 5:02 PM
To: Mathis, Julie A. <julie.mathis@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Mathis, Julie A.
Sent: Friday, June 20, 2008 1:32 PM
To: Battaglia, Paul J.; Thorn, Ann; Gaugl, Sara C.; Owen, Jan L.
Cc: Cook, Don
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Battaglia, Paul J.
Sent: Friday, June 20, 2008 10:25 AM
To: Thorn, Ann; Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.
Cc: Cook, Don
Subject: RE: Follow-up on Loss Mit

REDACTED

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Thursday, June 19, 2008 5:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Laura Richardson [redacted]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at 202-225-7924 or cell 562-706[redacted]
Thanks, Laura

----- Forwarded Message ----
From: Laura Richardson [redacted]
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,
I just sent the WaMu borrower assistance form via fax to 904-886-[redacted]. I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but

I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either 202-225-7924 or 562-706-[redacted]

Thanks,
Laura

----- Original Message ----
From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson <[redacted]>
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Mathis, Julie A. <julie.mathis@wamu.net>
Sent: Friday, June 20, 2008 4:32 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Battaglia, Paul J.
Sent: Friday, June 20, 2008 10:25 AM
To: Thorn, Ann; Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.
Cc: Cook, Don
Subject: RE: Follow-up on Loss Mit

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Thursday, June 19, 2008 5:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

REDACTED

From: Laura Richardson
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at 202-225-7924 or cell 562-706-
Thanks, Laura

----- Forwarded Message ----
From: Laura Richardson <
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,
I just sent the WaMu borrower assistance form via fax to 904-886- I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either 202-225-7924 or 562-706-

Thanks,
Laura

----- Original Message ----
From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson
Sent: Tuesday, June 17, 2008 5:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Friday, June 20, 2008 2:58 PM
To: Mathis, Julie A. <julie.mathis@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann
Sent: Thursday, June 19, 2008 8:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Laura Richardson [mailto:laurarichardson55assembly@yahoo.com]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at 202-225-7924 or cell 562-706[redacted]
Thanks, Laura

----- Forwarded Message ----
From: Laura Richardson [redacted]
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,

I just sent the WaMu borrower assistance form via fax to 904-886-[redacted] I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either 202-225-7924 or 562-706-[redacted]

Thanks,
Laura

----- Original Message ----
From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson [redacted]
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Friday, June 20, 2008 10:25 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Thursday, June 19, 2008 5:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Laura Richardson [redacted]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at 202-225-7924 or cell 562-706-[redacted]
Thanks, Laura

----- Forwarded Message ----
From: Laura Richardson <[redacted]>
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,
I just sent the WaMu borrower assistance form via fax to 904-886-[redacted]. I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either 202-225-[redacted] or 562-706-[redacted].

Thanks,
Laura

----- Original Message ----
From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson <[redacted]>
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 8:41 PM
To: Mathis, Julie A. <julie.mathis@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Laura Richardson [redacted]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at 202-225-7924 or cell 562-706-[redacted]
Thanks, Laura

----- Forwarded Message ----
From: Laura Richardson [redacted]m>
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,
I just sent the WaMu borrower assistance form via fax to 904-886-[redacted] I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either 202-225-7924 or 562-706-[redacted]

Thanks,
Laura

----- Original Message ----

From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson <[redacted]>
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36 AM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>; Potashnick, Barbara A. <barbara.potashnick@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Richardson Update

I will only be available for the first 15 minutes or so.....Fitch is here today

From: Baptista, Geri Ann S.
Sent: Wed 06/18/2008 07:10 PM
To: Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Subject: Richardson Update

When: Thursday, June 19, 2008 9:00 AM-9:30 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 888-595[illegible]pc[illegible]

~~*~*~*~*~*~*~*~*

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, June 18, 2008 7:41 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Notice of Pendency of Action

I also got this .....

From: Laura Richardson [redacted]
Sent: Wed 06/18/2008 06:34 PM
To: Thorn, Ann
Subject: Notice of Pendency of Action

Ann,
Late yesterday, Red Rock Mortgage, sent a certified letter to my district office in Torrance where my office staff unknowingly signed for which included "Notice of Pendency of Action" papers.

Who in your operation/office should I follow-up with? Please advise at your earliest convenience.

Laura Richardson

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, June 18, 2008 10:40 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Richardson ([redacted])

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J.
Sent: Wednesday, June 18, 2008 10:33 AM
To: Thorn, Ann; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: Richardson ([redacted])

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Wednesday, June 18, 2008 7:30 AM
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: FW: Loss Mit

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [redacted]
Sent: Wednesday, June 18, 2008 10:28 AM
To: Thorn, Ann
Subject: Re: Loss Mit

FYI---
My notice of delay AND NO REFERENCE TO TIME DEADLINES.
Laura Richardson

----- Original Message ----
From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: Laura Richardson <[redacted]>
Sent: Thursday, June 12, 2008 1:05:34 PM
Subject: RE: Loss Mit

Thanks, I will let them both know.

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Laura Richardson [redacted]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

Please advise Ann Thorne that I will work on this during the weekend. I apologize for the delay I did not recognize your email / name. I was looking for something from Ann or Ms. Woodcock, so I missed it.

I will be in touch.

Laura

----- Original Message ----
From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson[redacted]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Wednesday, June 18, 2008 10:34 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Re: Loss Mit

I will schedule a call this week. Thanks, J

----- Original Message -----
From: Thorn, Ann
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Sent: Wed Jun 18 07:30:45 2008
Subject: FW: Loss Mit

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [redacted]
Sent: Wednesday, June 18, 2008 10:30 AM
To: Thorn, Ann
Subject: Fw: Loss Mit

Ann,
FYI---
NO REFERENCE TO TIME DEADLINES.
Laura Richardson

----- Forwarded Message ----
From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson[redacted]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Wednesday, June 18, 2008 10:33 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Cook, Don <don.cook@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: Richardson [redacted]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Wednesday, June 18, 2008 7:30 AM
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: FW: Loss Mit

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [redacted]
Sent: Wednesday, June 18, 2008 10:28 AM
To: Thorn, Ann
Subject: Re: Loss Mit

FYI---
My notice of delay AND NO REFERENCE TO TIME DEADLINES.
Laura Richardson

----- Original Message ----
From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: Laura Richardson <[redacted]>

Sent: Thursday, June 12, 2008 1:05:34 PM
Subject: RE: Loss Mit

Thanks, I will let them both know.

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Laura Richardson [redacted]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

Please advise Ann Thorne that I will work on this during the weekend. I apologize for the delay I did not recognize your email / name. I was looking for something from Ann or Ms. Woodcock, so I missed it.

I will be in touch.

Laura

----- Original Message ----
From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson[redacted]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From:	Thorn, Ann <ann.thorn@wamu.net>
Sent:	Wednesday, June 18, 2008 10:31 AM
To:	Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject:	FW: Loss Mit
Attach:	Borrower Assistance Form 5.08.pdf

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [redacted]
Sent: Wednesday, June 18, 2008 10:30 AM
To: Thorn, Ann
Subject: Fw: Loss Mit

Ann,
FYI---
NO REFERENCE TO TIME DEADLINES.
Laura Richardson

----- Forwarded Message ----
From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson[redacted]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>, "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

WaMu

Borrower Assistance Form

WaMu Cares. We're in this with you. We offer options for resolving your home loan issues.

You can help by answering the questions below as completely and accurately as possible. If you have a co-borrower, please fill in his or her information, too.

This information will only be used to aid the evaluation of homeownership preservation options. Not for any other purpose.

You can type your answers right into this form and fax or mail it in. See the instructions on the next page.

1. To help us locate your loan, please provide your name(s).

Borrower Name

Co-borrower Name

2. What are your current phone numbers?

( )	( )
Borrower Home Phone	Co-borrower Home Phone
( )	( )
Borrower Work Phone	Co-borrower Work Phone
( )	( )
Borrower Mobile Phone	Co-borrower Mobile Phone

3. Do you have your WaMu loan number?
☐ Yes, it is: ☐ No

4. What is the address of your property?

Street Address — Apartment Number

City — State — Zip

5. Do you (or your co-borrower) have a different mailing address?
☐ Yes ☐ No

6. Please enter any additional mailing addresses.

Borrower Street Address — Apartment Number

City — State — Zip

Co-borrower Street Address — Apartment Number

City — State — Zip

7. How many people live at your address?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 or more

8. How many of the people living at this address are dependents?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 or more

9. What is the reason you are having trouble with your home loan payments?

10. Would you prefer to keep your home or sell it?
☐ Keep my home ☐ Sell it

11. If you want to sell, is it listed for sale?
☐ Currently listed ☐ Was listed previously ☐ Was never listed

12. Do you have any other loans on the home?
☐ Yes ☐ No

13. If you have other loans on the home, approximately how much do you owe on all other loans combined?

JPMC - 002479
CONFIDENTIAL
CSOC.RICH.003968

14. Have you already spoken to a debt counseling service?
☐ Yes ☐ No

15. How many cars do you own?
☐ 1 ☐ 2 ☐ 3 ☐ 4 or more

16. Please enter how much you pay for the items below each month, and total them in the last row.

EXPENSE	BORROWER	CO-BORROWER
Other Home Loans, Rent & Liens	$	$
Auto Loan(s)	$	$
Auto Insurance & Other Expenses	$	$
Credit Cards & Installment Loans	$	$
Health Insurance	$	$
Medical Expenses	$	$
Child Care, Child Support & Alimony	$	$
Food & Miscellaneous Spending Money	$	$
Utilities	$	$
Other _____	$	$
Other _____	$	$
TOTAL	$ 0	$ 0

17. Please enter your income details below and total them in the last row.

INCOME	BORROWER	CO-BORROWER
Gross Wages	$	$
Other Income (unemployment, child support, etc.)	$	$
Other _____	$	$
Other _____	$	$
TOTAL	$ 0	$ 0

18. Please enter how much money you have in the assets below, and total them in the last row.

ASSET	BORROWER	CO-BORROWER
Checking Account(s)	$	$
Savings & Money Market Account(s)	$	$
Stocks, Bonds & CDs	$	$
Retirement Account(s)	$	$
Home Equity	$	$
Other Real Estate Equity	$	$
Cars (with no loan payments)	$	$
Other	$	$
TOTAL	$ 0	$ 0

I (we) agree that the financial information provided is an accurate statement of my (our) financial status. I (we) understand and acknowledge that any action taken by the lender of my (our) home loan on my (our) behalf will be made in strict reliance on the financial information provided. My (our) signature(s) below grants the holder of my (our) home loan the authority to confirm the information I (we) have disclosed in this financial statement, to verify that it is accurate by ordering a credit report and to contact my (our) real estate agent and or credit counseling representative (if applicable). By signing below, I (we) advise you that if I (we) should hereafter agree to a repayment plan for my (our) home loan, reinstate my (our) home loan, or pay off my (our) home loan in full, then by doing so and without the necessity of any further action on my (our) part, I (we) hereby expressly withdraw this request for a loan workout. In that event, I (we) hereby direct you to take no further action to process this request for a workout.

X _____
Borrower Date

X _____
Co-borrower Date

WaMu Cares

Borrower Assistance Checklist

Thank you for taking steps to resolve your home loan issues.

We'll contact you soon!

DON'T FORGET! DID YOU...

☐ Fully complete all questions?
Remember: If you have a co-borrower, we need his or her information, too.

☐ Sign and date this form?

☐ Include copies of your:
- ☐ Checking account statement(s)
- ☐ Savings account statement(s)
- ☐ Income history:
  - *If you are self-employed*—your past six months' profit-and-loss statements and most recent Federal tax return
  - *If you receive regular paychecks*—your two most recent pay stubs

☐ Copy the completed form for yourself?

GREAT!

Now, either fax or mail your information to WaMu.

- **Fax:** 904-886-1328 or 904-886-1329
- **Mail:** WaMu Home Ownership Preservation, 7255 Baymeadows Way, JAXA2000, Jacksonville, FL 32256

JPMC - 002480
CONFIDENTIAL
CSOC.RICH.003969

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, June 18, 2008 10:30 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Loss Mit

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [redacted]
Sent: Wednesday, June 18, 2008 10:28 AM
To: Thorn, Ann
Subject: Re: Loss Mit

FYI---
My notice of delay AND NO REFERENCE TO TIME DEADLINES.
Laura Richardson

----- Original Message -----
From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: Laura Richardson <[redacted]>
Sent: Thursday, June 12, 2008 1:05:34 PM
Subject: RE: Loss Mit

Thanks, I will let them both know.

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Laura Richardson [redacted]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

Please advise Ann Thorne that I will work on this during the weekend. I apologize for the delay I did not recognize your email / name. I was looking for something from Ann or Ms. Woodcock, so I missed it.

I will be in touch.

Laura

----- Original Message ----
From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson[redacted]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, June 18, 2008 10:26 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Follow-up on Loss Mit

Here is her response to the letter.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [mailto:[redacted]]
Sent: Wednesday, June 18, 2008 10:24 AM
To: Thorn, Ann
Subject: Re: Follow-up on Loss Mit

Ms. Thorn,
Due to the numerous issues that have surrounded my agreement and the improper sale of my property, I am working with my original broker to complete the application accurately. I am limited to his availability therefore it is taking longer than I expected. I advised Ms. Mathis of my delay via email and was told you would be notified.

I was quite surprised with your attached letter that requires submittal by Friday which I do not believe was expressed before. If you recall, it was I, that suggested we begin the process prior to the completion of the recission not WAMU.

I will meet your deadline; however, in the future clear indications of time deadlines is needed.

Laura Richardson

----- Original Message ----
From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson <[redacted]>
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C.
Sent: Tuesday, June 17, 2008 8:52:24 PM
To: Elias, Alan; Thorn, Ann; Battaglia, Paul J.; Cook, Don; Owen, Jan L.
Subject: LA Times Blog: Richardson

This should be interesting….

http://latimesblogs.latimes.com/laland/2008/06/ask-the-congres.html

Ask the congresswoman: Your questions for U.S. Rep. Laura Richardson

I'm overdue for a session of "Ask the blogger," so here goes. Today, something completely different: Instead of your questions for me, I'd like to hear your questions for U.S. Rep. Laura Richardson, the triple-default Democrat from Long Beach.

I sent her office a list of questions in late May (you can see my questions by clicking at the bottom of this post) and haven't heard back, so I'm giving up and turning to you: submit your best (serious) questions for U.S. Rep. Laura Richardson, I'll sort through them and send them along to her congressional office. Fire away.

(Sent by e-mail on June 10 to Kimberly Parker, chief of staff to U.S. Rep. Laura Richardson)

Kimberly: I'm still interested in answers to the questions below, which I first submitted to the congresswoman's office on May 22:

Questions from Peter Viles at the Los Angeles Times:

What kind of mortgage did the congresswoman take on the Sacramento home? (Adjustable Rate Mortgage, Option ARM, 30-year-fixed, etc.)

What was the amount of the loan and the interest rate?

Who was the original lender?

Did she take out one loan or more than one loan?

Did she make a down payment? If so, how much?

A published report quotes the seller of the house saying that Ms. Richardson received $15,000 from the seller for closing costs. Is this accurate?

What were her monthly payments on the mortgage?

How many payments did she make on the mortgage?

When did she begin missing payments on the mortgage, and why?

When and how did she contact the lender to discuss a loan modification?

Did she contact the lender herself, or did a member of her staff contact the lender?

Documents indicate the amount she owed on the loan was eventually greater then the initial value of the loan itself. Can you explain why the amount she owed increased?

When did she and the lender agree to a loan modification? And what is the exact nature of the loan modification? What is the new interest rate, the new principal amount, and the new monthly payment?

How many payments has the congresswoman made on the loan modification?

Thanks.

Peter Viles

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Tuesday, June 17, 2008 3:15 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Follow-up on Loss Mit
Attach: Scan001.PDF

Paul, per our conversation.

Sara/Jan, fyi

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----
From: Thorn, Ann
Sent: Tuesday, June 17, 2008 3:14 PM
To: 'Laura Richardson'
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Washington Mutual
HOME LOANS

7255 Baymeadows Way
Jacksonville, FL 32256
Phone 1-904-886-5644
Fax (904) 886-1627

June 17, 2008

Re: Washington Mutual Loan Number: [redacted]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

Dear Ms. Richardson:

Your e-mail to Julie Mathis dated June 12, 2008 was forwarded to me. You indicated in your e-mail that you would be working on your Homeownership Preservation package over the June 14-15 weekend. I therefore expected to receive your updated financial information sometime on Monday. It is now Tuesday, and I still have not received anything from you, nor have you called to explain your delay.

As you know, in April, 2008, you contacted WaMu asking for the amount necessary to reinstate your loan. We sent you the reinstatement figures on April 17, 2008, along with a cover letter stating that we would postpone the foreclosure proceedings to June 4, 2008. Your property then went to foreclosure sale on May 7, 2008, where it was sold to the high bidder Red Rock Mortgage, Inc. At the time of the foreclosure sale, you were in default on your loan and there was not any loan workout or modification agreement in place between you and WaMu, as your prior request for a loan modification was denied.

Due in part to your comments to me that you fully intended to pay your obligation to WaMu, we honored our commitment to postpone the foreclosure sale by instructing the foreclosure trustee to record a Notice of Rescission of the foreclosure sale, thereby restoring legal title to the Property in your name.

Following the Notice of Rescission, we've had several telephone conversations where you reiterated your desire to fulfill your loan obligation. On May 28, 2008, Wendy Woodcock and I had a telephone conversation with you where we told you that you would have to send in updated financial information for review. We sent you the required forms on June 6, 2008, but they have not yet been completed and returned for our review.

Based on your most recent assurance that you would be working on providing the financial information over the June 14-15 weekend, we expect to have all of the information that we've requested by the end of the day on Friday, June 20, 2008. If we do not have all of the information requested, we will reschedule the foreclosure sale of your property.

Sincerely,

Ann Thorn

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Monday, June 16, 2008 5:04 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>
Subject: RE: Richardson Disclosure

So, do we think having our calls again are in order? I can set them up- let me know. Thanks, Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Baptista, Geri Ann S.
Sent: Monday, June 16, 2008 1:56 PM
To: Strom, Erik E.; Owen, Jan L.
Cc: Gaugl, Sara C.
Subject: Richardson Disclosure
Sensitivity: Confidential

June 16, 2008, 3:34 pm

Disclosure Offers No Insight on Lawmaker's Home Woes

***Sarah Lueck** reports on Congress.*

Trackback URL: http://blogs.wsj.com/washwire/2008/06/16/disclosure-offers-no-insight-on-lawmakers-home-woes/trackback/
House members' annual financial-disclosure forms were released Monday, but the one submitted by California Democratic Rep. **Laura Richardson** provided no information about her recent mortgage woes. Multiple accounts have been **reported recently** on Richardson's financial troubles, which includes a foreclosure on one of her California homes and defaults on two others.

On the section labeled "Liabilities," Richardson's form says only "N/A." There's no mention of the balance of $578,384 that Richardson reportedly owes on a Sacramento home she purchased in January 2007. It recently was sold at auction to a mortgage lender for $388,000, according to the Associated Press.

Members of Congress are not required to report mortgages on their residences, unless the property is the source of rental or investment income. They are, however, required to disclose a mortgage debt or other type of loan when it exceeds the purchase price of the item.

Richardson's form is dated May 19 and covers calendar year 2007. She is among dozens of lawmakers who requested extra time to file information on their assets, debts, travel and income—possibly a sign that more details are on the way. Her new deadline is Monday, June 16. A spokesman didn't immediately return calls for comment.

Richardson told the AP in a May interview that her financial trouble was partly the result of using her own money for her recent run for her House seat. She said she renegotiated her loan and will pay it off, along with nearly $9,000 in delinquent property taxes. "I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[illegible] cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Saturday, June 14, 2008 4:30 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Loan Terms
Sensitivity: Confidential

FYI.

Richardson's loan was subprime – *Press Telegram* *(Long Beach)*
By Gene Maddaus, Staff Writer

Rep. Laura Richardson took out a subprime loan to buy her Sacramento house, suggesting she probably was a poor credit risk even before her recent string of loan defaults.

Richardson, D-Long Beach, has defaulted on all three of her homes, and lost the one in Sacramento in a foreclosure auction. She is now engaged in a legal battle with the new owner of the home, after her lender, Washington Mutual Bank, filed to rescind the sale.

James York, owner of Red Rock Mortgage Inc., filed a lawsuit on Thursday against Richardson and Washington Mutual, contesting the foreclosure rescission.

Included in the suit was Richardson's deed of trust, which contains the terms of her home loan. The no-money-down loan was issued for $535,000 in January 2007. It was adjustable after two years, with an introductory rate of 8.8 percent.

"That's a subprime loan," said Jon Nastro, a real estate broker in nearby Elk Grove. "Those are the ones we're taking back now."

Richardson previously declined to disclose her loan terms.

The average prime mortgage rate at the time was 6.22 percent, according to Freddie Mac.

Without further information, it is difficult to tell whether Richardson's subprime loan terms were the result of a poor credit history, lack of income documentation, or both.

Richardson was an assemblywoman at the time the loan was issued, with an annual salary of $113,000. She also collected $28,365 in per diem for living expenses in Sacramento during the nine months she served in the Legislature. She now earns $169,300 as a member of Congress and rents an apartment in Washington, D.C.

Before her election in 2006, Richardson earned $80,000 as a legislative director for Lt. Gov. Cruz Bustamante and $28,000 as a Long Beach city councilwoman, according to a congressional financial disclosure form.

Richardson also owns two homes in San Pedro and Long Beach. In 2006, she took out an equity loan against the Long Beach home to finance her run for the Legislature.

Richardson has defaulted at least eight times on the three properties since 2004 - six times in the last 14 months. She had also failed to pay smaller debts to a mechanic and a printing shop until reporters began inquiring about them.

Richardson's staffers were unavailable for comment on Friday.

From: Baptista, Geri Ann S.
Sent: Sat 06/14/2008 2:22 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.

Subject: Coverage on Richardson Lawsuit

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO—A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for $388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for $535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at $578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly $71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly $9,000 in delinquent property taxes.

In the notice of recission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have **"significantly increased its value."**

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it—making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

———

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS – 18 hours ago

SACRAMENTO, Calif. (AP) — An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.

James York had purchased the home at auction in May for $388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."

His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.

Richardson, a Democrat from Long Beach, bought the house in January 2007 for $535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.
Sent: Fri 06/13/2008 10:13 AM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: Richardson liability report and comment to senior Democrat

http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html

Richardson mum in the face of mounting pressure

By Jared Allen
Posted: 06/13/08 11:50 AM [ET]
Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new $446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of $359,000, to purchase a second home in San Pedro.

After defaulting twice — in September 2007 and again in January — and owing $367,436 on an original loan of $359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement — which she filed in February — she failed to report her Sacramento home mortgage as a liability even though she owed $40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 — which marks the end of the 2007 financial disclosure reporting period — Richardson had accumulated $575,000 in total debt after failing to make payments on her original $535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the *Los Angeles Times* reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for $388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson.
York had recorded the deed on May 19 and had begun renovations, the *Times* reported.

"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista – VP, WaMu Corporate Communications

206.500.2875 direct | 206.612[illegible]cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 2:15 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue I WMC40 I Seattle WA 98101

206.500.2822 direct I 206.228[illegible]cell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 1:20 PM

To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

http://www.dailybreeze.com/ci_9564107

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had

the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Saturday, June 14, 2008 7:30 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Strom, Erik E. <erik.strom@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Subject: Coverage on Richardson Loan Terms

FYI.

Richardson's loan was subprime – *Press Telegram* (Long Beach)
By Gene Maddaus, Staff Writer

Rep. Laura Richardson took out a subprime loan to buy her Sacramento house, suggesting she probably was a poor credit risk even before her recent string of loan defaults.

Richardson, D-Long Beach, has defaulted on all three of her homes, and lost the one in Sacramento in a foreclosure auction. She is now engaged in a legal battle with the new owner of the home, after her lender, Washington Mutual Bank, filed to rescind the sale.

James York, owner of Red Rock Mortgage Inc., filed a lawsuit on Thursday against Richardson and Washington Mutual, contesting the foreclosure rescission.

Included in the suit was Richardson's deed of trust, which contains the terms of her home loan. The no-money-down loan was issued for $535,000 in January 2007. It was adjustable after two years, with an introductory rate of 8.8 percent.

"That's a subprime loan," said Jon Nastro, a real estate broker in nearby Elk Grove. "Those are the ones we're taking back now."

Richardson previously declined to disclose her loan terms.

The average prime mortgage rate at the time was 6.22 percent, according to Freddie Mac.

Without further information, it is difficult to tell whether Richardson's subprime loan terms were the result of a poor credit history, lack of income documentation, or both.

Richardson was an assemblywoman at the time the loan was issued, with an annual salary of $113,000. She also collected $28,365 in per diem for living expenses in Sacramento during the nine months she served in the Legislature. She now earns $169,300 as a member of Congress and rents an apartment in Washington, D.C.

Before her election in 2006, Richardson earned $80,000 as a legislative director for Lt. Gov. Cruz Bustamante and $28,000 as a Long Beach city councilwoman, according to a congressional financial disclosure form.

Richardson also owns two homes in San Pedro and Long Beach. In 2006, she took out an equity loan against the Long Beach home to finance her run for the Legislature.

Richardson has defaulted at least eight times on the three properties since 2004 - six times in the last 14 months. She had also failed to pay smaller debts to a mechanic and a printing shop until reporters began inquiring about them.

Richardson's staffers were unavailable for comment on Friday.

From: Baptista, Geri Ann S.
Sent: Sat 06/14/2008 2:22 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Lawsuit

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO—A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for $388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for $535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at $578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly $71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs

and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly $9,000 in delinquent property taxes.

In the notice of recission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have **"significantly increased its value."**

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it—making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

———

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS – 18 hours ago

SACRAMENTO, Calif. (AP) — An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.

James York had purchased the home at auction in May for $388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."

His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.

Richardson, a Democrat from Long Beach, bought the house in January 2007 for $535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.
Sent: Fri 06/13/2008 10:13 AM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: Richardson liability report and comment to senior Democrat

http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html

Richardson mum in the face of mounting pressure

By Jared Allen
Posted: 06/13/08 11:50 AM [ET]
Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new $446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of $359,000, to purchase a second home in San Pedro.

After defaulting twice — in September 2007 and again in January — and owing $367,436 on an original loan of $359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement — which she filed in February — she failed to report her Sacramento home mortgage as a liability even though she owed $40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 — which marks the end of the 2007 financial disclosure reporting period — Richardson had accumulated $575,000 in total debt after failing to make payments on her original $535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the *Los Angeles Times* reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for $388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson.
York had recorded the deed on May 19 and had begun renovations, the *Times* reported.

"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista – VP, WaMu Corporate Communications

206.500.2875 direct | 206.612[illegible]cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 2:15 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue I WMC40 I Seattle WA 98101

206.500.2822 direct I 206.228[illegible] cell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 1:20 PM

To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

http://www.dailybreeze.com/ci_9564107

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had

the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From:	Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Sent:	Saturday, June 14, 2008 5:23 PM
To:	Gaugl, Sara C. <sara.gaugl@wamu.net>; Strom, Erik E. <erik.strom@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Subject:	Coverage on Richardson Lawsuit

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO—A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for $388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for $535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at $578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly $71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly $9,000 in delinquent property taxes.

In the notice of recission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have **"significantly increased its value."**

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it—making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

———

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS – 18 hours ago

SACRAMENTO, Calif. (AP) — An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.

James York had purchased the home at auction in May for $388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."

His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.

Richardson, a Democrat from Long Beach, bought the house in January 2007 for $535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.
Sent: Fri 06/13/2008 10:13 AM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: Richardson liability report and comment to senior Democrat

http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html

Richardson mum in the face of mounting pressure

By Jared Allen
Posted: 06/13/08 11:50 AM [ET]
Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new $446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of $359,000, to purchase a second home in San Pedro.

After defaulting twice — in September 2007 and again in January — and owing $367,436 on an original loan of $359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to

reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement — which she filed in February — she failed to report her Sacramento home mortgage as a liability even though she owed $40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 — which marks the end of the 2007 financial disclosure reporting period — Richardson had accumulated $575,000 in total debt after failing to make payments on her original $535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the *Los Angeles Times* reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for $388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson.
York had recorded the deed on May 19 and had begun renovations, the *Times* reported.

"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista – VP, WaMu Corporate Communications

206.500.2875 direct | 206.612[illegible] cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 2:15 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue I WMC40 I Seattle WA 98101

206.500.2822 direct I 206.228.[illegible] cell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 1:20 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

http://www.dailybreeze.com/ci_9564107

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
gerlann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Friday, June 13, 2008 1:13:52 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: Richardson liability report and comment to senior Democrat

http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html

Richardson mum in the face of mounting pressure

By Jared Allen
Posted: 06/13/08 11:50 AM [ET]

Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new $446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of $359,000, to purchase a second home in San Pedro.

After defaulting twice — in September 2007 and again in January — and owing $367,436 on an original loan of $359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement — which she filed in February — she failed to report her Sacramento home mortgage as a liability even though she owed $40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 — which marks the end of the 2007 financial disclosure reporting period — Richardson had accumulated $575,000 in total debt after failing to make payments on her original $535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had

spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the *Los Angeles Times* reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for $388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson. York had recorded the deed on May 19 and had begun renovations, the *Times* reported.

"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[redacted]cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 2:15 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 1:20 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press
http://www.dailybreeze.com/ci_9564107

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 5:14:30 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 1:20 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press
http://www.dailybreeze.com/ci_9564107

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters

she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From:	Thorn, Ann <ann.thorn@wamu.net>
Sent:	Thursday, June 12, 2008 5:12 PM
To:	Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Cc:	Elias, Alan <alan.elias@wamu.net>
Subject:	RE: Congresswoman's Financial Report: This Won't Be Pretty.

i was on a project for Steve all day and just picked up my messages.

Congresswoman left me a message that she has not been home for two weeks and she is going home this weekend and will be turning in her financials to me some time early next week.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 11:30 AM
To: Cook, Don; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Cc: Elias, Alan
Subject: Congresswoman's Financial Report: This Won't Be Pretty.

FYI, below. It appears that the House members' annual financial reports are scheduled to be released on Monday, which may include specific information about Ms. Richardson's home loan issues.

Just so you are aware, I communicated to Mary Ann that I couldn't discuss Ms. Richardson's loan situation (not foreclosure sale).

I'll let you know if I receive any media calls today.

Congresswoman's Financial Report: This Won't Be Pretty.
Mary Ann Akers And Paul Kane
12 June 2008
The Washington Post

We may learn more about Rep. Laura Richardson's (D-Calif.) home foreclosure problems Monday, when House members' annual financial reports are scheduled to be released.

Richardson filed her report on time rather than seeking an extension, her spokesman, William Marshall, tells On the Hill. But Marshall says he can "neither confirm nor deny" whether the disclosure report will reflect the full extent of the beleaguered congresswoman's financial woes, which include foreclosure on one home and loan defaults on two others.

Marshall declined to answer questions about how Richardson, who won a special election last August, wound up in such dire straits. She lost her Sacramento home to foreclosure after failing to make payments, at the same time that she reportedly owed Sacramento County some $9,000 in property taxes and defaulted on loans six times on two other California homes.

In the meantime, however, Richardson rose in one year from Long Beach councilwoman to state assemblywoman to a member of the U.S. Congress.

According to the Long Beach Press-Telegram, Richardson also failed to pay hundreds of dollars worth of car repairs to one mechanic, then ultimately abandoned the car at another auto body shop.

Yesterday, the story took a new twist. The Los Angeles Times reported that the home Richardson lost in foreclosure could be returned to her, because the lender, **Washington Mutual**, filed a letter of rescission of the foreclosure sale and asked the new owner for the keys back.

"They took the property back, and they didn't even send back the money," the new owner, real estate investor James York, told the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs," he said. "You don't have to be smart to understand what's happening."

Richardson isn't saying anything. Referring to the congresswoman's lender, her spokesman told us, "This is about **Washington Mutual**." He urged us to call **Washington Mutual** for comment. But a **Washington Mutual** spokeswoman told us she couldn't comment on the foreclosure sale because Congresswoman Richardson "has not provided us with authorization to publicly discuss her loan."

The left-leaning watchdog group Citizens for Responsibility and Ethics in Washington calls Richardson a "deadbeat congresswoman."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugi@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, June 12, 2008 1:07 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Loss Mit

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Mathis, Julie A.
Sent: Thursday, June 12, 2008 1:05 PM
To: Thorn, Ann; Woodcock, Wendy A.
Subject: FW: Loss Mit

Please see below.

Thanks,

Julie

From: Laura Richardson [redacted]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

Please advise Ann Thorne that I will work on this during the weekend. I apologize for the delay I did not recognize your email / name. I was looking for something from Ann or Ms. Woodcock, so I missed it.

I will be in touch.

Laura

----- Original Message ----
From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson55assembly@yahoo.com
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From:	Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent:	Thursday, June 12, 2008 11:30 AM
To:	Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Cc:	Elias, Alan <alan.elias@wamu.net>
Subject:	Congresswoman's Financial Report: This Won't Be Pretty.

FYI, below. It appears that the House members' annual financial reports are scheduled to be released on Monday, which may include specific information about Ms. Richardson's home loan issues.

Just so you are aware, I communicated to Mary Ann that I couldn't discuss Ms. Richardson's loan situation (not foreclosure sale).

I'll let you know if I receive any media calls today.

Congresswoman's Financial Report: This Won't Be Pretty.
Mary Ann Akers And Paul Kane
12 June 2008
The Washington Post

We may learn more about Rep. Laura Richardson's (D-Calif.) home foreclosure problems Monday, when House members' annual financial reports are scheduled to be released.

Richardson filed her report on time rather than seeking an extension, her spokesman, William Marshall, tells On the Hill. But Marshall says he can "neither confirm nor deny" whether the disclosure report will reflect the full extent of the beleaguered congresswoman's financial woes, which include foreclosure on one home and loan defaults on two others.

Marshall declined to answer questions about how Richardson, who won a special election last August, wound up in such dire straits. She lost her Sacramento home to foreclosure after failing to make payments, at the same time that she reportedly owed Sacramento County some $9,000 in property taxes and defaulted on loans six times on two other California homes.

In the meantime, however, Richardson rose in one year from Long Beach councilwoman to state assemblywoman to a member of the U.S. Congress.

According to the Long Beach Press-Telegram, Richardson also failed to pay hundreds of dollars worth of car repairs to one mechanic, then ultimately abandoned the car at another auto body shop.

Yesterday, the story took a new twist. The Los Angeles Times reported that the home Richardson lost in foreclosure could be returned to her, because the lender, **Washington Mutual**, filed a letter of rescission of the foreclosure sale and asked the new owner for the keys back.

"They took the property back, and they didn't even send back the money," the new owner, real estate investor James York, told the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs," he said. "You don't have to be smart to understand what's happening."

Richardson isn't saying anything. Referring to the congresswoman's lender, her spokesman told us, "This is about **Washington Mutual**." He urged us to call **Washington Mutual** for comment. But a **Washington Mutual** spokeswoman told us she couldn't comment on the foreclosure sale because Congresswoman Richardson "has not provided us with authorization to publicly discuss her loan."

The left-leaning watchdog group Citizens for Responsibility and Ethics in Washington calls Richardson a "deadbeat congresswoman."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Tuesday, June 10, 2008 9:52:24 PM
To: Thorn, Ann; Battaglia, Paul J.; Cook, Don; Owen, Jan L.
Subject: Richardson Media Update

All:
In advance of Ann's discussion tomorrow with Ms. Richardson, I wanted to make you aware of the blog posting embedded below (thanks for forwarding, Paul). Unfortunately, some reporters are jumping to the conclusion that Ms. Richardson was able to secure a loan modification agreement with WaMu, despite her current financial standing.

Ann, please let us know how things go tomorrow (if you two are able to connect), and whether Ms. Richardson is expected to qualify for a workout based on the financial information provided. If we hear from Ms. Richardson, I will schedule a call tomorrow mid-day so that we can quickly touch base and discuss next steps.

Best,

Sara

Richardson Update: This Workout Smells – *Calculated Risk (Blog)*
by Tanta
June 10, 2008
http://calculatedrisk.blogspot.com/

Our soberer readers (I know we have them) will remember California Congresswoman Laura Richardson (D-Speculator), who is facing foreclosure proceedings on three homes. The uproar began with the foreclosure of sale her unoccupied "second home" in Sacramento, which Richardson claimed was an "error" on WaMu's part, since (she claimed) she had worked out a last-minute modification agreement with WaMu the week before the sale.

According to the Daily Breeze, WaMu has filed paperwork to rescind the foreclosure sale, and the man who bought the home is not happy:

The real estate broker who bought Rep. Laura Richardson's house at a foreclosure sale last month is accusing her of receiving preferential treatment because her lender has issued a notice to rescind the sale.

James York, owner of Red Rock Mortgage, said he would file a lawsuit against Richardson and her lender, Washington Mutual, by the end of the week, and has every intention of keeping the house.

"I'm just amazed they've done this," York said. "They never would have done this for anybody else."

York bought the Sacramento home at a foreclosure auction on May 7 for $388,000. Richardson had not been making payments on the property for nearly a year, and had also gone into default on her two other houses in Long Beach and San Pedro.

Richardson, D-Long Beach, has said that the auction should never have been held, because she had worked out a loan modification agreement with her lender beforehand and had begun making payments.

Richardson continues to refuse to authorize WaMu to release any information on her case, although frankly I'm not sure if I were WaMu I'd want to talk about it. This smells terrible, indeed. Perhaps reporters could simply ask some general questions of WaMu about its foreclosure workout policies. Like:

- How often are modifications or repayment plans offered to owners of vacant investment properties with no or negative equity that have never been listed or rented?
- How often are modifications offered to borrowers with two other properties currently in foreclosure?
- How often are modifications arranged in the week before the scheduled trustee's sale, following nearly a year of no contact?
- Does WaMu's policy on modifications make any reference to requiring a "commitment to homeownership" on the borrower's part? How, normally, is that established?
- Does WaMu's policy on modifications make any reference to establishing that the borrower does not display a "disregard for debt obligations"? How, normally, is that established?

If, for instance, we had some evidence that stiffing creditors and getting the taxpayers to subsidize her financial imprudence was, like, a pattern of Richardson's long before the house payments went into default, would that, like, indicate that her mortgage problems may not have much to do with "extenuating circumstances"?

WaMu may not be able to read a credit report, but the Press-Telegram ferreted this out:
In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week.

The next day, Richardson began using a city-owned vehicle - putting almost 31,000 miles on it in about a year - and continued driving the car five days after she had left the council to serve in the state Assembly, city records show. . . .

Labreche said he spent months leaving messages on Richardson's cell phone voice mail, then he got a collection agency involved, but still the bill went unpaid. . . .

In December 2005, Lillegard filed for a mechanic's lien on Richardson's car to pay the towing, storage and administrative costs, he said. Lillegard said the lien was finalized in February 2006 and he sold the car to a junkyard, though a few days later - too late - Richardson sent him money to put toward the bill.

So in January of 2007, WaMu gave Richardson a 100% loan to purchase a second home, when her credit report would have shown recent derogatories related to the car repair bills, plus the payments on two other homes, on a State Assembly salary that I can't quite see being equal to her existing debts, let alone a new house payment. In other words, she got your basic subprime loan that relied on nothing other than a fervent belief in endless house price appreciation--in January of 2007. Or else she got a loan because she's a VIP.

I continue to want to know why WaMu is bailing out a deadbeat and a speculator at the expense of a good-faith buyer of a foreclosure property, and wasting operational capacity on a deal like this instead of working with struggling owner-occupants who might actually pay back the modified loan. I will leave it to the citizens of California to explain why you want this woman anywhere near fiscal, budgetary, or housing policy power.

(Hat tip to Brian!)

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Tuesday, June 10, 2008 4:31:57 PM
To: Gaugl, Sara C.; Cook, Don; Owen, Jan L.; Thorn, Ann
Subject: Laura Richardson

http://calculatedrisk.blogspot.com/

FYI regarding the Calculated Risk blog and Laura Richardson

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You

From:	Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent:	Tuesday, June 10, 2008 10:42 AM
To:	Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Champney, Steven D. <steven.champney@wamu.net>; Berens, John <john.berens@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject:	Richardson / Long Beach Press-Telegram

Good morning,
Embedded below is the article we were expecting from Gene Maddaus. York claims that we've given Ms. Richardson preferential treatment and as reported in the article, plans to file a lawsuit against Richardson and WaMu by the end of the week.

Broker alleges loan favoritism – *Press- Telegram (Long Beach)*
By Gene Maddaus Staff Writer
June 9, 2008

The real estate broker who bought Rep. Laura Richardson's house at a foreclosure sale last month is accusing her of receiving preferential treatment because her lender has issued a notice to rescind the sale.

James York, owner of Red Rock Mortgage, said he would file a lawsuit against Richardson and her lender, Washington Mutual, by the end of the week, and has every intention of keeping the house.

"I'm just amazed they've done this," York said. "They never would have done this for anybody else."

York bought the Sacramento home at a foreclosure auction on May 7 for $388,000.

Richardson had not been making payments on the property for nearly a year, and had also gone into default on her two other houses in Long Beach and San Pedro.

Richardson, D-Long Beach, has said that the auction should never have been held, because she had worked out a loan modification agreement with her lender beforehand and had begun making payments.

Richardson left nearly $9,000 in unpaid property taxes on the home, which she bought in January 2007 for $535,000, shortly after being elected to the Assembly.

Washington Mutual has declined to comment on the specifics of Richardson's case, because she has not waived her privacy rights.

In a statement, spokeswoman Sara Gaugl said the company is "committed to treating all of our customers with the same level of consideration and fairness."

Washington Mutual filed a notice of rescission of the foreclosure sale on June 2.

That puts the bank squarely at odds with York, who has already put money into cleaning up the house and preparing it for resale.

"They owe me the property," York said. "The sale was a good sale."

York said an ordinary person would be unlikely to get the kind of consideration that Richardson has received from her bank.

"They wouldn't even get a phone call back," he said. "They would laugh at somebody who would call and say, `We had some kind of agreement.' They wouldn't give you 10 cents worth of time."

Leo Nordine, a Hermosa Beach real estate broker who specializes in foreclosed homes, agreed that the rescission was out of the ordinary.

"It's extremely unusual," he said.

"Unless (the borrower) filed bankruptcy beforehand, they'd never do it."

Richardson's staff did not return a call on Monday.

Dustin Hobbs, a spokesman for the California Mortgage Bankers Association, said that while foreclosure rescissions are rarely publicized, they are becoming more common as the rate of foreclosures increases.

"Generally it is going to result in a legal battle," he said.

"Basically you're saying, `We're willing to fight for our borrower.'"

Hobbs said a lender would be unlikely to go to bat for a borrower who has shown no ability to make future payments.

But if the foreclosure was the result of a temporary hardship or a paperwork mix-up, the lender has every incentive to restore the loan.

"Lenders are concerned about keeping borrowers in homes no matter who they are," he said.

Sara Gaugl
Home Loans Public Relations
WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Monday, June 9, 2008 8:35 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Richardson / Long Beach Press-Telegram

Oh my.....how is she still in office?

From: Gaugl, Sara C.
Sent: Mon 06/09/2008 07:00 PM
To: Battaglia, Paul J.; Thorn, Ann; Cook, Don; Owen, Jan L.
Subject: Richardson / Long Beach Press-Telegram

FYI, below. The latest Richardson update.....

37th District Rep. Laura Richardson left car bills unpaid – Long Beach Press-Telegram

By Paul Eakins, Staff Writer

LONG BEACH - Car trouble takes on a new meaning when it comes to financially distressed Congresswoman Laura Richardson.

In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week.

The next day, Richardson began using a city-owned vehicle - putting almost 31,000 miles on it in about a year - and continued driving the car five days after she had left the council to serve in the state Assembly, city records show.

Richardson, 46, didn't return phone calls seeking comment this week.

These are just the newest revelations of Richardson's ongoing financial problems and instances of her unpaid debts.

Last month, it was reported that Richardson's Sacramento home, where she had lived during her brief Assembly stint before moving on to Congress, had fallen into foreclosure and been sold at auction. Further investigation revealed she had defaulted on that house and two others in Long Beach and San Pedro a total of eight times since 2004.

Meanwhile, Richardson was lending money to her campaigns as she embarked on an unprecedented rise to power from council to Assembly to Congress in one year. On Tuesday, she won the Democratic nomination to serve her first full, two-year term in Congress, and she is unchallenged in the November general election.

Unpaid and abandoned

Richardson's car problems all started with a shimmy.

In October 2005, her 1999 four-door 740iL BMW had an odd vibration in the front, so she took it to Signal Hill Foreign Auto Service, according to Leo Labreche, the shop owner.

Mechanics there fixed the car and replaced some worn parts, but when Richardson picked up her vehicle, she said she didn't have the money to pay the $735 bill, Labreche said. Because Richardson was a council member, Labreche let her take the car, assuming that she was good for the money, he said.

"She had picked the car up and was going to come back and pay the bill, and she never did," Labreche said.

Labreche said he spent months leaving messages on Richardson's cell phone voice mail, then he got a collection agency involved, but still the bill went unpaid.

"I couldn't get through to her, and then when the collection agency couldn't do anything, I thought, `There's nothing I'm going to be able to do,"' Labreche said.

But on Tuesday, after the Press-Telegram requested an interview with Richardson to discuss the 2 1/2-year-old unpaid bill, she went to the auto shop and paid Labreche, he said.

Similarly, Richardson last week paid off a $150 printing bill owed to a local company following published reports about the debt.

Richardson also settled a bill Tuesday with another mechanic, Alvin's Auto Body in Signal Hill, only this time she came out ahead, in a sense.

About one month after Richardson had taken her BMW to Labreche for work, she got into a car accident that tore up the front left corner of her car, leaving it undriveable.

She initially had it towed back to Labreche for repairs, even though she still owed him money. But Labreche doesn't do auto body work.

So the car was sent to Alvin's Auto Body, which received the BMW on Nov. 17, 2005, according to owner Bob Lillegard.

But Lillegard never heard from Richardson or her insurance company, he said.

"I'd call her office, and they'd say she was too busy," Lillegard said. "I couldn't get through to her."

The BMW's extensive damage would have cost about $9,000 to repair, Lillegard said, which he suggested might have been more than the car was worth. The "Kelley Blue Book" Web site says a 1999 740iL BMW with standard options and 100,000 miles has a retail value of about $15,000 today.

In December 2005, Lillegard filed for a mechanic's lien on Richardson's car to pay the towing, storage and administrative costs, he said. Lillegard said the lien was finalized in February 2006 and he sold the car to a junkyard, though a few days later - too late - Richardson sent him money to put toward the bill.

The junkyard bought the BMW for $3,500, so Lillegard took the $2,100 he said was owed him, and when Richardson went to the body shop on Tuesday, he paid her the difference, he said.

A city ride

After the accident that led to Richardson abandoning her car, she apparently was without transportation.

So, on Nov. 18, one day after her BMW was towed to Lillegard's shop, she checked out a city-owned Toyota Prius to use for her council business, according to city Fleet Services Bureau records cited by city spokeswoman Meredith Reynolds.

Reynolds said that the Prius was issued to Richardson that day, and that it was returned more than a year later, a few days after Richardson had ended her council tenure.

In a letter acquired by the Press-Telegram from then-City Manager Jerry Miller to Richardson dated Dec. 5, 2006, Miller asks Richardson to return her city vehicle, identified as a Prius.

According to the letter, Richardson's last day as a council member was Dec. 3, 2006. She was sworn into the Assembly the following day.

City Fleet Services records show that Richardson turned in the car on Dec. 8, 2006, Reynolds said.

During the one year and almost three weeks that Richardson had the Prius, she drove it 30,920 miles, Reynolds said. That amounts to an average of more than 80 miles per day, or about 2,400 miles per month, for Richardson's part-time council job in a 50-square-mile city.

By comparison, the only other two council members who used city vehicles during part or all of the same time period averaged 900 miles per month in one case and less than 400 miles per month in the other, according to figures provided by Reynolds.

Council members can either use their own vehicles for council business and receive a monthly car allowance from the city, or they may use city vehicles. However, city policy doesn't allow city vehicles to be used for personal use.

Richardson has never been shy about using city cars.

In 2001 and 2002, she had the highest vehicle expenses of any council member, in part by putting nearly 7,000 personal miles on her car in 2002. At the time, she and other council members told the Press-Telegram that they hadn't been aware of the no-personal-use rule.

In 2003, Richardson had been using a gas-guzzling Ford Expedition owned by the city, but switched to a Toyota Solara to save money. She told the Press-Telegram then that she soon would stop using a city vehicle altogether and would switch to a monthly car allowance.

She scrapped that effort in 2005 when she left her BMW at the auto body shop and again got behind the wheel of a city car.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue I WMC40 I Seattle WA 98101

206.500.2822 direct I 206.228.[illegible] cell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Monday, June 09, 2008 8:00:19 PM
To: Battaglia, Paul J.; Thorn, Ann; Cook, Don; Owen, Jan L.
Subject: Richardson / Long Beach Press-Telegram

FYI, below. The latest Richardson update.....

37th District Rep. Laura Richardson left car bills unpaid – Long Beach Press-Telegram
By Paul Eakins, Staff Writer

LONG BEACH - Car trouble takes on a new meaning when it comes to financially distressed Congresswoman Laura Richardson.

In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week.

The next day, Richardson began using a city-owned vehicle - putting almost 31,000 miles on it in about a year - and continued driving the car five days after she had left the council to serve in the state Assembly, city records show.

Richardson, 46, didn't return phone calls seeking comment this week.

These are just the newest revelations of Richardson's ongoing financial problems and instances of her unpaid debts.

Last month, it was reported that Richardson's Sacramento home, where she had lived during her brief Assembly stint before moving on to Congress, had fallen into foreclosure and been sold at auction. Further investigation revealed she had defaulted on that house and two others in Long Beach and San Pedro a total of eight times since 2004.

Meanwhile, Richardson was lending money to her campaigns as she embarked on an unprecedented rise to power from council to Assembly to Congress in one year. On Tuesday, she won the Democratic nomination to serve her first full, two-year term in Congress, and she is unchallenged in the November general election.

Unpaid and abandoned

Richardson's car problems all started with a shimmy.

In October 2005, her 1999 four-door 740iL BMW had an odd vibration in the front, so she took it to Signal Hill Foreign Auto Service, according to Leo Labreche, the shop owner.

Mechanics there fixed the car and replaced some worn parts, but when Richardson picked up her vehicle, she said she didn't have the money to pay the $735 bill, Labreche said. Because Richardson was a council member, Labreche let her take the car, assuming that she was good for the money, he said.

"She had picked the car up and was going to come back and pay the bill, and she never did," Labreche said.

Labreche said he spent months leaving messages on Richardson's cell phone voice mail, then he got a collection agency involved, but still the bill went unpaid.

"I couldn't get through to her, and then when the collection agency couldn't do anything, I thought, `There's nothing I'm going to be able to do,"' Labreche said.

But on Tuesday, after the Press-Telegram requested an interview with Richardson to discuss the 2 1/2-year-old unpaid bill, she went to the auto shop and paid Labreche, he said.

Similarly, Richardson last week paid off a $150 printing bill owed to a local company following published reports about the debt.

Richardson also settled a bill Tuesday with another mechanic, Alvin's Auto Body in Signal Hill, only this time she came out ahead, in a sense.

About one month after Richardson had taken her BMW to Labreche for work, she got into a car accident that tore up the front left corner of her car, leaving it undriveable.

She initially had it towed back to Labreche for repairs, even though she still owed him money. But Labreche doesn't do auto body work.

So the car was sent to Alvin's Auto Body, which received the BMW on Nov. 17, 2005, according to owner Bob Lillegard.

But Lillegard never heard from Richardson or her insurance company, he said.

"I'd call her office, and they'd say she was too busy," Lillegard said. "I couldn't get through to her."

The BMW's extensive damage would have cost about $9,000 to repair, Lillegard said, which he suggested might have been more than the car was worth. The "Kelley Blue Book" Web site says a 1999 740iL BMW with standard options and 100,000 miles has a retail value of about $15,000 today.

In December 2005, Lillegard filed for a mechanic's lien on Richardson's car to pay the towing, storage and administrative costs, he said. Lillegard said the lien was finalized in February 2006 and he sold the car to a junkyard, though a few days later - too late - Richardson sent him money to put toward the bill.

The junkyard bought the BMW for $3,500, so Lillegard took the $2,100 he said was owed him, and when Richardson went to the body shop on Tuesday, he paid her the difference, he said.

A city ride

After the accident that led to Richardson abandoning her car, she apparently was without transportation.

So, on Nov. 18, one day after her BMW was towed to Lillegard's shop, she checked out a city-owned Toyota Prius to use for her council business, according to city Fleet Services Bureau records cited by city spokeswoman Meredith Reynolds.

Reynolds said that the Prius was issued to Richardson that day, and that it was returned more than a year later, a few days after Richardson had ended her council tenure.

In a letter acquired by the Press-Telegram from then-City Manager Jerry Miller to Richardson dated Dec. 5, 2006, Miller asks Richardson to return her city vehicle, identified as a Prius.

According to the letter, Richardson's last day as a council member was Dec. 3, 2006. She was sworn into the Assembly the following day.

City Fleet Services records show that Richardson turned in the car on Dec. 8, 2006, Reynolds said.

During the one year and almost three weeks that Richardson had the Prius, she drove it 30,920 miles, Reynolds said. That amounts to an average of more than 80 miles per day, or about 2,400 miles per month, for Richardson's part-time council job in a 50-square-mile city.

By comparison, the only other two council members who used city vehicles during part or all of the same time period averaged 900 miles per month in one case and less than 400 miles per month in the other, according to figures provided by Reynolds.

Council members can either use their own vehicles for council business and receive a monthly car allowance from the city, or they may use city vehicles. However, city policy doesn't allow city vehicles to be used for personal use.

Richardson has never been shy about using city cars.

In 2001 and 2002, she had the highest vehicle expenses of any council member, in part by putting nearly 7,000 personal miles on her car in 2002. At the time, she and other council members told the Press-Telegram that they hadn't been aware of the no-personal-use rule.

In 2003, Richardson had been using a gas-guzzling Ford Expedition owned by the city, but switched to a Toyota Solara to save money. She told the Press-Telegram then that she soon would stop using a city vehicle altogether and would switch to a monthly car allowance.

She scrapped that effort in 2005 when she left her BMW at the auto body shop and again got behind the wheel of a city car.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible]ell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Friday, June 06, 2008 12:27:38 PM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.; Cook, Don
Subject: Richardson

She was not prepared to discuss financials today. We sent her the financial package via email and she said she will have it done by Tuesday or Wednesday.

Moving onto Evander.....

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C.
Sent: Thursday, June 05, 2008 7:26:18 PM
To: Thorn, Ann; Woodcock, Wendy A.; Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson Coverage: Wells Fargo

FYI, below re: Wells Fargo loan.
http://www.presstelegram.com/ci_9366009
Richardson, D-Long Beach, was able to bring her payments up to date on the Long Beach home relatively quickly, but the San Pedro property lingered in the foreclosure process for almost eight months, and still has a pending auction date County records indicate that the San Pedro home went into default in September 2007, at which point Richardson was behind on her payments by $12,410.71, and had made no payments since June.

A notice of trustee sale was issued on April 17, and an auction was scheduled for May 14 on the courthouse steps in Norwalk. The outstanding loan balance was $367,436, on an original 2005 loan of $359,000.

However, the auction was put on hold.

Richardson produced records from Wells Fargo Bank, which holds the note on her San Pedro home. That document, dated March 21, indicated that Richardson had qualified for a loan modification that would prevent the foreclosure from going forward.

Cal Western Reconveyance Corp., which was responsible for collecting the debt, confirmed that a hold had been placed on the auction, and the auction date had been postponed to July 14, pending a workout of the loan.

http://thehill.com/leading-the-news/mortgage-non-disclosure-is-trouble-for-richardson-2008-06-02.html

In September of that year, Richardson also let her San Pedro home slip into default when she fell $12,410 behind on her payments.

In January 2008 Richardson defaulted on the San Pedro home a second time, and in April — with Richardson owing $367,436 on an original loan of $359,000 — Wells Fargo Bank issued a notice of trustee sale of the home. Records indicate that the home is still scheduled to be sold at a July 14 auction.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Updated: Richardson Update
Location: 877-709[illegible] passcode:[illegible]

Start: 6/5/2008 7:00 PM
End: 6/5/2008 8:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.; GM QSM DTE
Resources: 877-709[illegible] passcode:[illegible]

When: Thursday, June 05, 2008 4:00 PM-5:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[illegible] passcode:[illegible]

~~*~*~*~*~*~*~*~*

From: Thorn, Ann
Sent: Wednesday, June 04, 2008 5:41:39 PM
To: Owen, Jan L.; Battaglia, Paul J.; Gaugl, Sara C.
Subject: FW:

Attachments: .xls

Fyi

Did we hear from 3rd party today. I have not had a chance to call Richardson, but will first thing in the morning

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

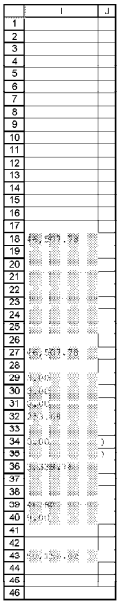
For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, June 04, 2008 5:31 PM
To: Thorn, Ann
Cc: Mena, Angie G.
Subject: .xls
Importance: High

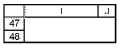
(17 kB)

Ann, here is the Richardson reinstatement which includes CRC's $9.00 outstanding costs.

	A	B	C	D	E	F	G	H
1								
2								
3								
4								
5								
6								
7	RE:	Loan Number:		[redacted]				
8		Borrower:		LAURA RICHARDSON				
9		Property Address:		[redacted]				
10				SAN RAMON, CA 94583				
11		Quote Type:		Reinstatement Quote				
12		Good Through:		[redacted]				
13		Loan Type:		Conventional Fixed				
14		Foreclosure Sale Date:		[redacted]				
15		Next Due Date will Be:		[redacted]				
16		Date Prepared:		6/8/2009				
17								
18		months at	[redacted]					
19		months at						
20		months at						
21		months at						
22		months at						
23		months at						
24		months at						
25		months at						
26								
27							Subtotal of Payments Due	
28								
29	Inspection Fees							
30	Appraisal Fees							
31	NSF Charges							
32	Late Charges							
33	Property Preservation							
34	Suspense Balance							
35	Restricted Escrow							
36	Corporate Advance Balance							
37	Liens							
38								
39	Other Fees							
40	Outstanding Fees & Costs**							
41								
42								
43	Total for Reinstatement							
44								
45								
46								



	A	B	C	D	E	F	G	H
47								
48								


I
J
47
48

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Wednesday, June 4, 2008 10:00 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>
Cc: MMcguinn[redacted]
Subject: Re: Richardson Update.

Congresswoman Richardson won her re-election bid yesterday.

----- Original Message -----
From: Thorn, Ann
To: Owen, Jan L.; Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Baptista, Geri Ann S.; Woodcock, Wendy A.
Cc: 'MMcguinn[redacted]
Sent: Wed Jun 04 03:39:43 2008
Subject: RE: Richardson Update.

Over the phone is how we do it a lot as well as getting it via a financial package with all the other info that is needed to close the deal. Let me get with Loss Mit today and we can get back to everyone.

From: Owen, Jan L.
Sent: Tue 06/03/2008 07:52 PM
To: Thorn, Ann; Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Baptista, Geri Ann S.; Woodcock, Wendy A.
Cc: 'MMcguinn[redacted]
Subject: Re: Richardson Update.

If we get financials over the phone how does she verify the info we took over the phone as accurate? How do we do this normally?
Thanks, J

----- Original Message -----
From: Thorn, Ann
To: Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Woodcock, Wendy A.

Cc: 'MMcguinn[redacted]
Sent: Tue Jun 03 17:49:25 2008
Subject: Re: Richardson Update.

REDACTED

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Battaglia, Paul J.
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Cc: 'Martin T. McGuinn' <[redacted]>
Sent: Tue Jun 03 16:54:18 2008
Subject: Richardson Update.

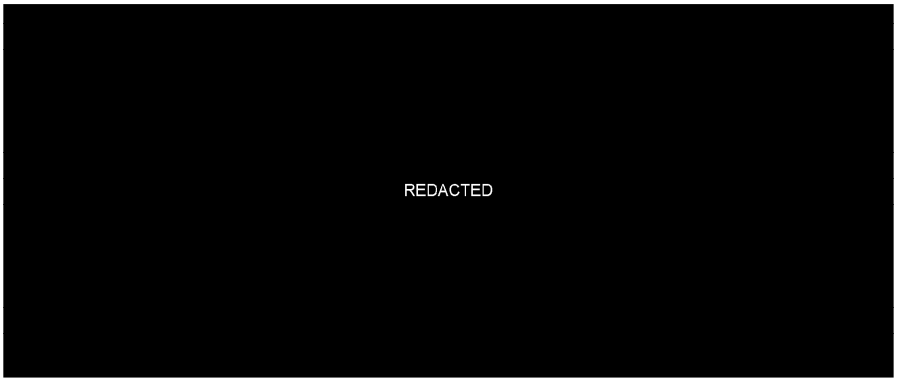
REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

REDACTED



Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, June 4, 2008 6:40 AM
To: Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>
Cc: MMcguinn[redacted]
Subject: RE: Richardson Update.

Over the phone is how we do it a lot as well as getting it via a financial package with all the other info that is needed to close the deal. Let me get with Loss Mit today and we can get back to everyone.

From: Owen, Jan L.
Sent: Tue 06/03/2008 07:52 PM
To: Thorn, Ann; Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Baptista, Geri Ann S.; Woodcock, Wendy A.
Cc: 'MMcguinn[redacted]
Subject: Re: Richardson Update.

If we get financials over the phone how does she verify the info we took over the phone as accurate? How do we do this normally? Thanks, J

----- Original Message -----
From: Thorn, Ann
To: Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Woodcock, Wendy A.
Cc: 'MMcguinn[redacted]'
Sent: Tue Jun 03 17:49:25 2008
Subject: Re: Richardson Update.

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Battaglia, Paul J.
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Cc: 'Martin T. McGuinn'[redacted]
Sent: Tue Jun 03 16:54:18 2008
Subject: Richardson Update.

REDACTED

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

REDACTED

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Tuesday, June 3, 2008 8:52 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>
Cc: MMcguinn
Subject: Re: Richardson Update.

If we get financials over the phone how does she verify the info we took over the phone as accurate? How do we do this normally? Thanks, J

----- Original Message -----
From: Thorn, Ann
To: Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Woodcock, Wendy A.
Cc: 'MMcguinn
Sent: Tue Jun 03 17:49:25 2008
Subject: Re: Richardson Update.

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Battaglia, Paul J.
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Cc: 'Martin T. McGuinn' <MMcguinn
Sent: Tue Jun 03 16:54:18 2008
Subject: Richardson Update.

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Tuesday, June 03, 2008 7:54:18 PM
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
CC: Martin T. McGuinn
Subject: Richardson Update.

Attachments: Document.pdf

REDACTED

Document.pdf
(356 kB)

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

REDACTED

[redacted]

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: TI-09-12
Chatsworth, CA 91311

THIS IS TO CERTIFY THAT THIS IS A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL RECORDED IN THE OFFICE OF THE COUNTY
RECORDER ON: June 2, 2008
AS DOCUMENT NO: BK: 20080602 / PG: 885
BY: s/ Khundy Vy
FIDELITY NATIONAL DEFAULT SOLUTIONS

(space above this line for recorder's use only)

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721694

NOTICE OF RESCISSION OF TRUSTEE`S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1516, Instrument, naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $635,001.00

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:
LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N. [redacted]
Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95813

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/30/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC. AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE: 06/29/2006

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Colleen Irby, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jep Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 6/29/06 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEP CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

This document filed for recording
By Fidelity National Title Insurance and Trust
as an accommodation only. It has not been
examined as to its execution or as to its effect
upon the title.

SIERRIE HERRADURA
Commission # 1792218
Notary Public - California
Los Angeles County
My Comm. Expires Mar 3, 2010

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Tuesday, June 3, 2008 4:59 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Richardson Rescission Notice

Thanks, Ann. I realize you are gone but appreciate the forwarded email. J

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
601 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Thorn, Ann
Sent: Tuesday, June 03, 2008 1:28 PM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.
Subject: FW: Richardson Rescission Notice

fyi

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [redacted]
Sent: Tuesday, June 03, 2008 3:23 PM
To: Thorn, Ann
Subject: Re: Richardson Rescission Notice

Thank you for the email...today is election day and I will follow up with you tomorrow.

----- Original Message ----
From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson <[redacted]>
Sent: Tuesday, June 3, 2008 8:06:10 AM
Subject: FW: Richardson Rescission Notice

Congresswoman Richardson, as requested attached is the copy of the rescission notice that should be filed today or tomorrow.

Thank you

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

<<Document.pdf>>

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Tuesday, June 3, 2008 4:29 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: Richardson Rescission Notice

---

fyi

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [redacted]
Sent: Tuesday, June 03, 2008 3:23 PM
To: Thorn, Ann
Subject: Re: Richardson Rescission Notice

Thank you for the email...today is election day and I will follow up with you tomorrow.

----- Original Message ----
From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson [redacted]
Sent: Tuesday, June 3, 2008 8:06:10 AM
Subject: FW: Richardson Rescission Notice

Congresswoman Richardson, as requested attached is the copy of the rescission notice that should be filed today or tomorrow.

Thank you

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

<<Document.pdf>>

From: Thorn, Ann
Sent: Tuesday, June 03, 2008 11:08:09 AM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.; Cook, Don
Subject: Richardson

I just wanted to let you know that I have sent a copy of the rescission to Congresswoman this morning. Once it is recorded, we will get the Loss Mit package out.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Elias, Alan
Sent: Monday, June 02, 2008 3:47:30 PM
To: Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Owen, Jan L.; Baptista, Geri Ann S.
CC: Thorn, Ann
Subject: RE: Final Review: Richardson Response

Looks fine to me, Sara.

AE

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

All:

Questions:

- Has Ms. Richardson allowed WaMu to discuss her case publicly? Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

- Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

- If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible]tell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 3:44:32 PM
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
CC: Thorn, Ann
Subject: RE: Final Review: Richardson Response

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

REDACTED

Questions:

- Has Ms. Richardson allowed WaMu to discuss her case publicly? Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

- Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

- If WaMu determines that a WaMu loan was foreclosed improperly. will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

- Sara

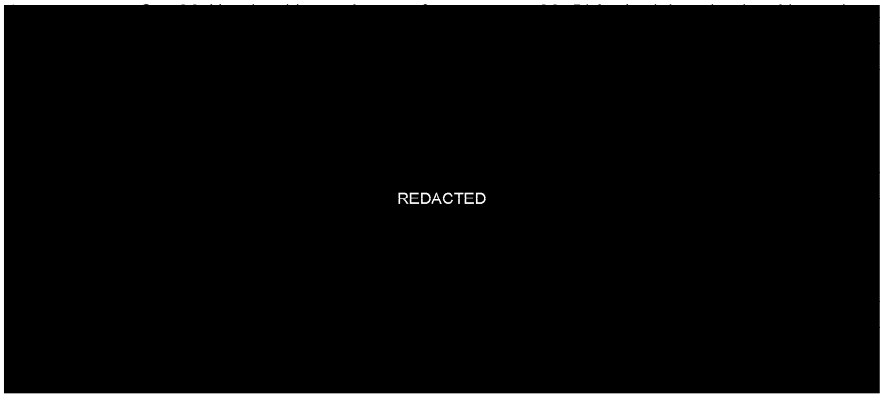
Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 3:36:38 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
CC: Thorn, Ann
Subject: Final Review: Richardson Response

All:



Questions:

- Has Ms. Richardson allowed WaMu to discuss her case publicly? Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

- Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

- If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 1:56:05 PM
To: Owen, Jan L.
CC: Elias, Alan; Battaglia, Paul J.; Cook, Don
Subject: Additional Richardson Coverage

Jan -
As discussed on this morning's call, embedded below are links to articles that include comments made by both Mathews and Davis.

http://latimesblogs.latimes.com/laland/2008/06/richardsons-oth.html

http://latimesblogs.latimes.com/laland/2008/05/richardson-oppo.html

http://www.presstelegram.com/news/ci_9442767

http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2008/05/31/politics/p105208D12.DTL&type=politics

Additionally, here are a few statements Congresswoman Richardson issued on Saturday rather than interviewing for the LA Times article:

- "As I noted in my statements earlier this week, due to multiple job changes, divorce, illness/death, and nine campaigns over the last ten years, these major life-changing moments have come at great personal expense and at challenging financial strain," Richardson said in a statement Saturday.
- "Instead of politicizing a personal housing crisis (two personal properties that are current and the third that is being challenged by my lender questioning the validity of its sale), I have been transparent with this matter and share with my constituents the anguish that the housing industry is in a severe crisis," Richardson said.
- (Other commentary) Richardson has acknowledged using her money to finance her campaigns and falling behind in mortgage payments. She claimed her Sacramento house was sold into foreclosure without her knowledge, contending she had renegotiated her loan to pay it off.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 1:28:33 PM
To: Thorn, Ann; Gaugl, Sara C.; Owen, Jan L.
Subject: FW: Richardson Rescission Notice

Attachments: Document.pdf

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Monday, June 02, 2008 10:20 AM
To: Battaglia, Paul J.
Subject: RE: Richardson Rescission Notice

Good morning,

Per your request.

Document.pdf
(1 MB)

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 9:37 AM
To: Chiu, Huey-Jen
Subject: FW: Richardson Rescission Notice

Huey, can you send me a copy of the signed rescission notice that was sent to the title company for recording? Thanks.

Paul J. Battaglia

First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Friday, May 30, 2008 7:46 AM
To: Battaglia, Paul J.; Brignac, Deborah P.
Cc: 'Martin T. McGuinn'; Cook, Don
Subject: RE: Richardson Rescission Notice

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Thursday, May 29, 2008 5:24 PM
To: Chiu, Huey-Jen; Brignac, Deborah P.
Cc: 'Martin T. McGuinn'; Cook, Don
Subject: Richardson Rescission Notice

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261

Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $535,001.00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:
LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N.: [redacted]
Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE: 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Colleen Irby, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

SIERRIE HERRADURA
Commission # 1792714
Notary Public - California
Los Angeles County
My Comm. Expires Mar 3, 2012

From: Elias, Alan <alan.elias@wamu.net>
Sent: Sunday, June 1, 2008 3:35 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: Re: Richardson Statement (Draft)

Perfect! And not a single mention of WaMu -- just the way this should be reported instead of taking the bait to try and blame us for her irresponsible behavior!

----- Original Message -----
From: Gaugl, Sara C.
To: Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don
Sent: Sun Jun 01 11:27:31 2008
Subject: RE: Richardson Statement (Draft)

Hi, Jan.
The Los Angeles Times published the article embedded below, which includes more comments made by York. It appears that Richardson initially agreed to be interviewed for the story, but then backed out.

I will forward additional coverage to you, which mostly focuses on commentary from her opponents (mainly Mathews).

Rep. Laura Richardson's foreclosure continues a pattern of financial straits

UPS, DOWNS: Rep. Laura Richardson moved from city council to Congress in a year but also lost a home to foreclosure.

By Jeff Gottlieb, Los Angeles Times Staff Writer
May 31, 2008

When news surfaced that Rep. Laura Richardson had lost her home through foreclosure, the Long Beach Democrat blamed the problem on her year-long rocket-ship rise from city councilwoman to Assembly member to congresswoman and the crumbling real estate market.

"I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable," she said in a news release.

But while the foreclosure of the two-story Sacramento home she bought shortly after being elected to the Assembly in 2006 may have been the first time she lost a house, it was not the first time Richardson had fallen behind on her payments. It continued a pattern started eight years ago.

Since then, the homes she still owns in San Pedro, where her mother lives, and Long Beach have fallen into default six times. The amount she owed ranged from $5,742 to almost $20,000, according to documents on file with Los Angeles County.

"She has this habit of missing payments and then trying to catch up instead of doing it monthly," said Verla Saylor, who sold Richardson the Long Beach house and carried a second mortgage.

The defaults have come at a quick pace lately, five in the last 13 months and the most recent March 28. The five defaults totaled nearly $71,000. During much of that time, Richardson was bankrolling her political career, lending her campaigns for Congress and

Assembly a total of $177,500.

Although candidates sometimes use their home equity to help finance campaigns, experts couldn't remember anyone losing a house over it. "It's very surprising a member of Congress would allow it to happen," said Bob Stern, president of the nonpartisan Center for Governmental Studies in Los Angeles. "It's also very embarrassing. That's an understatement."

News of Richardson's troubles with the Sacramento house was first reported this month by Capitol Weekly.

Not only has Richardson missed house payments, but she is behind on her property taxes, a lien was placed on her Sacramento house because of an unpaid utility bill, and she angered her neighbors by not keeping up her home.

Many state legislators and members of Congress have the added expense of needing two places to live, one in their district and one in Sacramento or Washington, D.C. California lawmakers receive a per diem of $170 to defray the costs, in addition to their salary. Legislators in both capitals often will share a house or apartment in order to keep the costs down.

Despite her payment problems, a subject that has become a favorite in the political blogosphere, Richardson has few worries about Tuesday's Democratic primary, where she faces two relative unknowns. The 37th District is so solidly Democratic -- it went 74% for John Kerry in the last presidential election -- that no Republicans are running for the seat.

"She has a couple years to let it be forgotten and settle whatever problems are still alive," said Gary Jacobson, a UC San Diego political science professor and expert on congressional elections. "And assuming she does so, she'll probably be all right."

After telling a Times reporter she would be interviewed, Richardson declined the next day and instead offered two prepared statements.

"Earlier this year, I was notified that the mortgages on properties that I own were in default," she said. "At that time, I began continuous and ongoing discussions with the lenders to reinstate and modify these loans and to reinstate my ownership of the properties. Since those discussions were initiated, I was not notified of any preemptive sales of any of the properties."

She might want to tell that to James York, owner of Red Rock Mortgage, who bought the three-bedroom, 1 1/2 -bath Sacramento house at a public auction for $388,000 on May 7. He recorded the deed May 19 and has had a crew at the house fixing it up.

Richardson, who bought the house in early 2007 for $535,000, owed about $9,000 in property taxes. She owes Sacramento $154.03 after the city utilities department put a lien on the house for an unpaid bill.

Asked about the congresswoman's statement that she knew nothing about the sale, York said that's an excuse he hears all the time: "She doesn't know what happened, but she's an educated woman who hasn't made her payments for 12 months and she doesn't know why she lost her house? That's the joke."

Neighbors in the upper middle-class Curtis Park neighborhood said they were glad to see Richardson leave because she had let the house fall into disarray.

"I don't care who it is, that's irresponsible to let it go like that," said Sean Padovan, a retired Sacramento police sergeant who lives three doors away. "This is our neighborhood. It becomes personal when it's a few houses down and you're junking up the neighborhood."

Padovan, 61, said that when the grass grew nearly a foot high, he knocked on her door. "I finally went down there and said, 'Would you mind if I mowed your lawn for you?' She said, 'I've been awful busy. Sure.' "

Padovan said his hand mower could barely make it through the grass.

Richardson's two-story craftsman-style house in Long Beach's historic Sunrise Boulevard district, where neighbors say she stays on weekends back from Washington, also has fallen into disrepair. The beige paint is peeling, a garage window is broken, and the grass has turned brown.

Richardson bought the four-bedroom, two-bath house for $135,000 so she could run for an open seat on the Long Beach City Council. Before that, she lived in the San Pedro house.

Richardson won the council election in 2000 and worked for then-Lt. Gov. Cruz Bustamante until she won the Assembly seat in 2006,

lending her campaign $100,000, which eventually was paid back to her.

She barely had time to get a good meal in Sacramento, although she did have time to buy a house, before Rep. Juanita Millender-McDonald died in April 2007. In August, Richardson won a special election for the seat, this time lending her campaign $77,500.

"She obviously extremely wanted to win this race, and this was the way she invested in it," said Stern from the Center for Governmental Studies.

Many blogs have pounced on the Richardson controversy. LA.cityzinc.com called it "One of the more bizarre political scandals in recent years."

Calitics.com said, "It seems like she's engaging in what amounts to a pyramid scheme -- buying new homes with little money down, and at the same time lending her campaigns for state Assembly and Congress tens of thousands of dollars. So the money that would be used to pay off the loan is paying for her political upward mobility."

Since she has moved on to Congress, Richardson doesn't have a mortgage to worry about there. She's renting.

From: Owen, Jan L.
Sent: Sat 05/31/2008 8:14 AM
To: Gaugl, Sara C.; Battaglia, Paul J.; Elias, Alan; Cook, Don
Subject: Re: Richardson Statement (Draft)

I like it! Short and to the point! I have not seen any print media today, have any of you? Oh by the way- hi Paul! Thanks, J

----- Original Message -----
From: Gaugl, Sara C.
To: Battaglia, Paul J.; Owen, Jan L.; Elias, Alan; Cook, Don
Sent: Fri May 30 18:18:18 2008
Subject: Richardson Statement (Draft)

Good evening.
As an update to my note from earlier this morning, Gene Maddaus is in the process of writing yet another story on Ms. Richardson's financial situation. His questions are outlined below and his deadline is 5 p.m. on Monday.

Here is a first cut at a draft (and brief) response to Gene's questions. Looking forward to your thoughts/edits/revisions.

My preference continues to be that we attempt to limit WaMu's inclusion in the coverage to the extent possible. However, given that the Notice of Rescission has been sent for recording, it is likely that we'll receive additional media inquiries related to that action on Monday or Tuesday. And at that point, I think we should be prepared to expand our current statement (as appropriate).

Response:
We aren't in a position to discuss the specifics of Ms. Richardson's loan situation as we have not received any authorization from her to do so.

More broadly, if a loan has gone to foreclosure sale in error, we will honor commitments made to the customer and take appropriate measures to rectify the situation.

As a matter of policy, we don't comment on litigation. However, as you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gene Maddaus [mailto:[illegible]]
Sent: Friday, May 30, 2008 10:28 AM
To: Gaugl, Sara C.
Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

2. If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

3. Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

4. Has Ms. Richardson allowed WaMu to discuss her case publicly? (If yes, there will be some other questions.)

Gene

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Sunday, June 1, 2008 2:28 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: RE: Richardson Statement (Draft)

HI, Jan.
The Los Angeles Times published the article embedded below, which includes more comments made by York. It appears that Richardson initially agreed to be interviewed for the story, but then backed out.

I will forward additional coverage to you, which mostly focuses on commentary from her opponents (mainly Mathews).

Rep. Laura Richardson's foreclosure continues a pattern of financial straits

By Jeff Gottlieb, Los Angeles Times Staff Writer
May 31, 2008

When news surfaced that Rep. Laura Richardson had lost her home through foreclosure, the Long Beach Democrat blamed the problem on her year-long rocket-ship rise from city councilwoman to Assembly member to congresswoman and the crumbling real estate market.

"I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable," she said in a news release.

But while the foreclosure of the two-story Sacramento home she bought shortly after being elected to the Assembly in 2006 may have been the first time she lost a house, it was not the first time Richardson had fallen behind on her payments. It continued a pattern started eight years ago.

Since then, the homes she still owns in San Pedro, where her mother lives, and Long Beach have fallen into default six times. The amount she owed ranged from $5,742 to almost $20,000, according to documents on file with Los Angeles County.

"She has this habit of missing payments and then trying to catch up instead of doing it monthly," said Verla Saylor, who sold Richardson the Long Beach house and carried a second mortgage.

The defaults have come at a quick pace lately, five in the last 13 months and the most recent March 28. The five defaults totaled nearly $71,000. During much of that time, Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of $177,500.

Although candidates sometimes use their home equity to help finance campaigns, experts couldn't remember anyone losing a house over it. "It's very surprising a member of Congress would allow it to happen," said Bob Stern, president of the nonpartisan Center for Governmental Studies in Los Angeles. "It's also very embarrassing. That's an understatement."

News of Richardson's troubles with the Sacramento house was first reported this month by Capitol Weekly.

Not only has Richardson missed house payments, but she is behind on her property taxes, a lien was placed on her Sacramento house because of an unpaid utility bill, and she angered her neighbors by not keeping up her home.

Many state legislators and members of Congress have the added expense of needing two places to live, one in their district and one in Sacramento or Washington, D.C. California lawmakers receive a per diem of $170 to defray the costs, in addition to their salary. Legislators in both capitals often will share a house or apartment in order to keep the costs down.

Despite her payment problems, a subject that has become a favorite in the political blogosphere, Richardson has few worries about Tuesday's Democratic primary, where she faces two relative unknowns. The 37th District is so solidly Democratic -- it went 74% for John Kerry in the last presidential election -- that no Republicans are running for the seat.

"She has a couple years to let it be forgotten and settle whatever problems are still alive," said Gary Jacobson, a UC San Diego political science professor and expert on congressional elections. "And assuming she does so, she'll probably be all right."

After telling a Times reporter she would be interviewed, Richardson declined the next day and instead offered two prepared statements.

"Earlier this year, I was notified that the mortgages on properties that I own were in default," she said. "At that time, I began continuous and ongoing discussions with the lenders to reinstate and modify these loans and to reinstate my ownership of the properties. Since those discussions were initiated, I was not notified of any preemptive sales of any of the properties."

She might want to tell that to James York, owner of Red Rock Mortgage, who bought the three-bedroom, 1 1/2 -bath Sacramento house at a public auction for $388,000 on May 7. He recorded the deed May 19 and has had a crew at the house fixing it up.

Richardson, who bought the house in early 2007 for $535,000, owed about $9,000 in property taxes. She owes Sacramento $154.03 after the city utilities department put a lien on the house for an unpaid bill.

Asked about the congresswoman's statement that she knew nothing about the sale, York said that's an excuse he hears all the time: "She doesn't know what happened, but she's an educated woman who hasn't made her payments for 12 months and she doesn't know why she lost her house? That's the joke."

Neighbors in the upper middle-class Curtis Park neighborhood said they were glad to see Richardson leave because she had let the house fall into disarray.

"I don't care who it is, that's irresponsible to let it go like that," said Sean Padovan, a retired Sacramento police sergeant who lives three doors away. "This is our neighborhood. It becomes personal when it's a few houses down and you're junking up the neighborhood."

Padovan, 61, said that when the grass grew nearly a foot high, he knocked on her door. "I finally went down there and said, 'Would you mind if I mowed your lawn for you?' She said, 'I've been awful busy. Sure.' "

Padovan said his hand mower could barely make it through the grass.

Richardson's two-story craftsman-style house in Long Beach's historic Sunrise Boulevard district, where neighbors say she stays on weekends back from Washington, also has fallen into disrepair. The beige paint is peeling, a garage window is broken, and the grass has turned brown.

Richardson bought the four-bedroom, two-bath house for $135,000 so she could run for an open seat on the Long Beach City Council. Before that, she lived in the San Pedro house.

Richardson won the council election in 2000 and worked for then-Lt. Gov. Cruz Bustamante until she won the Assembly seat in 2006, lending her campaign $100,000, which eventually was paid back to her.

She barely had time to get a good meal in Sacramento, although she did have time to buy a house, before Rep. Juanita Millender-McDonald died in April 2007. In August, Richardson won a special election for the seat, this time lending her campaign $77,500.

"She obviously extremely wanted to win this race, and this was the way she invested in it," said Stern from the Center for Governmental Studies.

Many blogs have pounced on the Richardson controversy. LA.cityzine.com called it "One of the more bizarre political scandals in recent years."

Calitics.com said, "It seems like she's engaging in what amounts to a pyramid scheme -- buying new homes with little money down, and at the same time lending her campaigns for state Assembly and Congress tens of thousands of dollars. So the money that would be used to pay off the loan is paying for her political upward mobility."

Since she has moved on to Congress, Richardson doesn't have a mortgage to worry about there. She's renting.

From: Owen, Jan L.
Sent: Sat 05/31/2008 8:14 AM
To: Gaugl, Sara C.; Battaglia, Paul J.; Elias, Alan; Cook, Don
Subject: Re: Richardson Statement (Draft)

I like it! Short and to the point! I have not seen any print media today, have any of you? Oh by the way - hi Paul! Thanks, J

----- Original Message -----
From: Gaugl, Sara C.
To: Battaglia, Paul J.; Owen, Jan L.; Elias, Alan; Cook, Don
Sent: Fri May 30 18:18:18 2008
Subject: Richardson Statement (Draft)

Good evening.
As an update to my note from earlier this morning, Gene Maddaus is in the process of writing yet another story on Ms. Richardson's financial situation. His questions are outlined below and his deadline is 5 p.m. on Monday.

Here is a first cut at a draft (and brief) response to Gene's questions. Looking forward to your thoughts/edits/revisions.

My preference continues to be that we attempt to limit WaMu's inclusion in the coverage to the extent possible. However, given that the Notice of Rescission has been sent for recording, it is likely that we'll receive additional media inquiries related to that action on Monday or Tuesday. And at that point, I think we should be prepared to expand our current statement (as appropriate).

Response:
We aren't in a position to discuss the specifics of Ms. Richardson's loan situation as we have not received any authorization from her to do so.

More broadly, if a loan has gone to foreclosure sale in error, we will honor commitments made to the customer and take appropriate measures to rectify the situation.

As a matter of policy, we don't comment on litigation. However, as you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gene Maddaus [illegible]
Sent: Friday, May 30, 2008 10:28 AM
To: Gaugl, Sara C.
Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed

prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

2. If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

3. Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

4. Has Ms. Richardson allowed WaMu to discuss her case publicly? (If yes, there will be some other questions.)

Gene

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Saturday, May 31, 2008 11:14 AM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: Re: Richardson Statement (Draft)

I like it! Short and to the point! I have not seen any print media today, have any of you? Oh by the way - hi Paul! Thanks, J

----- Original Message -----
From: Gaugl, Sara C.
To: Battaglia, Paul J.; Owen, Jan L.; Elias, Alan; Cook, Don
Sent: Fri May 30 18:18:18 2008
Subject: Richardson Statement (Draft)

Good evening.
As an update to my note from earlier this morning, Gene Maddaus is in the process of writing yet another story on Ms. Richardson's financial situation. His questions are outlined below and his deadline is 5 p.m. on Monday.

Here is a first cut at a draft (and brief) response to Gene's questions. Looking forward to your thoughts/edits/revisions.

My preference continues to be that we attempt to limit WaMu's inclusion in the coverage to the extent possible. However, given that the Notice of Rescission has been sent for recording, it is likely that we'll receive additional media inquiries related to that action on Monday or Tuesday. And at that point, I think we should be prepared to expand our current statement (as appropriate).

Response:
We aren□t in a position to discuss the specifics of Ms. Richardson□s loan situation as we have not received any authorization from her to do so.

More broadly, if a loan has gone to foreclosure sale in error, we will honor commitments made to the customer and take appropriate measures to rectify the situation.

As a matter of policy, we don't comment on litigation. However, as you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228□□□ cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gene Maddaus [redacted]
Sent: Friday, May 30, 2008 10:28 AM
To: Gaugl, Sara C.
Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

2. If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

3. Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

4. Has Ms. Richardson allowed WaMu to discuss her case publicly? (If yes, there will be some other questions.)

Gene

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 30, 2008 9:18 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: Richardson Statement (Draft)

Good evening.
As an update to my note from earlier this morning, Gene Maddaus is in the process of writing yet another story on Ms. Richardson's financial situation. His questions are outlined below and his deadline is 5 p.m. on Monday.

Here is a first cut at a draft (and brief) response to Gene's questions. Looking forward to your thoughts/edits/revisions.

My preference continues to be that we attempt to limit WaMu's inclusion in the coverage to the extent possible. However, given that the Notice of Rescission has been sent for recording, it is likely that we'll receive additional media inquiries related to that action on Monday or Tuesday. And at that point, I think we should be prepared to expand our current statement (as appropriate).

Response:
We aren't in a position to discuss the specifics of Ms. Richardson's loan situation as we have not received any authorization from her to do so.

More broadly, if a loan has gone to foreclosure sale in error, we will honor commitments made to the customer and take appropriate measures to rectify the situation.

As a matter of policy, we don't comment on litigation. However, as you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 1 Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gene Maddaus [redacted]
Sent: Friday, May 30, 2008 10:28 AM
To: Gaugl, Sara C.
Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

2. If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

3. Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

4. Has Ms. Richardson allowed WaMu to discuss her case publicly? (If yes, there will be some other questions.)

Gene

Subject: Accepted: Richardson Update
Location: 877-709[illegible] passcode:[illegible]

Start: 6/2/2008 12:30 PM
End: 6/2/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode:[illegible]

Subject: Richardson Update
Location: 877-709[illegible] passcode: [illegible]

Start: 6/2/2008 12:30 PM
End: 6/2/2008 1:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.; GM QSM DTE
Resources: 877-709[illegible] passcode: [illegible]

When: Monday, June 02, 2008 9:30 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[illegible] passcode: [illegible]

~~*~*~*~*~*~*~*~*

Subject: Accepted: Updated: Richardson update
Location: 877-709[redacted] passcode[redacted]

Start: 5/30/2008 3:30 PM
End: 5/30/2008 4:30 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[redacted] passcode[redacted]

Legal can join from 12:30 - 1:00.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 30, 2008 2:27 PM
To: Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: Questions from the Daily Breeze

All:
FYI, below.

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206 500 2822 direct I 206 228 [illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gene Maddaus [redacted]
Sent: Friday, May 30, 2008 10:28 AM
To: Gaugl, Sara C.
Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

2. If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

3. Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

4. Has Ms. Richardson allowed WaMu to discuss her case publicly? (If yes, there will be some other questions.)

Gene

----- Original Message -----
From: Gene Maddaus <[redacted]>
To: Gaugl, Sara C.
Sent: Thu May 29 16:47:09 2008
Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus
Daily Breeze
310 543[illegible]

Subject: Updated: Richardson update
Location: 877-709[illegible] passcode[illegible]

Start: 5/30/2008 3:30 PM
End: 5/30/2008 4:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Battaglia, Paul J.; Woodcock, Wendy A.; GM QSM DTE; Baptista, Geri Ann S.; Oakley, Susan B.; Gaugl, Sara C.; Cook, Don; Thorn, Ann; Thorn, Ann
Resources: 877-709[illegible] passcode[illegible]

When: Friday, May 30, 2008 12:30 PM-1:30 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709-[illegible] passcode[illegible]

~~*~*~*~*~*~*~*~*

From: Gaugl, Sara C.
Sent: Thursday, May 29, 2008 8:50:16 PM
To: Owen, Jan L.; Battaglia, Paul J.; Cook, Don; Thorn, Ann
Subject: Richardson Update: Daily Breeze

All:
As an update, here's another article written by Gene Maddaus, which posted earlier today.

Gene contacted me a moment ago with follow-up questions - I'll update you after I am able to connect with him.

Best,

Sara

Representative had history of missed loan payments

By Gene Maddaus Staff Writer

Article Launched: 05/29/2008

Rep. Laura Richardson, whose housing woes have been national news for the past week, defaulted a total of eight times on three properties since 2004, a thorough review of county records indicates.

Records show she has defaulted five times on her primary residence in Long Beach - including three in the last year, as she diverted her private resources into her campaign for Congress.

Richardson's housing troubles are more extensive than previously reported, and include two defaults from 2004, when she was a Long Beach city councilwoman.

Her habit of missing payments caught up with her earlier this month, when her Sacramento home was sold at a foreclosure auction. Richardson has said she will try to reacquire that property, but the real estate broker who bought it is refusing to give it back, and the law appears to favor his position.

The newly discovered property records indicate that Richardson was already behind on her payments on her Long Beach house before Rep. Juanita Millender-McDonald died in April 2007. The veteran congresswoman's death opened up the seat for Richardson.

Richardson received a default notice on May 10, 2007, indicating she was $12,326.78 behind on her Long Beach home. She had not made a payment since January, when she bought her Sacramento home with no money down for $535,000.

The loan against the Long Beach property was issued the previous summer, when Richardson refinanced for a sum of $446,250.

The original loan, issued in 1999, was for $108,000.

Richardson took $100,000 of the proceeds from the refinancing, and lent it to her 2006 Assembly campaign. After winning the election, she raised some money to pay back the loan, but then turned around and put $77,500 into her congressional campaign.

Richardson made a payment on the Long Beach property in May, and the default was rescinded. But she immediately stopped making payments again and a second default notice, for $15,101, was issued in October.

Once again, Richardson made a payment on the arrearage but stopped making further payments. The loan defaulted again in March, at which point she owed $19,921.74.

The default notice was withdrawn again a few days later, and Richardson says she is now current on the Long Beach loan.

Richardson also defaulted twice on the original loan on the Long Beach property in 2004, in the wake of her divorce. She was $8,376.49 behind on her payments in March 2004. She caught up, but quickly fell behind again and by September owed $5,815.73. That arrearage was later repaid, and Richardson was able to stay current on the house until 2007.

Last summer and fall, Richardson defaulted twice on her San Pedro property. The first time, in September 2007, she owed $12,410.71. She made a payment and was able to get that notice rescinded, but stopped making payments again, and a new default notice was issued in January.

That default led to a notice that an auction would be held on May 14. Before it got to that point, Richardson said she was able to negotiate a loan modification, and that auction has been put on hold until July.

Richardson has also stiff-armed smaller creditors.

In August 2007, she walked into Sir Speedy Printing in Signal Hill, and made a rush order for 380 invitations announcing her election to Congress.

The print shop dropped other orders and staffers put in overtime to meet the request. The order was filled on time the next day, but Richardson never paid the $150 invoice, said the print shop's owner, Allen McLean.

McLean said he and his wife call about once a month to try to collect the debt, but are always told by staffers that Richardson doesn't have the money.

"It's just irritating," he said. "She's not just doing this to the big guys. She's doing it to the small guys, too."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Accepted: Updated: Richardson update
Location: 877-709[illegible] passcode[illegible]

Start: 5/29/2008 2:00 PM
End: 5/29/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode[illegible]

Subject: Updated: Richardson update
Location: 877-709[illegible] passcode[illegible]

Start: 5/29/2008 2:00 PM
End: 5/29/2008 3:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Battaglia, Paul J.; Woodcock, Wendy A.; GM QSM DTE; Baptista, Geri Ann S.; Oakley, Susan B.; Gaugl, Sara C.; Cook, Don; Thorn, Ann; Thorn, Ann
Resources: 877-709[illegible] passcode[illegible]

Subject: Accepted: Updated: Richardson update
Location: 877-709[illegible] passcode[illegible]

Start: 5/29/2008 1:00 PM
End: 5/29/2008 2:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible]passcode[illegible]

Subject: Updated: Richardson update
Location: 877-709[illegible] passcode[illegible]

Start: 5/29/2008 1:00 PM
End: 5/29/2008 2:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Gaugl, Sara C.; Battaglia, Paul J.; Woodcock, Wendy A.; Cook, Don; GM QSM DTE; Baptista, Geri Ann S.; Thorn, Ann; Thorn, Ann; Oakley, Susan B.
Resources: 877-709[illegible] passcode[illegible]

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 1:38:15 PM
To: Owen, Jan L.; Gaugl, Sara C.; Battaglia, Paul J.
Subject: RE: Richardson

I am booked right now until 5 EST so anytime after that is fine with me.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Owen, Jan L.
Sent: Wednesday, May 28, 2008 1:19 PM
To: Thorn, Ann; Gaugl, Sara C.; Battaglia, Paul J.
Subject: RE: Richardson

REDACTED

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 10:08 AM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Subject: Accepted: Richardson Update
Location: 877-709[illegible] passcode:[illegible]

Start: 5/28/2008 6:00 PM
End: 5/28/2008 7:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode:[illegible]

From: Martin T. McGuinn
Sent: Wednesday, May 28, 2008 1:18 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Gaugl, Sara C. <sara gaugl@wamu.net>
Subject: FW: Washington Mutual/Laura Richardson
Attach: Donna Parkinson ( ).vcf

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525
Direct Fax: (619) 525

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Donna Parkinson
Sent: Wednesday, May 28, 2008 9:58 AM
To: Beth Ward; Martin T. McGuinn
Subject: RE: Washington Mutual/Laura Richardson

Mr. York respectfully declines the offer of $25,000 over his costs. He will accept $80,000 over his costs at this time. This counter offer will remain open until the close of business on Friday, April 30.

Donna Parkinson
Parkinson Phinney
400 Capitol Mall, 11th Floor Sacramento, CA 95814
T 916.449.1441 F 916.449.1440 C 916.712
donna www.parkinsonphinney.com

CONFIDENTIALITY NOTICE: This communication and any accompanying document(s) are confidential and privileged. They are intended for the sole use of the addressee. If you receive this transmission in error, you are advised that any disclosure, copying, distribution, or the taking of any action in reliance upon the communication is strictly prohibited. Moreover, any such inadvertent disclosure shall not compromise or waive the attorney-client privilege as to this communication or otherwise. If you have received this communication in error, please contact our office at (916) 449-1444.

==========

IF THE ABOVE RELATES TO A TAX MATTER THEN, PURSUANT TO IRS RULES, WE MUST ADVISE YOU OF THE FOLLOWING: THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE. Under IRS Rules, a taxpayer may rely on our advice to avoid penalties only if the

advice is reflected in a more formal tax opinion that conforms to new IRS standards.

From: Beth Ward [redacted]
Sent: Wednesday, May 28, 2008 9:09 AM
To: Donna Parkinson
Subject: Washington Mutual/Laura Richardson

Good morning, Ms. Parkinson. Attached is Mr. McGuinn's letter of today's date regarding the above matter.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398[redacted]
Direct Fax: (619) 398[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

BEGIN:VCARD
VERSION:2.1
N:Parkinson;Donna
FN:Donna Parkinson
EMAIL;PREF;INTERNET:donna
REV
END:VCARD

Subject: Accepted: Richardson update
Location: 877-709[illegible] passcode[illegible]

Start: 5/29/2008 1:00 PM
End: 5/29/2008 2:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode[illegible]

From: Martin T. McGuinn <[redacted]>
Sent: Wednesday, May 28, 2008 12:34 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Washington Mutual/Laura Richardson
Attach: 001 MTM to Parkinson re rescission dtd 5-28-08.pdf

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525[redacted]
Direct Fax: (619) 525[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Beth Ward
Sent: Wednesday, May 28, 2008 9:09 AM
To: donna[redacted]
Subject: Washington Mutual/Laura Richardson

Good morning, Ms. Parkinson. Attached is Mr. McGuinn's letter of today's date regarding the above matter.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398[redacted]
Direct Fax: (619) 398[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

KIRBY & McGUINN
A PROFESSIONAL CORPORATION

Leonard Ackerman
Dean T. Kirby, Jr.
Jana Logan
Kenneth G. Noorigian
Cheryl Edwards Tannenberg

600 B Street, Suite 1950
San Diego, CA 92101
(619) 685-4000

Martin T. McGuinn
Voice: 619.525
Fax: 619.525
E-Mail: mmcguin

May 28, 2008

VIA EMAILONLY donna
Donna Parkinson, Esq.
Parkinson & Phinney LLC
400 Capitol Mall, 11th Fl.
Sacramento, CA 95814

Re:	*Your Clients:*	*James York and Red Rocks Mortgage Inc. (collectively, "Red Rocks")*
	Our Clients:	*Washington Mutual Bank ("WaMu") and California Reconveyance Company ("CRC")*
	Real Property:	*3622 W. Curtis Drive, Sacramento, CA (the "Property")*
	Borrower:	*Laura Richardson*
	Our File No.:	*WAS002-93*

Dear Ms. Parkinson:

This letter is being sent to you pursuant to California Code of Procedure section 1152 and Federal Rules of Evidence, rule 408. The contents of this letter may not be used in any pleading or constitute an admission of liability on the part of our client. The facts as we understand them to be are that Red Rocks was the high bidder at a foreclosure conducted by CRC on May 7, 2008. That foreclosure sale occurred despite an agreement between WaMu and Ms. Richardson to postpone the foreclosure sale to June 4, 2008. That postponement agreement was confirmed in writing by letter dated April 17, 2008, a copy of which is attached hereto.

As you know, California law permits a trustee to rescind a foreclosure sale where the borrower and the lender had an agreement to postpone the sale. California Civil Code section 1058.5(b) permits a trustee with the consent of either the beneficiary or the successful bidder to rescind a foreclosure sale due to the filing of a bankruptcy by the owner or otherwise.

The extent of a trustee's right to rescind a foreclosure sale has been the subject of litigation in several courts of appeal. *Residential Capital LLC v. Cal Western Reconveyance Corp.* (2003) 108 Cal.App.4th 807, 822 held: "The right of the trustor to postpone the foreclosure sale by agreement with the beneficiary is as important to the protection of the trustor's property from wrongful foreclosure as are the notice requirements." The Residential Capital court enunciated two important

principles: First, it reaffirmed the holding in *Little v. CFS Servicing Corp.* (1987) 188 Cal.App.3rd 1354 that the only recovery permitted to a third party bidder is the return of its capital paid at the sale, plus interest; and second, it held that the failure to postpone the sale at the request of the borrower when there was an agreement to do so was a substantial irregularity to a foreclosure sale permitting the trustee to rescind.

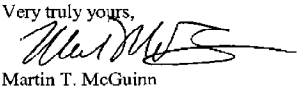
Although the TDUS was not delivered to the bidder prior to rescission in the Residential Capital case, later case law supported the beneficiary's and the trustee's right to rescind after the TDUS had been delivered and recorded. In *Bank of America v La Jolla Group II* (2005) 129 Cal.App.4th 706, 712 the court held: "But La Jolla has not relied on this presumption and, if it had, we would have concluded that the presumption was rebutted by the fact that the trustor and beneficiary entered into an agreement to cure the default and reinstate the loan before the foreclosure sale. In sum, the foreclosure sale was invalid." In *Bank of America*, the bidder contended that once the trustee's deed upon sale has been delivered with all the recitals of statutory compliance and the recital of authority under the power of sale "the deed cannot be 'void' as a matter of law." The court rejected that argument by noting: "We know of no authority for this proposition."

It is clear in this case that, based on the written agreement to postpone, WaMu has the right to rescind the sale. When the sale is rescinded, in addition to return of the funds paid at the sale ($388,000.01), Red Rocks is entitled to interest on the sales proceeds, plus reimbursement of any funds expended on the Property since the sale. Reasonable interest in this case totals approximately $2,500. As well, prior to your being retained by Red Rocks, Mr. York told me that he has expended approximately $10,000-15,000 in repairs to the Property.

In an effort to resolve this matter amicably, WaMu is willing to offer Red Rocks a small premium on its investment and pay a total of $25,000 to Red Rocks in exchange for a release of all right, title and interest that Red Rocks has in the Property. That amounts to an approximate $10,000 return on a one-month investment—a return that is not legally mandated. The payment is conditioned upon the parties executing a settlement agreement releasing each other from any liability or claims arising out of or relating to the May 7, 2008 foreclosure sale, including a Civil Code section 1542 waiver, and Red Rocks will provide a W-4 to WaMu to allow it to issue the check. We are prepared to immediately document the settlement. Please advise if this offer is acceptable to Red Rocks.

Thank you in advance for your continuing professional courtesy and cooperation in this matter. Should you have any questions, or wish to discuss the case further, please do not hesitate to contact the undersigned.

Very truly yours,



Martin T. McGuinn

cc: Paul Battaglia *(via email)*
Jan Owen *(via email*

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number[redacted]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732-8817.

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Tuesday, May 27, 2008 10:18 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: Re: Update

Good morning, Ann. From a media perspective, there has been additional coverage over the weekend (same tone as Friday). And as you are aware, the Congresswoman has chosen to not sign the media consent form that would allow us to discuss her loan situation publicly.

- Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Thorn, Ann
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Sent: Tue May 27 06:38:53 2008
Subject: Update

John Berens is looking for an update on the Richardson file this morning. Has there been anything new since the press information Friday night?

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann
Sent: Tuesday, May 27, 2008 9:38:53 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: Update

John Berens is looking for an update on the Richardson file this morning. Has there been anything new since the press information Friday night?

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Saturday, May 24, 2008 9:17 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: FW: Consent
Attach: LR Auth Consent.jpg

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well… Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706-

Thank you,
Laura Richardson

-----Original Message-----
From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 11:59 PM
To: Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Email from Richardson

I will limit my comments.....

FYI, below

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: RichardsonMC, Laura [illegible]
Sent: Fri 05/23/2008 8:34 PM
To: Gaugl, Sara C.; Thorn, Ann; Woodcock, Wendy A.
Cc: RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: WaMu Consent Form Attached

Sara,
Thank you for your response. At this point I think the communication with the media has been adequate. We covered print, ap and television outlets today. I provided the letter of April 17th and my consent to release that letter which addresses the questions we received. If any further information is needed I will contact you. If I can be of assistance or clarify any questions feel free to contact me on my cell phone @ 562-706-[illegible]

Sincerely,
Laura Richardson

From:	Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent:	Friday, May 23, 2008 10:08 PM
To:	Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject:	AP: Laura Richardson

Hi team -
FYI, below.

From: Verdin, Tom [redacted]
Sent: Fri 05/23/2008 7:02 PM
To: Gaugl, Sara C.
Subject: RE: Laura Richardson

Sara, here's our first take on the Laura Richardson story tonight. Subsequent versions will have greater detail. Please let me know if WaMu wants to issue an updated statement.

Tom

¶ BC-CA--Congresswoman's House
¶ URGENT
¶ AP Interview: Calif. congresswoman says home sale 'improper'
¶ AP Interview: Calif. congresswoman claims sale of her Sacramento house shouldn't have happened
¶ Eds: APNewsNow. Will be led.
¶ ewfodtfotav1
¶ By ERICA WERNER
¶ Associated Press Writer
¶ 05-23-2008 18:36
¶ WASHINGTON (AP) _ California Congresswoman Laura Richardson claims the foreclosure auction of her Sacramento house was improper and contrary to a written agreement she had with her lender.

¶ In a lengthy interview with The Associated Press on Friday, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage. Her house was sold at auction earlier this month.

¶ Richardson said that sale never should have happened and that she has renegotiated her loan to pay it off.
¶ She insisted that she is not getting special terms because she's a congresswoman.
¶ In fact, Richardson said the experience has allowed her to relate to the thousands of other Americans _ including many in her Los Angeles-area district _ confronted with foreclosures. She even wants to testify before Congress about it.

¶

From: Verdin, Tom
Sent: Friday, May 23, 2008 6:27 PM
To: sara.gaugl@wamu.net
Subject: Laura Richardson

Sara, thank you for calling us back earlier this evening.

As it happens, our reporter in Washington who covers California's congressional delegation was on the phone with Laura Richardson while you and I were talking. In brief, Richardson is blaming WaMu. She claims she did not know her Sacramento house was being sold at auction and says WaMu told her no action would be taken on it until sometime next month.

She also claims to have documentation to support this claim but has yet to provide it to us.

We'll be moving a story based on Richardson's comments shortly.

Because AP did not have her statement when we spoke previously, I wanted to give WaMu an opportunity to respond.

We'll be sending our story in takes (individual bites will move before the final writethru), and I can send you those so you can see exactly what Richardson claims.

Regards,

Tom

Tom Verdin

Correspondent

Sacramento bureau
916-448-

<< OLE Object: Picture (Metafile) >>

The information contained in this communication is intended for the use of the designated recipients named above. If the reader of this communication is not the intended recipient, you are hereby notified that you have received this communication in error, and that any review, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify The Associated Press immediately by telephone at +1-212-621-1898 and delete this email. Thank you.
[IP_US_DISC]
msk dccc60c6d2c3a6438f0cf467c9a4938

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 6:04:08 PM
To: Battaglia, Paul J.; Cook, Don; Baptista, Geri Ann S.; Owen, Jan L.; Elias, Alan
Subject: 3:15 p.m. Call: Richardson/Media

Call-in number: (866) 723[redacted]

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Accepted: Update on Richardson
Location: 877-709- passcode:

Start: 5/27/2008 12:00 PM
End: 5/27/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709- passcode:

Subject: Update on Richardson
Location: 877-709[illegible] passcode:[illegible]

Start: 5/27/2008 12:00 PM
End: 5/27/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Organizer

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.; Cook, Don; Battaglia, Paul J.

Subject: Update on Richardson
Location: 877-709- passcode:

Start: 5/27/2008 12:00 PM
End: 5/27/2008 1:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.; Cook, Don; Battaglia, Paul J.
Resources: 877-709 passcode:

When: Tuesday, May 27, 2008 9:00 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709 passcode:

~~*~*~*~*~*~*~*~*

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Friday, May 23, 2008 2:20 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Re: Consent

REDACTED

----- Original Message -----
From: Battaglia, Paul J.
To: Thorn, Ann; Owen, Jan L.; Gaugl, Sara C.
Sent: Fri May 23 11:15:52 2008
Subject: RE: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Thorn, Ann
Sent: Friday, May 23, 2008 11:04 AM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.
Subject: RE: Consent

I know we are talking shortly, but I have not gotten a response from her. Do you think I should resend or call?

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----
From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:02 PM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.

Subject: FW: Consent

Here is the email just sent for the letter consent

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----
From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:01 PM
To: laura.richardso[redacted]
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Friday, May 23, 2008 2:16 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax. 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Thorn, Ann
Sent: Friday, May 23, 2008 11:04 AM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.
Subject: RE: Consent

I know we are talking shortly, but I have not gotten a response from her. Do you think I should resend or call?

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----
From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:02 PM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.
Subject: FW: Consent

Here is the email just sent for the letter consent

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----
From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:01 PM
To: laura.richardson[redacted]
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Friday, May 23, 2008 2:04 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Consent

I know we are talking shortly, but I have not gotten a response from her. Do you think I should resend or call?

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----
From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:02 PM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.
Subject: FW: Consent

Here is the email just sent for the letter consent

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----
From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:01 PM
To: 'laura.richardso[redacted]
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 22, 2008 10:13 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc: Rodriguez, Adrian <adrian.rodriguez@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: Update York Comment Re: Sale

All -

REDACTED

L.A. Land: latimes.com

Buyer of Rep. Laura Richardson's house: She "walked away"

The Wall Street Journal quotes the buyer of U.S. Rep. Laura Richardson's Sacramento house as saying she walked away from the house, and can have it back if she wants it -- for the same price she paid for it in 2007.

Richardson (pictured) has denied **a published report that her house went into foreclosure,** saying she worked with her lender to renegotiate her mortgage.

But James York, the Sacramento broker listed on public documents as the new buyer of the home, tells the Journal's "Developments" blog the congresswoman walked away from the mortgage: **'She's walked away from the property,' he said. 'I would be happy to resell her the home for the $535,000.'**

That would represent a tidy profit for York, who reportedly bought the Richardson house at auction for $388,000

Richardson's office has not answered questions about the Sacramento home. In a statement Wednesday, the Democrat from Long Beach said the house "is not in foreclosure" and that she had reached an agreement with her lender on a loan modification.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.[redacted] direct I 206.228.[redacted] cell
sara.gaugl@wamu.net
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Accepted: Update on Congresswoman Richardson
Location: 877-709[illegible] passcode[illegible]

Start: 5/23/2008 2:30 PM
End: 5/23/2008 3:30 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode[illegible]

Subject: Update on Congresswoman Richardson
Location: 877-709[illegible] passcode[illegible]

Start: 5/23/2008 2:30 PM
End: 5/23/2008 3:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Battaglia, Paul J.; Cook, Don; Thorn, Ann; Woodcock, Wendy A.; Baptista, Geri Ann S.
Resources: 877-709[illegible] passcode[illegible]

When: Friday, May 23, 2008 11:30 AM-12:30 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[illegible] passcode[illegible]

~~*~*~*~*~*~*~*~*

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 22, 2008 7:37 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Cell #

Congresswoman Richardson:

We appreciate your concern over media attention surrounding your loan situation. Please be aware that WaMu does not disclose our customers' personal financial information without written authorization from the customer.

If we are asked by the media to verify or discuss aspects of your loan situation outside of what is available in public records, we require your written consent to do so. Attached is our standard media consent form for your signature, which can be faxed to XXX.XXX.XXXX.

Thank you,

Sara Gaugl

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Owen, Jan L.
Sent: Thursday, May 22, 2008 4:30 PM
To: Thorn, Ann; Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.
Subject: RE: Cell #

877-709[illegible]

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Thorn, Ann
Sent: Thursday, May 22, 2008 4:29 PM

To: Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.; Owen, Jan L.
Subject: RE: Cell #

What is call in #

From: Gaugl, Sara C.
Sent: Thu 05/22/2008 05:40 PM
To: Thorn, Ann; Woodcock, Wendy A.; Battaglia, Paul J.; Owen, Jan L.
Subject: Re: Cell #

I just saw the response REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Thorn, Ann
To: Woodcock, Wendy A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Sent: Thu May 22 15:11:36 2008
Subject: Cell #

I will be on the call at 7:30, but leaving to head home soon. Call me on my cell once I am logged off 414-418[redacted] if you need me.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, May 22, 2008 6:02 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: Consent
Attach: 20080522144304877.pdf;Consent.doc

Here is the email just sent for the letter consent

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----
From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:01 PM
To: laura.richardson[redacted]
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [redacted]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732-8817.

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

AUTHORIZATION AND CONSENT
TO RELEASE OF PERSONAL, NON-PUBLIC INFORMATION

Borrower Name _____

Loan Number _____

Address _____

_____

I authorize Washington Mutual Bank ("Washington Mutual") to send the attached April 17, 2008 letter to Red Rock Mortgage, Inc.

Executed this _____ day of _____, 2008, at _____, [State]

_____
(Signature)

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Thursday, May 22, 2008 5:34 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaspard, Scott <scott.gaspard@wamu.net>; Watson, Alison <alison.watson@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>
Subject: FW: Debate intensifies over Richardson default

This is the reporter who wrote the first article. Thanks, Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Capitol Weekly [redacted]
Sent: Thursday, May 22, 2008 2:30 PM
To: Owen, Jan L.
Subject: Debate intensifies over Richardson default

Capitol Weekly

Debate intensifies over Richardson default

A Long Beach congresswoman who walked away from a $535,000 mortgage in Sacramento said in a written statement distributed by her office that she owns the home, but financial documents show the house was sold at public auction and has been in the possession of the buyer for weeks.

© Capitol Weekly, All Rights Reserved.
You have opted to receive E-Alerts from Capitol Weekly.
If you would like to discontinue receiving these messages you may un-subscribe here.

From:	Thorn, Ann <ann.thorn@wamu.net>
Sent:	Thursday, May 22, 2008 4:40 PM
To:	Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject:	FW: Communications regarding Richardson Loan

Sara, need you to call the Congresswoman

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Richardson, Laura [redacted]
Sent: Thursday, May 22, 2008 4:20 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.
Subject: Communications regarding Richardson Loan
Importance: High

Ann/Wendy,

Could you please forward ASAP your communications contact? Channel 9 and 2 (CBS) has shown up to film at the district office and we have received numerous calls from other affiliates; therefore a response is required.

Sincerely,

Laura Richardson

From: Martin T. McGuinn <[redacted]>
Sent: Thursday, May 22, 2008 1:53 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Whether to advise York re status of Borrower

Paul:

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525[redacted]
Direct Fax: (619) 525[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Thursday, May 22, 2008 10:36 AM
To: Martin T. McGuinn
Subject: FW: More info re: York
Importance: High

REDACTED

Paul J. Battaglia

First Vice President and Senior Counsel

Washington Mutual Bank

1301 2nd Avenue, WMC 3501

Seattle WA 98101

Phone: 206-500-4261

Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.

Sent: Thursday, May 22, 2008 10:33 AM

To: Battaglia, Paul J.

Cc: Owen, Jan L.

Subject: More info re: York

Importance: High

Money, Finance & Business*See other Money, Finance & Business Articles*

Title: **Congresswoman defaults on (mortgage) loan**Source: **Long Beach (Calif.) Press-Telegram**URL Source: http://www.presstelegram.comPublished: **May 22, 2008**Author: **(unknown)**Post Date: **2008-05-22 12:35:46** by **gle11733** Comments

***Rep. Laura Richardson lost her Sacramento home in a foreclosure auction two weeks ago*, and left behind nearly $9,000 in unpaid property taxes.**

Richardson, D-Long Beach, appears to have made only a few payments on the house, which she bought in January 2007 for $535,000.

After buying the home, Richardson hardly had time to live in it. Three months later, Rep. Juanita Millender-McDonald died and Richardson - then a freshman member of the state Assembly - launched a campaign to replace her in Congress.

Richardson won the election, pouring in $77,500 in personal loans to her own campaign. Around the same time, she stopped making payments on the Sacramento house. The bank issued a default notice in December, and the home was sold at a public auction on May 7 for $388,000.

Richardson declined Wednesday to be interviewed about the foreclosure, which was first revealed in Capitol Weekly, a Sacramento-based publication. But in a statement, Richardson denied that the home was in foreclosure and said it had not been seized by the bank.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement - with no special provisions," Richardson said in the statement. "I fully intend to fulfill all financial obligations on the property."

That would come as a surprise to James York, the Sacramento real estate broker who bought Richardson's house at auction. York specializes in buying and selling foreclosed homes, and said he eventually intends to resell Richardson's home, which overlooks a park in an upscale neighborhood. York produced a trustee's deed confirming that his company, Red Rock Mortgage Inc., owns the house.

York said the house was relatively clean when he found it, at least compared with other foreclosed homes,

though the garage was "full of trash to the ceiling." Workers have been cleaning it out and tending to the yard, which had been left unmowed for months.

When he bought the house at 3622 W. Curtis Drive, York assumed responsibility for Richardson's unpaid property tax bill of $8,950.79.

"Tell Laura I'd be happy to have her pay my property tax," York said.

The real loser in the deal was Washington Mutual Bank, which issued Richardson a $535,000 loan with no money down in January 2007. By the time the default notice was issued, Richardson was underwater on the loan. She owed about $575,000, including $18,000 in missed payments.

Washington Mutual ended up writing off nearly $200,000 of that debt to get rid of the home.

"They took a beating," York said.

The previous owner of the home, Sharon Helmar, said the neighbors were "appalled" that Richardson was not maintaining the lawn. Another neighbor said that until recently the grass was about a foot high.

"It's kind of heartbreaking to see something you've worked on for 30 years be left and not taken care of," Helmar said. "You would have thought someone like that would have been a little more responsible."

The home is only a few minutes' drive from the Capitol. It is about 1,600 square feet, and has three bedrooms and 11/2 baths. It sits on a corner facing Curtis Park.

"It's your typical 1920s house," she said. "Hardwood floors, wallpaper. It's not huge, but it served us for a lot of years."

The neighborhood is known as affluent and politically liberal. A mayoral candidate lives nearby, and a former state senator lives three doors down.

"It is a very stable neighborhood," said Charlene Singley, the Realtor who sold the home to Richardson. "It has been affected by the downturn, however, because it is in the older, more established area of Sacramento, and it is close to the downtown urban core. It is one of the few neighborhoods that has not been hit as hard."

Singley was surprised to hear that the home had gone into foreclosure.

Although Richardson did not pay her property taxes or the balance of her loan, she has begun repaying the loans that she issued to her own political campaign.

Richardson, a former Long Beach city councilwoman, still owns a home in Long Beach.

One of Richardson's first votes upon arriving in Congress last fall was on the Mortgage Forgiveness Debt Relief Act of 2007. The bill helped homeowners by preventing the federal government from charging income tax on debt forgiven in a foreclosure, such as the $200,000 forgiven in Richardson's foreclosure.

Joining 385 of her colleagues, Richardson voted aye.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue I WMC40 I Seattle WA 98101

206.500.2822 direct I 206.228.[redacted]cell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Thursday, May 22, 2008 1:33:03 PM
To: Battaglia, Paul J.
CC: Owen, Jan L.
Subject: More info re: York

Money, Finance & Business

See other Money, Finance & Business Articles
Title: **Congresswoman defaults on (mortgage) loan**

Source: **Long Beach (Calif.) Press-Telegram**

URL Source: http://www.presstelegram.com

Published: **May 22, 2008**

JPMC - 002632
CONFIDENTIAL
CSOC.RICH.004125

Author: **(unknown)**

Post Date: **2008-05-22 12:35:46** by **glc1173**

3 Comments

***Rep. Laura Richardson lost her Sacramento home in a foreclosure auction two weeks ago*, and left behind nearly $9,000 in unpaid property taxes.**

Richardson, D-Long Beach, appears to have made only a few payments on the house, which she bought in January 2007 for $535,000.

After buying the home, Richardson hardly had time to live in it. Three months later, Rep. Juanita Millender-McDonald died and Richardson - then a freshman member of the state Assembly - launched a campaign to replace her in Congress.

Richardson won the election, pouring in $77,500 in personal loans to her own campaign. Around the same time, she stopped making payments on the Sacramento house. The bank issued a default notice in December, and the home was sold at a public auction on May 7 for $388,000.

Richardson declined Wednesday to be interviewed about the foreclosure, which was first revealed in Capitol Weekly, a Sacramento-based publication. But in a statement, Richardson denied that the home was in foreclosure and said it had not been seized by the bank.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement - with no special provisions," Richardson said in the statement. "I fully intend to fulfill all financial obligations on the property."

That would come as a surprise to James York, the Sacramento real estate broker who bought Richardson's house at auction. York specializes in buying and selling foreclosed homes, and said he eventually intends to resell Richardson's home, which overlooks a park in an upscale neighborhood. York produced a trustee's deed confirming that his company, Red Rock Mortgage Inc., owns the house.

York said the house was relatively clean when he found it, at least compared with other foreclosed homes, though the garage was "full of trash to the ceiling." Workers have been cleaning it out and tending to the yard, which had been left unmowed for months.

When he bought the house at 3622 W. Curtis Drive, York assumed responsibility for Richardson's unpaid property tax bill of $8,950.79.

"Tell Laura I'd be happy to have her pay my property tax," York said.

The real loser in the deal was Washington Mutual Bank, which issued Richardson a $535,000 loan with no money down in January 2007. By the time the default notice was issued, Richardson was underwater on the loan. She owed about $575,000, including $18,000 in missed payments.

Washington Mutual ended up writing off nearly $200,000 of that debt to get rid of the home.

"They took a beating," York said.

The previous owner of the home, Sharon Helmar, said the neighbors were "appalled" that Richardson was not maintaining the lawn. Another neighbor said that until recently the grass was about a foot high.

"It's kind of heartbreaking to see something you've worked on for 30 years be left and not taken care of," Helmar said. "You would have thought someone like that would have been a little more responsible."

The home is only a few minutes' drive from the Capitol. It is about 1,600 square feet, and has three bedrooms and 11/2 baths. It sits on a corner facing Curtis Park.

"It's your typical 1920s house," she said. "Hardwood floors, wallpaper. It's not huge, but it served us for a lot of years."

The neighborhood is known as affluent and politically liberal. A mayoral candidate lives nearby, and a former state senator lives three doors down.

"It is a very stable neighborhood," said Charlene Singley, the Realtor who sold the home to Richardson. "It has been affected by the downturn, however, because it is in the older, more established area of Sacramento, and it is close to the downtown urban core. It is one of the few neighborhoods that has not been hit as hard."

Singley was surprised to hear that the home had gone into foreclosure.

Although Richardson did not pay her property taxes or the balance of her loan, she has begun repaying the loans that she issued to her own political campaign.

Richardson, a former Long Beach city councilwoman, still owns a home in Long Beach.

One of Richardson's first votes upon arriving in Congress last fall was on the Mortgage Forgiveness Debt Relief Act of 2007. The bill helped homeowners by preventing the federal government from charging income tax on debt forgiven in a foreclosure, such as the $200,000 forgiven in Richardson's foreclosure.

Joining 385 of her colleagues, Richardson voted aye.

Sara Gaugl

Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Thursday, May 22, 2008 12:29:24 PM
To: Owen, Jan L.; Battaglia, Paul J.; Cook, Don
Subject: Congresswoman's Home Sold in Foreclosure Auction

FYI. Please see bolded text below.

Congresswoman's Home Sold in Foreclosure Auction – *WSJ*

Congress has turned its attention to solving the foreclosure crisis even as one of its members has lost a home in a foreclosure auction.

The Sacramento home of Rep. Laura Richardson was sold in a public auction two weeks ago for $388,000. The Southern California Democrat bought the house for $535,000 with no money down in January 2007 and owed nearly $575,000 to Washington Mutual when the mortgage was sold earlier this month at a significant loss to Red Rock Mortgage Inc.

Rep. Richardson, a former Long Beach city council member, bought the home after winning a seat in California's state assembly. She maintains her primary residence, a four-bedroom home, in her Long Beach district. Months later, Rep. Richardson ran in a hard-fought election for the congressional seat, which was vacated when the late Rep. Juanita Millender-McDonald died from cancer. To fund that campaign, Rep. Richardson lent herself more than $75,000 and stopped making payments on the Sacramento home around the same time.

The story was first reported by the Capitol Weekly, a Sacramento publication.

Rep. Richardson said in a statement Wednesday that the home is not in foreclosure and had not been seized by the bank. "I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement — with no special provisions. I fully intend to fulfill all financial obligations of this property."

But James York, the Sacramento broker who bought Richardson's house at auction, told the Long Beach Press-Telegram that he planned to resell the home. The three-bedroom, 1.5-bathroom house sits on a 1,600 square foot parcel.

Richardson didn't vote on the housing rescue deal that passed the House of Representatives two weeks ago and in a statement attributed her absence to her father's funeral. But Richardson did vote last fall in favor of the Mortgage Forgiveness Debt Relief Act, which passed and prevents the federal government from charging income tax on debt forgiven as a consequence of foreclosure. –*Nick Timiraos*

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 22, 2008 2:19 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: Richardson/AP Article

Good evening, Paul.

REDACTED

Jan - please note that Richardson's chief of staff told the AP that the mortgage on the home had been sold but that the house had not, though county records appear to indicate the property was sold to a third-party.

Calif. congresswoman's home threatened with repo
By DON THOMPSON

SACRAMENTO, Calif. (AP) — Rep. Laura Richardson has an unusual perspective on the housing foreclosure bills moving through Congress: One of her own homes was threatened with repossession after she failed to pay the mortgage.

Richardson, a Southern California Democrat, bought a two-story home in a leafy, upper-middle-class neighborhood of Sacramento in January 2007, just months after winning a seat in the state Assembly.

She bought the three-bedroom, 1 1/2-bath home in the state capital for $535,500. The bill collectors started knocking soon after, according to records reviewed Wednesday by The Associated Press.

The city utility department placed a lien on her property in June 2007 for $154 in unpaid bills, according to documents at the Sacramento County recorder's office. In December, she received a default notice on the mortgage from the collection agency of Washington Mutual Inc., her lender. At that point, she owed $18,356.

At the time, she had left the Legislature after a quick rise from the Long Beach City Council and moved to Washington after winning a special election to fill a vacant congressional seat. Richardson on Wednesday blamed the frequent job-shifting for financial problems related to the Sacramento property.

A default notice in March this year put the "unpaid balance and other expenses" at $578,384 and said her 1,639-square-foot house would be auctioned at a trustee sale.

County records show the property was sold to a company called Red Rock Mortgage Inc. of Sacramento for $388,000 — although the county assessor's office continues to list Richardson as the owner. No listing could be found for Red Rock.

That sale was officially recorded Monday, according to the records. But Richards said the home was not in foreclosure and had not been seized.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement — with no special provisions," Richardson said in a statement Wednesday. "I fully intend to fulfill all financial obligations of this property."

Richardson's chief of staff, Kimberly Parker, told the AP that the mortgage on the home had been sold but that the house had not. The collection agency referred inquiries to Washington Mutual, which did not return a call.

A real estate agent's lock box hung Wednesday from the front door of the 1926-vintage house.

Records at a Sacramento County tax office also show Richardson is delinquent in paying $8,950 in property taxes.

Richardson moved from the Long Beach City Council to her Assembly seat in 2006, and the next year won a special election to represent a heavily Democratic congressional district that includes Long Beach.

Congressional records show Richardson did not cast votes May 8 on three bills related to the Foreclosure Prevention Act. In her statement, she said she was away from Washington because of her father's funeral.

"I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable," Richardson said in her statement.

Sara Gaugl
Home Loans Public Relations
WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Accepted: Congresswoman Richardson Update
Location: 877-709[redacted]passcode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L[redacted]
Resources: 877-709[redacted]passcode

Subject: Congresswoman Richardson Update
Location: 877-709[illegible]asscode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.; Cook, Don; Baptista, Geri Ann S.; GM_CSM_DTE; Kallner, Brad
Resources: 877-709[illegible]#[illegible]passcode

When: Thursday, May 22, 2008 11:00 AM-12:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[illegible]#[illegible]passcode

~~*~*~*~*~*~*~*~*

From: Woodcock, Wendy A.
Sent: Wednesday, May 21, 2008 7:48:12 PM
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Foreclosure Notes re: Richardson

Attachments: [redacted]-2.doc

[redacted].doc
(30 kB)

Here are the Collections notes regarding the 10/07 repayment plan we offered.

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

From: Woodcock, Wendy A.
Sent: Wednesday, May 21, 2008 4:40 PM
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: Foreclosure Notes re: Richardson

<< File:[redacted].doc >>

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.

Washington Mutual
7255 Baymeadows Way
Jacksonville, FL 32256

904.886.1309 direct
904.886.1325 fax
wendy.woodcock@wamu.net

WaMu – Simpler banking and more smiles.

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

COL 101307 I9C LETTER SENT CL497 Repayment Plan-Pgs 1 & 2
COL 101307 I9C MADE REPAY PLAN
COL 101307 I9C BORR #1 CALLD JIT AUTH/AGRD FEE
CURTAILMENT/INCOME12015.00 1103
COL 101307 I9C LETTER SENT AG JIT DBT INIT 1564723145
COL 101307 I9C JIT DRAFT INITIATE 1564723145 12015.00 1103
SER 101307 I9C JIT DEBIT INITIATED 1564723145 AEGIS
COL 101307 I9C RFD CHANGED JOBS../FINAN ISSUES...
COL 101307 I9C OWNER OCC VRFD HP/BP/SS#

COL 101307 $BT CHANG PLAN 01: 03 PYMTS, TOT 24450.00, END 12/25/07
COL 101307 $BT CHANG PLAN 01: 04 PYMTS, TOT 30675.00, END 01/25/08
COL 101307 $BT CHANG PLAN 01: 05 PYMTS, TOT 36900.00, END 02/25/08
COL 101307 $BT CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
COL 101307 @RS INCOMING CALL TALKED TO LAURA RICHARDSON. BITB
INTERVIEW CONDUCTED BY U242300, REFER TO INTERVIEW N
UMBER 423436
COL 101307 @RS CURTAILMENT/INCOME
COL 101307 @RS S/W BORR #1 RPA APPROVED CURTAILMENT/INCOME
COL 101307 @RS FINANCIAL INFORMATION AS ON 10/13/2007: MONTHLY IN
COME = $13,000.00 MONTHLY EXPENSES = $11,002.98(IN
CLUDES MORTGAGE)
COL 101307 I9C GAVE STATUS
COL 101307 I9C SW BRW ADV OF TAD,../FRCL ETC /STTD WAS OUT OF CNT
.../HAD RPA.../ADV BROKEN.../
COL 101307 I9C SW BRW TK JIT IAO 12000.00+15.00PF ON 1031 AS DWPM
FR RPA...

COL 101307 AVA ANS. MACH.-NO MSG
COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/31/08
COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
COL 101307 $BT ADDED PLAN 01: 01 PYMTS, TOT 22197.42, END 10/20/07
COL 101307 $BT CHANG PLAN 01: 01 PYMTS, TOT 12000.00, END 10/26/07
COL 101307 $BT CHANG PLAN 01: 02 PYMTS, TOT 18225.00, END 11/25/07

COL 113007 *** BROKEN-PLAN PAID LESS
COL 111907 *** SCORE 229 111707 AGT E90S DAYS DEL 110 RISK E
SER 110507 $JU REVWD FTV RPT; MTGR ON REPAY PLAN. NO ACTION
TAKEN.
COL 110507 *** VACANT SECURED CONDITION ON 110107 FNFS
COL 110507 *** SCORE 229 110307 AGT E90S DAYS DEL 096 RISK E
SER 102307 D0P FROM MEM1:

TITANIUM RESULTS:ALL ATTEMPTS TO CONTACT H/O VIA
VISITS AN PHONE HAVE BEEN EXHAUSTED AND THERE HAS
BEEN NO RESPONSE T MSGS LEFT/RFD UNKNOWN/
RFD-UNKNOWN /OCCUP-UNKNOWN/EXT-5 /INT-N/A/
OVERALL-5 NIGH-STABLE/NOT LISTED/VALUE-560000.00
SER 102307 D0P FROM MEM1:
TITANIUM RESULTS:ALL ATTEMPTS TO CONTACT H/O VIA
VISITS AN PHONE HAVE BEEN EXHAUSTED AND THERE HAS
BEEN NO RESPONSE T MSGS LEFT/RFD UNKNOWN/

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Wednesday, May 21, 2008 5:17 PM
To: Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

-----Original Message-----
From: Kallner, Brad
Sent: Wednesday, May 21, 2008 2:16 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan; Siedzik, Tasha A.; Smith, Kimberly
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

I have checked with Kim, we tried to work a modification, unfortunately she had a deficit monthly of over $2,100. We placed the original foreclosure sale date on hold for 30 days in April. The loan went to sale on 5/7/08, third party outbid.

Sara, please feel free to give Kim or I a call if you need to discuss.

Brad

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 1:24 PM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -
Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 1 Seattle WA 98101
206.500.2822 direct I [redacted] cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----
From: Kevin Gould <[redacted]
To: FSIR Meeting Group <[redacted]>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

From: Alvarez, Rosalva R.
Sent: Wednesday, May 21, 2008 5:08:19 PM
To: Battaglia, Paul J.; Owen, Jan L.
Subject: FW:

Attachments: Richardson reinstatement.doc

Rosie Alvarez
Executive Response Team
Customer Relations Manager
Washington Mutual Bank
(800) 225-5497 Opt. 1 Ext. 467
Fax (206) 965-3082

" I long to accomplish great and noble tasks, but it is my chief duty to accomplish humble tasks as though they were great and noble. The world is moved along, not only by the mighty shoves of its heroes, but also by the aggregate of the tiny pushes of each honest worker." Helen Keller-

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Banks, Donna R.
Sent: Wednesday, May 21, 2008 2:07 PM
To: Alvarez, Rosalva R.
Subject:

Richardson reinstatement.doc (25 kB)

Donna Banks
Default Specialist II
Washington Mutual Bank

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [redacted]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732-[redacted]

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

From: Woodcock, Wendy A.
Sent: Wednesday, May 21, 2008 4:40:02 PM
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: Foreclosure Notes re: Richardson

Attachments: [redacted].doc

[redacted].doc
(32 kB)

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.

Washington Mutual
7255 Baymeadows Way
Jacksonville, FL 32256

904.886.1309 direct
904.886.1325 fax
wendy.woodcock@wamu.net

WaMu – Simpler banking and more smiles.

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

NOTS CONSOLIDATED NOTES LOG 05/21/08 16:34:30
L RICHARDS L:R F:A B: R: DUE 08/01/07 TYPE CONV. RES. ARM
ANA Y ARM Y ASM Y BLN Y BNK Y CCN Y COL Y ELC Y FOR Y HAZ Y
LMT Y
MIP Y PIF Y PMT Y REO Y SER Y TAX Y TSK Y DATE SELECT: MMDDYY
PRINT: _
----------* PF8 FOR MORE *----------
FOR 040408 @VU LOSS MITIGATION WORKOUT HOLD OPENED: 4/4/2008
FOR 040408 @VU RYAN PACUBAS - (CONT) - **OR 60 DAYS TO ALLOW THE BORROWER TO REINSTATE THE LOAN.** SHE IS A PROMINENT P
OLITICAL FIGURE. STATUS: ACTIVE, AWAITING APPROVAL
. HOLD START: 4/4/2008
FOR 040408 @VU RYAN PACUBAS SYSTEM UPDATED FOR THE FOLLOWING
EVE
NT: USER HAS PLACED THE FILE ON HOLD. HOLD REASON:
LOSS MITIGATION WORKOUT. HOLD COMMENTS: DESTINY W
HITEHEAD, FIDELITY CLOSED BY: N.A. REVIEWED BY:
N.A. REVIEWED: N.A. PROJECTED END: N.A. DAYS O
PEN: 0 COMMENTS: FROM: DOLAN, ALLISON A. MAILTO
:ALLISON.DOLAN@WAMU.NET SENT: THURSDAY, APRIL 03,
2008 5:03 PM TO: HOLDFCL@FNFS.NET SUBJECT: DTE**
LAURA RICHARDSON LOAN # IMPORTANCE: HIGH
PLEASE PLACE THE ABOVE LOAN ON FORECLOSURE HOLD F
FOR 040408 @VU RYAN PACUBAS SYSTEM UPDATED FOR THE FOLLOWING
EVE
NT: USER HAS APPROVED THE HOLD. HOLD TYPE: LOSS MI

FOR 040408 @VU TIGATION WORKOUT. STATUS: ACTIVE, APPROVED.
FOR 040408 @VU RYAN PACUBAS SYSTEM UPDATED FOR THE FOLLOWING
EVE
NT: USER HAS ENDED THE ISSUE ASSOCIATED WITH THIS
LOAN. ISSUE TYPE: HOLD FC. COMMENTS: HOLD FC.
FOR 040408 @VU RYAN PACUBAS USER HAS COMPLETED THE SALE
SCHEDUL
ED FOR DATA FORM WITH THE FOLLOWING ENTRIES: PREV
IOUS SALE DATE: : 4/7/2008 SALE POSTPONEMENT REAS
ON: : LOSS MITIGATION
FOR 040408 @VU RYAN PACUBAS SYSTEM UPDATED FOR THE FOLLOWING
EVE
NT: USER HAS APPROVED THE ISSUE. ISSUE TYPE: HOLD
FC. STATUS: ACTIVE, APPROVED.
FOR 040408 @VU PATTI KELLY A FEES AND COSTS REQUEST HAS BEEN
COM
PLETED FOR THIS LOAN BY PATTI KELLY

FOR 040408 @VU PATTI KELLY A FEES AND COSTS REQUEST HAS BEEN
COM
PLETED FOR THIS LOAN BY PATTI KELLY
FOR 040408 @VU SIERRIE HERRADURA A FEES AND COSTS RESPONSE
COMME
NT HAS BEEN COMPLETED FOR THIS LOAN BY SIERRIE HER

----------* PF8 FOR MORE *----------
FOR 040408 @VU RADURA
FOR 040408 @VU SIERRIE HERRADURA FEES AND COSTS RESPONSE:
GOOD
THROUGH:4/7/2008 FEES: 0.00 COSTS: 36.00 COMMENT:
CRC FEES/COST OUTSTANDING G/T 4.06.08 $ 36.00
FOR 040408 @VU DESTINY WHITEHEAD SYSTEM UPDATED FOR THE
FOLLOWIN
G EVENT: USER HAS CREATED A PROCESS-LEVEL ISSUE FO
R THIS LOAN.ISSUE TYPE: HOLD FC. ISSUE COMMENTS: F
ROM: DOLAN, ALLISON A. MAILTO:ALLISON.DOLAN@WAMU.
NET SENT: THURSDAY, APRIL 03, 2008 5:03 PM TO:
HOLDFCL@FNFS.NET SUBJECT: DTE** LAURA RICHARDSON
LOAN # [redacted] IMPORTANCE: HIGH PLEASE PLAC
E THE ABOVE LOAN ON FORECLOSURE HOLD FOR 60 DAYS T
O ALLOW THE BORROWER TO REINSTATE THE LOAN. SHE I
S A PROMINENT POLITICAL FIGURE. STATUS: ACTIVE
FOR 040408 @VU PETER RHODEN SYSTEM UPDATED FOR THE FOLLOWING
EVE
NT: USER HAS ENDED THE ISSUE ASSOCIATED WITH THIS
LOAN, ISSUE TYPE: REINSTATEMENT QUOTE REQUEST. COM

FOR 040408 @VU MENTS: REINSTATEMENT GOOD THROUGH 04-07-08
UPLOADE
D INTO NIE..
FOR 040408 @VU PETER RHODEN USER HAS COMPLETED THE F101
REINSTA
TED DATA FORM WITH THE FOLLOWING ENTRIES: GOOD TH
ROUGH DATE: : 04-07-08 SPECIAL INSTRUCTIONS: :
FOR 040408 @VU PETER RHODEN A FEES AND COSTS REQUEST HAS BEEN
EN
TERED FOR THIS LOAN BY PETER RHODEN, GOOD THROUGH
4/7/2008
FOR 040408 @VU ALLISON DOLAN SYSTEM UPDATED FOR THE
FOLLOWING EV
ENT: USER HAS CREATED A PROCESS-LEVEL ISSUE FOR TH
IS LOAN.ISSUE TYPE: REINSTATEMENT QUOTE REQUEST. I
SSUE COMMENTS: PLEASE EMAIL ME A REINSTATEMENT AMO
UNT WITH FEES AND COSTS TO ME ASAP AT ALLISON.DOLA

N@WAMU.NET. THIS IS FOR AN EXECUTIVE ISSUE. THAN
KS. STATUS: ACTIVE
COL 040408 MED F/U ON ACCT FILE HAS BEEN SUBMITTED FOR HOLD
JANICE01349

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 28, 2008 4:09 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Schneider, David C. <david.schneider@wamu.net>; Berens, John <john.berens@wamu.net>; Champney, Steven D. <steven.champney@wamu.net>
Subject: Comments by York re: Foreclosure Sale

Paul and Don -
Gene Maddaus posted an update to his earlier articles about an hour ago - see below. The story, which focuses on the validity of the foreclosure sale, includes numerous comments made by James York re: his current position.

In part, he says he's going to hang on to the house and would be surprised if WaMu sues to get it back. He then goes on to say that in this particular case, there isn't anything for WaMu to gain on the backside except for a congresswoman's good will.

Ann: You should also be aware that Richardson described her agreement with WaMu as a loan modification, and said she had begun making payments on it. I know that you've already discussed this with her directly, but wanted to give you a heads up.

- Sara

Richardson faces fight for house
SOUTH BAY: Odds seem to be against the congresswoman getting her auctioned home back.
By Gene Maddaus
05/27/2008 11:38:22 PM PDT

South Bay Rep. Laura Richardson will face an uphill fight as she tries to reclaim her Sacramento house, which was sold in a foreclosure auction three weeks ago.

Richardson, a first-year Democrat, said last week that she is working with her lender to try to rescind the auction on the grounds that it was held in error.

A real estate broker, James York, bought the house May 7 for $388,000. Richardson argues that she had previously made an agreement with her lender, Washington Mutual, to reinstate her loan, which should make the auction invalid.

But several attorneys said Tuesday that the law in such cases is stacked in favor of the buyer at a foreclosure auction. Only in rare cases can an auction be overturned.

"It's gonna be very, very hard - even if the sale itself was improper - to get the sale reversed," said Richard Timan, an attorney who has handled similar cases. "People who don't make payments are not beloved by judges."

York said Tuesday that he plans on hanging on to the house and would be surprised if Washington Mutual sues to get it back.

"I'm not too worried about it," he said. "Once you get the deed, it's pretty much a done deal."

In California, two appellate decisions from 2005 deal with such cases.

In Melendrez v. D&I Investment Inc., the court held that a foreclosure sale was valid, even though the Melendrez family, of Watsonville, believed it had agreed to a repayment plan and had begun making payments.

"The Melendrez family had the same claim as the congresswoman does," said Timan, the

plaintiff's attorney on the case, "which is that they had actually worked out a deal with the bank, and the bank hadn't documented it properly."

But all that mattered to the appellate court in that case was that D&I Investment was a "bona fide purchaser" - meaning, essentially, that the company bought the house in a fair auction, without committing fraud. The auction was upheld.

The other case, Bank of America v. La Jolla Group II, offers a ray of hope for Richardson. In that case, the Selesia family of Fresno fell behind on a loan with Bank of America. Before an auction was held, the family paid the entire arrearage on the loan. But the auction was erroneously held anyway, and the La Jolla Group II purchased the property.

The court voided the auction.

"Now it opens up the door for almost any sale to be challenged," said Susan Moore, who argued the case for the La Jolla Group II. "The trend seems to be moving more towards favoring the homeowner."

Richardson who has also defaulted on her two other homes in Long Beach and San Pedro described her agreement with Washington Mutual as a loan modification, and she said she had begun making payments on it.

Glenn Wechsler, who argued for Bank of America, noted that his case was limited to a reinstatement in which the entire arrearage was paid. He said he was unaware of a precedent that dealt directly with Richardson's circumstances.

But he said that often borrowers think they have an agreement to stop a foreclosure, when they don't. Assuming York is a bona fide purchaser, a judge will start from the "conclusive presumption" that the foreclosure sale was valid, Wechsler said.

York said the Bank of America case does not apply because Richardson did not pay off the entire arrearage.

"I know that for a fact," he said. "If I knew that she sent the money in on time, I would probably be thinking something different. But I know she didn't send it."

Additionally, he said he did not see why Washington Mutual would want to sue him to get the loan back.

"When the market was sky high, we would end up in lawsuits because there was equity in all the homes, and there's actually something to gain," he said. "In this case, there isn't anything to gain on the backside, except for a congresswoman's good will."

Without a reinstatement, Richardson will be unable to repay the $9,000 in back taxes on the property.

As it stands, York has assumed responsibility for Richardson's tax bill.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 10:24:02 PM
To: Thorn, Ann; Elias, Alan; Owen, Jan L.; Cook, Don; Battaglia, Paul J.
CC: Schneider, David C.; Berens, John; Champney, Steven D.
Subject: Update: Congresswoman obtains spokesperson

All:
FYI - it appears that Congresswoman Richardson has now engaged a spokesperson -- William Marshall. Among other things, he states that Ms. Richardson is awaiting clarification from WaMu as to whether she had secured new loan terms in time, but that she is still in fact the owner of her Sacramento home (though public records state otherwise).

I'll continue to let you know of any other new developments as reported by the media.

- Sara

Rep. Richardson defaulted on three Calif. home loans – *The Hill*
By Jared Allen
05/27/08

The tale of Rep. Laura Richardson's (D) personal housing crisis got even more captivating Tuesday as her office said the freshman lawmaker defaulted on loans she took out for not just one, but three, California homes.

The news of one of Richardson's properties recently being sold at auction captured widespread attention last week in the wake of the nation's housing crisis. But that was only part of the story.

Richardson's office said Tuesday she has caught up on her payments and renegotiated the terms of loans she took out to purchase homes in San Pedro and Long Beach, Calif. Her office confirmed that the lawmaker defaulted on both of these homes and was risking foreclosure when she went months without making payments.

A third home that Richardson borrowed heavily to move into in Sacramento was sold at auction earlier this month — at a $150,000 loss to the bank that issued her the $535,000 loan.

William Marshall, a spokesman for Richardson, said on Tuesday that she was still awaiting clarification from her lender, Washington Mutual, as to whether she had secured new loan terms in time and was still, in fact, the owner of the home.

Richardson told The Associated Press on Friday that she was surprised to learn that the home was sold at the May 7 auction. She claimed that the sale never should have happened because she had renegotiated her loan to pay it off.

Even as that was happening, ethics watchdogs were crying foul over Richardson's personal finances and questioning how she was able to lend her campaign to Congress $77,500 in the midst of multiple home loan defaults.

Federal Election Commission (FEC) reports show that Richardson loaned her campaign a total of $77,500 — in three installments — between June and July of 2007.

Richardson's year-end FEC filing showed that her campaign still had $331,000 worth of debt but $116,000 cash-on-hand.

Marshall was unable to immediately answer questions about whether Richardson borrowed against any of her home equity — from homes she defaulted on — to finance her House campaign.

But he did not dispute reports that Richardson had done the very same thing the year prior when she borrowed $100,000 against her Long Beach home — whose mortgage she later defaulted on — to loan to her campaign for the California General Assembly. She repaid that personal loan in its entirety, according to Los Angeles media outlets.

Melanie Sloan, executive director of the Citizens for Responsibility and Ethics in Washington, criticized Richardson for falling deeper into debt while choosing to spend more than $77,500 of her own money on her campaign. She suggested that Richardson's actions only demonstrated her belief that winning a seat in Congress is more important that practicing personal fiscal responsibility.

Sloan added Richardson should not be in the situation she is while making a congressional salary when homeowners

around the country making $50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Meredith McGehee, policy director for the Campaign Legal Center, said it would be reasonable for the FEC to look into the timing of the loan against the timeline of Richardson's home loan defaults.

"In situations like this it's very important for whoever loaned her the money to demonstrate that they treated her equitably, not favorably," McGehee said. "Otherwise, you're getting into a situation of a corporate underwriting of a campaign."

Richardson's FEC reports do not spell out the terms of her personal loans to her campaign.

Richardson originally came under scrutiny last week when it was learned that a home she owned in Sacramento was sold at auction after it went into foreclosure.

As well as her $535,000 home in Sacramento, a home that Richardson owned in San Pedro — which she borrowed $359,000 to obtain — went into default in September 2007 when she became more than $12,000 behind in her payments.

In addition, Richardson's primary residence in Long Beach went into default just two months ago after she failed to make a payment for four months and owed nearly $20,000 on the property.
Marshall declined to give details of the new loans that he said Richardson was able to secure.

Richardson last week told reporters in California that her experience makes her particularly well-suited to help Congress legislate a solution to the nation's housing crisis, saying she hoped to testify before congressional committees on the issue.

And when Congress returns following the Memorial Day recess, reconciling the House and Senate versions of the legislation designed to help the housing market rebound will be on the top of the agenda.

Richardson did not vote on the version of the Foreclosure Prevention Act that passed the House, but said she missed the vote only because she was attending her father's funeral.

Richardson was a member of the Long Beach City Council when she won a California General Assembly seat in November 2006, months before she purchased the home in Sacramento. She won the congressional seat the following year in the special election to replace the late Rep. Juanita Millender-McDonald (D).

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Saturday, May 24, 2008 1:29 AM
To: Schneider, David C. <david.schneider@wamu.net>; Berens, John <john.berens@wamu.net>; Champney, Steven D. <steven.champney@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Confidential: Richardson Update

REDACTED

Best,

Sara

Congresswoman Richardson had defaulted on 3 homes, records show
By Gene Maddaus, Staff Writer
05/23/2008

Rep. Laura Richardson, who lost her Sacramento home in a recent foreclosure auction, has also defaulted on two other properties in Long Beach and San Pedro, records show.

Richardson, D-Long Beach, was able to bring her payments up to date on the Long Beach home relatively quickly, but the San Pedro property lingered in the foreclosure process for almost eight months, and still has a pending auction date.

In her first interview since the news broke Tuesday that her Sacramento home had been foreclosed, Richardson blamed the foreclosure on a miscommunication by her lender. She did not apologize for failing to make payments on three separate homes and expressed no regret for failing to pay nearly $9,000 in property taxes.

In her only admission of fault, she said she could have acted more quickly to correct the situation.

"I should have moved forward in an earlier fashion," she said. "I acknowledge that. I intend never to conduct business in that fashion again."

Asked how she planned to reimburse the state for her unpaid property taxes, Richardson said, "I have financial obligations, and I will fulfill those financial obligations. There will be no debts to the state of California."

In an hour-and-a-half interview in the offices of the Long Beach Press-Telegram, Richardson declined to answer numerous detailed questions about her finances. For example, she refused to discuss the mortgage terms on the Sacramento house, refused to say how many payments she had made, and refused to say when she learned that the mortgage was in default.

A notice of default was issued in December, but Richardson offered no evidence that she had taken any remedial action before April. By then, the auction had already been scheduled for one month.

The home, which Richardson bought in January 2007 for $535,000, sold at auction on May 7 to a real estate investor for $388,000. The lender, Washington Mutual Bank, took a loss of nearly $200,000 on the deal, and the buyer, James York, agreed to pay her property tax

bill.

Richardson said that she was not aware the home had sold until she was contacted by reporters this week. She produced correspondence from Washington Mutual Home Loans, dated April 17, which indicated that her loan was reinstated and the auction would be put on hold until June 4.

She produced an e mail, dated Thursday, indicating that she was trying to work with the lender to have the foreclosure rescinded.

A spokeswoman for Washington Mutual Bank, Sara Gaugl, declined to comment on the matter.

"We have not received consent from Ms. Richardson that would allow us to discuss her loan situation," Gaugl said.

County records indicate that the San Pedro home went into default in September 2007, at which point Richardson was behind on her payments by $12,410.71, and had made no payments since June.

A notice of trustee sale was issued on April 17, and an auction was scheduled for May 14 on the courthouse steps in Norwalk. The outstanding loan balance was $367,436, on an original 2005 loan of $359,000.

However, the auction was put on hold.

Richardson produced records from Wells Fargo Bank, which holds the note on her San Pedro home. That document, dated March 21, indicated that Richardson had qualified for a loan modification which would prevent the foreclosure from going forward.

Cal Western Reconveyance Corp., which was responsible for collecting the debt, confirmed that a hold had been placed on the auction, and the auction date had been postponed to July 14, pending a workout of the loan.

Again, Richardson produced no document to confirm that she took any remedial action on the San Pedro property before March.

The Long Beach home, which is Richardson's primary address, went into default on March 28.

Richardson had not made a payment on the house since November, and owed $19,921.74 on the property. Three days later, the default was rescinded, indicating that Richardson had arranged to make the payments.

While Richardson did not apologize for her actions, she did attempt to explain them.

In 2005, Richardson was a Long Beach councilwoman and a staffer for Lt. Gov. Cruz Bustamante. She was elected to the Assembly in 2006 and then to Congress in 2007, to fill a seat vacated by the death of Rep. Juanita Millender-McDonald.

Richardson loaned her Assembly campaign $100,000 in the summer of 2006, borrowing against the equity in her Long Beach home. After her election, she raised enough money to pay herself back, but immediately had to plow $77,500 in loans to her congressional campaign.

"I am not financially wealthy," she said. "I am not a millionaire. Based upon what I was going through, changing four jobs in less than one year, I think any American would understand what that does in terms of a person's financial stability."

As a member of Congress, Richardson makes $169,300 a year. As a member of the Assembly, she made about $116,000, plus a per diem for living expenses in Sacramento.

When it was pointed out that the average American makes far less than that, Richardson responded, "The average American is not responsible for maintaining several households."

Richardson said she did not make an effort to sell the Sacramento home, even after she was elected to Congress, and still hoped to rent it out.

Richardson attempted to link her situation to the plight of others facing foreclosure, and said the experience would help make her a better advocate on foreclosure issues.

"I think this is what many Americans are unfortunately facing right now," she said. "I am concerned that I can take what I have learned from this to help somebody else. Many people are one step away from issues that are life-changing moments. When a person moves across the country, that is a life-changing moment."

Richardson noted that unlike the state Legislature, the U.S. Congress does not provide for living expenses.

"On the federal level, there is no per diem," she said. "They don't pay for you to move."

Richardson is renting an apartment in the Washington, D.C., area. She declined to disclose or discuss her credit score.

She has begun to pay down her congressional campaign debt, and repaid herself $18,000 of the $77,500 in personal loans. She still owes $220,000 to her campaign consultant - which is unusual for a successful campaign - and about $330,000 overall.

Richardson said she would advise anyone in her circumstance "to seek assistance immediately" and to maintain contact with their lenders.

She said she ultimately hopes to testify about her situation in front of the Senate, and will write to the president to urge him to sign a package of foreclosure legislation.

"We need to put a better process in place, so a person's home is not being sold up underneath them," she said. "We have to improve the way we respond to this crisis."

From: Gaugl, Sara C.
Sent: Fri 05/23/2008 8:48 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.
Subject: Confidential: Richardson Update

David, John and Steve:

So you are aware, earlier this evening Congresswoman Richardson talked with a number of media outlets including the Associated Press. As outlined in the AP article embedded below, she's claiming that the foreclosure auction of her Sacramento home was "improper" and contrary to a written agreement she had with WaMu. She also said that we've taken initial steps to rescind the foreclosure action given that she had an "agreement."

Legal, HL PR., Corp. Comm., Servicing and GIR will stay closely aligned as this situation continues to evolve. After discussing this afternoon, we unfortunately are still limited on what we can disclose about Ms. Richardson's loan situation (outside of public record) given that she's won't provide her consent. We have and will continue to emphasize that fact to the media, and will point them back to the public record, which indicates a history of default.

We'll continue to update you on new developments, however in the interim, please let us know if you have any questions.

Best,

Sara

****

*Please note that this article is in draft form - the reporter provided it to me in advance of publication.

AP Interview: Calif. congresswoman says home sale 'improper'
By ERICA WERNER Associated Press Writer

WASHINGTON (AP) _ Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly $9,000 in delinquent property taxes.
She insisted she's not getting special terms because she's a congresswoman.

I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1½-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

The problem is that the 1,600-square-foot home she bought for $535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid $388,000. The sale was officially recorded on Monday, according to documents on file with the Sacramento County Recorder's Office.
A default notice sent to Richardson in March put her unpaid balance at $578,384.

Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around $50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

Others also don't have to depend on winning an election to ensure their livelihood, she said.

Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

She said she got another letter asking for payments May 2 and paid them, but did not know

the sale was going to happen five days later.

Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the recission of foreclosure sale."

She did not provide documentation of the structure of her new loan.

A Washington Mutual spokeswoman, Sara Gaugl, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

Washington Mutual did not respond to a later inquiry seeking comment on Richardson's claims.

Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt.

James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

"I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. It was in cleaner and in better repair than most foreclosures."

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.

Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate.

In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than $75,000 of her own money on her campaign _ suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.

Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making $50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From:	Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent:	Friday, May 23, 2008 11:48 PM
To:	Schneider, David C. <david.schneider@wamu.net>; Berens, John <john.berens@wamu.net>; Champney, Steven D. <steven.champney@wamu.net>
Cc:	Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject:	Confidential: Richardson Update

David, John and Steve:

So you are aware, earlier this evening Congresswoman Richardson talked with a number of media outlets including the Associated Press. As outlined in the AP article embedded below, she's claiming that the foreclosure auction of her Sacramento home was "improper" and contrary to a written agreement she had with WaMu. She also said that we've taken initial steps to rescind the foreclosure action given that she had an "agreement."

Legal, HL PR, Corp. Comm., Servicing and GIR will stay closely aligned as this situation continues to evolve. After discussing this afternoon, we unfortunately are still limited on what we can disclose about Ms. Richardson's loan situation (outside of public record) given that she's won't provide her consent. We have and will continue to emphasize that fact to the media, and will point them back to the public record, which indicates a history of default.

We'll continue to update you on new developments, however in the interim, please let us know if you have any questions.

Best,

Sara

****

*Please note that this article is in draft form - the reporter provided it to me in advance of publication.

AP Interview: Calif. congresswoman says home sale 'improper'
By ERICA WERNER Associated Press Writer

WASHINGTON (AP) _ Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly $9,000 in delinquent property taxes.
She insisted she's not getting special terms because she's a congresswoman.

I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1½-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

The problem is that the 1,600-square-foot home she bought for $535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid $388,000. The sale was officially recorded on Monday, according to documents on file with the Sacramento County Recorder's Office.
A default notice sent to Richardson in March put her unpaid balance at $578,384.

Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around $50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

Others also don't have to depend on winning an election to ensure their livelihood, she said.

Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

She said she got another letter asking for payments May 2 and paid them, but did not know the sale was going to happen five days later.

Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the recission of foreclosure sale."

She did not provide documentation of the structure of her new loan.

A Washington Mutual spokeswoman, Sara Gaugl, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

Washington Mutual did not respond to a later inquiry seeking comment on Richardson's claims.

Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt.

James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

"I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. It was in cleaner and in better repair than most foreclosures."

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.

Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate.

In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than $75,000 of her own money on her campaign _ suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.

Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making $50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 11:29:37 PM
To: Schneider, David C.
CC: Battaglia, Paul J.; Elias, Alan; Cook, Don
Subject: RE: Congresswoman Laura Richardson – WaMu Foreclosure/Public Relations Item – Attorney Client Privileged Communication

David,
As a follow-up to Paul's message, Capitol Weekly broke this story today (full-text article embedded below for your reference). This "news" has since been reported by a LA Times blogger, and we know that the AP and Washington Post have picked up on the story as well. Additional coverage is expected tomorrow.

- Sara

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 -$40,000

more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Gropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 8:16 PM
To: Schneider, David C.
Cc: Berens, John; Champney, Steven D.; Cook, Don; Owen, Jan L.; Gaugl, Sara C.; Elias, Alan
Subject: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communicaton

David,

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, June 18, 2008 7:38 PM
To: Elias, Alan <alan.elias@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Thorn, Ann <ann.thorn@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: Email from Richardson

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Laura Richardson [redacted]
Sent: Wednesday, June 18, 2008 4:27 PM
To: Gaugl, Sara C.
Cc: Thorn, Ann
Subject: WaMu Statement

Ann,
Could you forward this letter to Sara? I am not sure I have the correct spelling of her name or her email address.

Washington Mutual
1301 2nd Ave.
Seattle , Washington 98101

Dear Sara Gaugl:

Over the last several weeks, I have read the following quotes from you in various newspapers:

"I'm unable to discuss the specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan."

And:

"More broadly, if the loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation."

It is my understanding that a statement has been released on behalf of Washington Mutual. Despite efforts by those assisting me in this process, no one on my staff has received a copy of the release.

Could you please e-mail a copy of the release regarding the property @ 3622 Curtis Drive , Sacramento . CA., to my e-mail address: laurarichardson[redacted] at your earliest convenience.

Further, I did sign a consent form to release the document from WaMU that acknowledged terms and that no further action would occur prior to June 6th. I hereby consent again the release of that document and WaMu explanations as to why a rescission is being sought and allowable in this case. Please forward a copy of that explanation to me as well at laurarichardson[redacted]

Sincerely,

Laura Richardson

Cc: Ann Thorn

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.; Klein, Jason C.; Parker, Gary L.
Resources: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

When: Monday, June 16, 2008 12:30 PM-1:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: Dial in at 1-866-736[illegible] Participant passcode is[illegible].

~~*~*~*~*~*~*~*~*

REDACTED

Seattle Participants meet in small conference room on 34.

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible] PC[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.; Klein, Jason C.; Parker, Gary L.
Resources: Dial in at 1-866-736[illegible] PC[illegible]

When: Monday, June 16, 2008 12:30 PM-1:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

~~*~*~*~*~*~*~*~*

REDACTED

Seattle Participants meet in small conference room on 34.

From: Elias, Alan <alan.elias@wamu.net>
Sent: Thursday, August 21, 2008 2:43 PM
To: Beck, John O. <john.beck@wamu.net>; Berens, John <john.berens@wamu.net>; Brennan, Carey <carey.brennan@wamu.net>; Ganem, Beth <beth.ganem@wamu.net>; Hyde, Arlene M. <arlene.hyde@wamu.net>; Morgan, Tom E. <tom.morgan@wamu.net>; Schneider, David C. <david.schneider@wamu.net>; Woods, John F. <john.woods@wamu.net>; Zarro, Michael R. <michael.zarro@wamu.net>
Cc: Gaugl, Sara C. <sara.gaugl@wamu.net>; Kelley, Mary L. <mary.kelley@wamu.net>
Subject: FW: Breaking News Industry and Issues Edition 8-21-08

As an FYI... Something positive for once!

From: Gordon, Debbie
Sent: Thursday, August 21, 2008 11:38 AM
To: Ancy, Doreen; Baptista, Geri Ann S.; Borges, Ruben; Elias, Alan; Gordon, Debbie; Magleby, Alan F.; Pollock, Sheri L.; Riley, Olivia; Rodriguez, Adrian; Russell, Brad; Donahoe Wilmot, Darcy; Kishner, Gary; Latham, Missy C.; Winn, Shane A.
Subject: Breaking News Industry and Issues Edition 8-21-08

1. NeighborWorks America Honors Businesses for Contributions to Lower-Income Communities

20 August 2008

Business Wire

CHICAGO - (BUSINESS WIRE) - NeighborWorks(®) America has announced the most generous contributors to its work in affordable housing, foreclosure intervention and community development for FY 2007. The organizations were presented with the annual NeighborWorks(®) Partner Awards at a ceremony in Chicago on August 19.

Bank of America, United Way of America, and State Farm(®) were the Most Generous Local NeighborWorks(®) Contributors. Local contributors give to individual NeighborWorks(®) organizations in communities across the country, increasing their ability to serve modest-income individuals and families with services such as homeownership counseling and assistance, financial literacy education, and neighborhood revitalization.

Fannie Mae, State Farm(®) and Countrywide were the Most Generous National NeighborWorks(®) Contributors. National contributors support NeighborWorks(®) America's programs nationwide, such as foreclosure prevention and counseling, promoting affordable housing for working families, and providing training and technical assistance to community development organizations.

Fannie Mae, **Washington Mutual**, Inc., and Wachovia Corporation were the Most Generous NeighborWorks(®) Social Investors. Social investors provide socially responsive capital in support of Neighborhood Housing Services of America, NeighborWorks(®) America's secondary market and the leading provider of nonprofit secondary market capital to the community development field.

"These organizations truly understand and support our mission of community revitalization," said Ken Wade, CEO of NeighborWorks(®) America. "From helping homeowners prevent foreclosure, to providing high-quality rental housing, to helping the rebuilding effort in the Gulf Coast region, their generous support plays a crucial role in our success."

The contributions supported a variety of NeighborWorks(®) programs and activities nationwide, aimed at creating and preserving affordable housing opportunities and building stronger communities.

About NeighborWorks(®) America

NeighborWorks(®) America creates opportunities for people to improve their lives and strengthen their communities by providing access to homeownership and to safe and affordable rental housing. Since 1991, we have assisted nearly 1.2 million low- to moderate-income families with their housing needs. Much of our success is achieved through our support of the NeighborWorks(®) network – more than 220 community development organizations working in more than 4,400 urban, suburban and rural communities in all 50 states, the District of Columbia and Puerto Rico. In the last five years, NeighborWorks(®) organizations have generated more than $1.5 billion in reinvestment in these communities. NeighborWorks(®) America is the nation's leading trainer of community development and affordable housing professionals. www.nw.org.

NeighborWorks America Douglas Robinson, 202-220-2360 drobinson@nw.org or Claudia Askew, 202-863-9060 claudiaaskew@hotmail.com

2. Mortgage Hardball: Day 2
By Jane Wells
cnbc.com
August 20, 2008

UPDATE ON MORTGAGE HARDBALL

Kim and Scott Fisher are watching the clock tick down. **As I blogged yesterday**, they have an offer on their home for an amount which will allow them to pay off their first mortgage to **Washington Mutual** and a second mortgage to **Wells Fargo**. But the Fishers do not have enough to cover $35,000 in closing costs, and they say lenders won't help. Plus, they say **WaMu** has moved to foreclose on the home. What a mess.
Escrow is scheduled to close today. It won't close, though, if the Fishers can't come up with the $35,000, or if the banks don't agree to eat those costs.

Both lenders returned my calls and told me they were looking into it.

Wells Fargo, as second in line, has the most to lose if this sale falls through. Kim Fisher says Wells, after first saying no dice, is more helpful today. A deal to waive fees may be "do-able", says Kim, though nothing is confirmed.

Her realtor, Billy Wynn, warns that if the buyers' loan isn't funded by the close of business Monday, the buyers will lose their rate lock "and probably their loan."

The offer is to buy the home for $1.13 million. Realtor Wynn says if the deal falls through and the house goes into foreclosure, it'll be off the market for a time and will probably eventually sell for less than $1 million. **WaMu** will get its money back, but he says Wells Fargo will be out probably $100,000+, which is more than the $35,000 the Fishers can't cover. "Go figure," Wynn says.

Stay tuned.

3. Richardson escapes $400 property bill
By Gene Maddaus Staff Writer
09/21/2008

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home,

because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Richardson bought the home in January 2007 upon being elected to the Assembly. But after she won a seat in Congress a few months later, neighbors noticed that property was left vacant and had been poorly maintained

Sacramento police were called to the home on July 21 because the garage door was open, suggesting a possible

break-in. The police called code enforcement officials, who brought in a contractor to board up the door.

Code enforcement officers also found rotting food on the ground, which might attract rodents, as well as junk and debris in the yard.

In such cases, the homeowner gets a bill from the city. Rob O'Connor, the code enforcement operations manager, said the city would also charge $250 for night service, plus the cost of the contractor, bringing the total to perhaps $400.

Apparently relying on county property records, the city sent a notice of a "public nuisance" to Red Rock Mortgage, the real estate firm that bought the property at auction.

Richardson did not learn about the notice until last week.

James York, the owner of Red Rock Mortgage, sued Richardson and **Washington Mutual** after the auction was rescinded, arguing that he was the rightful owner of the property. As part of the suit, York filed a notice of pending litigation on the property, which clouded Richardson's title.

York later settled the lawsuit for an undisclosed sum. On July 11, 10 days before the apparent break-in, York's attorney signed notices to withdraw the lawsuit and the notice of litigation from the property, thereby relinquishing York's claim on it.

O'Connor said it was unclear from information available to him who owned the property on July 21.

But Richardson had the title to the property once the sale was rescinded on June 2. Were it otherwise, she would have had to sue York to get the house back - not vice versa.

In order to resolve the ownership of the property, O'Connor said he would have to spend $100 for a title search, which would take three weeks.

"It's not worth it," he said. "I'm just going to get rid of it."

O'Connor said that Richardson would still be sent a notice to comply with the code violations, but would not be required to pay for the board-up.

In another development, **Washington Mutual** paid Richardson's outstanding property tax bill of $9,000 on July 31. No public records explain why the bank would do that, though it is possible that the tax bill was added to Richardson's loan balance in a refinancing.

4. ONE OWNER'S LOSS IS ANOTHER'S GAIN SELLERS: SACRIFICE CHANCE OF PROFITS TO UNLOAD MORTGAGES; BUYERS: PRICE DROPS MAKE HOMES MUCH MORE AFFORDABLE
By Paul Owers and John Maines Staff Writers
21 August 2008
Western Union(/www.westernunion.com)
PRICE: We paid $15 to send $100 using the company's online Money in Minutes service. Our friend ended up with $96.50.
KEY FEATURES: There are three different ways to send money: online, by phone or by going to a Western Union office in person. There are three different services offered: Money in Minutes, Next Day and Direct to Bank. Not all options are available online, by phone or in person. Depending which you choose, there are options for using cash or Visa or MasterCard credit or debit cards.
COMMENT: The Web site was easy to navigate. Dealing with customer service on both ends of the transaction was time-consuming. Finding a location abroad was easy, but there were arguments about the authenticity of our friend's ID.

COMPANY/WEB SITE: MoneyGram/(www.moneygram.com)
PRICE: We paid $14 to send $100 with the company's eMoney Transfer Same Day service. Our friend received $96.62.
KEY FEATURES: There are two different options online -- eMoney Transfer Same Day Service and eMoney Transfer Economy Service. The same-day service is faster but more expensive, and the economy service takes 3-5 business days. The economy service does not have a credit-card option.
COMMENT: We liked the online fee estimator -- even though it overshot our costs a bit -- and the overall disclosure of fees throughout the online form. Our friend spent 45 minutes at the MoneyGram location in Indonesia to get the money, and they asked her to fill out seemingly irrelevant personal information like her annual salary.

COMPANY/WEB SITE: PayPal/(Inman News

In a recent column, shortly after **Washington Mutual** announced it would no longer offer its option adjustable-rate mortgage (ARM) to home buyers, I noted that the program was a benefit

I pointed out that three of the four payment options of the option ARM did not render negative amortization, yet too many consumers stayed with the minimum payment for far too long and owed more than they borrowed.

Negative amortization occurs when the monthly loan payment is less than the principal and interest needed to pay off the loan in a specific period of time. The difference is added to the loan amount, so that the borrower owes more than the amount initially borrowed.

What I absolutely underestimated was the percentage of borrowers who took out an option ARM to buy a house they could not afford, or who had no intention of ever leaving the minimum payment portion of the menu and moving into one of the positive-amortization options.

In one of the first significant studies to consider the ramifications of option ARM loans, Barclays Capital revealed that nearly 85 percent of all outstanding option ARM loans "have negatively amortized to some extent" and that the payment shock incurred when the loans reset, or recast, will be far more severe than the highly publicized subprime adjustments.

In a report titled "Option ARM-ageddon: The Real Reset Risk," Barclays Capital researchers predicted that a majority of the existing loans would recast in 2010-11 and monthly payments would jump 60-80 percent. By comparison, most subprime resets should cause only an 8-10 percent payment shock.

The study included several subprime option ARM comparisons, including a $250,000 loan on similar homes in the same neighborhood. While the mortgages carried different interest rates, margins and loan caps, the mortgages were typical for what a borrower could expect. The subprime loan made in 2006 was recast after two years under its original terms and the monthly payment rose from $1,903 to $2,044, or 7.4 percent. The option ARM, recast when the borrower hit the negative amortization ceiling of 115 percent, saw its monthly payments leap 89 percent, from $1,074 to $2,027

Recasting (or recalculating a loan) is another way of limiting negative amortization and keeping a loan on the original schedule. The main purpose of recasting is to ensure that the loan is paid off within the scheduled amortization period. Option ARM loans are usually recast every five or 10 years (or sooner, if the negative-amortization limit is reached). This recalculation (or re-amortization) is based on the outstanding principal balance, the remaining term and the fully indexed rate. When the loan is recast, the payment required to fully amortize the loan over the remaining term becomes the new minimum payment.

According to the study, even though it is clear that there will be a problem upon recast, option ARM borrowers are not in the position to do anything about it. These borrowers chose this loan for a reason: namely, to purchase a home they could not afford with any other loan. Now that they are already in a home, there is little chance that option ARM borrowers would choose to refinance into a loan that raises their monthly payment. Furthermore, many of these borrowers are locked into these loans due to prepayment penalties. The prepayment penalties are often imposed on borrowers with the lowest FICO scores, meaning that the borrowers least able to afford the payment shock are most trapped in the loan, the research report disclosed.

The Barclays study indicated that between 2009 and 2012, approximately $312 billion in option ARM loans will recast to become fully amortizing loans. The majority of these recasts will come in 2010 and 2011 when $109 billion and $118 billion will recast, respectively. As a result of declining home prices and the negative amortization of these loans, most borrowers resetting in 2010-11 will have

loan-to-value ratios in excess of 100 percent.

If you have an option ARM loan, do all you can to move off the minimum payment and on to a disciplined, aggressive, accelerated plan. If can get out of negative territory and start paying down the principal, you might even have some options when you want to refinance.

''' Please do not distribute Breaking News content. License restrictions limit the dissemination of this copyrighted material. Thank you. '''

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 6:50:53 PM
To: Schneider, David C.; Berens, John
CC: Cook, Don; Elias, Alan
Subject: RE: Recent Coverage Re: Richardson Property

Here is the latest article from *The Daily Breeze*, which is an extension of the story that appeared earlier this morning.

- Sara

Richardson escapes $400 property bill - *The Daily Breeze*
By Gene Maddaus
August 21, 2008
In a statement, Rep. Laura Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Richardson bought the home in January 2007 upon being elected to the Assembly. But after she won a seat in Congress a few months later, neighbors noticed that property was left vacant and had been poorly maintained.

Sacramento police were called to the home on July 21 because the garage door was open, suggesting a possible break-in. The police called code enforcement officials, who brought in a contractor to board up the door.

Code enforcement officers also found rotting food on the ground, which might attract rodents, as well as junk and debris in the yard.

In such cases, the homeowner gets a bill from the city. Ron O'Connor, the code enforcement operations manager, said the city would also charge $250 for night service, plus the cost of the contractor, bringing the total to perhaps $400.

Apparently relying on county property records, the city sent a notice of a "public nuisance" to Red Rock Mortgage, the real estate firm that bought the property at auction.

Richardson did not learn about the notice until last week.

James York, the owner of Red Rock Mortgage, sued Richardson and Washington Mutual after the auction was rescinded, arguing that he was the rightful owner of the property. As part of the suit, York filed a notice of pending litigation on the property, which clouded Richardson's title.

York later settled the lawsuit for an undisclosed sum. On July 11, 10 days before the apparent break-in, York's attorney signed notices to withdraw the lawsuit and the notice of litigation from the property, thereby relinquishing York's claim on it.

O'Connor said it was unclear from information available to him who owned the property on July 21.

But Richardson had the title to the property once the sale was rescinded on June 2. Were it otherwise, she would have had to sue York to get the house back - not vice versa.

In order to resolve the ownership of the property, O'Connor said he would have to spend $100 for a title search, which would take three weeks.

"It's not worth it," he said. "I'm just going to get rid of it."

O'Connor said that Richardson would still be sent a notice to comply with the code violations, but would not be required to pay for the board-up.

In another development, Washington Mutual paid Richardson's outstanding property tax bill of $9,000 on July 31. No public records explain why the bank would do that, though it is possible that the tax bill was added to Richardson's loan balance in a refinancing.

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 11:44 AM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: Recent Coverage Re: Richardson Property

REDACTED

****

Rep. won't be billed for house problem – *The Daily Breeze*
By Gene Maddaus

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Rep. Richardson's Sacramento home declared 'public nuisance' – *Los Angeles Times*
Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance."

The city has threatened to fine her as much as $5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from $5,742 to almost $20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of $177,500.

In addition, she owed nearly $9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of $154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for $388,000. Richardson had paid $535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

York said Washington Mutual filed a letter of recision of the sale June 2 with Sacramento County. Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with [Washington Mutual] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms. In addition, Washington Mutual paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a $1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as $5,000 per month unless progress is made to improve conditions.

Neighbors have complained about the state of the house for months.

They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell I sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 2:44:17 PM
To: Schneider, David C.; Berens, John
CC: Cook, Don; Elias, Alan
Subject: Recent Coverage Re: Richardson Property

REDACTED

- Sara

****

Rep. won't be billed for house problem – *The Daily Breeze*
By Gene Maddaus

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Rep. Richardson's Sacramento home declared 'public nuisance' – *Los Angeles Times*
Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance."

The city has threatened to fine her as much as $5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from $5,742 to almost $20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of $177,500.

In addition, she owed nearly $9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of $154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for $388,000. Richardson had paid $535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

York said Washington Mutual filed a letter of recision of the sale June 2 with Sacramento County. Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with [Washington Mutual] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms. In addition, Washington Mutual paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a $1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as $5,000 per month unless progress is made to improve conditions.

Neighbors have complained about the state of the house for months.

They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted]cell I sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you

From: Cook, Don
Sent: Friday, May 08, 2009 9:19:39 PM
To: O'Hara, Laura; O'Connor, Kathleen G.
CC: Davis, Deborah S.
Subject: congressional ethics letter.pdf - Privileged and Confidential

Attachments: congressional ethics letter.pdf

congressional ethics letter.pdf (84 kB)

05-03-09 02:36PM FROM- 0000000 T-901 P.01/03 F-333

Board
David Skaggs, Chair
Yvonne Burke
Karan English
Allison Hayward
Porter Goss, Co-Chair
Jay Eagen
William Frenzel
Abner Mikva

Leo J. Wise, Staff Director & Chief Counsel
1017 Longworth House Office Building
(202) 225-9739
(202) 226-0997 fax
email address: oce@mail.house.gov
website address: oce.house.gov

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

April 23, 2009

Mr. James York
York & Associates Real Estate
3600 American River Drive #135
Sacramento, CA 95864

REQUEST FOR INFORMATION

Dear Mr. York:

This Request for Information is pursuant to a Preliminary Review authorized by the Board of the Office of Congressional Ethics (OCE) on February 27, 2009. You have been identified as a person with information relevant to this Review. The review initiated on April 3, 2009.

In accordance with Rule 7(D) and 7(E) of the Office of Congressional Ethics' Rules for the Conduct of Investigations ("OCE Rules"), a preliminary report must be completed and delivered to the Board within 30 days of the initiation of a Review. That report will be prepared for the Board and it will evaluate the matter based on the information available at the end of that 30 days. Your timely cooperation is appreciated and will assist the Board in reaching an informed and accurate decision.

Please provide the following information:

(1) The names and contact information of all representatives of Washington Mutual and/or California Reconveyance Company that you dealt with regarding your purchase of residential property located at 3622 West Curtis Drive, Sacramento, California 95818, on May 7, 2008.

(2) An itemized list of all improvements, including the dollar value of all improvements, you, or anyone on your behalf, made to the residential property located at 3622 West Curtis Drive, Sacramento, California 95818.

(3) A copy of the notice of rescission of sale, dated June 2, 2008, for the residential property located at 3622 West Curtis Drive, Sacramento, California 95818.

PRINTED ON RECYCLED PAPER

(4) The names and contact information of all representatives of Washington Mutual and/or California Reconveyance Company that you dealt with regarding the rescission of sale of the residential property located at 3622 West Curtis Drive, Sacramento, California 95818.

(5) All correspondence, including: letters; emails; and notes from telephone conversations or in-person meetings, between you and representatives of Washington Mutual and/or California Reconveyance Company regarding the rescission of sale of the residential property located at 3622 West Curtis Drive, Sacramento, California 95818.

(6) A copy of the lawsuit you filed with the Sacramento Superior Court on June 12, 2008, regarding the rescission of the sale of the residential property located at 3622 West Curtis Drive, Sacramento, California 95818.

(7) All correspondence, including: letters; emails; and notes from telephone conversations or in-person meetings, between you and representatives of Washington Mutual and/or California Reconveyance Company regarding the lawsuit you filed with the Sacramento Superior Court on June 12, 2008.

(8) A copy of the terms of settlement of the lawsuit.

OCE may make additional information requests, as warranted by the facts and circumstances of this Review. In addition, we will review any additional information you feel is relevant that we have not requested.

Please note that under House Resolution 895 of the 110th Congress, as amended by House Resolution 5 of the 111th Congress, and OCE Rule 7, the Board may draw a negative inference from any refusal to cooperate and may include a statement to that effect in any referral to the Committee on Standards of Official Conduct.

If you have any questions regarding this request or require any assistance in the production of the information requested, please do not hesitate to contact Elizabeth Horton, Investigative Counsel, at (202) 225-9739.

Very respectfully,

Leo Wise
Staff Director and Chief Counsel

* * *

ACKNOWLEDGEMENT OF RECEIPT

Please sign the following and return to the OCE by facsimile at (202) 226-0997:

I hereby acknowledge receipt of a Request for Information in Review No. 4126. By so signing, I merely acknowledge receipt of this document.

Member or Designee's Signature: _____

Member or Designee's Name: _____

Date: _____

From: Cook, Don <don.cook@wamu.net>
Sent: Wednesday, April 1, 2009 12:27 PM
To: Thorn, Ann <ann.thorn@wamu.net>
Subject: FW: FDIC claim: not litigation

Ann, it is good to hear from you. I hope all is well with you. REDACTED

REDACTED

From: Orenstein, Jane
Sent: Wednesday, April 01, 2009 9:17 AM
To: Pruitt, James
Cc: Cook, Don
Subject: RE: FDIC claim: not litigation

You can direct her to me – I will have the claims agent send her a claims notice if she hasn't already received one.
Jane

Jane A. Orenstein
Counsel, FDIC Legal Division
206.500.8904 (at WaMu Center - no voicemail)
281.917. (mobile w/voicemail)
JOrenstein

This email message, including any attachments, is for the sole use of the intended recipient(s) and may contain information that is confidential, proprietary, legally privileged, or otherwise protected by law from disclosure. Any unauthorized review, use, copying, disclosure, or distribution is prohibited. If you are not the intended recipient, you should notify the sender immediately by reply email and destroy all copies of the original message.

From: Pruitt, James [mailto:james.pruitt@wamu.net]
Sent: Wednesday, April 01, 2009 9:14 AM
To: Orenstein, Jane
Cc: Cook, Don
Subject: FDIC claim: not litigation

A borrower seeking damages for pre-receivership actions of Wamu has not filed suit but is pushing to recover her losses. Who should I direct her to? Thanks.

James E. Pruitt III

Assistant General Counsel

Legal Department

JPMorgan Chase Bank, NA

1301 Second Avenue, WMC3501

Seattle, WA 98101

206.500.4246 office

206.377.3025 fax

james.pruitt@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Cook, Don <don.cook@wamu.net>
Sent: Wednesday, April 1, 2009 12:11 PM
To: Pruitt, James <james.pruitt@wamu.net>
Subject: FW: Loan Modification Docs for Laura Richardson

REDACTED

From: Thorn, Ann
Sent: Wednesday, April 01, 2009 5:53 AM
To: Cook, Don
Subject: FW: Loan Modification Docs for Laura Richardson

Hi Don, hope all is going well with you. It has been a while since I have talked with you.

REDACTED

Thanks

Ann Thorn
Foreclosure Manager
office: 904-462-2150
cell: 414-418[redacted]

For Internal Use Only

From: Daysha McArthur [r[redacted]]
Sent: Tuesday, March 31, 2009 6:50 PM
To: Thorn, Ann
Subject: Loan Modification Docs for Laura Richardson

Good afternoon Ann,

Laura spoke with Autumn Born in Loss Mitigation briefly last week. During their connversation Autumn said she was not aware of the damage to the home or that the photos were sent. Were you able to get the package we sent to Autumn?

Also, can you fax or email me the current loan modiciation docs you have for her home? The loan number is [redacted]

Thank you for your assistance.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, April 1, 2009 8:53 AM
To: Cook, Don <don.cook@wamu.net>
Subject: FW: Loan Modification Docs for Laura Richardson

Hi Don, hope all is going well with you. It has been a while since I have talked with you.

REDACTED

Thanks

Ann Thorn
Foreclosure Manager
office: 904-462-2150
cell: 414-418-

For Internal Use Only

From: Daysha McArthur
Sent: Tuesday, March 31, 2009 6:50 PM
To: Thorn, Ann
Subject: Loan Modification Docs for Laura Richardson

Good afternoon Ann,

Laura spoke with Autumn Born in Loss Mitigation briefly last week. During their connversation Autumn said she was not aware of the damage to the home or that the photos were sent. Were you able to get the package we sent to Autumn?

Also, can you fax or email me the current loan modiciation docs you have for her home? The loan number is

Thank you for your assistance.

From: Cook, Don
Sent: Wednesday, August 20, 2008 4:03 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, August 20, 2008 12:53 PM
To: Battaglia, Paul J.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

- Sara

-----Original Message-----
From: Battaglia, Paul J.
Sent: Wednesday, August 20, 2008 11:24 AM
To: Cook, Don; Gaugl, Sara C.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Cook, Don
Sent: Wednesday, August 20, 2008 9:47 AM
To: Gaugl, Sara C.; Battaglia, Paul J.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, August 20, 2008 9:35 AM
To: Battaglia, Paul J.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

- Sara

-----Original Message-----
From: Battaglia, Paul J.
Sent: Wednesday, August 20, 2008 6:56 AM
To: Cook, Don; Gaugl, Sara C.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Cook, Don
Sent: Tuesday, August 19, 2008 7:20 PM
To: Battaglia, Paul J.; Gaugl, Sara C.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

-----Original Message-----
From: Battaglia, Paul J.

Sent: Tuesday, August 19, 2008 5:29 PM
To: Gaugl, Sara C.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Tuesday, August 19, 2008 5:07 PM
To: Battaglia, Paul J.; Thorn, Ann
Cc: Elias, Alan
Subject: Media Inquiry Re: Richardson Loan

Hi, Paul.

REDACTED

Best,

Sara

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 10:28 AM
To: Thorn, Ann; Gaugl, Sara C.
Subject: FW: Laura Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Beth Ward
Sent: Tuesday, August 19, 2008 9:58 AM
To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Subject: RE: Laura Richardson

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398
Direct Fax: (619) 398

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11): THIS MESSAGE IS FROM A DEBT COLLECTOR. ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

-----Original Message-----
From: Martin T. McGuinn
Sent: Tuesday, August 19, 2008 9:43 AM
To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Cc: Beth Ward

Subject: RE: Laura Richardson

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525
Direct Fax: (619) 525

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11): THIS MESSAGE IS FROM A DEBT COLLECTOR. ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE. This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

-----Original Message-----
From: Woodcock, Wendy A.
Sent: Tuesday, August 19, 2008 4:41 AM
To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

-----Original Message-----
From: Battaglia, Paul J.
Sent: Monday, August 18, 2008 7:32 PM
To: Woodcock, Wendy A.; 'Martin T. McGuinn'
Subject: Laura Richardson

REDACTED

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to $5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home.
Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents.

Inspectors came after calls to police about a suspicious person there.
A spokesman for Richardson, William Marshall Jr., says the city sent the notice to the man who previously bought the house from the bank, not Richardson. He says Richardson will maintain the property once "full possession has been returned" to her. ---

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Parker, Gary L.
Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Sledd, Charley
Sent: Monday, August 18, 2008 11:06 AM
To: Gaspard, Scott; Parker, Gary L.
Subject: SFGate: Calif. congresswoman's house a public nuisance

This may interest you, if you haven't already seen it. Charley

---

This article was sent to you by someone who found it on SFGate.
The original article can be found on SFGate.com here:
http://www.sfgate.com/cgi-bin/article.cgi?file=/n/a/2008/08/15/state/n10
4012D91.DTL

Friday, August 15, 2008 (AP)
Calif. congresswoman's house a public nuisance

(08-15) 16:26 PDT Sacramento, CA (AP) --

Sacramento city officials have declared a home owned by U.S. Rep.
Laura Richardson a public nuisance and are threatening fines up to $5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home.
Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents.

Inspectors came after calls to police about a suspicious person there.

A spokesman for Richardson, William Marshall Jr., says the city sent the notice to the man who previously bought the house from the bank, not Richardson. He says Richardson will maintain the property once "full possession has been returned" to her.

Copyright 2008 AP

From: Cook, Don
Sent: Tuesday, August 19, 2008 10:20 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

-----Original Message-----
From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 5:29 PM
To: Gaugl, Sara C.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Tuesday, August 19, 2008 5:07 PM
To: Battaglia, Paul J.; Thorn, Ann
Cc: Elias, Alan
Subject: Media Inquiry Re: Richardson Loan

Hi, Paul.

REDACTED

REDACTED

Best,

Sara

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 10:28 AM
To: Thorn, Ann; Gaugl, Sara C.
Subject: FW: Laura Richardson[redacted]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Beth Ward [redacted]
Sent: Tuesday, August 19, 2008 9:58 AM
To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Subject: RE: Laura Richardson[redacted]

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398[redacted]

Direct Fax: (619) 398[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11): THIS MESSAGE IS FROM A DEBT COLLECTOR. ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

-----Original Message-----
From: Martin T. McGuinn
Sent: Tuesday, August 19, 2008 9:43 AM
To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Cc: Beth Ward
Subject: RE: Laura Richardson[redacted]

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525[redacted]
Direct Fax: (619) 525[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11): THIS MESSAGE IS FROM A DEBT COLLECTOR. ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE. This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

-----Original Message-----
From: Woodcock, Wendy A. [redacted]
Sent: Tuesday, August 19, 2008 4:41 AM
To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.

904 886-1309 ph
904 886-1325 fax

-----Original Message-----
From: Battaglia, Paul J.
Sent: Monday, August 18, 2008 7:32 PM
To: Woodcock, Wendy A.; 'Martin T. McGuinn'
Subject: Laura Richardson

REDACTED

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to $5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home.
Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents.

Inspectors came after calls to police about a suspicious person there.
A spokesman for Richardson, William Marshall Jr., says the city sent the notice to the man who previously bought the house from the bank, not Richardson. He says Richardson will maintain the property once "full possession has been returned" to her. ---

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Parker, Gary L.
Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Sledd, Charley
Sent: Monday, August 18, 2008 11:06 AM
To: Gaspard, Scott; Parker, Gary L.
Subject: SFGate: Calif. congresswoman's house a public nuisance

This may interest you, if you haven't already seen it. Charley

---

This article was sent to you by someone who found it on SFGate.
The original article can be found on SFGate.com here:
http://www.sfgate.com/cgi-bin/article.cgi?file=/n/a/2008/08/15/state/n10
4012D91.DTL

Friday, August 15, 2008 (AP)
Calif. congresswoman's house a public nuisance

(08-15) 16:26 PDT Sacramento, CA (AP) --

Sacramento city officials have declared a home owned by U.S. Rep.
Laura Richardson a public nuisance and are threatening fines up to $5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home.
Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents.

Inspectors came after calls to police about a suspicious person there.

A spokesman for Richardson, William Marshall Jr., says the city sent the notice to the man who previously bought the house from the bank, not Richardson. He says Richardson will maintain the property once "full possession has been returned" to her.

Copyright 2008 AP

From: Cook, Don <don.cook@wamu.net>
Sent: Wednesday, June 18, 2008 9:28 PM
To: Parker, Gary L. <gary.parker@wamu.net>
Subject: RE: Email from Richardson

REDACTED

-----Original Message-----
From: Parker, Gary L.
Sent: Wednesday, June 18, 2008 6:22 PM
To: Cook, Don
Subject: Re: Email from Richardson

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Cook, Don
To: Parker, Gary L.
Sent: Wed Jun 18 17:10:23 2008
Subject: FW: Email from Richardson

REDACTED

From: Gaugl, Sara C.
Sent: Wednesday, June 18, 2008 4:38 PM
To: Elias, Alan; Owen, Jan L.; Cook, Don; Battaglia, Paul J.
Cc: Thorn, Ann; Baptista, Geri Ann S.
Subject: Email from Richardson
Importance: High

REDACTED

Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Laura Richardson [redacted]
Sent: Wednesday, June 18, 2008 4:27 PM
To: Gaugl, Sara C.
Cc: Thorn, Ann
Subject: WaMu Statement

Ann,

Could you forward this letter to Sara? I am not sure I have the correct spelling of her name or her email address.

Washington Mutual

1301 2nd Ave.

Seattle , Washington 98101

Dear Sara Gaugl:

Over the last several weeks, I have read the following quotes from you in various newspapers:

"I'm unable to discuss the specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan."

And:

"More broadly, if the loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation."

It is my understanding that a statement has been released on behalf of Washington Mutual. Despite efforts by those assisting me in this process, no one on my staff has received a copy of the release.

Could you please e-mail a copy of the release regarding the property @ 3622 Curtis Drive , Sacramento , CA., to my e-mail address: laurarichardson[redacted] at your earliest convenience.

Further, I did sign a consent form to release the document from WaMU that acknowledged terms and that no further action would occur prior to June 6th. I hereby consent again the release of that document and WaMu explanations as to why a rescission is being sought and allowable in this case. Please forward a copy of that explanation to me as well at laurarichardson[redacted]

Sincerely,

Laura Richardson

Cc: Ann Thorn

From: Parker, Gary L. <gary.parker@wamu.net>
Sent: Wednesday, June 18, 2008 9:22 PM
To: Cook, Don <don.cook@wamu.net>
Subject: Re: Email from Richardson

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Cook, Don
To: Parker, Gary L.
Sent: Wed Jun 18 17:10:23 2008
Subject: FW: Email from Richardson

REDACTED

From: Gaugl, Sara C.
Sent: Wednesday, June 18, 2008 4:38 PM
To: Elias, Alan; Owen, Jan L.; Cook, Don; Battaglia, Paul J.
Cc: Thorn, Ann; Baptista, Geri Ann S.
Subject: Email from Richardson
Importance: High

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Laura Richardson [mailto:laurarichardson[redacted]]
Sent: Wednesday, June 18, 2008 4:27 PM
To: Gaugl, Sara C.
Cc: Thorn, Ann
Subject: WaMu Statement

Ann,

Could you forward this letter to Sara? I am not sure I have the correct spelling of her name or her email address.

Washington Mutual

1301 2nd Ave.

Seattle , Washington 98101

Dear Sara Gaugl:

Over the last several weeks, I have read the following quotes from you in various newspapers:

_I_m unable to discuss the specifics of Ms. Richardson□s loan situation because she has not provided us with authorization to publicly discuss her loan.□

And:

□More broadly, if the loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation.□

It is my understanding that a statement has been released on behalf of Washington Mutual. Despite efforts by those assisting me in this process, no one on my staff has received a copy of the release.

Could you please e-mail a copy of the release regarding the property @ 3622 Curtis Drive , Sacramento , CA., to my e-mail address: laurarichardson[redacted]

Further, I did sign a consent form to release the document from WaMU that acknowledged terms and that no further action would occur prior to June 6th. I hereby consent again the release of that document and WaMu explanations as to why a rescission is being sought and allowable in this case. Please forward a copy of that explanation to me as well at laurarichardson[redacted]

Sincerely,

Laura Richardson

Cc: Ann Thorn

From: Cook, Don <don.cook@wamu.net>
Sent: Wednesday, June 18, 2008 8:10 PM
To: Parker, Gary L. <gary.parker@wamu.net>
Subject: FW: Email from Richardson

REDACTED

From: Gaugl, Sara C.
Sent: Wednesday, June 18, 2008 4:38 PM
To: Elias, Alan; Owen, Jan L.; Cook, Don; Battaglia, Paul J.
Cc: Thorn, Ann; Baptista, Geri Ann S.
Subject: Email from Richardson
Importance: High

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Laura Richardson [redacted]
Sent: Wednesday, June 18, 2008 4:27 PM
To: Gaugl, Sara C.
Cc: Thorn, Ann
Subject: WaMu Statement

Ann,
Could you forward this letter to Sara? I am not sure I have the correct spelling of her name or her email address.

Washington Mutual
1301 2nd Ave.
Seattle , Washington 98101

Dear Sara Gaugl:

Over the last several weeks, I have read the following quotes from you in various newspapers:

"I'm unable to discuss the specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan."

And:

"More broadly, if the loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation."

It is my understanding that a statement has been released on behalf of Washington Mutual. Despite efforts by those assisting me in this process, no one on my staff has received a copy of the release.

Could you please e-mail a copy of the release regarding the property @ 3622 Curtis Drive , Sacramento , CA., to my e-mail address: laurarichardson[redacted] at your earliest convenience.

Further, I did sign a consent form to release the document from WaMU that acknowledged terms and that no further action would occur prior to June 6th. I hereby consent again the release of that document and WaMu explanations as to why a rescission is being sought and allowable in this case. Please forward a copy of that explanation to me as well at laurarichardson[redacted].

Sincerely,

Laura Richardson

Cc: Ann Thorn

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, June 18, 2008 7:46 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: FW: Notice of Pendency of Action

Looping you two in on this email as well....

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Wednesday, June 18, 2008 4:41 PM
To: Gaugl, Sara C.; Battaglia, Paul J.; Cook, Don; Owen, Jan L.
Subject: FW: Notice of Pendency of Action

I also got this .....

From: Laura Richardson [illegible]
Sent: Wed 06/18/2008 06:34 PM
To: Thorn, Ann
Subject: Notice of Pendency of Action

Ann,
Late yesterday, Red Rock Mortgage, sent a certified letter to my district office in Torrance where my office staff unknowingly signed for which included "Notice of Pendency of Action" papers.

Who in your operation/office should I follow-up with? Please advise at your earliest convenience.

Laura Richardson

From: Cook, Don <don.cook@wamu.net>
Sent: Monday, June 16, 2008 12:54 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: FYI

Sara, will you be forwarding this on to David?

-----Original Message-----
From: Strom, Erik E.
Sent: Monday, June 16, 2008 9:49 AM
To: Gaugl, Sara C.; Cook, Don
Subject: Fw: FYI

Fyi...this could have some rammifications for our situation with Rep. Richardson.
Erik Strom

----- Original Message -----
From: Watson, Alison
To: Strom, Erik E.
Sent: Mon Jun 16 09:40:14 2008
Subject: FW: FYI

Per my last e-mail...

From: Scott Talbott [redacted]
Sent: Mon 06/16/2008 9:20 AM
To: solomonma[redacted] Watson, Alison; daniel.m.archer[redacted]
Subject: FYI

'Friends of Angelo' Allegations?

Dear Colleague:

With all of the recent turmoil we have been experiencing in our mortgage market, I am concerned about allegations of preferential treatment afforded to some individuals in Congress regarding their mortgages. Although these reports are still merely allegations, it is disconcerting to think Members of Congress might be knowingly or unknowingly receiving preferential treatment while millions of hardworking Americans struggle to repay their mortgage debts and cope with $4/gallon gasoline and soaring foods prices.

While some might disagree regarding what the proper response of the federal government to this mortgage market turmoil should be, I think we all can agree that it would be wrong for Members of Congress to get special treatment on their mortgages simply because they are elected office holders. That's why next week I will be sending a letter to the Speaker and the appropriate chairman with oversight requesting hearings on this issue. We must ensure that no Member is inappropriately benefiting from their position.

Of course, it is important to note that at this time these are merely allegations of preferential treatment, but that should not absolve us of our responsibility to ensure that Members of Congress do not receive special treatment while average Americans are scrimping and saving to keep their homes.

For more information, please contact Ed Skala in my office at x[redacted]

Sincerely,

JEB HENSARLING
Member of Congress

Scott Talbott
Senior Vice President of Government Affairs THE FINANCIAL SERVICES ROUNDTABLE
1001 Pennsylvania Avenue, NW
Suite 500
Washington, D.C. 20004
Tel: 202 289[illegible]
Cell: 202 297[illegible]
Fax: 202 628[illegible]
E-mail: scott[illegible]
Website: www.fsround.org <http://www.fsround.org/>

From: Strom, Erik E. <erik.strom@wamu.net>
Sent: Monday, June 16, 2008 12:49 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: Fw: FYI

Fyi...this could have some rammifications for our situation with Rep. Richardson.
Erik Strom

----- Original Message -----
From: Watson, Alison
To: Strom, Erik E.
Sent: Mon Jun 16 09:40:14 2008
Subject: FW: FYI

Per my last e-mail...

From: Scott Talbott [redacted]
Sent: Mon 06/16/2008 9:20 AM
To: solomonmd[redacted], Watson, Alison, daniel.m.archer[redacted]
Subject: FYI

□Friends of Angelo□ Allegations?

Dear Colleague:

With all of the recent turmoil we have been experiencing in our mortgage market, I am concerned about allegations of preferential treatment afforded to some individuals in Congress regarding their mortgages. Although these reports are still merely allegations, it is disconcerting to think Members of Congress might be knowingly or unknowingly receiving preferential treatment while millions of hardworking Americans struggle to repay their mortgage debts and cope with $4/gallon gasoline and soaring foods prices.

While some might disagree regarding what the proper response of the federal government to this mortgage market turmoil should be, I think we all can agree that it would be wrong for Members of Congress to get special treatment on their mortgages simply because they are elected office holders. That□s why next week I will be sending a letter to the Speaker and the appropriate chairman with oversight requesting hearings on this issue. We must ensure that no Member is inappropriately benefiting from their position.

Of course, it is important to note that at this time these are merely allegations of preferential treatment, but that should not absolve us of our responsibility to ensure that Members of Congress do not receive special treatment while average Americans are scrimping and saving to keep their homes.

For more information, please contact Ed Skala in my office at [redacted]

Sincerely,

JEB HENSARLING
Member of Congress

Scott Talbott
Senior Vice President of Government Affairs

THE FINANCIAL SERVICES ROUNDTABLE
1001 Pennsylvania Avenue, NW
Suite 500
Washington, D.C. 20004
Tel: 202 289
Cell: 202 29
Fax: 202 628
E-mail: scott
Website: www.fsround.org <http://www.fsround.org/>

From: System Administrator
Sent: Saturday, June 14, 2008 6:40:12 PM
To: Cook, Don
Subject: Undeliverable: Re: Coverage on Richardson Lawsuit

Your message did not reach some or all of the intended recipients.

Subject: Re: Coverage on Richardson Lawsuit
Sent: 6/14/2008 6:40 PM

The following recipient(s) could not be reached:

'Carey.Brennan@.wamu.net' on 6/14/2008 6:40 PM
The format of the e-mail address is incorrect. Check the address, look up the recipient in the Address Book, or contact the recipient directly to find out the correct address.
<exmsea021.us.wamu.net #5.1.3>

From: Cook, Don
Sent: Saturday, June 14, 2008 6:40 PM
To: Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Cc: 'Carey.Brennan@.wamu.net'
Subject: Re: Coverage on Richardson Lawsuit

REDACTED

Sent from my BlackBerry Wireless Handheld
----- Original Message -----
From: Potashnick, Barbara A.
To: Cook, Don
Cc: Brennan, Carey
Sent: Sat Jun 14 14:46:13 2008
Subject: FW: Coverage on Richardson Lawsuit

REDACTED

From: Baptista, Geri Ann S.
Sent: Saturday, June 14, 2008 2:23 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Lawsuit
Sensitivity: Confidential
San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).
http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1
<http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1>
Buyer sues Calif. congresswoman over foreclosure
By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT
SACRAMENTO—A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.
James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.
York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for $388,000 after Richardson failed to make her mortgage payments.
In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.
The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.
Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June. She bought the house in January 2007 for $535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could

vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.
Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.
In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.
York said he tried to negotiate a settlement but was rebuffed.
"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."
A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.
Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.
Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.
A default notice sent in March put her unpaid balance on the 1,600-square-foot home at $578,384.
Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly $71,000, occurred in the last 13 months.
The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.
The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly $9,000 in delinquent property taxes.
In the notice of recission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."
Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have "significantly increased its value."
He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.
Richardson makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.
The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.
Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.
York notes in his lawsuit that the house now has a cloud over it—making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.
Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

---

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0 <http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0>
Buyer sues Calif. congresswoman over foreclosure
By JULIET WILLIAMS – 18 hours ago
SACRAMENTO, Calif. (AP) — An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.
James York had purchased the home at auction in May for $388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.
"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."
His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.
Richardson, a Democrat from Long Beach, bought the house in January 2007 for $535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.
The lawsuit was served to the defendants Friday.
Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.
Sent: Fri 06/13/2008 10:13 AM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: Richardson liability report and comment to senior Democrat
http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html <http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html>
Richardson mum in the face of mounting pressure
By Jared Allen
Posted: 06/13/08 11:50 AM [ET]
Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.
Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.
Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed. However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.
"Every member of Congress is responsible for living up to the highest ethical standard, to

having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new $446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of $359,000, to purchase a second home in San Pedro.

After defaulting twice — in September 2007 and again in January — and owing $367,436 on an original loan of $359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement — which she filed in February — she failed to report her Sacramento home mortgage as a liability even though she owed $40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 — which marks the end of the 2007 financial disclosure reporting period — Richardson had accumulated $575,000 in total debt after failing to make payments on her original $535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the Los Angeles Times reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for $388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson. York had recorded the deed on May 19 and had begun renovations, the Times reported.

"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612.[illegible]cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 2:15 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook,

Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential
Thanks for forwarding, Geri Ann.
Team, FYI below.
Sara Gaugl
Home Loans Public Relations
WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228 cell
sara.gaugl@wamu.net
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 1:20 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential
Pelosi comments on Laura Richardson defaults
By Erica Werner The Associated Press
http://www.dailybreeze.com/ci_9564107 <http://www.dailybreeze.com/ci_9564107>
WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."
Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.
But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.
"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.
Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.
Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.
Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.
Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.
Richardson's spokesman, William Marshall, had no immediate comment Thursday.
California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had

endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.
Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.
"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.
Geri Ann S. Baptista, VP
Corporate Communications
Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101
206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Cook, Don <don.cook@wamu.net>
Sent: Saturday, June 14, 2008 6:40 PM
To: Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Cc: Carey.Brennan@.wamu.net
Subject: Re: Coverage on Richardson Lawsuit

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Potashnick, Barbara A.
To: Cook, Don
Cc: Brennan, Carey
Sent: Sat Jun 14 14:46:13 2008
Subject: FW: Coverage on Richardson Lawsuit

REDACTED

From: Baptista, Geri Ann S.
Sent: Saturday, June 14, 2008 2:23 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thom, Ann; Potashnick, Barbara A.

Subject: Coverage on Richardson Lawsuit
Sensitivity: Confidential

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1
<http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1>

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO (AP) A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for $388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for $535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at $578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly $71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly $9,000 in delinquent property taxes.

In the notice of recission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have "significantly increased its value."

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which

subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it□making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

□□□

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0 <http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0>

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS □ 18 hours ago

SACRAMENTO, Calif. (AP) ⊥ An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.

James York had purchased the home at auction in May for $388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."

His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.

Richardson, a Democrat from Long Beach, bought the house in January 2007 for $535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.
Sent: Fri 06/13/2008 10:13 AM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don, Thom, Ann
Subject: Richardson liability report and comment to senior Democrat

http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html <http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html>

Richardson mum in the face of mounting pressure

By Jared Allen
Posted: 06/13/08 11:50 AM [ET]

Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new $446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of $359,000, to purchase a second home in San Pedro.

After defaulting twice — in September 2007 and again in January — and owing $367,436 on an original loan of $359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement — which she filed in February — she failed to report her Sacramento home mortgage as a liability even though she owed $40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 — which marks the end of the 2007 financial disclosure reporting period — Richardson had accumulated $575,000 in total debt after failing to make payments on her original $535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the Los Angeles Times reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for $388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson.

York had recorded the deed on May 19 and had begun renovations, the Times reported.

"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista ⊔ VP, WaMu Corporate Communications

206.500.2875 direct | 206.612[illegible] cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 2:15 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue I WMC40 I Seattle WA 98101

206.500.2822 direct I 206.228[illegible] cell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 1:20 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

http://www.dailybreeze.com/ci_9564107 <http://www.dailybreeze.com/ci_9564107>

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Sent: Saturday, June 14, 2008 5:46 PM
To: Cook, Don <don.cook@wamu.net>
Cc: Brennan, Carey <carey.brennan@wamu.net>
Subject: FW: Coverage on Richardson Lawsuit

REDACTED

From: Baptista, Geri Ann S.
Sent: Saturday, June 14, 2008 2:23 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Lawsuit
Sensitivity: Confidential

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO—A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for $388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for $535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at $578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly $71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly $9,000 in delinquent property taxes.

In the notice of recission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have **"significantly increased its value."**

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it—making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

---

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS – 18 hours ago

SACRAMENTO, Calif. (AP) — An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.

James York had purchased the home at auction in May for $388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."

His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.

Richardson, a Democrat from Long Beach, bought the house in January 2007 for $535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.
Sent: Fri 06/13/2008 10:13 AM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: Richardson liability report and comment to senior Democrat

http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html

Richardson mum in the face of mounting pressure

By Jared Allen
Posted: 06/13/08 11:50 AM [ET]
Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new

$446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of $359,000, to purchase a second home in San Pedro.

After defaulting twice — in September 2007 and again in January — and owing $367,436 on an original loan of $359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement — which she filed in February — she failed to report her Sacramento home mortgage as a liability even though she owed $40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 — which marks the end of the 2007 financial disclosure reporting period — Richardson had accumulated $575,000 in total debt after failing to make payments on her original $535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the *Los Angeles Times* reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for $388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson.
York had recorded the deed on May 19 and had begun renovations, the *Times* reported.

"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista – VP, WaMu Corporate Communications

206.500.2875 direct | 206.612[illegible]tell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 2:15 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue I WMC40 I Seattle WA 98101

206.500.2822 direct I 206.228[redacted]cell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 1:20 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

http://www.dailybreeze.com/ci_9564107

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue

over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Cook, Don <don.cook@wamu.net>
Sent: Friday, June 13, 2008 9:22 PM
To: Strom, Erik E. <erik.strom@wamu.net>
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional
Attach: 001 Complaint Filed 6-12-08.pdf

Erik, oops, I forgot to include you on this e-mail. Please let me know if you have any questions.

From: Cook, Don
Sent: Friday, June 13, 2008 6:20 PM
To: Elias, Alan; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Parker, Gary L.
Cc: Berens, John; Champney, Steven D.; Thorn, Ann; Brennan, Carey; Potashnick, Barbara A.
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

REDACTED

From: Martin T. McGuinn [redacted]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525-[redacted]
Direct Fax: (619) 525-[redacted]

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

CARL P. BLAINE (State Bar # 65229)
Email: cblaine@
THOMAS B. SHERIDAN (State Bar #249306)
Email: tsheridan@
WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
10640 Mather Blvd., Suite 200
Mather, California 95655
Telephone: (916) 920-5286
Facsimile: (916) 920-8608

Attorneys for Plaintiff
RED ROCK MORTGAGE, INC.

FILED
Superior Court Of California,
Sacramento
Dennis Jonas, Executive Officer
06/12/2008
avlaisavich
By_____, Deputy
Case Number:

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SACRAMENTO

Department Assignments
Case Management 43
Law and Motion 54
Minors Compromise 25

RED ROCK MORTGAGE, INC.,

Plaintiff,

v.

WASHINGTON MUTUAL BANK, CALIFORNIA RECONVEYANCE COMPANY, LAURA RICHARDSON, and all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the complaint adverse to Plaintiff's title, or any cloud on Plaintiff's title, and DOES 1 through 20, inclusive,

Defendants.

Case No.

COMPLAINT FOR:

1. **SLANDER OF TITLE**
2. **CANCELLATION**
3. **QUIET TITLE**
4. **UNJUST ENRICHMENT**

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

1. Plaintiff RED ROCK MORTGAGE, INC. ("Plaintiff") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California

2. Plaintiff is informed and believes and thereon alleges that Defendant WASHINGTON MUTUAL BANK ("WAMU") is, and at all times herein mentioned was, a federal association organized and existing under the laws of the United States and doing business in the state of California.

3. Plaintiff is informed and believes and thereon alleges that Defendant

JPMC - 002740
CONFIDENTIAL
CSOC.RICH.004233

CALIFORNIA RECONVEYANCE COMPANY ("CRC") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California.

4 The real property that is the subject of this action, 3622 West Curtis Drive, Sacramento, California, Assessor's Parcel No. [redacted] ("Subject Property") is located in Sacramento County, California.

5. The Defendants named herein as "all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the Complaint adverse to plaintiff's title, or any cloud on plaintiff's title thereto" ("Unknown Defendants") are unknown to Plaintiff. These Unknown Defendants, and each of them, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-5608

6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious names. Their true names and capacities are unknown to Plaintiff. When their true names and capacities are ascertained, Plaintiff will amend this complaint by inserting their true names and capacities herein. Plaintiff is informed and believes and thereon alleges that Does 1-10, inclusive, are responsible in some manner for the occurrences herein alleged, and that Plaintiff's damages as herein alleged were proximately caused by such Defendants. Plaintiff is further informed and believes and thereon alleges that Does 11-20, inclusive, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

COMMON ALLEGATIONS

7. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 6 above.

8. Plaintiff is informed and believes and thereon alleges that on or about January 10, 2007, a Deed of Trust ("Deed of Trust") was recorded against the Subject Property to secure a loan in the amount $535,001.00 made by WAMU to LAURA RICHARDSON. CRC is the trustee under the Deed of Trust. (Attached hereto as Exhibit A, incorporated herein by reference, is a true and correct copy of the Deed of Trust.)

JPMC - 002741
CONFIDENTIAL
CSOC.RICH.004234

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10540 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

9. Plaintiff is informed and believes and thereon alleges that, at some point prior to December 17, 2007, Defendant RICHARDSON defaulted on the payments due on the loan secured by the Deed of Trust.

10. On December 17, 2007, CRC recorded a Notice of Default on the Subject Property. (Attached hereto as Exhibit B, and incorporated herein by this reference, is a true and correct copy of the Notice of Default.) The Notice of Default provides that, as of December 13, 2007, the amount of the default was $18,356.40.

11. On March 19, 2008, CRC recorded a Notice of Trustee's sale on the Subject Property, advertising the Trustee's Sale of the Subject Property to the general public. (Attached hereto as Exhibit C, and incorporated herein by this reference, is a true and correct copy of the Notice of Trustee's Sale.) Pursuant to the Notice of Trustee's Sale, the unpaid balance and other charges was approximately $578,384.52.

12. The Notice of Trustee's Sale provides that the sale was to occur on April 7, 2008, at 1:30 p.m., at the main entrance to the Sacramento County Courthouse, 720 9th Street, Sacramento, California.

13. Plaintiff is informed and believes and thereon alleges that the sale was postponed to May 7, 2008, at 1:30 p.m., to be held at the same location.

14. In accordance with the Notice of Trustee's Sale and the duly noticed postponement thereof, on May 7, 2008, Plaintiff appeared at the trustee's sale to bid on the Subject Property. Plaintiff secured a cashier's check in order to qualify to bid at the sale.

15. At the noticed time and place, CRC conducted the trustee's sale of the Subject Property. Plaintiff is informed and believes thereon alleges that Defendants complied with all statutory requirements in conducting the trustee's sale of the Subject Property.

16. Plaintiff bid at the trustee's sale. Plaintiff is informed and believes and thereon alleges that Plaintiff was the high bidder at the trustee's sale with a bid of $388,000.01.

17. Plaintiff timely delivered a cashier's check in the amount of $388,000.01 to CRC. CRC accepted the cashier's check from Plaintiff. (Attached hereto as Exhibit D & E,

JPMC - 002742
CONFIDENTIAL
CSOC.RICH.004235

respectively, and incorporated herein by reference, are true and correct copies of the receipt of funds issued to Plaintiff and Plaintiff's cashier's check stub.)

18. Plaintiff is informed and believes and thereon alleges that the sale of the Subject Property was final and no further acts were required to consummate the sale.

19. Plaintiff is informed and believes and thereon alleges that, on or about May 9, 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

20. Immediately after Plaintiff purchased the Subject Property, Plaintiff immediately began improving the property and preparing to sell it, as Plaintiff is in the business of buying and selling real estate. Among other things, Plaintiff painted select portions of the residence, refurbished the flooring inside the residence, and performed general clean-up and landscaping in and around the Subject Property at its expense. Plaintiff is informed and believes and thereon alleges that the improvements made by Plaintiff enhanced the value of the Subject Property.

21. On or about May 28, 2008, WAMU contacted Plaintiff and informed Plaintiff that it wished to rescind the sale. Plaintiff informed WAMU that Plaintiff was the highest bidder at the Trustee's Sale and that it had paid the full consideration in the manner specified by the Notice of Trustee's Sale. Plaintiff also informed WAMU that Plaintiff had been issued the Trustee's Deed, and recorded it, and had no intention of rescinding.

22. On or about June 2, 2008, Defendants recorded a Notice of Rescission at the Sacramento County Recorder's Office. (Attached hereto as Exhibit G, and incorporated herein by this reference, is a true and correct copy of the recorded Notice of Rescission.)

FIRST CAUSE OF ACTION

[Slander of Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

23. Plaintiff realleges and incorporates by reference each and every allegation set

WAGNER KIRKMAN BLAINE KLOMPARENS & TOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5294 Fax (916) 920-8608

JPMC - 002743
CONFIDENTIAL
CSOC.RICH.004236

forth in paragraphs 1 through 22 above.

24. On our about May 7, 2008, Plaintiff became the fee owner of the Subject Property based upon its purchase of the Subject Property at the Trustee's Sale.

25. Plaintiff is informed and believes and thereon alleges that, on or about June 2, 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to be recorded a Notice of Rescission.

26. The Notice of Rescission was false and continues to cause doubt to be cast on Plaintiff's title to the Subject Property.

27. The recording of the Notice of Rescission directly impairs the vendibility of the property on the open market. Accordingly, Plaintiff has been damaged by Defendants recording of the Notice of Rescission.

28. Plaintiff is informed and believes and thereon alleges that, in doing the things herein alleged, WAMU and CRC acted with malice, oppression, and/or fraud as defined under Civ. Code § 3294(c), in conscious disregard of Plaintiff's rights, thereby warranting an assessment of punitive damages in an amount appropriate to punish Defendants and deter others from engaging in similar misconduct.

29. The recording of the Notice of Rescission made it necessary for Plaintiff to retain attorneys and to bring this action. Therefore, Plaintiff is entitled to recover attorney's fees and costs incurred. The exact amount of such damages is not known to Plaintiff at this time, and Plaintiff will move to amend this complaint to state such amount when the same becomes known, or on proof thereof.

SECOND CAUSE OF ACTION

[Cancellation of Cloud on Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

30. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 29 above.

31. Defendants claim an interest in the Subject Property which is adverse to the Plaintiff. Defendants' interest in the Subject Property is purportedly based on the Notice of

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002744
CONFIDENTIAL
CSOC.RICH.004237

Rescission, recorded on June 2, 2008, which states that the sale is rescinded.

32. The Notice of Rescission is invalid and void because the Defendant has no further rights to the Subject Property after the Trustee Sale was completed and the Trustee's Deed Upon Sale was issued and recorded.

33. Defendants' claim to the Subject Property clouds the Plaintiff's title, depreciates the property's market value, and prevents Plaintiff from enjoying the use of the Subject Property.

THIRD CAUSE OF ACTION

[Quiet Title]

(Against Defendants WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive)

34. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 33 above.

35. Plaintiff is the sole owner of the fee simple title to the Subject Property.

36. The basis of Plaintiff's title is that Plaintiff was the high bidder at the Trustee's Sale of the Subject Property; Plaintiff tendered the full amount of its bid to the trustee; the trustee accepted Plaintiff's tender; and, the trustee issued a Trustee's Deed Upon Sale to Plaintiff, which was subsequently recorded, granting Plaintiff fee simple title to the Subject Property.

37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to Plaintiff which would have the affect of restoring the state of title to the Subject Property to the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 923-5286 Fax (916) 929-5608

JPMC - 002745
CONFIDENTIAL
CSOC.RICH.004238

38. Plaintiff seeks to quiet title to the Subject Property as of May 7, 2008, which is the date Plaintiff purchased the Subject Property at the Trustee's Sale.

FOURTH CAUSE OF ACTION

[Unjust Enrichment]

(Against Defendants WAMU, LAURA RICHARDSON, and DOES 1-10, inclusive)

39. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 38 above.

40. Plaintiff has completed numerous improvements to the Subject Property, which have significantly increased its value. If Defendants are permitted to rescind the Trustee's Deed Upon Sale, Defendants will be unjustly enriched by their retention of the increased value of the Subject Property.

PRAYER

Wherefore, Plaintiff prays judgment against Defendants as follow:

1. For general damages, in an amount to be proven at trial;
2. For punitive and exemplary damages in an amount to be proven at trial;
3. For the Notice of Rescission to be delivered to the clerk for the court for cancellation and that it be declared void;
4. For a judgment that Plaintiff is the owner in fee simple of the Subject Property and that Defendants have no interest in the Subject Property adverse to Plaintiffs;
5. For restitution;
6. For attorneys' fees and costs incurred herein; and
7. For such other and further relief as the court may deem proper.

DATED: 6/11/2008

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP

By: _____
THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE, INC.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002746
CONFIDENTIAL
CSOC.RICH.004239

EXHIBIT A

Recording Requested By:
Washington Mutual Bank

Return To:
2210 Enterprise Drive
Doc Ops - MS SC00140
Florence, SC 29501

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20070110 PAGE 1818
Check Number
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd $53.00
REB/51/1-19

Prepared By:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS
Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) **"Security Instrument"** means this document, which is dated January 4, 2007, together with all Riders to this document.
(B) **"Borrower"** is Laura Richardson, An Unmarried Woman

Borrower's address is 717 E Vernon St, Long Beach, CA 90806. Borrower is the trustor under this Security Instrument.
(C) **"Lender"** is Washington Mutual Bank

Lender is a federal association
organized and existing under the laws of the United States

A

JPMC - 002748
CONFIDENTIAL
CSOC.RICH.004241

Lender's address is 1400 South Douglass Road, Suite 100, Anaheim, CA 92806

Lender is the beneficiary under this Security Instrument.
(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007
The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100 Dollars
(U.S. $535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037 .
(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☒ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☐ Planned Unit Development Rider	☐ 1-4 Family Rider
☐ VA Rider	☐ Biweekly Payment Rider	☐ Other(s) [specify]

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions
(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(L) "Escrow Items" means those items that are described in Section 3.
(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

JPMC - 002749
CONFIDENTIAL
CSOC.RICH.004242

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of SACRAMENTO :

[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

Legal Description Attached Hereto And Made A Part Hereof

Exhibit 'A'

Parcel ID Number: [redacted]

3622 West Curtis Drive [Street]

Sacramento [City], California 95818 [Zip Code]

("Property Address").

which currently has the address of

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows.

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. [redacted]

JPMC - 002750
CONFIDENTIAL
CSOC.RICH.004243

currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

JPMC - 002751
CONFIDENTIAL
CSOC.RICH.004244

in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

JPMC - 002752
CONFIDENTIAL
CSOC.RICH.004245

lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

JPMC - 002753
CONFIDENTIAL
CSOC.RICH.004246

the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

JPMC - 002754
CONFIDENTIAL
CSOC.RICH.004247

attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

JPMC - 002755
CONFIDENTIAL
CSOC.RICH.004248

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

JPMC - 002756
CONFIDENTIAL
CSOC.RICH.004249

to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

JPMC - 002757
CONFIDENTIAL
CSOC.RICH.004250

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

JPMC - 002758
CONFIDENTIAL
CSOC.RICH.004251

requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

JPMC - 002759
CONFIDENTIAL
CSOC.RICH.004252

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

24. Substitute Trustee. Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. Statement of Obligation Fee. Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

JPMC - 002760
CONFIDENTIAL
CSOC.RICH.004253

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

_____	_____ (Seal) -Borrower Laura Richardson
_____	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower

JPMC - 002761
CONFIDENTIAL
CSOC.RICH.004254

State of California
County of Sacramento } ss.

On January 9, 2007 before me, Nikki Davis a notary public
personally appeared

Laura Richardson

, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

NIKKI DAVIS
COMM. #1520789
Notary Public-California
SACRAMENTO COUNTY
My Comm. Exp. Oct. 21, 2008

(Seal)

JPMC - 002762
CONFIDENTIAL
CSOC.RICH.004255

Exhibit "A"
Legal Description

Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18

Apn: [redacted]

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 4th day of January, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at: 3622 West Curtis Drive, Sacramento, CA 95818

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR A CHANGE FROM THE INITIAL FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE AND FOR CHANGES IN THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 8.800 %. The Note provides for a change in the initial fixed interest rate to an adjustable interest rate and for changes in the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate Borrower will pay will change to an adjustable interest rate on the first day of February, 2009, and the interest rate Borrower will pay may change on that day every 6th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in **The Wall Street Journal**. The most recent Index figure available as of the date 45 days before the Change Date is called the "Current Index."

JPMC - 002764
CONFIDENTIAL
CSOC.RICH.004257

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding Four and 99/100 percentage points (4.990 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.600 % or less than 8.800 %. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000 %) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800 % or less than 8.800 %.

(E) Effective Date of Changes

Borrower's new interest rate will become effective on each Change Date. Borrower will pay the amount of Borrower's new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's interest rate and the amount of Borrower's monthly payment before the effective date of any change. The notice will include information required by law to be given to the Borrower and also the title and telephone number of a person who will answer any question Borrwer may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Covenant 18 of the Security Instrument is amended to read as follows:

(A) Until Borrower's intitial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument provides as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

JPMC - 002765
CONFIDENTIAL
CSOC.RICH.004258

(B) When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument shall then instead provide as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.

Laura Richardson _____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

[Sign Original Only]

JPMC - 002766
CONFIDENTIAL
CSOC.RICH.004259

EXHIBIT B

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311
800-892-6902
(818)775-2258 (Fax)

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20071214 PAGE 0358
Check Number 9109
Friday, DEC 14, 2007 8:41:18 AM
Ttl Pd $12.00 Nbr-0005192112
TNH/74/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is $18,356.40 as of December 13, 2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. [redacted] Loan No. [redacted] Title Order No. [redacted]

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY , JACKSONVILLE, FL 32256, (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: [redacted] Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 including the note(s) for the sum of $535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: December 13, 2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

Marilyn Aquas

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Marilyn L. Aquas

EXHIBIT C

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080319 PAGE 0358
Check Number 2572
Wednesday, MAR 19, 2008 9:07:55 AM
T41 Pd $11.00 Nbr-0005311112

JLW/14/1-1

Trustee Sale No.
Loan No.
Title Order No.

Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 01/04/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 04/07/2008 at 01:30 PM, CALIFORNIA RECONVEYANCE COMPANY as the duly appointed Trustee under and pursuant to Deed of Trust Recorded 01/10/2007, Book 20070110, Page 1818, Instrument , of official records in the Office of the Recorder of SACRAMENTO County, California, executed by: LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Beneficiary, will sell at public auction sale to the highest bidder for cash, cashier's check drawn by a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state. Sale will be held by the duly appointed trustee as shown below, of all right, title, and interest conveyed to and now held by the trustee in the hereinafter described property under and pursuant to the Deed of Trust. The sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by the Deed of Trust, interest thereon, estimated fees, charges and expenses of the Trustee for the total amount (at the time of the initial publication of the Notice of Sale) reasonably estimated to be set forth below. The amount may be greater on the day of sale.

Place of Sale: AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA

Legal Description: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: $578,384.52 (estimated)

Street address and other common designation of the real property: 3622 WEST CURTIS DRIVE
SACRAMENTO, CA 95818
APN Number:

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. The property heretofore described is being sold "as is".

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
(714) 259-7850 or www.fidelityasap.com
(714) 573-1965 or www.prioritypostings.com

DEBORAH BRIGNAC, VICE PRESIDENT
9200 OAKDALE AVE
MAILSTOP N110612
CHATSWORTH, CA 91311

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

C

Description: Sacramento,CA Document - Book.Page 20080319.358 Page: 1 of 1
Order: 20080319nac Comment:

EXHIBIT D

JPMC - 002772
CONFIDENTIAL
CSOC.RICH.004265

Jun 09 08 10:54a owner 305-667-1513 p.5

PRIORITY
POSTING AND PUBLISHING

TRUSTEE SALE (X)
TRUSTOR PAYMENT ( )

RECEIPT OF FUNDS AND INSTRUCTIONS

T.S. NO. [redacted] PRIORITY NO. 377335 DATE 5-7-08
TRUSTEE California Reconveyance Co.
ADDRESS 9200 Oakdale Ave, #110612
CITY Chatsworth STATE CA ZIP 91311
PHONE NO. 800-892-6902 CONTACT Deborah Brignac

CHECK NO.	NAME OF BANK	AMOUNT
0035906975	Wells Fargo BK	$ 388,000.01
		$
		$
		$
		$
		$

TOTAL OF ANY CASH RECEIVED $ -0-

SUCCESSFUL BID $ 388,000.01 TOTAL RECEIVED $ 388,000.01
TRANSFER TAX $ -0- AMOUNT REQUIRED $ 388,000.01
RECORDING FEES $ -0- REFUND AMOUNT $ -0-
REFUND PAYABLE TO N/A
RECEIVED BY [redacted] BUYERS SIGNATURE [redacted]
BUYERS NAME Jim York DRIVERS LICENSE NO. [redacted]
TITLE TO PROPERTY TO BE VESTED AS FOLLOWS Red Rock Mortgage, Inc.

ADDRESS 3600 American River Dr. # 135
CITY Sacramento STATE CA ZIP 958
PHONE NO. [redacted] 0

EXHIBIT E

JPMC - 002774
CONFIDENTIAL
CSOC.RICH.004267

00339 | 11-24
Office AU # | 1210(8)

CASHIER'S CHECK

SERIAL # 0033906975
ACCOUNT# [illegible]

Purchaser: JAMES P YORK
Purchaser Account
Operator I.D. cu002254

May 07, 2008

PAY TO THE ORDER OF ***CALIFORNIA RECONVEYANCE COMPANY***

****Three hundred eighty-eight thousand dollars and 01 cent****

****$388,000.01****

WELLS FARGO BANK, N.A.
400 CAPITOL MALL
SACRAMENTO, CA 95814
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER – IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND

VOID IF OVER US $ 388,000 01

NON-NEGOTIABLE

Purchaser Copy

B-00[illegible] [illegible] 07[illegible]

JPMC - 002775
CONFIDENTIAL
CSOC.RICH.004268

EXHIBIT F

JPMC - 002776
CONFIDENTIAL
CSOC.RICH.004269

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080519 PAGE 0487
Check Number 9325
Monday, MAY 19, 2008 11:12:43 AM
Tkl Pd $12.00 Nbr-0005398638
006-Sacramento Cy DTT PAID
AMH/GB/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. Title Order No M721884

TRUSTEE'S DEED UPON SALE

APN T.R.A. No.
The undersigned grantor declares:
1) The Grantee herein was not the foreclosing beneficiary.
2) The amount of the unpaid debt together with costs was.....$574,023.87
3) The amount paid by the grantee at the trustee sale was.....$388,000.01
4) The documentary transfer tax is $427.35
5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to **Red Rock Mortgage, Inc.** (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818
RECITALS:
This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being $388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

Karime Arias, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

IRMA GARCIA TORRES
Commission # 1508392
Notary Public - California
Los Angeles County
My Comm. Expires Aug 17, 2008

EXHIBIT G

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Frederick B. Garcia, Clerk/Recorder
BOOK 20080602 PAGE 0885
Check Number 365268
Monday, JUN 02, 2008 10:45:44 AM
Tel Pd $14.00 Nbr-0005418923
MCY/82/1-2

Space above this line for recorder's use only

Trustee Sale No 723397CA Loan No [redacted] Title Order No M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $535,001 00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A P N [redacted]
Situs. 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3 That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4 On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC , being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect

6 The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

JPMC - 002780
CONFIDENTIAL
CSOC.RICH.004273

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE. 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Colleen Irby, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

SIERRIE HERRADURA
Commission # 1792714
Notary Public - California
Los Angeles County
My Comm. Expires Mar 3, 2012

This document filed for recording By Fidelity National Title Insurance and Trust as an accommodation only. It has not been examined as to its execution or as its effect upon the title.

Subject: Accepted: Updated: Richardson Update
Location: 877-709[illegible] passcode:[illegible]

Start: 6/5/2008 7:00 PM
End: 6/5/2008 8:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode:[illegible]

Subject: Updated: Richardson Update
Location: 877-709[redacted] passcode:[redacted]

Start: 6/5/2008 7:00 PM
End: 6/5/2008 8:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.; GM QSM DTE
Resources: 877-709[redacted] passcode:[redacted]

When: Thursday, June 05, 2008 4:00 PM-5:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[redacted] passcode:[redacted]

~~*~*~*~*~*~*~*~*

From: Cook, Don
Sent: Tuesday, June 03, 2008 8:05:11 PM
To: Berens, John; Champney, Steven D.
Subject: FW: Richardson Update.

Attachments: Document.pdf

John and Steve, for your information.

From: Battaglia, Paul J.
Sent: Tuesday, June 03, 2008 4:54 PM
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Cc: 'Martin T. McGuinn'
Subject: Richardson Update.

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: TI-09-12
Chatsworth, CA 91311

THIS IS TO CERTIFY THAT THIS IS A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL RECORDED IN THE OFFICE OF THE COUNTY
RECORDER ON: June 2, 2008
AS DOCUMENT NO: BK: 20080602 / PG: 885
BY: s/ Khundy Vy
FIDELITY NATIONAL DEFAULT SOLUTIONS

(space above this line for recorder's use only)

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721694

NOTICE OF RESCISSION OF TRUSTEE`S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007 and Recorded 01/10/2007, Book 20070110, Page 1516, Instrument, naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $635,001.00

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:
LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N: [redacted]
Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95813

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/30/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC. AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE: 06/29/2006

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Colleen Irby, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jep Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 6/29/06 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEP CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

This document filed for recording By Fidelity National Title Insurance and Trust as an accommodation only. It has not been examined as to its execution or as to its effect upon the title.

SIERRIE HERRADURA
Commission # 1792218
Notary Public - California
Los Angeles County
My Comm. Expires Mar 3, 2010

Subject: Richardson Update
Location: 877-709[illegible] passcode:[illegible]

Start: 6/2/2008 12:30 PM
End: 6/2/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.; GM QSM DTE
Resources: 877-709[illegible] passcode:[illegible]

When: Monday, June 02, 2008 9:30 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[illegible] passcode:[illegible]

~~*~*~*~*~*~*~*~*

Subject: Accepted: Updated: Richardson update
Location: 877-709[illegible] passcode[illegible]

Start: 5/29/2008 2:00 PM
End: 5/29/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode[illegible]

Subject: Accepted: Richardson Update
Location: 877-709 passcode:

Start: 5/28/2008 6:00 PM
End: 5/28/2008 7:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709 passcode:

Subject: Accepted: Richardson update
Location: 877-709[illegible] passcode[illegible]

Start: 5/29/2008 1:00 PM
End: 5/29/2008 2:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode[illegible]

Subject: Richardson Update
Location: 877-709[illegible] passcode: [illegible]

Start: 5/28/2008 6:00 PM
End: 5/28/2008 7:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Thorn, Ann; Battaglia, Paul J.; Gaugl, Sara C.; Woodcock, Wendy A.; Cook, Don
Resources: 877-709[illegible] passcode:[illegible]

When: Wednesday, May 28, 2008 3:00 PM-4:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[illegible] passcode:[illegible]

~~*~*~*~*~*~*~*~*

<<Richardson>>

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 10:08 AM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

Any change in how you would like me to respond/handle? I have not done anything at this point in time.

Seems that the new opinion coming out of John Berens office is that we should not rescind the sale unless she comes up with the reinstatement funds in which we gave her the 60 days to do so.....

Just wanted to pass this along.

Let me know...

Ann

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5544

For Internal Use Only

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 1:08:10 PM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

Any change in how you would like me to respond/handle? I have not done anything at this point in time.

Seems that the new opinion coming out of John Berens office is that we should not rescind the sale unless she comes up with the reinstatement funds in which we gave her the 60 days to do so.....

Just wanted to pass this along.

Let me know...

Ann

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 11:52 PM
To: Thorn, Ann <ann.thorn@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: FW: Confidential: Richardson Update

Ann, my apologies. I accidentally left you off the cc line. Please see below -- Richardson makes a number of claims...

- Sara

From: Gaugl, Sara C.
Sent: Fri 05/23/2008 8:48 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.
Subject: Confidential: Richardson Update

David, John and Steve:

So you are aware, earlier this evening Congresswoman Richardson talked with a number of media outlets including the Associated Press. As outlined in the AP article embedded below, she's claiming that the foreclosure auction of her Sacramento home was "improper" and contrary to a written agreement she had with WaMu. She also said that we've taken initial steps to rescind the foreclosure action given that she had an "agreement."

Legal, HL PR., Corp. Comm., Servicing and GIR will stay closely aligned as this situation continues to evolve. After discussing this afternoon, we unfortunately are still limited on what we can disclose about Ms. Richardson's loan situation (outside of public record) given that she's won't provide her consent. We have and will continue to emphasize that fact to the media, and will point them back to the public record, which indicates a history of default.

We'll continue to update you on new developments, however in the interim, please let us know if you have any questions.

Best,

Sara

****

*Please note that this article is in draft form - the reporter provided it to me in advance of publication.

AP Interview: Calif. congresswoman says home sale 'improper'
By ERICA WERNER Associated Press Writer

WASHINGTON (AP) _ Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly $9,000 in delinquent property taxes.

She insisted she's not getting special terms because she's a congresswoman.

I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1½-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

The problem is that the 1,600-square-foot home she bought for $535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid $388,000. The sale was officially recorded on Monday, according to documents on file with the Sacramento County Recorder's Office.
A default notice sent to Richardson in March put her unpaid balance at $578,384.

Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around $50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

Others also don't have to depend on winning an election to ensure their livelihood, she said.

Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

She said she got another letter asking for payments May 2 and paid them, but did not know the sale was going to happen five days later.

Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the recission of foreclosure sale."

She did not provide documentation of the structure of her new loan.

A Washington Mutual spokeswoman, Sara Gaugl, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

Washington Mutual did not respond to a later inquiry seeking comment on Richardson's claims.

Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt.

James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

"I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. It was in cleaner and in better repair than most foreclosures."

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.

Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate.

In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property

can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than $75,000 of her own money on her campaign _ suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.

Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making $50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 5:49 PM
To: Elias, Alan <alan.elias@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: FW: Your advice re: Richardson

---

http://cbs5.com/business/congresswoman.home.default.2.730339.html

"We finally [saw] a notice on the front door about two and a half months ago," Burgos said. "It was a bank repossession notice."

FYI.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible]bell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 2:31 PM
To: Elias, Alan
Cc: Cook, Don
Subject: Your advice re: Richardson

Hi, Alan.
I would appreciate your advice/perspective.

At this point, Ms. Richardson has not signed any of the consent forms we have provided to her (including the media consent form).

I haven't seen any additional public statements made by her, however according to a reporter, she's now claiming that WaMu did not properly notify her that she was in default. This, of course, is not accurate.

Since she's decided to take more of an "accusatory" tone toward WaMu, I feel now may be the time to enter into the fray and begin communicating to reporters that we have not been authorized by Ms. Richardson to discuss her loan situation, and direct them to the public record if further pressed.

The alternative is to continue to keep a low profile and essentially not comment at all, as coverage and public sentiment continues to center around (1) the facts of her default and foreclosure, and (2) the inconsistencies in her statements and the public record.

Thoughts?

Sara Gaugl

Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible]bell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Battaglia, Paul J.
Sent: Friday, May 23, 2008 1:57 PM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Cook, Don
Sent: Friday, May 23, 2008 1:13 PM
To: Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

-----Original Message-----
From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 1:09 PM
To: Owen, Jan L.; Baptista, Geri Ann S.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: Media Update: Claim from Richardson

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Accepted: Update on Richardson
Location: 877-709[illegible] passcode: [illegible]

Start: 5/27/2008 12:00 PM
End: 5/27/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode:[illegible]

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 5:31 PM
To: Elias, Alan <alan.elias@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: Your advice re: Richardson

Hi, Alan.
I would appreciate your advice/perspective.

At this point, Ms. Richardson has not signed any of the consent forms we have provided to her (including the media consent form).

I haven't seen any additional public statements made by her, however according to a reporter, she's now claiming that WaMu did not properly notify her that she was in default. This, of course, is not accurate.

Since she's decided to take more of an "accusatory" tone toward WaMu, I feel now may be the time to enter into the fray and begin communicating to reporters that we have not been authorized by Ms. Richardson to discuss her loan situation, and direct them to the public record if further pressed.

The alternative is to continue to keep a low profile and essentially not comment at all, as coverage and public sentiment continues to center around (1) the facts of her default and foreclosure, and (2) the inconsistencies in her statements and the public record.

Thoughts?

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible]
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Battaglia, Paul J.
Sent: Friday, May 23, 2008 1:57 PM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Cook, Don
Sent: Friday, May 23, 2008 1:13 PM
To: Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

-----Original Message-----
From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 1:09 PM
To: Owen, Jan L.; Baptista, Geri Ann S.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: Media Update: Claim from Richardson

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228[redacted]cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Update on Richardson
Location: 877-709- passcode:

Start: 5/27/2008 12:00 PM
End: 5/27/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Gaugl, Sara C.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.; Cook, Don; Battaglia, Paul J.
Resources: 877-709- passcode:

When: Tuesday, May 27, 2008 9:00 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709- passcode:

~~*~*~*~*~*~*~*~*

From: Jan Owen <janowen[redacted]>
Sent: Friday, May 23, 2008 10:27 AM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Elias, Alan <alan.elias@wamu.net>; adrian.rodriquez@wamu.net; Gaspard, Scott <scott.gaspard@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Cook, Don <don.cook@wamu.net>; paul.battiglia@wamu.net
Subject: Captiol Weekly Richardson article 5-22-08

Capitol Weekly - The Newspaper of California Government and Politics

Debate intensifies over Richardson home default

By Anthony York *(published Thursday, May 22, 2008)*

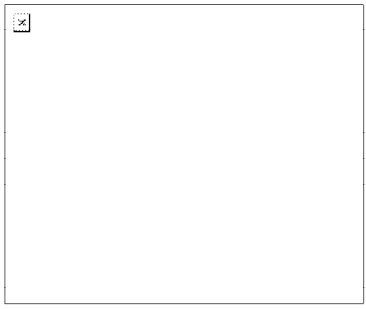
A Long Beach congresswoman who fell behind lin her payments on a $535,000 mortgage in Sacramento said in a written statement that she owns the home, but financial documents show the house was sold at public auction and has been in the possession of the buyer for weeks.

The auction for Rep. Laura Richardson's house, in Sacramento's Curtis Park neighborhood, took place on May 7. The transaction was detailed in public records filed with the county.

Richardson, a Democrat, a former Assembly member who was elected to the House last year, bought the 1,600-square-foot, three-bedroom house in January 2007, but soon fell behind in the payments.

The story of Richardson's Sacramento home is more than a tale of a real

estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.



While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, leaving nearly $600,000 in unpaid loans and fees, including nearly $9,000 in property taxes.

Richardson's decision to allow the loan to slide into default was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

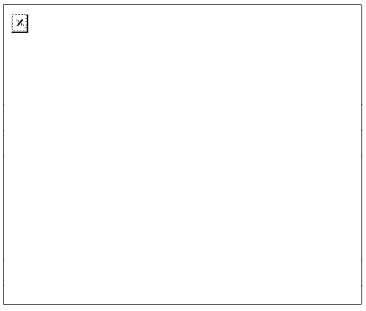
While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 - money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined requests over several days to discuss her real

Also in this issue

- Prevention of Cruelty to Animals Act; ethical and sound science *by Marji Beach*
- Drug companies fighting protections for consumers *by Thomas Brandi*
- Many in Half Moon Bay question decision not to



estate transaction. She also was not immediately available to comment Thursday, according to her office.

In a carefully written statement released Wednesday evening, she challenged Capitol Weekly's story about "the residential property that I own in Sacramento," and said that it had not been subjected to foreclosure. She also said that she renegotiated a loan in connection with the transaction, but did not provide details.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property," she said.

But financial records on file with the county show that Richardson does not own the home. The house was sold on May 7 at a public foreclosure auction for $388,001.

That auction originally had been scheduled for April 7, but was delayed a month, said James York, a Sacramento real estate broker who purchased the house from the trustee, the California Reconveyance Company. That transaction was officially recorded on May 9, and the deed transfer and sale were recorded on May 19. **Documents associated with the transaction can be viewed here.**

"It was a foreclosure auction. I took possession of the house as of May 7," said York, who has conducted numerous similar purchases, according to county records. (York is not related to the author of this article).

Search

Latest Issue News Opinion Advice Astrology Exams Database Jobs Database Salaries Database

Subscribe

About Us Advertise

appeal developer case *by Malcolm Maclachlan* Many in Half Moon Bay question decision not to appeal developer case

- Big Daddy *by Big Daddy*
- Medical marijuana bills moving forward *by Malcolm Maclachlan* Saldana, Leno bills would restrict cooperation with federal authorities and rules
- Facilitating assisted suicide is not the way to go *by Marilyn Golden*
- The I-5 fix: It□s all a matter of timing *by Capitol Staff* Starting May 30, commuters will be tested to the max
- The Skinny *by Anthony York*
- Seven animal initiatives fail to qualify for ballot *by Malcolm Maclachlan*

Opponents of Levine's spay/neuter bill pledge they'll be back

- John

JPMC - 002806
CONFIDENTIAL
CSOC.RICH.004299

York, whose firm specializes in foreclosure sales, said that Richardson did not participate in the transaction, that the house had been vacant for some time and that he paid the funds to California Reconveyance, which handles foreclosure property and is owned by Washington Mutual, the original lender.

The sale forced the bank to "take a $200,000 write-off," York noted. In an earlier interview with the Daily Breeze of Torrance, which reported a detailed account of the transaction, he said the bank "took a beating."

Tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment. At the time, the housing market was beginning to turn, but the severest impacts had not yet been felt. No-interest, "jumbo" loans-those more than $417,000-were still available from some lenders.

Richardson received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, 2008, a notice was filed with the county that Richardson's property would be sold at auction on April 7. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

The March 19 notice of trustee's sale also described the unpaid balance of Richardson's loan, held by Washington Mutual, at more than $578,000 - $40,000 more than the original mortgage. Tax records show $8,950 in unpaid property taxes.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000.

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon

Garamendi: movin□ on up? *by Nick Brokaw* The Lt. Gov. talks about the governorship, insurers

- Experts Expound *by Capitol Readers*
- Skaters, bikers: A free pass to avoid the I-5 crunch *by Capitol Staff*
- Insurers: After-market parts are key to savings *by Michael Gunning*

The parts are just as good, but cheaper: Think generic versus brand-name drugs.

- Personnel Profile: Nicole Rice *by Capitol Staff*
- Medi-Cal cuts hurt all Californians *by Lynn Rolston*

Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson did not vote. She also did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure. Richardson said she missed the votes because of the death of her father.

Richardson did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her congressional campaign committee since declaring her congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

<< Back

Copyright ©2008 :: Contact Us

From: Adams, Carolyn
Sent: Thursday, May 22, 2008 1:50:26 PM
To: Gaugl, Sara C.
CC: Cook, Don
Subject: AP story - excerpt below

I'm sure you have seen this - do you need anything from us?

AP
Calif. congresswoman's home threatened with repo
Thursday May 22, 11:49 am ET
By Don Thompson, Associated Press Writer

Calif. congresswoman's home threatened with repossession after she fails to pay mortgage

SACRAMENTO, Calif. (AP) -- Rep. Laura Richardson has an unusual perspective on the housing foreclosure bills moving through Congress: One of her own homes was threatened with repossession after she failed to pay the mortgage.

Richardson, a Southern California Democrat, bought a two-story home in a leafy, upper-middle-class neighborhood of Sacramento in January 2007, just months after winning a seat in the state Assembly.

She bought the three-bedroom, 1 1/2-bath home in the state capital for $535,500. The bill collectors started knocking soon after, according to records reviewed Wednesday by The Associated Press.

The city utility department placed a lien on her property in June 2007 for $154 in unpaid bills, according to documents at the Sacramento County recorder's office. In December, she received a default notice on the mortgage from the collection agency of Washington Mutual Inc., her lender. At that point, she owed $18,356.

(more posted on yahoo.com)

From: Cook, Don
Sent: Wednesday, May 21, 2008 8:46:12 PM
To: Gaugl, Sara C.
Subject: RE: (866) 723[illegible]PC[illegible]

The loan to which she refers must be with a different lender.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 5:43 PM
To: Battaglia, Paul J.; Kallner, Brad; Cook, Don; Woodcock, Wendy A.
Subject: RE: (866) 723[illegible]PC[illegible]
Importance: High

Embedded below is Congresswoman Laura Richardson's statement to the media for your reference.

CONGRESSWOMAN LAURA RICHARDSON

For Immediate Release
May 21, 2008

The story published in the Capitol Weekly regarding residential property that I own in Sacramento requires clarification.

Within a 12-month period last year (2007-2008), I was a member of Long Beach City Council, the District Director for California Lt. Gov. Cruz Bustamante, a member of the California State Legislature, and, now a member of Congress. While the transitioning has impacted me personally, the residential property in Sacramento California is *not in foreclosure and has **NOT** been seized by the bank.*

I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property.

On two housing bills that were cited by the Capitol Weekly, the allegation is that I recused myself from these votes. I did not. I was absent from Washington, D.C., and my duties in the House of Representatives due to the untimely death of my father and his subsequent funeral in California.

I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Congresswoman Richardson Update
Location: 877-709-[illegible] #[illegible] asscode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.; Cook, Don; Baptista, Geri Ann S.; GM QSM DTE; Kallner, Brad
Resources: 877-709[illegible] #[illegible] passcode

Subject: Accepted: Congresswoman Richardson Update
Location: 877-709[redacted] passcode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L[redacted]
Resources: 877-709[redacted] passcode

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 21, 2008 3:34 PM
To: Cook, Don <don.cook@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -
Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is[redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----
From: Kevin Gould <KGould@CalBankers.com>
To: FSIR Meeting Group <FSIRMeetingGroup@CalBankers.com>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

Subject: Updated: Richardson Update
Location: 888-595[illegible]pc[illegible]

Start: 6/19/2008 1:00 PM
End: 6/19/2008 1:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Baptista, Geri Ann S.; Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Resources: 888-595[illegible]pc[illegible]

changing time to accommodate schedules

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.; Klein, Jason C.; Parker, Gary L.
Resources: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

When: Monday, June 16, 2008 12:30 PM-1:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: Dial in at 1-866-736[illegible] Participant passcode is[illegible]

~~*~*~*~*~*~*~*~*

REDACTED

Dial in Number: 866-736[illegible]
Participant Code: [illegible]

Seattle Participants meet in small conference room on 34.

Subject: Update on Congresswoman Richardson
Location: 877-709[illegible] passcode[illegible]

Start: 5/23/2008 2:30 PM
End: 5/23/2008 3:30 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Battaglia, Paul J.; Cook, Don; Thorn, Ann; Woodcock, Wendy A.; Baptista, Geri Ann S.
Resources: 877-709[illegible] passcode[illegible]

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Monday, June 16, 2008 1:05 PM
To: Strom, Erik E. <erik.strom@wamu.net>
Cc: Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: RE: FYI

Good morning, Erik.
Many thanks for forwarding. Would you please ensure that David is aware of this as well (if he isn't already)?

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228.[illegible]bell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Strom, Erik E.
Sent: Monday, June 16, 2008 9:49 AM
To: Gaugl, Sara C.; Cook, Don
Subject: Fw: FYI

Fyi...this could have some rammifications for our situation with Rep. Richardson.
Erik Strom

----- Original Message -----
From: Watson, Alison
To: Strom, Erik E.
Sent: Mon Jun 16 09:40:14 2008
Subject: FW: FYI

Per my last e-mail...

From: Scott Talbott [illegible]
Sent: Mon 06/16/2008 9:20 AM
To: solomonm[illegible]; Watson, Alison; daniel.m.archer[illegible]
Subject: FYI

'Friends of Angelo' Allegations?

Dear Colleague:

With all of the recent turmoil we have been experiencing in our mortgage market, I am concerned about allegations of preferential treatment afforded to some individuals in Congress regarding their mortgages. Although these reports are still merely allegations, it is disconcerting to think Members of Congress might be knowingly or unknowingly receiving preferential treatment while millions of hardworking Americans struggle to repay their mortgage debts and cope with $4/gallon gasoline and soaring foods prices.

While some might disagree regarding what the proper response of the federal government to this mortgage market turmoil should be, I think we all can agree that it would be wrong for Members of Congress to get special treatment on their mortgages simply because they are elected office holders. That's why next week I will be sending a letter to the Speaker and the appropriate chairman with oversight requesting hearings on this issue. We must ensure that no Member is inappropriately benefiting from their position.

Of course, it is important to note that at this time these are merely allegations of preferential treatment, but that should not absolve us of our responsibility to ensure that Members of Congress do not receive special treatment while average Americans are scrimping and saving to keep their homes.

For more information, please contact Ed Skala in my office at [redacted]

Sincerely,

JEB HENSARLING
Member of Congress

Scott Talbott
Senior Vice President of Government Affairs
THE FINANCIAL SERVICES ROUNDTABLE
1001 Pennsylvania Avenue, NW
Suite 500
Washington, D.C. 20004
Tel: 202 289[redacted]
Cell: 202 297[redacted]
Fax: 202 628[redacted]
E-mail: scott[redacted]
Website: www.fsround.org <http://www.fsround.org/>

From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 7:12:45 PM
To: Gaugl, Sara C.
CC: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:19 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 3:09 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

\---

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:01 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 2:40 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 1:17 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.; Champney, Steven D.; Elias, Alan
Subject: FW: Richardson Coverage: Calculated Risk Blog

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:
As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting

embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk
by Tanta
http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * * * * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land and Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few

details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:
Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for $535,500, with no downpayment and with $15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was $365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been $3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been $3793.13.

The AP reports that Richardson's salary as a state representative was $113,000 in 2007, and she received $20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to $25,000. That gives me an annual income of $138,000 or a gross monthly income of $11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this to say about herself:
"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to $170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her $39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 6:19:03 PM
To: Adams, Carolyn
CC: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Many thanks.

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 3:09 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

_____

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:01 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

Thank you, Carolyn.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

_____

From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 2:40 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 1:17 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.; Champney, Steven D.; Elias, Alan
Subject: FW: Richardson Coverage: Calculated Risk Blog

Hi, Carolyn.

REDACTED

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:
As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk
by Tanta

http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * * * * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land and Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:
Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for $535,500, with no downpayment and with $15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was $365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been $3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been $3793.13.

The AP reports that Richardson's salary as a state representative was $113,000 in 2007, and she received $20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to $25,000. That gives me an annual income of $138,000 or a gross monthly income of $11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this to say about herself:
"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to $170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her $39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 6:09:16 PM
To: Gaugl, Sara C.
CC: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

_____

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:01 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

Thank you, Carolyn.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

_____

From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 2:40 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

_____

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 1:17 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.; Champney, Steven D.; Elias, Alan
Subject: FW: Richardson Coverage: Calculated Risk Blog

Hi, Carolyn.

REDACTED

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:
As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk
by Tanta
http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * * * * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land and Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:
Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for $535,500, with no downpayment and with $15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was $365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been $3123.75. Assuming taxes and

insurance of 1.50% of the property value, her total payment would have been $3793.13.

The AP reports that Richardson's salary as a state representative was $113,000 in 2007, and she received $20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to $25,000. That gives me an annual income of $138,000 or a gross monthly income of $11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this to say about herself:
"I'm Laura Richardson. I'm an American. I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to $170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her $39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 6:01:20 PM
To: Adams, Carolyn
CC: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

Thank you, Carolyn.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 2:40 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 1:17 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.; Champney, Steven D.; Elias, Alan
Subject: FW: Richardson Coverage: Calculated Risk Blog

Hi, Carolyn.

REDACTED

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.

Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:
As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk
by Tanta
http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * * * * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second

home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land and Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:
Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for $535,500, with no downpayment and with $15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was $365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been $3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been $3793.13.

The AP reports that Richardson's salary as a state representative was $113,000 in 2007, and she received $20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to $25,000. That gives me an annual income of $138,000 or a gross monthly income of $11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out

this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this to say about herself:
"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to $170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her $39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 5:39:31 PM
To: Gaugl, Sara C.
CC: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 1:17 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.; Champney, Steven D.; Elias, Alan
Subject: FW: Richardson Coverage: Calculated Risk Blog

Hi, Carolyn.

REDACTED

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:
As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key

articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk
by Tanta
http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * * * * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land and Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of

2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:
Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for $535,500, with no downpayment and with $15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was $365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been $3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been $3793.13.

The AP reports that Richardson's salary as a state representative was $113,000 in 2007, and she received $20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to $25,000. That gives me an annual income of $138,000 or a gross monthly income of $11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this to say about herself:
"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the

Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to $170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her $39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 4:17:19 PM
To: Adams, Carolyn
CC: Cook, Don; Hyde, Arlene M.; Champney, Steven D.; Elias, Alan
Subject: FW: Richardson Coverage: Calculated Risk Blog

Hi, Carolyn.

REDACTED

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:
As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk
by Tanta
http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * * * * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land and Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:
Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she

served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for $535,500, with no downpayment and with $15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was $365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been $3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been $3793.13.

The AP reports that Richardson's salary as a state representative was $113,000 in 2007, and she received $20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to $25,000. That gives me an annual income of $138,000 or a gross monthly income of $11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this to say about herself:
"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta. I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to $170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel

obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land. She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her $39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Cook, Don <don.cook@wamu.net>
Sent: Friday, June 13, 2008 8:56 PM
To: Klein, Jason C. <jason.klein@wamu.net>; Stevens, Lawrence W. <lawrence.stevens@wamu.net>
Cc: Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional
Attach: 001 Complaint Filed 6-12-08.pdf

Here you go…

From: Martin T. McGuinn [redacted]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

Gentlemen:

REDACTED

Marty

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525[redacted]
Direct Fax: (619) 525[redacted]

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

CARL P. BLAINE (State Bar # 65229)
Email: cblaine
THOMAS B. SHERIDAN (State Bar #249306)
Email: tsheridan
WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
10640 Mather Blvd., Suite 200
Mather, California 95655
Telephone: (916) 920-5286
Facsimile: (916) 920-8608

Attorneys for Plaintiff
RED ROCK MORTGAGE, INC.

FILED
Superior Court Of California,
Sacramento
Dennis Jonas, Executive
Officer
06/12/2008
avlaisavich
By_____, Deputy
Case Number:

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SACRAMENTO

Department
Assignments
Case Management 43
Law and Motion 54
Minors Compromise 25

RED ROCK MORTGAGE, INC.,

Plaintiff,

v.

WASHINGTON MUTUAL BANK, CALIFORNIA RECONVEYANCE COMPANY, LAURA RICHARDSON, and all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the complaint adverse to Plaintiff's title, or any cloud on Plaintiff's title, and DOES 1 through 20, inclusive,

Defendants.

Case No.

COMPLAINT FOR:

1. **SLANDER OF TITLE**
2. **CANCELLATION**
3. **QUIET TITLE**
4. **UNJUST ENRICHMENT**

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

1. Plaintiff RED ROCK MORTGAGE, INC. ("Plaintiff") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California

2. Plaintiff is informed and believes and thereon alleges that Defendant WASHINGTON MUTUAL BANK ("WAMU") is, and at all times herein mentioned was, a federal association organized and existing under the laws of the United States and doing business in the state of California.

3. Plaintiff is informed and believes and thereon alleges that Defendant

JPMC - 002851
CONFIDENTIAL
CSOC.RICH.004344

CALIFORNIA RECONVEYANCE COMPANY ("CRC") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California.

4 The real property that is the subject of this action, 3622 West Curtis Drive, Sacramento, California, Assessor's Parcel No. [redacted] ("Subject Property") is located in Sacramento County, California.

5. The Defendants named herein as "all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the Complaint adverse to plaintiff's title, or any cloud on plaintiff's title thereto" ("Unknown Defendants") are unknown to Plaintiff. These Unknown Defendants, and each of them, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-5608

6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious names. Their true names and capacities are unknown to Plaintiff. When their true names and capacities are ascertained, Plaintiff will amend this complaint by inserting their true names and capacities herein. Plaintiff is informed and believes and thereon alleges that Does 1-10, inclusive, are responsible in some manner for the occurrences herein alleged, and that Plaintiff's damages as herein alleged were proximately caused by such Defendants. Plaintiff is further informed and believes and thereon alleges that Does 11-20, inclusive, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

COMMON ALLEGATIONS

7. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 6 above.

8. Plaintiff is informed and believes and thereon alleges that on or about January 10, 2007, a Deed of Trust ("Deed of Trust") was recorded against the Subject Property to secure a loan in the amount $535,001.00 made by WAMU to LAURA RICHARDSON. CRC is the trustee under the Deed of Trust. (Attached hereto as Exhibit A, incorporated herein by reference, is a true and correct copy of the Deed of Trust.)

JPMC - 002852
CONFIDENTIAL
CSOC.RICH.004345

9. Plaintiff is informed and believes and thereon alleges that, at some point prior to December 17, 2007, Defendant RICHARDSON defaulted on the payments due on the loan secured by the Deed of Trust.

10. On December 17, 2007, CRC recorded a Notice of Default on the Subject Property. (Attached hereto as Exhibit B, and incorporated herein by this reference, is a true and correct copy of the Notice of Default.) The Notice of Default provides that, as of December 13, 2007, the amount of the default was $18,356.40.

11. On March 19, 2008, CRC recorded a Notice of Trustee's sale on the Subject Property, advertising the Trustee's Sale of the Subject Property to the general public. (Attached hereto as Exhibit C, and incorporated herein by this reference, is a true and correct copy of the Notice of Trustee's Sale.) Pursuant to the Notice of Trustee's Sale, the unpaid balance and other charges was approximately $578,384.52.

12. The Notice of Trustee's Sale provides that the sale was to occur on April 7, 2008, at 1:30 p.m., at the main entrance to the Sacramento County Courthouse, 720 9th Street, Sacramento, California.

13. Plaintiff is informed and believes and thereon alleges that the sale was postponed to May 7, 2008, at 1:30 p.m., to be held at the same location.

14. In accordance with the Notice of Trustee's Sale and the duly noticed postponement thereof, on May 7, 2008, Plaintiff appeared at the trustee's sale to bid on the Subject Property. Plaintiff secured a cashier's check in order to qualify to bid at the sale.

15. At the noticed time and place, CRC conducted the trustee's sale of the Subject Property. Plaintiff is informed and believes thereon alleges that Defendants complied with all statutory requirements in conducting the trustee's sale of the Subject Property.

16. Plaintiff bid at the trustee's sale. Plaintiff is informed and believes and thereon alleges that Plaintiff was the high bidder at the trustee's sale with a bid of $388,000.01.

17. Plaintiff timely delivered a cashier's check in the amount of $388,000.01 to CRC. CRC accepted the cashier's check from Plaintiff. (Attached hereto as Exhibit D & E,

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10540 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002853
CONFIDENTIAL
CSOC.RICH.004346

respectively, and incorporated herein by reference, are true and correct copies of the receipt of funds issued to Plaintiff and Plaintiff's cashier's check stub.)

18. Plaintiff is informed and believes and thereon alleges that the sale of the Subject Property was final and no further acts were required to consummate the sale.

19. Plaintiff is informed and believes and thereon alleges that, on or about May 9, 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

20. Immediately after Plaintiff purchased the Subject Property, Plaintiff immediately began improving the property and preparing to sell it, as Plaintiff is in the business of buying and selling real estate. Among other things, Plaintiff painted select portions of the residence, refurbished the flooring inside the residence, and performed general clean-up and landscaping in and around the Subject Property at its expense. Plaintiff is informed and believes and thereon alleges that the improvements made by Plaintiff enhanced the value of the Subject Property.

21. On or about May 28, 2008, WAMU contacted Plaintiff and informed Plaintiff that it wished to rescind the sale. Plaintiff informed WAMU that Plaintiff was the highest bidder at the Trustee's Sale and that it had paid the full consideration in the manner specified by the Notice of Trustee's Sale. Plaintiff also informed WAMU that Plaintiff had been issued the Trustee's Deed, and recorded it, and had no intention of rescinding.

22. On or about June 2, 2008, Defendants recorded a Notice of Rescission at the Sacramento County Recorder's Office. (Attached hereto as Exhibit G, and incorporated herein by this reference, is a true and correct copy of the recorded Notice of Rescission.)

FIRST CAUSE OF ACTION

[Slander of Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

23. Plaintiff realleges and incorporates by reference each and every allegation set

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5294 Fax (916) 920-8608

JPMC - 002854
CONFIDENTIAL
CSOC.RICH.004347

forth in paragraphs 1 through 22 above.

24. On our about May 7, 2008, Plaintiff became the fee owner of the Subject Property based upon its purchase of the Subject Property at the Trustee's Sale.

25. Plaintiff is informed and believes and thereon alleges that, on or about June 2, 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to be recorded a Notice of Rescission.

26. The Notice of Rescission was false and continues to cause doubt to be cast on Plaintiff's title to the Subject Property.

27. The recording of the Notice of Rescission directly impairs the vendibility of the property on the open market. Accordingly, Plaintiff has been damaged by Defendants recording of the Notice of Rescission.

28. Plaintiff is informed and believes and thereon alleges that, in doing the things herein alleged, WAMU and CRC acted with malice, oppression, and/or fraud as defined under Civ. Code § 3294(c), in conscious disregard of Plaintiff's rights, thereby warranting an assessment of punitive damages in an amount appropriate to punish Defendants and deter others from engaging in similar misconduct.

29. The recording of the Notice of Rescission made it necessary for Plaintiff to retain attorneys and to bring this action. Therefore, Plaintiff is entitled to recover attorney's fees and costs incurred. The exact amount of such damages is not known to Plaintiff at this time, and Plaintiff will move to amend this complaint to state such amount when the same becomes known, or on proof thereof.

SECOND CAUSE OF ACTION

[Cancellation of Cloud on Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

30. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 29 above.

31. Defendants claim an interest in the Subject Property which is adverse to the Plaintiff. Defendants' interest in the Subject Property is purportedly based on the Notice of

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002855
CONFIDENTIAL
CSOC.RICH.004348

Rescission, recorded on June 2, 2008, which states that the sale is rescinded.

32. The Notice of Rescission is invalid and void because the Defendant has no further rights to the Subject Property after the Trustee Sale was completed and the Trustee's Deed Upon Sale was issued and recorded.

33. Defendants' claim to the Subject Property clouds the Plaintiff's title, depreciates the property's market value, and prevents Plaintiff from enjoying the use of the Subject Property.

THIRD CAUSE OF ACTION

[Quiet Title]

(Against Defendants WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive)

34. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 33 above.

35. Plaintiff is the sole owner of the fee simple title to the Subject Property.

36. The basis of Plaintiff's title is that Plaintiff was the high bidder at the Trustee's Sale of the Subject Property; Plaintiff tendered the full amount of its bid to the trustee; the trustee accepted Plaintiff's tender; and, the trustee issued a Trustee's Deed Upon Sale to Plaintiff, which was subsequently recorded, granting Plaintiff fee simple title to the Subject Property.

37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to Plaintiff which would have the affect of restoring the state of title to the Subject Property to the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 923-5286 Fax (916) 929-5608

JPMC - 002856
CONFIDENTIAL
CSOC.RICH.004349

38. Plaintiff seeks to quiet title to the Subject Property as of May 7, 2008, which is the date Plaintiff purchased the Subject Property at the Trustee's Sale.

FOURTH CAUSE OF ACTION

[Unjust Enrichment]

(Against Defendants WAMU, LAURA RICHARDSON, and DOES 1-10, inclusive)

39. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 38 above.

40. Plaintiff has completed numerous improvements to the Subject Property, which have significantly increased its value. If Defendants are permitted to rescind the Trustee's Deed Upon Sale, Defendants will be unjustly enriched by their retention of the increased value of the Subject Property.

PRAYER

Wherefore, Plaintiff prays judgment against Defendants as follow:

1. For general damages, in an amount to be proven at trial;
2. For punitive and exemplary damages in an amount to be proven at trial;
3. For the Notice of Rescission to be delivered to the clerk for the court for cancellation and that it be declared void;
4. For a judgment that Plaintiff is the owner in fee simple of the Subject Property and that Defendants have no interest in the Subject Property adverse to Plaintiffs;
5. For restitution;
6. For attorneys' fees and costs incurred herein; and
7. For such other and further relief as the court may deem proper.

DATED: 6/11/2008

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP

By: _____
THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE, INC.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002857
CONFIDENTIAL
CSOC.RICH.004350

EXHIBIT A

JPMC - 002858
CONFIDENTIAL
CSOC.RICH.004351

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * * * * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land and Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:
Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she

served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for $535,500, with no downpayment and with $15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was $365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been $3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been $3793.13.

The AP reports that Richardson's salary as a state representative was $113,000 in 2007, and she received $20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to $25,000. That gives me an annual income of $138,000 or a gross monthly income of $11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this to say about herself:
"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta. I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to $170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel

obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land. She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her $39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Cook, Don <don.cook@wamu.net>
Sent: Friday, June 13, 2008 8:56 PM
To: Klein, Jason C. <jason.klein@wamu.net>; Stevens, Lawrence W. <lawrence.stevens@wamu.net>
Cc: Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional
Attach: 001 Complaint Filed 6-12-08.pdf

Here you go…

From: Martin T. McGuinn [redacted]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

Gentlemen:

REDACTED

Marty

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525[redacted]
Direct Fax: (619) 525[redacted]

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

CARL P. BLAINE (State Bar # 65229)
Email: cblaine[redacted]
THOMAS B. SHERIDAN (State Bar #249306)
Email: tsheridan[redacted]
WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
10640 Mather Blvd., Suite 200
Mather, California 95655
Telephone: (916) 920-5286
Facsimile: (916) 920-8608

Attorneys for Plaintiff
RED ROCK MORTGAGE, INC.

FILED
Superior Court Of California,
Sacramento
Dennis Jonas, Executive
Officer
06/12/2008
avlaisavich
By_____, Deputy
Case Number:
[redacted]

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SACRAMENTO

Department
Assignments
Case Management 43
Law and Motion 54
Minors Compromise 25

RED ROCK MORTGAGE, INC.,

Plaintiff,

v.

WASHINGTON MUTUAL BANK, CALIFORNIA RECONVEYANCE COMPANY, LAURA RICHARDSON, and all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the complaint adverse to Plaintiff's title, or any cloud on Plaintiff's title, and DOES 1 through 20, inclusive,

Defendants.

Case No.

COMPLAINT FOR:

1. **SLANDER OF TITLE**
2. **CANCELLATION**
3. **QUIET TITLE**
4. **UNJUST ENRICHMENT**

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

1. Plaintiff RED ROCK MORTGAGE, INC. ("Plaintiff") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California

2. Plaintiff is informed and believes and thereon alleges that Defendant WASHINGTON MUTUAL BANK ("WAMU") is, and at all times herein mentioned was, a federal association organized and existing under the laws of the United States and doing business in the state of California.

3. Plaintiff is informed and believes and thereon alleges that Defendant

JPMC - 002851
CONFIDENTIAL
CSOC.RICH.004344

CALIFORNIA RECONVEYANCE COMPANY ("CRC") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California.

4 The real property that is the subject of this action, 3622 West Curtis Drive, Sacramento, California, Assessor's Parcel No. [redacted] ("Subject Property") is located in Sacramento County, California.

5. The Defendants named herein as "all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the Complaint adverse to plaintiff's title, or any cloud on plaintiff's title thereto" ("Unknown Defendants") are unknown to Plaintiff. These Unknown Defendants, and each of them, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-5608

6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious names. Their true names and capacities are unknown to Plaintiff. When their true names and capacities are ascertained, Plaintiff will amend this complaint by inserting their true names and capacities herein. Plaintiff is informed and believes and thereon alleges that Does 1-10, inclusive, are responsible in some manner for the occurrences herein alleged, and that Plaintiff's damages as herein alleged were proximately caused by such Defendants. Plaintiff is further informed and believes and thereon alleges that Does 11-20, inclusive, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

COMMON ALLEGATIONS

7. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 6 above.

8. Plaintiff is informed and believes and thereon alleges that on or about January 10, 2007, a Deed of Trust ("Deed of Trust") was recorded against the Subject Property to secure a loan in the amount $535,001.00 made by WAMU to LAURA RICHARDSON. CRC is the trustee under the Deed of Trust. (Attached hereto as Exhibit A, incorporated herein by reference, is a true and correct copy of the Deed of Trust.)

JPMC - 002852
CONFIDENTIAL
CSOC.RICH.004345

9. Plaintiff is informed and believes and thereon alleges that, at some point prior to December 17, 2007, Defendant RICHARDSON defaulted on the payments due on the loan secured by the Deed of Trust.

10. On December 17, 2007, CRC recorded a Notice of Default on the Subject Property. (Attached hereto as Exhibit B, and incorporated herein by this reference, is a true and correct copy of the Notice of Default.) The Notice of Default provides that, as of December 13, 2007, the amount of the default was $18,356.40.

11. On March 19, 2008, CRC recorded a Notice of Trustee's sale on the Subject Property, advertising the Trustee's Sale of the Subject Property to the general public. (Attached hereto as Exhibit C, and incorporated herein by this reference, is a true and correct copy of the Notice of Trustee's Sale.) Pursuant to the Notice of Trustee's Sale, the unpaid balance and other charges was approximately $578,384.52.

12. The Notice of Trustee's Sale provides that the sale was to occur on April 7, 2008, at 1:30 p.m., at the main entrance to the Sacramento County Courthouse, 720 9th Street, Sacramento, California.

13. Plaintiff is informed and believes and thereon alleges that the sale was postponed to May 7, 2008, at 1:30 p.m., to be held at the same location.

14. In accordance with the Notice of Trustee's Sale and the duly noticed postponement thereof, on May 7, 2008, Plaintiff appeared at the trustee's sale to bid on the Subject Property. Plaintiff secured a cashier's check in order to qualify to bid at the sale.

15. At the noticed time and place, CRC conducted the trustee's sale of the Subject Property. Plaintiff is informed and believes thereon alleges that Defendants complied with all statutory requirements in conducting the trustee's sale of the Subject Property.

16. Plaintiff bid at the trustee's sale. Plaintiff is informed and believes and thereon alleges that Plaintiff was the high bidder at the trustee's sale with a bid of $388,000.01.

17. Plaintiff timely delivered a cashier's check in the amount of $388,000.01 to CRC. CRC accepted the cashier's check from Plaintiff. (Attached hereto as Exhibit D & E,

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10540 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002853
CONFIDENTIAL
CSOC.RICH.004346

respectively, and incorporated herein by reference, are true and correct copies of the receipt of funds issued to Plaintiff and Plaintiff's cashier's check stub.)

18. Plaintiff is informed and believes and thereon alleges that the sale of the Subject Property was final and no further acts were required to consummate the sale.

19. Plaintiff is informed and believes and thereon alleges that, on or about May 9, 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

20. Immediately after Plaintiff purchased the Subject Property, Plaintiff immediately began improving the property and preparing to sell it, as Plaintiff is in the business of buying and selling real estate. Among other things, Plaintiff painted select portions of the residence, refurbished the flooring inside the residence, and performed general clean-up and landscaping in and around the Subject Property at its expense. Plaintiff is informed and believes and thereon alleges that the improvements made by Plaintiff enhanced the value of the Subject Property.

21. On or about May 28, 2008, WAMU contacted Plaintiff and informed Plaintiff that it wished to rescind the sale. Plaintiff informed WAMU that Plaintiff was the highest bidder at the Trustee's Sale and that it had paid the full consideration in the manner specified by the Notice of Trustee's Sale. Plaintiff also informed WAMU that Plaintiff had been issued the Trustee's Deed, and recorded it, and had no intention of rescinding.

22. On or about June 2, 2008, Defendants recorded a Notice of Rescission at the Sacramento County Recorder's Office. (Attached hereto as Exhibit G, and incorporated herein by this reference, is a true and correct copy of the recorded Notice of Rescission.)

FIRST CAUSE OF ACTION

[Slander of Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

23. Plaintiff realleges and incorporates by reference each and every allegation set

WAGNER KIRKMAN BLAINE KLOMPARENS & TOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5294 Fax (916) 920-8608

JPMC - 002854
CONFIDENTIAL
CSOC.RICH.004347

forth in paragraphs 1 through 22 above.

24. On our about May 7, 2008, Plaintiff became the fee owner of the Subject Property based upon its purchase of the Subject Property at the Trustee's Sale.

25. Plaintiff is informed and believes and thereon alleges that, on or about June 2, 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to be recorded a Notice of Rescission.

26. The Notice of Rescission was false and continues to cause doubt to be cast on Plaintiff's title to the Subject Property.

27. The recording of the Notice of Rescission directly impairs the vendibility of the property on the open market. Accordingly, Plaintiff has been damaged by Defendants recording of the Notice of Rescission.

28. Plaintiff is informed and believes and thereon alleges that, in doing the things herein alleged, WAMU and CRC acted with malice, oppression, and/or fraud as defined under Civ. Code § 3294(c), in conscious disregard of Plaintiff's rights, thereby warranting an assessment of punitive damages in an amount appropriate to punish Defendants and deter others from engaging in similar misconduct.

29. The recording of the Notice of Rescission made it necessary for Plaintiff to retain attorneys and to bring this action. Therefore, Plaintiff is entitled to recover attorney's fees and costs incurred. The exact amount of such damages is not known to Plaintiff at this time, and Plaintiff will move to amend this complaint to state such amount when the same becomes known, or on proof thereof.

SECOND CAUSE OF ACTION

[Cancellation of Cloud on Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

30. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 29 above.

31. Defendants claim an interest in the Subject Property which is adverse to the Plaintiff. Defendants' interest in the Subject Property is purportedly based on the Notice of

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002855
CONFIDENTIAL
CSOC.RICH.004348

Rescission, recorded on June 2, 2008, which states that the sale is rescinded.

32. The Notice of Rescission is invalid and void because the Defendant has no further rights to the Subject Property after the Trustee Sale was completed and the Trustee's Deed Upon Sale was issued and recorded.

33. Defendants' claim to the Subject Property clouds the Plaintiff's title, depreciates the property's market value, and prevents Plaintiff from enjoying the use of the Subject Property.

THIRD CAUSE OF ACTION

[Quiet Title]

(Against Defendants WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive)

34. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 33 above.

35. Plaintiff is the sole owner of the fee simple title to the Subject Property.

36. The basis of Plaintiff's title is that Plaintiff was the high bidder at the Trustee's Sale of the Subject Property; Plaintiff tendered the full amount of its bid to the trustee; the trustee accepted Plaintiff's tender; and, the trustee issued a Trustee's Deed Upon Sale to Plaintiff, which was subsequently recorded, granting Plaintiff fee simple title to the Subject Property.

37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to Plaintiff which would have the affect of restoring the state of title to the Subject Property to the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 923-5286 Fax (916) 929-5608

JPMC - 002856
CONFIDENTIAL
CSOC.RICH.004349

38. Plaintiff seeks to quiet title to the Subject Property as of May 7, 2008, which is the date Plaintiff purchased the Subject Property at the Trustee's Sale.

FOURTH CAUSE OF ACTION

[Unjust Enrichment]

(Against Defendants WAMU, LAURA RICHARDSON, and DOES 1-10, inclusive)

39. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 38 above.

40. Plaintiff has completed numerous improvements to the Subject Property, which have significantly increased its value. If Defendants are permitted to rescind the Trustee's Deed Upon Sale, Defendants will be unjustly enriched by their retention of the increased value of the Subject Property.

PRAYER

Wherefore, Plaintiff prays judgment against Defendants as follow:

1. For general damages, in an amount to be proven at trial;
2. For punitive and exemplary damages in an amount to be proven at trial;
3. For the Notice of Rescission to be delivered to the clerk for the court for cancellation and that it be declared void;
4. For a judgment that Plaintiff is the owner in fee simple of the Subject Property and that Defendants have no interest in the Subject Property adverse to Plaintiffs;
5. For restitution;
6. For attorneys' fees and costs incurred herein; and
7. For such other and further relief as the court may deem proper.

DATED: 6/11/2008

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP

By: _____
THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE, INC.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002857
CONFIDENTIAL
CSOC.RICH.004350

EXHIBIT A

JPMC - 002858
CONFIDENTIAL
CSOC.RICH.004351

Recording Requested By:
Washington Mutual Bank

Return To:
2210 Enterprise Drive
Doc Ops - MS SC00140
Florence, SC 29501

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20070110 PAGE 1818
Check Number 4266
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd $53.00 Nbr-0004594371
REB/51/1-19

Prepared By:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS
Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "**Security Instrument**" means this document, which is dated January 4, 2007, together with all Riders to this document.
(B) "**Borrower**" is Laura Richardson, An Unmarried Woman

Borrower's address is 717 E Vernon St, Long Beach, CA 90806. Borrower is the trustor under this Security Instrument.
(C) "**Lender**" is Washington Mutual Bank

Lender is a federal association
organized and existing under the laws of the United States

A

JPMC - 002859
CONFIDENTIAL
CSOC.RICH.004352

Lender's address is 1400 South Douglass Road, Suite 100, Anaheim, CA 92806

Lender is the beneficiary under this Security Instrument.
(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007
The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100 Dollars
(U.S. $535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037 .
(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

[X] Adjustable Rate Rider	[ ] Condominium Rider	[ ] Second Home Rider
[ ] Balloon Rider	[ ] Planned Unit Development Rider	[ ] 1-4 Family Rider
[ ] VA Rider	[ ] Biweekly Payment Rider	[ ] Other(s) [specify]

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions
(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(L) "Escrow Items" means those items that are described in Section 3.
(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

JPMC - 002860
CONFIDENTIAL
CSOC.RICH.004353

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of SACRAMENTO :

[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

Legal Description Attached Hereto And Made A Part Hereof

Exhibit 'A'

Parcel ID Number: [redacted]

3622 West Curtis Drive [Street]

Sacramento [City], California 95818 [Zip Code]

("Property Address").

which currently has the address of

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows.

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. [redacted]

JPMC - 002861
CONFIDENTIAL
CSOC.RICH.004354

currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

JPMC - 002862
CONFIDENTIAL
CSOC.RICH.004355

in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

JPMC - 002863
CONFIDENTIAL
CSOC.RICH.004356

lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

JPMC - 002864
CONFIDENTIAL
CSOC.RICH.004357

the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

JPMC - 002865
CONFIDENTIAL
CSOC.RICH.004358

attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

JPMC - 002866
CONFIDENTIAL
CSOC.RICH.004359

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

JPMC - 002867
CONFIDENTIAL
CSOC.RICH.004360

to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

JPMC - 002868
CONFIDENTIAL
CSOC.RICH.004361

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

JPMC - 002869
CONFIDENTIAL
CSOC.RICH.004362

requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

JPMC - 002870
CONFIDENTIAL
CSOC.RICH.004363

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

24. Substitute Trustee. Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. Statement of Obligation Fee. Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

JPMC - 002871
CONFIDENTIAL
CSOC.RICH.004364

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

_____	_____ (Seal) -Borrower Laura Richardson
_____	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower

JPMC - 002872
CONFIDENTIAL
CSOC.RICH.004365

State of California
County of Sacramento } ss.

On January 4, 2007 before me, Nikki Davis a notary public
personally appeared

Laura Richardson

, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

NIKKI DAVIS
COMM. #1520789
Notary Public-California
SACRAMENTO COUNTY
My Comm. Exp. Oct. 21, 2008

(Seal)

JPMC - 002873
CONFIDENTIAL
CSOC.RICH.004366

Exhibit "A"
Legal Description

Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18

Apn:

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 4th day of January, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at:
3622 West Curtis Drive, Sacramento, CA 95818

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR A CHANGE FROM THE INITIAL FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE AND FOR CHANGES IN THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 8.800 %. The Note provides for a change in the initial fixed interest rate to an adjustable interest rate and for changes in the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate Borrower will pay will change to an adjustable interest rate on the first day of February, 2009, and the interest rate Borrower will pay may change on that day every 6th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in **The Wall Street Journal**. The most recent Index figure available as of the date 45 days before the Change Date is called the "Current Index."

JPMC - 002875
CONFIDENTIAL
CSOC.RICH.004368

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding Four and 99/100 percentage points (4.990 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.600 % or less than 8.800 %. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000 %) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800 % or less than 8.800 %.

(E) Effective Date of Changes

Borrower's new interest rate will become effective on each Change Date. Borrower will pay the amount of Borrower's new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's interest rate and the amount of Borrower's monthly payment before the effective date of any change. The notice will include information required by law to be given to the Borrower and also the title and telephone number of a person who will answer any question Borrwer may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Covenant 18 of the Security Instrument is amended to read as follows:

(A) Until Borrower's intiial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument provides as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

JPMC - 002876
CONFIDENTIAL
CSOC.RICH.004369

(B) When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument shall then instead provide as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.

Laura Richardson (Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower

[Sign Original Only]

JPMC - 002877
CONFIDENTIAL
CSOC.RICH.004370

EXHIBIT B

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311
800-892-6902
(818)775-2258 (Fax)

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20071214 PAGE 0358
Check Number 9109
Friday, DEC 14, 2007 8:41:18 AM
Ttl Pd $12.00 Nbr-0005192112
TNH/74/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is $18,356.40 as of December 13, 2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY , JACKSONVILLE, FL 32256, (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: 013-0363-001 Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 including the note(s) for the sum of $535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: December 13, 2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

Marilyn Aquas

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Marilyn L. Aquas

EXHIBIT C

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Trustee Sale No.
Loan No.
Title Order No.

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080319 PAGE 0358
Check Number 2572
Wednesday, MAR 19, 2008 9:07:55 AM
T41 Pd $11.00 Nbr-0005311112

JLW/14/1-1

Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 01/04/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 04/07/2008 at 01:30 PM, CALIFORNIA RECONVEYANCE COMPANY as the duly appointed Trustee under and pursuant to Deed of Trust Recorded 01/10/2007, Book 20070110, Page 1818, Instrument , of official records in the Office of the Recorder of SACRAMENTO County, California, executed by: LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Beneficiary, will sell at public auction sale to the highest bidder for cash, cashier's check drawn by a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state. Sale will be held by the duly appointed trustee as shown below, of all right, title, and interest conveyed to and now held by the trustee in the hereinafter described property under and pursuant to the Deed of Trust. The sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by the Deed of Trust, interest thereon, estimated fees, charges and expenses of the Trustee for the total amount (at the time of the initial publication of the Notice of Sale) reasonably estimated to be set forth below. The amount may be greater on the day of sale

Place of Sale. AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA

Legal Description LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: $578,384.52 (estimated)

Street address and other common designation of the real property 3622 WEST CURTIS DRIVE
SACRAMENTO, CA 95818
APN Number:

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. The property heretofore described is being sold "as is"

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
(714) 259-7850 or www.fidelityasap.com
(714) 573-1965 or www.prioritypostings.com

DEBORAH BRIGNAC, VICE PRESIDENT
9200 OAKDALE AVE
MAILSTOP N110612
CHATSWORTH, CA 91311

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

C

Description: Sacramento,CA Document - Book.Page 20080319.358 Page: 1 of 1
Order: 20080319nac Comment:

EXHIBIT D

Jun 09 08 10:54a owner 305-667-1513 p.5

PRIORITY
POSTING AND PUBLISHING

TRUSTEE SALE (X)
TRUSTOR PAYMENT ( )

RECEIPT OF FUNDS AND INSTRUCTIONS

T.S. NO. [redacted] PRIORITY NO. 377335 DATE 5-7-08
TRUSTEE California Reconveyance Co.
ADDRESS 9200 Oakdale Ave, #110612
CITY Chatsworth STATE CA ZIP 91311
PHONE NO. 800-892-6902 CONTACT Deborah Brignac

CHECK NO.	NAME OF BANK	AMOUNT
0035906975	Wells Fargo BK	$ 388,000.01
		$
		$
		$
		$
		$

TOTAL OF ANY CASH RECEIVED $ -0-

SUCCESSFUL BID $ 388,000.01 TOTAL RECEIVED $ 388,000.01
TRANSFER TAX $ -0- AMOUNT REQUIRED $ 388,000.01
RECORDING FEES $ -0- REFUND AMOUNT $ -0-
REFUND PAYABLE TO N/A
RECEIVED BY [redacted] BUYERS SIGNATURE [redacted]
BUYERS NAME Jim York DRIVERS LICENSE NO. [redacted]
TITLE TO PROPERTY TO BE VESTED AS FOLLOWS Red Rock Mortgage, Inc.

ADDRESS 3600 American River Dr. # 135
CITY Sacramento STATE CA ZIP 958
PHONE NO. [redacted] 0

JPMC - 002884
CONFIDENTIAL
CSOC.RICH.004377

EXHIBIT E

00339 | 11-24
Office AU # | 1210(8)

CASHIER'S CHECK

SERIAL # 0033906975
ACCOUNT#

Purchaser: JAMES P YORK
Purchaser Account
Operator I.D. cu002254

May 07, 2008

PAY TO THE ORDER OF ***CALIFORNIA RECONVEYANCE COMPANY***

****Three hundred eighty-eight thousand dollars and 01 cent****

****$388,000.01****

WELLS FARGO BANK, N.A.
400 CAPITOL MALL
SACRAMENTO, CA 95814
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER – IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND

VOID IF OVER US $ 388,000 01

NON-NEGOTIABLE

Purchaser Copy

B-00[illegible] [illegible] 07[illegible]

JPMC - 002886
CONFIDENTIAL
CSOC.RICH.004379

EXHIBIT F

JPMC - 002887
CONFIDENTIAL
CSOC.RICH.004380

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080519 PAGE 0487
Check Number 9325
Monday, MAY 19, 2008 11:12:43 AM
Tbl Pd $12.00 Nbr-0005398638
006-Sacramento Cy DTT PAID
AMH/GB/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No M721884

TRUSTEE'S DEED UPON SALE

APN [redacted] T.R.A. No.

The undersigned grantor declares:

1) The Grantee herein was not the foreclosing beneficiary.
2) The amount of the unpaid debt together with costs was.....$574,023.87
3) The amount paid by the grantee at the trustee sale was.....$388,000.01
4) The documentary transfer tax is $427.35
5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to **Red Rock Mortgage, Inc.** (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

f

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being $388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

Karime Arias, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

IRMA GARCIA TORRES
Commission # 1508392
Notary Public - California
Los Angeles County
My Comm. Expires Aug 17, 2008

EXHIBIT G

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Frederick B. Garcia, Clerk/Recorder
BOOK 20080602 PAGE 0885
Check Number 365268
Monday, JUN 02, 2008 10:45:44 AM
Tkt Pd $14.00 Nbr-0005418923
MCY/82/1-2

Space above this line for recorder's use only

Trustee Sale No 723397CA Loan No [redacted] Title Order No M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $535,001 00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A P N [redacted]
Situs. 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3 That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4 On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC , being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect

6 The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

JPMC - 002891
CONFIDENTIAL
CSOC.RICH.004384

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE. 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Colleen Irby, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

SIERRIE HERRADURA
Commission # 1792714
Notary Public - California
Los Angeles County
My Comm. Expires Mar 3, 2012

This document filed for recording
By Fidelity National Title Insurance and Trust
as an accommodation only. It has not been
examined as to its execution or as its effect
upon the title.

From: Cook, Don <don.cook@wamu.net>
Sent: Friday, June 13, 2008 9:20 PM
To: Elias, Alan <alan.elias@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Parker, Gary L. <gary.parker@wamu.net>
Cc: Berens, John <john.berens@wamu.net>; Champney, Steven D. <steven.champney@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Brennan, Carey <carey.brennan@wamu.net>; Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional
Attach: 001 Complaint Filed 6-12-08.pdf

REDACTED

From: Martin T. McGuinn [redacted]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525-[redacted]
Direct Fax: (619) 525-[redacted]

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 686-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

CARL P. BLAINE (State Bar # 65229)
Email: cblaine@
THOMAS B. SHERIDAN (State Bar #249306)
Email: tsheridan@
WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
10640 Mather Blvd., Suite 200
Mather, California 95655
Telephone: (916) 920-5286
Facsimile: (916) 920-8608

Attorneys for Plaintiff
RED ROCK MORTGAGE, INC.

FILED
Superior Court Of California,
Sacramento
Dennis Jonas, Executive
Officer
06/12/2008
avlaisavich
By_____, Deputy
Case Number:

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SACRAMENTO

Department
Assignments
Case Management 43
Law and Motion 54
Minors Compromise 25

RED ROCK MORTGAGE, INC., Plaintiff, v. WASHINGTON MUTUAL BANK, CALIFORNIA RECONVEYANCE COMPANY, LAURA RICHARDSON, and all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the complaint adverse to Plaintiff's title, or any cloud on Plaintiff's title, and DOES 1 through 20, inclusive, Defendants.	Case No. **COMPLAINT FOR:** **1. SLANDER OF TITLE** **2. CANCELLATION** **3. QUIET TITLE** **4. UNJUST ENRICHMENT**

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

1. Plaintiff RED ROCK MORTGAGE, INC. ("Plaintiff") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California

2. Plaintiff is informed and believes and thereon alleges that Defendant WASHINGTON MUTUAL BANK ("WAMU") is, and at all times herein mentioned was, a federal association organized and existing under the laws of the United States and doing business in the state of California.

3. Plaintiff is informed and believes and thereon alleges that Defendant

JPMC - 002894
CONFIDENTIAL
CSOC.RICH.004387

CALIFORNIA RECONVEYANCE COMPANY ("CRC") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California.

4 The real property that is the subject of this action, 3622 West Curtis Drive, Sacramento, California, Assessor's Parcel No. [redacted] ("Subject Property") is located in Sacramento County, California.

5. The Defendants named herein as "all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the Complaint adverse to plaintiff's title, or any cloud on plaintiff's title thereto" ("Unknown Defendants") are unknown to Plaintiff. These Unknown Defendants, and each of them, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-5608

6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious names. Their true names and capacities are unknown to Plaintiff. When their true names and capacities are ascertained, Plaintiff will amend this complaint by inserting their true names and capacities herein. Plaintiff is informed and believes and thereon alleges that Does 1-10, inclusive, are responsible in some manner for the occurrences herein alleged, and that Plaintiff's damages as herein alleged were proximately caused by such Defendants. Plaintiff is further informed and believes and thereon alleges that Does 11-20, inclusive, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

COMMON ALLEGATIONS

7. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 6 above.

8. Plaintiff is informed and believes and thereon alleges that on or about January 10, 2007, a Deed of Trust ("Deed of Trust") was recorded against the Subject Property to secure a loan in the amount $535,001.00 made by WAMU to LAURA RICHARDSON. CRC is the trustee under the Deed of Trust. (Attached hereto as Exhibit A, incorporated herein by reference, is a true and correct copy of the Deed of Trust.)

JPMC - 002895
CONFIDENTIAL
CSOC.RICH.004388

9. Plaintiff is informed and believes and thereon alleges that, at some point prior to December 17, 2007, Defendant RICHARDSON defaulted on the payments due on the loan secured by the Deed of Trust.

10. On December 17, 2007, CRC recorded a Notice of Default on the Subject Property. (Attached hereto as Exhibit B, and incorporated herein by this reference, is a true and correct copy of the Notice of Default.) The Notice of Default provides that, as of December 13, 2007, the amount of the default was $18,356.40.

11. On March 19, 2008, CRC recorded a Notice of Trustee's sale on the Subject Property, advertising the Trustee's Sale of the Subject Property to the general public. (Attached hereto as Exhibit C, and incorporated herein by this reference, is a true and correct copy of the Notice of Trustee's Sale.) Pursuant to the Notice of Trustee's Sale, the unpaid balance and other charges was approximately $578,384.52.

12. The Notice of Trustee's Sale provides that the sale was to occur on April 7, 2008, at 1:30 p.m., at the main entrance to the Sacramento County Courthouse, 720 9th Street, Sacramento, California.

13. Plaintiff is informed and believes and thereon alleges that the sale was postponed to May 7, 2008, at 1:30 p.m., to be held at the same location.

14. In accordance with the Notice of Trustee's Sale and the duly noticed postponement thereof, on May 7, 2008, Plaintiff appeared at the trustee's sale to bid on the Subject Property. Plaintiff secured a cashier's check in order to qualify to bid at the sale.

15. At the noticed time and place, CRC conducted the trustee's sale of the Subject Property. Plaintiff is informed and believes thereon alleges that Defendants complied with all statutory requirements in conducting the trustee's sale of the Subject Property.

16. Plaintiff bid at the trustee's sale. Plaintiff is informed and believes and thereon alleges that Plaintiff was the high bidder at the trustee's sale with a bid of $388,000.01.

17. Plaintiff timely delivered a cashier's check in the amount of $388,000.01 to CRC. CRC accepted the cashier's check from Plaintiff. (Attached hereto as Exhibit D & E,

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10540 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002896
CONFIDENTIAL
CSOC.RICH.004389

respectively, and incorporated herein by reference, are true and correct copies of the receipt of funds issued to Plaintiff and Plaintiff's cashier's check stub.)

18. Plaintiff is informed and believes and thereon alleges that the sale of the Subject Property was final and no further acts were required to consummate the sale.

19. Plaintiff is informed and believes and thereon alleges that, on or about May 9, 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

20. Immediately after Plaintiff purchased the Subject Property, Plaintiff immediately began improving the property and preparing to sell it, as Plaintiff is in the business of buying and selling real estate. Among other things, Plaintiff painted select portions of the residence, refurbished the flooring inside the residence, and performed general clean-up and landscaping in and around the Subject Property at its expense. Plaintiff is informed and believes and thereon alleges that the improvements made by Plaintiff enhanced the value of the Subject Property.

21. On or about May 28, 2008, WAMU contacted Plaintiff and informed Plaintiff that it wished to rescind the sale. Plaintiff informed WAMU that Plaintiff was the highest bidder at the Trustee's Sale and that it had paid the full consideration in the manner specified by the Notice of Trustee's Sale. Plaintiff also informed WAMU that Plaintiff had been issued the Trustee's Deed, and recorded it, and had no intention of rescinding.

22. On or about June 2, 2008, Defendants recorded a Notice of Rescission at the Sacramento County Recorder's Office. (Attached hereto as Exhibit G, and incorporated herein by this reference, is a true and correct copy of the recorded Notice of Rescission.)

FIRST CAUSE OF ACTION

[Slander of Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

23. Plaintiff realleges and incorporates by reference each and every allegation set

WAGNER KIRKMAN BLAINE KLOMPARENS & TOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5294 Fax (916) 920-8608

JPMC - 002897
CONFIDENTIAL
CSOC.RICH.004390

forth in paragraphs 1 through 22 above.

24. On our about May 7, 2008, Plaintiff became the fee owner of the Subject Property based upon its purchase of the Subject Property at the Trustee's Sale.

25. Plaintiff is informed and believes and thereon alleges that, on or about June 2, 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to be recorded a Notice of Rescission.

26. The Notice of Rescission was false and continues to cause doubt to be cast on Plaintiff's title to the Subject Property.

27. The recording of the Notice of Rescission directly impairs the vendibility of the property on the open market. Accordingly, Plaintiff has been damaged by Defendants recording of the Notice of Rescission.

28. Plaintiff is informed and believes and thereon alleges that, in doing the things herein alleged, WAMU and CRC acted with malice, oppression, and/or fraud as defined under Civ. Code § 3294(c), in conscious disregard of Plaintiff's rights, thereby warranting an assessment of punitive damages in an amount appropriate to punish Defendants and deter others from engaging in similar misconduct.

29. The recording of the Notice of Rescission made it necessary for Plaintiff to retain attorneys and to bring this action. Therefore, Plaintiff is entitled to recover attorney's fees and costs incurred. The exact amount of such damages is not known to Plaintiff at this time, and Plaintiff will move to amend this complaint to state such amount when the same becomes known, or on proof thereof.

SECOND CAUSE OF ACTION

[Cancellation of Cloud on Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

30. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 29 above.

31. Defendants claim an interest in the Subject Property which is adverse to the Plaintiff. Defendants' interest in the Subject Property is purportedly based on the Notice of

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002898
CONFIDENTIAL
CSOC.RICH.004391

Rescission, recorded on June 2, 2008, which states that the sale is rescinded.

32. The Notice of Rescission is invalid and void because the Defendant has no further rights to the Subject Property after the Trustee Sale was completed and the Trustee's Deed Upon Sale was issued and recorded.

33. Defendants' claim to the Subject Property clouds the Plaintiff's title, depreciates the property's market value, and prevents Plaintiff from enjoying the use of the Subject Property.

THIRD CAUSE OF ACTION

[Quiet Title]

(Against Defendants WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive)

34. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 33 above.

35. Plaintiff is the sole owner of the fee simple title to the Subject Property.

36. The basis of Plaintiff's title is that Plaintiff was the high bidder at the Trustee's Sale of the Subject Property; Plaintiff tendered the full amount of its bid to the trustee; the trustee accepted Plaintiff's tender; and, the trustee issued a Trustee's Deed Upon Sale to Plaintiff, which was subsequently recorded, granting Plaintiff fee simple title to the Subject Property.

37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to Plaintiff which would have the affect of restoring the state of title to the Subject Property to the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 923-5286 Fax (916) 929-5608

JPMC - 002899
CONFIDENTIAL
CSOC.RICH.004392

38. Plaintiff seeks to quiet title to the Subject Property as of May 7, 2008, which is the date Plaintiff purchased the Subject Property at the Trustee's Sale.

FOURTH CAUSE OF ACTION

[Unjust Enrichment]

(Against Defendants WAMU, LAURA RICHARDSON, and DOES 1-10, inclusive)

39. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 38 above.

40. Plaintiff has completed numerous improvements to the Subject Property, which have significantly increased its value. If Defendants are permitted to rescind the Trustee's Deed Upon Sale, Defendants will be unjustly enriched by their retention of the increased value of the Subject Property.

PRAYER

Wherefore, Plaintiff prays judgment against Defendants as follow:

1. For general damages, in an amount to be proven at trial;
2. For punitive and exemplary damages in an amount to be proven at trial;
3. For the Notice of Rescission to be delivered to the clerk for the court for cancellation and that it be declared void;
4. For a judgment that Plaintiff is the owner in fee simple of the Subject Property and that Defendants have no interest in the Subject Property adverse to Plaintiffs;
5. For restitution;
6. For attorneys' fees and costs incurred herein; and
7. For such other and further relief as the court may deem proper.

DATED: 6/11/2008

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP

By: _____
THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE, INC.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002900
CONFIDENTIAL
CSOC.RICH.004393

EXHIBIT A

Recording Requested By:
Washington Mutual Bank

Return To:
2210 Enterprise Drive
Doc Ops - MS SC00140
Florence, SC 29501

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20070110 PAGE 1818
Check Number 4266
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd $53.00 Nbr-0004594371
REB/51/1-19

Prepared By:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS
Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "**Security Instrument**" means this document, which is dated January 4, 2007, together with all Riders to this document.
(B) "**Borrower**" is Laura Richardson, An Unmarried Woman

Borrower's address is 717 E Vernon St, Long Beach, CA 90806. Borrower is the trustor under this Security Instrument.
(C) "**Lender**" is Washington Mutual Bank

Lender is a federal association
organized and existing under the laws of the United States

A

JPMC - 002902
CONFIDENTIAL
CSOC.RICH.004395

Lender's address is 1400 South Douglass Road, Suite 100, Anaheim, CA 92806

Lender is the beneficiary under this Security Instrument.
(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007
The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100 Dollars
(U.S. $535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037 .
(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

[X] Adjustable Rate Rider	[ ] Condominium Rider	[ ] Second Home Rider
[ ] Balloon Rider	[ ] Planned Unit Development Rider	[ ] 1-4 Family Rider
[ ] VA Rider	[ ] Biweekly Payment Rider	[ ] Other(s) [specify]

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions
(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(L) "Escrow Items" means those items that are described in Section 3.
(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

JPMC - 002903
CONFIDENTIAL
CSOC.RICH.004396

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of SACRAMENTO :

[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

Legal Description Attached Hereto And Made A Part Hereof

Exhibit 'A'

Parcel ID Number: [redacted]

3622 West Curtis Drive
Sacramento
("Property Address").

which currently has the address of [Street]

[City], California 95818 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows.

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be [illegible]

JPMC - 002904
CONFIDENTIAL
CSOC.RICH.004397

currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

JPMC - 002905
CONFIDENTIAL
CSOC.RICH.004398

in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

JPMC - 002906
CONFIDENTIAL
CSOC.RICH.004399

lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

JPMC - 002907
CONFIDENTIAL
CSOC.RICH.004400

the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

JPMC - 002908
CONFIDENTIAL
CSOC.RICH.004401

attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

JPMC - 002909
CONFIDENTIAL
CSOC.RICH.004402

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

JPMC - 002910
CONFIDENTIAL
CSOC.RICH.004403

to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

JPMC - 002911
CONFIDENTIAL
CSOC.RICH.004404

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

JPMC - 002912
CONFIDENTIAL
CSOC.RICH.004405

requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

JPMC - 002913
CONFIDENTIAL
CSOC.RICH.004406

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

24. Substitute Trustee. Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. Statement of Obligation Fee. Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

JPMC - 002914
CONFIDENTIAL
CSOC.RICH.004407

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

_____	_____ (Seal) -Borrower Laura Richardson
_____	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower

JPMC - 002915
CONFIDENTIAL
CSOC.RICH.004408

State of California
County of Sacramento } ss.

On January 4, 2007 before me, Nikki Davis a notary public
personally appeared

Laura Richardson

, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

NIKKI DAVIS
COMM. #1520789
Notary Public-California
SACRAMENTO COUNTY
My Comm. Exp. Oct. 21, 2008

(Seal)

JPMC - 002916
CONFIDENTIAL
CSOC.RICH.004409

Exhibit "A"
Legal Description

Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18

Apn:

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 4th day of January, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at: 3622 West Curtis Drive, Sacramento, CA 95818

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR A CHANGE FROM THE INITIAL FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE AND FOR CHANGES IN THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 8.800 %. The Note provides for a change in the initial fixed interest rate to an adjustable interest rate and for changes in the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate Borrower will pay will change to an adjustable interest rate on the first day of February, 2009, and the interest rate Borrower will pay may change on that day every 6th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in **The Wall Street Journal**. The most recent Index figure available as of the date 45 days before the Change Date is called the "Current Index."

JPMC - 002918
CONFIDENTIAL
CSOC.RICH.004411

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding Four and 99/100 percentage points (4.990 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.600 % or less than 8.800 %. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000 %) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800 % or less than 8.800 %.

(E) Effective Date of Changes

Borrower's new interest rate will become effective on each Change Date. Borrower will pay the amount of Borrower's new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's interest rate and the amount of Borrower's monthly payment before the effective date of any change. The notice will include information required by law to be given to the Borrower and also the title and telephone number of a person who will answer any question Borrwer may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Covenant 18 of the Security Instrument is amended to read as follows:

(A) Until Borrower's intiial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument provides as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

JPMC - 002919
CONFIDENTIAL
CSOC.RICH.004412

(B) When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument shall then instead provide as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.

Laura Richardson _____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

[Sign Original Only]

JPMC - 002920
CONFIDENTIAL
CSOC.RICH.004413

EXHIBIT B

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311
800-892-6902
(818)775-2258 (Fax)

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20071214 PAGE 0358
Check Number 9109
Friday, DEC 14, 2007 8:41:18 AM
Ttl Pd $12.00 Nbr-0005192112
TNH/74/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is $18,356.40 as of December 13, 2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY , JACKSONVILLE, FL 32256, (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: [redacted] Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 including the note(s) for the sum of $535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: December 13, 2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

Marilyn Aquas

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Marilyn L. Aquas

EXHIBIT C

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Trustee Sale No.
Loan No.
Title Order No.

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080319 PAGE 0358
Check Number 2572
Wednesday, MAR 19, 2008 9:07:55 AM
T41 Pd $11.00 Nbr-0005311112

JLW/14/1-1

Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 01/04/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 04/07/2008 at 01:30 PM, CALIFORNIA RECONVEYANCE COMPANY as the duly appointed Trustee under and pursuant to Deed of Trust Recorded 01/10/2007, Book 20070110, Page 1818, Instrument , of official records in the Office of the Recorder of SACRAMENTO County, California, executed by: LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Beneficiary, will sell at public auction sale to the highest bidder for cash, cashier's check drawn by a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state. Sale will be held by the duly appointed trustee as shown below, of all right, title, and interest conveyed to and now held by the trustee in the hereinafter described property under and pursuant to the Deed of Trust. The sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by the Deed of Trust, interest thereon, estimated fees, charges and expenses of the Trustee for the total amount (at the time of the initial publication of the Notice of Sale) reasonably estimated to be set forth below. The amount may be greater on the day of sale.

Place of Sale: AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA

Legal Description: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: $578,384.52 (estimated)

Street address and other common designation of the real property: 3622 WEST CURTIS DRIVE
SACRAMENTO, CA 95618
APN Number: [redacted]

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. The property heretofore described is being sold "as is".

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
(714) 259-7850 or www.fidelityasap.com
(714) 573-1965 or www.prioritypostings.com

DEBORAH BRIGNAC, VICE PRESIDENT
9200 OAKDALE AVE
MAILSTOP N110612
CHATSWORTH, CA 91311

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

C

Description: Sacramento,CA Document - Book.Page 20080319.358 Page: 1 of 1
Order: 20080319nac Comment:

EXHIBIT D

JPMC - 002926
CONFIDENTIAL
CSOC.RICH.004419

Jun 09 08 10:54a owner 305-667-1513 p.5

PRIORITY
POSTING AND PUBLISHING

TRUSTEE SALE (X)
TRUSTOR PAYMENT ( )

RECEIPT OF FUNDS AND INSTRUCTIONS

T.S. NO. [redacted] PRIORITY NO. 377335 DATE 5-7-08
TRUSTEE California Reconveyance Co.
ADDRESS 9200 Oakdale Ave, # 110612
CITY Chatsworth STATE CA ZIP 91311
PHONE NO. 800-892-6902 CONTACT Deborah Brignac

CHECK NO.	NAME OF BANK	AMOUNT
0035906975	Wells Fargo BK	$ 388,000.01
		$
		$
		$
		$
		$

TOTAL OF ANY CASH RECEIVED $ -0-

SUCCESSFUL BID $ 388,000.01 TOTAL RECEIVED $ 388,000.01
TRANSFER TAX $ -0- AMOUNT REQUIRED $ 388,000.01
RECORDING FEES $ -0- REFUND AMOUNT $ -0-
REFUND PAYABLE TO N/A
RECEIVED BY [redacted] BUYERS SIGNATURE [redacted]
BUYERS NAME Jim York DRIVERS LICENSE NO. [redacted]
TITLE TO PROPERTY TO BE VESTED AS FOLLOWS Red Rock Mortgage, Inc.

ADDRESS 3600 American River Dr. # 135
CITY Sacramento STATE CA ZIP 958
PHONE NO. [redacted] 0

EXHIBIT E

JPMC - 002928
CONFIDENTIAL
CSOC.RICH.004421

00339 | 11-24
Office AU # | 1210(8)

CASHIER'S CHECK

SERIAL #
ACCOUNT#

Purchaser: JAMES P YORK
Purchaser Account
Operator I.D. cu002254

May 07, 2008

PAY TO THE ORDER OF ***CALIFORNIA RECONVEYANCE COMPANY***

****Three hundred eighty-eight thousand dollars and 01 cent****

****$388,000.01****

WELLS FARGO BANK, N.A.
400 CAPITOL MALL
SACRAMENTO, CA 95814
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER – IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND

VOID IF OVER US $ 388,000 01

NON-NEGOTIABLE

Purchaser Copy

B-00[illegible] [illegible] 07[illegible]

EXHIBIT F

JPMC - 002930
CONFIDENTIAL
CSOC.RICH.004423

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080519 PAGE 0487
Check Number 9325
Monday, MAY 19, 2008 11:12:43 AM
Tkl Pd $12.00 Nbr-0005398638
006-Sacramento Cy DTT PAID
AMH/GB/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No M721884

TRUSTEE'S DEED UPON SALE

APN [redacted] T.R.A. No.
The undersigned grantor declares:
1) The Grantee herein was not the foreclosing beneficiary.
2) The amount of the unpaid debt together with costs was.....$574,023.87
3) The amount paid by the grantee at the trustee sale was.....$388,000.01
4) The documentary transfer tax is $427.35
5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to **Red Rock Mortgage, Inc.** (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818
RECITALS:
This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

f

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being $388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

Karime Arias, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

IRMA GARCIA TORRES
Commission # 1508392
Notary Public - California
Los Angeles County
My Comm. Expires Aug 17, 2008

EXHIBIT G

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Frederick B. Garcia, Clerk/Recorder
BOOK 20080602 PAGE 0885
Check Number 365268
Monday, JUN 02, 2008 10:45:44 AM
Ttl Pd $14.00 Nbr-0005418923
MCY/82/1-2

Space above this line for recorder's use only

Trustee Sale No 723397CA Loan No [redacted] Title Order No M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $535,001 00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A P N [redacted]
Situs. 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3 That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4 On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC , being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect

6 The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

JPMC - 002934
CONFIDENTIAL
CSOC.RICH.004427

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE. 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Colleen Irby, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

SIERRIE HERRADURA
Commission # 1792714
Notary Public - California
Los Angeles County
My Comm. Expires Mar 3, 2012

This document filed for recording By Fidelity National Title Insurance and Trust as an accommodation only. It has not been examined as to its execution or as its effect upon the title.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 4:33:59 PM
To: Baptista, Geri Ann S.; Battaglia, Paul J.; Cook, Don; Elias, Alan; Owen, Jan L.
CC: Thorn, Ann
Subject: RE: Final Review: Richardson Response

Many thanks to all for your quick review and input. I plan to contact Gene in about 15 minutes or so.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Monday, June 02, 2008 1:28 PM
To: Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.
Cc: Thorn, Ann
Subject: RE: Final Review: Richardson Response

I'm fine with these as well.

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[redacted]cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 12:45 PM
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: RE: Final Review: Richardson Response

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

All:

Questions:

- Has Ms. Richardson allowed WaMu to discuss her case publicly? Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

- Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

- If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Accepted: Richardson Update
Location: 877-709[illegible] passcode:[illegible]

Start: 6/2/2008 12:30 PM
End: 6/2/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode: [illegible]

Subject: Declined: Updated: Richardson update
Location: 877-709[illegible] passcode[illegible]

Start: 5/30/2008 3:30 PM
End: 5/30/2008 4:30 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[illegible] passcode[illegible]

I am on other conference calls until 2:00 p.m.

From: Owen, Jan L.
Sent: Friday, May 30, 2008 2:40:04 PM
To: Cook, Don
Subject: RE: Updated: Richardson update

Liza- I am not sure we can reschedule however it is just an update- Monday will be a bigger meeting and we will work with everyone's schedules. Thanks, J

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

-----Original Appointment-----
From: Russo, Elizabeth M. **On Behalf Of** Cook, Don
Sent: Friday, May 30, 2008 11:25 AM
To: Owen, Jan L.
Subject: Declined: Updated: Richardson update
When: Friday, May 30, 2008 12:30 PM-1:30 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709- passcode

Jan - can we please reschedule this meeting? Don has another meeting that will run until 1:00 (and then another one starting at 1:00 that he can't miss), so he won't be able to attend. Sorry for any confusion.

Thanks,
Liza Russo
Legal Assistant

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 28, 2008 11:36 PM
To: Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Adams, Carolyn <carolyn.adams@wamu.net>
Subject: Fw: WaMu Follow-Up

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: lbreport.com <mail@lbreport.com>
To: Gaugl, Sara C.
Sent: Wed May 28 19:53:14 2008
Subject: WaMu Follow-Up

Thank you for your email. My question doesn't relate to Ms. Richardson's loan situation. I am inquiring regarding WaMu's lending practices during that period.

Under what circumstances did WaMu make no-money-down purchase money home loans in late 2006 and early 2007, and under what circumstances, if any, does it do so now?

Please advise...and thank you.

s/ William Pearl, publisher
LongBeachReport.com
mail@lbreport.com

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 21, 2008 7:06 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc: Hutchinson, Libby G. <libby.hutchinson@wamu.net>; Cook, Don <don.cook@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: FW: Media request from AP

Thanks for forwarding, Debbie. I'm currently on the phone with servicing and our attorneys with regard to this situation.

Geri Ann, if you'd like to join the call, here's the conference call number. We're just starting now.
(866) 723-[illegible] PC[illegible]

Jan, FYI below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie
Sent: Wednesday, May 21, 2008 3:49 PM
To: Gaugl, Sara C.
Cc: Baptista, Geri Ann S.; Hutchinson, Libby G.
Subject: Media request from AP
Importance: High

Reporter	Samantha Young - speak to anyone if she is not there
Publication	AP
Phone Number	916-448-[illegible]
Media Request / Scope of the Story	Loan that went into default taken out thru WaMu then referred to the CA Reconveance Company (a subsidiary of WaMu who referred all calls to Corporate). Re: congresswoman Laurie Richardson at 3622 West Curtis Drive, Sacramento, CA. Has documents, wants to confirm what they are looking at. All in the bureau are working on it.
Request Date	5/21/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations

Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103

Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 5:08:59 PM
To: Cook, Don; Woodcock, Wendy A.; Gaugl, Sara C.
Subject: FW:

Attachments: Richardson reinstatement.doc

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Alvarez, Rosalva R.
Sent: Wednesday, May 21, 2008 2:08 PM
To: Battaglia, Paul J.; Owen, Jan L.
Subject: FW:

Rosie Alvarez
Executive Response Team
Customer Relations Manager
Washington Mutual Bank
(800) 225-5497 Opt. 1 Ext. 467
Fax (206) 965-3082

" *I long to accomplish great and noble tasks, but it is my chief duty to accomplish humble tasks as though they were great and noble. The world is moved along, not only by the mighty shoves of its heroes, but also by the aggregate of the tiny pushes of each honest worker." Helen Keller*

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Banks, Donna R.
Sent: Wednesday, May 21, 2008 2:07 PM
To: Alvarez, Rosalva R.
Subject:

Richardson
reinstatement.doc
(25 KB)

Donna Banks
Default Specialist II
Washington Mutual Bank

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [redacted]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732[redacted]

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

From: Cook, Don <don.cook@wamu.net>
Sent: Saturday, June 14, 2008 4:17 PM
To: Schneider, David C. <david.schneider@wamu.net>
Subject: Re: 001 Complaint Filed 6-12-08 pdf - Adobe Acrobat Professional - Attorney-Client Privileged Communication

---

Yes. We will be in and out for periods of time, but generally around. My home telephone number is (206) 533[redacted] and my cell phone number is (206) 683[redacted] It is probably best to reach me on my cell phone unless it is before 10:00 in the morning or after 8:00 at night. Would any particular time be convenient for you?

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Schneider, David C.
To: Cook, Don
Sent: Fri Jun 13 21:46:44 2008
Subject: Re: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional - Attorney-Client Privileged Communication

REDACTED

----- Original Message -----
From: Cook, Don
To: Schneider, David C.
Cc: Brennan, Carey
Sent: Fri Jun 13 19:42:45 2008
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional - Attorney-Client Privileged Communication

REDACTED

From: Martin T. McGuinn [redacted]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

REDACTED

Marty

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn[redacted]

Direct Dial: (619) 525[redacted]

Direct Fax: (619) 525-[redacted]

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Cook, Don <don.cook@wamu.net>
Sent: Friday, June 13, 2008 10:43 PM
To: Schneider, David C. <david.schneider@wamu.net>
Cc: Brennan, Carey <carey.brennan@wamu.net>
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional - Attorney-Client Privileged Communication
Attach: 001 Complaint Filed 6-12-08.pdf

REDACTED

From: Martin T. McGuinn [redacted]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525-[redacted]
Direct Fax: (619) 525-[redacted]

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101

CARL P. BLAINE (State Bar # 65229)
Email: cblaine@
THOMAS B. SHERIDAN (State Bar #249306)
Email: tsheridan@
WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
10640 Mather Blvd., Suite 200
Mather, California 95655
Telephone: (916) 920-5286
Facsimile: (916) 920-8608

Attorneys for Plaintiff
RED ROCK MORTGAGE, INC.

FILED
Superior Court Of California,
Sacramento
Dennis Jonas, Executive
Officer
06/12/2008
avlaisavich
By_____, Deputy
Case Number:

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SACRAMENTO

Department
Assignments
Case Management 43
Law and Motion 54
Minors Compromise 25

RED ROCK MORTGAGE, INC.,

Plaintiff,

v.

WASHINGTON MUTUAL BANK, CALIFORNIA RECONVEYANCE COMPANY, LAURA RICHARDSON, and all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the complaint adverse to Plaintiff's title, or any cloud on Plaintiff's title, and DOES 1 through 20, inclusive,

Defendants.

Case No.

COMPLAINT FOR:

1. **SLANDER OF TITLE**
2. **CANCELLATION**
3. **QUIET TITLE**
4. **UNJUST ENRICHMENT**

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

1. Plaintiff RED ROCK MORTGAGE, INC. ("Plaintiff") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California

2. Plaintiff is informed and believes and thereon alleges that Defendant WASHINGTON MUTUAL BANK ("WAMU") is, and at all times herein mentioned was, a federal association organized and existing under the laws of the United States and doing business in the state of California.

3. Plaintiff is informed and believes and thereon alleges that Defendant

JPMC - 002950
CONFIDENTIAL
CSOC.RICH.004443

CALIFORNIA RECONVEYANCE COMPANY ("CRC") is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California.

4 The real property that is the subject of this action, 3622 West Curtis Drive, Sacramento, California, Assessor's Parcel No. [redacted] ("Subject Property") is located in Sacramento County, California.

5. The Defendants named herein as "all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the Complaint adverse to plaintiff's title, or any cloud on plaintiff's title thereto" ("Unknown Defendants") are unknown to Plaintiff. These Unknown Defendants, and each of them, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious names. Their true names and capacities are unknown to Plaintiff. When their true names and capacities are ascertained, Plaintiff will amend this complaint by inserting their true names and capacities herein. Plaintiff is informed and believes and thereon alleges that Does 1-10, inclusive, are responsible in some manner for the occurrences herein alleged, and that Plaintiff's damages as herein alleged were proximately caused by such Defendants. Plaintiff is further informed and believes and thereon alleges that Does 11-20, inclusive, claim some right, title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-5608

COMMON ALLEGATIONS

7. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 6 above.

8. Plaintiff is informed and believes and thereon alleges that on or about January 10, 2007, a Deed of Trust ("Deed of Trust") was recorded against the Subject Property to secure a loan in the amount $535,001.00 made by WAMU to LAURA RICHARDSON. CRC is the trustee under the Deed of Trust. (Attached hereto as Exhibit A, incorporated herein by reference, is a true and correct copy of the Deed of Trust.)

JPMC - 002951
CONFIDENTIAL
CSOC.RICH.004444

9. Plaintiff is informed and believes and thereon alleges that, at some point prior to December 17, 2007, Defendant RICHARDSON defaulted on the payments due on the loan secured by the Deed of Trust.

10. On December 17, 2007, CRC recorded a Notice of Default on the Subject Property. (Attached hereto as Exhibit B, and incorporated herein by this reference, is a true and correct copy of the Notice of Default.) The Notice of Default provides that, as of December 13, 2007, the amount of the default was $18,356.40.

11. On March 19, 2008, CRC recorded a Notice of Trustee's sale on the Subject Property, advertising the Trustee's Sale of the Subject Property to the general public. (Attached hereto as Exhibit C, and incorporated herein by this reference, is a true and correct copy of the Notice of Trustee's Sale.) Pursuant to the Notice of Trustee's Sale, the unpaid balance and other charges was approximately $578,384.52.

12. The Notice of Trustee's Sale provides that the sale was to occur on April 7, 2008, at 1:30 p.m., at the main entrance to the Sacramento County Courthouse, 720 9th Street, Sacramento, California.

13. Plaintiff is informed and believes and thereon alleges that the sale was postponed to May 7, 2008, at 1:30 p.m., to be held at the same location.

14. In accordance with the Notice of Trustee's Sale and the duly noticed postponement thereof, on May 7, 2008, Plaintiff appeared at the trustee's sale to bid on the Subject Property. Plaintiff secured a cashier's check in order to qualify to bid at the sale.

15. At the noticed time and place, CRC conducted the trustee's sale of the Subject Property. Plaintiff is informed and believes thereon alleges that Defendants complied with all statutory requirements in conducting the trustee's sale of the Subject Property.

16. Plaintiff bid at the trustee's sale. Plaintiff is informed and believes and thereon alleges that Plaintiff was the high bidder at the trustee's sale with a bid of $388,000.01.

17. Plaintiff timely delivered a cashier's check in the amount of $388,000.01 to CRC. CRC accepted the cashier's check from Plaintiff. (Attached hereto as Exhibit D & E,

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10540 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002952
CONFIDENTIAL
CSOC.RICH.004445

respectively, and incorporated herein by reference, are true and correct copies of the receipt of funds issued to Plaintiff and Plaintiff's cashier's check stub.)

18. Plaintiff is informed and believes and thereon alleges that the sale of the Subject Property was final and no further acts were required to consummate the sale.

19. Plaintiff is informed and believes and thereon alleges that, on or about May 9, 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

20. Immediately after Plaintiff purchased the Subject Property, Plaintiff immediately began improving the property and preparing to sell it, as Plaintiff is in the business of buying and selling real estate. Among other things, Plaintiff painted select portions of the residence, refurbished the flooring inside the residence, and performed general clean-up and landscaping in and around the Subject Property at its expense. Plaintiff is informed and believes and thereon alleges that the improvements made by Plaintiff enhanced the value of the Subject Property.

21. On or about May 28, 2008, WAMU contacted Plaintiff and informed Plaintiff that it wished to rescind the sale. Plaintiff informed WAMU that Plaintiff was the highest bidder at the Trustee's Sale and that it had paid the full consideration in the manner specified by the Notice of Trustee's Sale. Plaintiff also informed WAMU that Plaintiff had been issued the Trustee's Deed, and recorded it, and had no intention of rescinding.

22. On or about June 2, 2008, Defendants recorded a Notice of Rescission at the Sacramento County Recorder's Office. (Attached hereto as Exhibit G, and incorporated herein by this reference, is a true and correct copy of the recorded Notice of Rescission.)

FIRST CAUSE OF ACTION

[Slander of Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

23. Plaintiff realleges and incorporates by reference each and every allegation set

WAGNER KIRKMAN BLAINE KLOMPARENS & TOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5294 Fax (916) 920-8608

JPMC - 002953
CONFIDENTIAL
CSOC.RICH.004446

forth in paragraphs 1 through 22 above.

24. On our about May 7, 2008, Plaintiff became the fee owner of the Subject Property based upon its purchase of the Subject Property at the Trustee's Sale.

25. Plaintiff is informed and believes and thereon alleges that, on or about June 2, 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to be recorded a Notice of Rescission.

26. The Notice of Rescission was false and continues to cause doubt to be cast on Plaintiff's title to the Subject Property.

27. The recording of the Notice of Rescission directly impairs the vendibility of the property on the open market. Accordingly, Plaintiff has been damaged by Defendants recording of the Notice of Rescission.

28. Plaintiff is informed and believes and thereon alleges that, in doing the things herein alleged, WAMU and CRC acted with malice, oppression, and/or fraud as defined under Civ. Code § 3294(c), in conscious disregard of Plaintiff's rights, thereby warranting an assessment of punitive damages in an amount appropriate to punish Defendants and deter others from engaging in similar misconduct.

29. The recording of the Notice of Rescission made it necessary for Plaintiff to retain attorneys and to bring this action. Therefore, Plaintiff is entitled to recover attorney's fees and costs incurred. The exact amount of such damages is not known to Plaintiff at this time, and Plaintiff will move to amend this complaint to state such amount when the same becomes known, or on proof thereof.

SECOND CAUSE OF ACTION

[Cancellation of Cloud on Title]

(Against Defendants WAMU, CRC and Does 1-10, inclusive)

30. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 29 above.

31. Defendants claim an interest in the Subject Property which is adverse to the Plaintiff. Defendants' interest in the Subject Property is purportedly based on the Notice of

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002954
CONFIDENTIAL
CSOC.RICH.004447

Rescission, recorded on June 2, 2008, which states that the sale is rescinded.

32. The Notice of Rescission is invalid and void because the Defendant has no further rights to the Subject Property after the Trustee Sale was completed and the Trustee's Deed Upon Sale was issued and recorded.

33. Defendants' claim to the Subject Property clouds the Plaintiff's title, depreciates the property's market value, and prevents Plaintiff from enjoying the use of the Subject Property.

THIRD CAUSE OF ACTION

[Quiet Title]

(Against Defendants WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive)

34. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 33 above.

35. Plaintiff is the sole owner of the fee simple title to the Subject Property.

36. The basis of Plaintiff's title is that Plaintiff was the high bidder at the Trustee's Sale of the Subject Property; Plaintiff tendered the full amount of its bid to the trustee; the trustee accepted Plaintiff's tender; and, the trustee issued a Trustee's Deed Upon Sale to Plaintiff, which was subsequently recorded, granting Plaintiff fee simple title to the Subject Property.

37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to Plaintiff which would have the affect of restoring the state of title to the Subject Property to the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

WAGNER KIRKMAN BLAINE KLOMPARENS & TOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 923-5286 Fax (916) 929-5608

JPMC - 002955
CONFIDENTIAL
CSOC.RICH.004448

38. Plaintiff seeks to quiet title to the Subject Property as of May 7, 2008, which is the date Plaintiff purchased the Subject Property at the Trustee's Sale.

FOURTH CAUSE OF ACTION

[Unjust Enrichment]

(Against Defendants WAMU, LAURA RICHARDSON, and DOES 1-10, inclusive)

39. Plaintiff realleges and incorporates by reference each and every allegation set forth in paragraphs 1 through 38 above.

40. Plaintiff has completed numerous improvements to the Subject Property, which have significantly increased its value. If Defendants are permitted to rescind the Trustee's Deed Upon Sale, Defendants will be unjustly enriched by their retention of the increased value of the Subject Property.

PRAYER

Wherefore, Plaintiff prays judgment against Defendants as follow:

1. For general damages, in an amount to be proven at trial;
2. For punitive and exemplary damages in an amount to be proven at trial;
3. For the Notice of Rescission to be delivered to the clerk for the court for cancellation and that it be declared void;
4. For a judgment that Plaintiff is the owner in fee simple of the Subject Property and that Defendants have no interest in the Subject Property adverse to Plaintiffs;
5. For restitution;
6. For attorneys' fees and costs incurred herein; and
7. For such other and further relief as the court may deem proper.

DATED: 6/11/2008

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP

By: _____
THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE, INC.

WAGNER KIRKMAN BLAINE KLOMPARENS & YOUMANS LLP
Attorneys at Law
10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

JPMC - 002956
CONFIDENTIAL
CSOC.RICH.004449

EXHIBIT A

JPMC - 002957
CONFIDENTIAL
CSOC.RICH.004450

Recording Requested By:
Washington Mutual Bank

Return To:
2210 Enterprise Drive
Doc Ops - MS SC00140
Florence, SC 29501

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20070110 PAGE 1818
Check Number 4266
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd $53.00 Nbr-0004594371
REB/51/1-19

Prepared By:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS
Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "**Security Instrument**" means this document, which is dated January 4, 2007, together with all Riders to this document.
(B) "**Borrower**" is Laura Richardson, An Unmarried Woman

Borrower's address is 717 E Vernon St, Long Beach, CA 90806. Borrower is the trustor under this Security Instrument.
(C) "**Lender**" is Washington Mutual Bank

Lender is a federal association
organized and existing under the laws of the United States

A

JPMC - 002958
CONFIDENTIAL
CSOC.RICH.004451

Lender's address is 1400 South Douglass Road, Suite 100, Anaheim, CA 92806

Lender is the beneficiary under this Security Instrument.
(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007
The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100 Dollars
(U.S. $535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037 .
(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☒ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☐ Planned Unit Development Rider	☐ 1-4 Family Rider
☐ VA Rider	☐ Biweekly Payment Rider	☐ Other(s) [specify]

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions
(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(L) "Escrow Items" means those items that are described in Section 3.
(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

JPMC - 002959
CONFIDENTIAL
CSOC.RICH.004452

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of SACRAMENTO :

[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

Legal Description Attached Hereto And Made A Part Hereof

Exhibit 'A'

Parcel ID Number: [redacted]

3622 West Curtis Drive [Street]

Sacramento [City], California 95818 [Zip Code]

("Property Address").

which currently has the address of

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows.

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S.

JPMC - 002960
CONFIDENTIAL
CSOC.RICH.004453

currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

JPMC - 002961
CONFIDENTIAL
CSOC.RICH.004454

in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

JPMC - 002962
CONFIDENTIAL
CSOC.RICH.004455

lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

JPMC - 002963
CONFIDENTIAL
CSOC.RICH.004456

the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

JPMC - 002964
CONFIDENTIAL
CSOC.RICH.004457

attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

JPMC - 002965
CONFIDENTIAL
CSOC.RICH.004458

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

JPMC - 002966
CONFIDENTIAL
CSOC.RICH.004459

to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

JPMC - 002967
CONFIDENTIAL
CSOC.RICH.004460

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

JPMC - 002968
CONFIDENTIAL
CSOC.RICH.004461

requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

JPMC - 002969
CONFIDENTIAL
CSOC.RICH.004462

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

24. Substitute Trustee. Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. Statement of Obligation Fee. Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

JPMC - 002970
CONFIDENTIAL
CSOC.RICH.004463

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

_____	_____ (Seal) Laura Richardson -Borrower
_____	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower

JPMC - 002971
CONFIDENTIAL
CSOC.RICH.004464

State of California
County of Sacramento } ss.

On January 9, 2007 before me, Nikki Davis a notary public
personally appeared

Laura Richardson

, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

NIKKI DAVIS
COMM. #1520789
Notary Public-California
SACRAMENTO COUNTY
My Comm. Exp. Oct. 21, 2008

(Seal)

JPMC - 002972
CONFIDENTIAL
CSOC.RICH.004465

Exhibit "A"
Legal Description

Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18

Apn

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 4th day of January, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at: 3622 West Curtis Drive, Sacramento, CA 95818

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR A CHANGE FROM THE INITIAL FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE AND FOR CHANGES IN THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 8.800 %. The Note provides for a change in the initial fixed interest rate to an adjustable interest rate and for changes in the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate Borrower will pay will change to an adjustable interest rate on the first day of February, 2009, and the interest rate Borrower will pay may change on that day every 6th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in **The Wall Street Journal**. The most recent Index figure available as of the date 45 days before the Change Date is called the "Current Index."

JPMC - 002974
CONFIDENTIAL
CSOC.RICH.004467

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding Four and 99/100 percentage points (4.990 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.600 % or less than 8.800 %. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000 %) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800 % or less than 8.800 %.

(E) Effective Date of Changes

Borrower's new interest rate will become effective on each Change Date. Borrower will pay the amount of Borrower's new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's interest rate and the amount of Borrower's monthly payment before the effective date of any change. The notice will include information required by law to be given to the Borrower and also the title and telephone number of a person who will answer any question Borrwer may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Covenant 18 of the Security Instrument is amended to read as follows:

(A) Until Borrower's intiial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument provides as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

JPMC - 002975
CONFIDENTIAL
CSOC.RICH.004468

(B) When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument shall then instead provide as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.

Laura Richardson _____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

[Sign Original Only]

JPMC - 002976
CONFIDENTIAL
CSOC.RICH.004469

EXHIBIT B

JPMC - 002977
CONFIDENTIAL
CSOC.RICH.004470

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311
800 892-6902
(818)775-2258 (Fax)

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20071214 PAGE 0358
Check Number 9109
Friday, DEC 14, 2007 8:41:18 AM
Ttl Pd $12.00 Nbr-0005192112
TNH/74/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is $18,356.40 as of December 13, 2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY , JACKSONVILLE, FL 32256, (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: [redacted] Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 including the note(s) for the sum of $535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: December 13, 2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

Marilyn Aquas

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Marilyn L. Aquas

EXHIBIT C

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080319 PAGE 0358
Check Number 2572
Wednesday, MAR 19, 2008 9:07:55 AM
T41 Pd $11.00 Nbr-0005311112

JLW/14/1-1

Trustee Sale No.
Loan No.
Title Order No.

Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 01/04/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 04/07/2008 at 01:30 PM, CALIFORNIA RECONVEYANCE COMPANY as the duly appointed Trustee under and pursuant to Deed of Trust Recorded 01/10/2007, Book 20070110, Page 1818, Instrument , of official records in the Office of the Recorder of SACRAMENTO County, California, executed by: LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Beneficiary, will sell at public auction sale to the highest bidder for cash, cashier's check drawn by a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state Sale will be held by the duly appointed trustee as shown below, of all right, title, and interest conveyed to and now held by the trustee in the hereinafter described property under and pursuant to the Deed of Trust. The sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by the Deed of Trust, interest thereon, estimated fees, charges and expenses of the Trustee for the total amount (at the time of the initial publication of the Notice of Sale) reasonably estimated to be set forth below. The amount may be greater on the day of sale

Place of Sale. AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA

Legal Description LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: $578,384.52 (estimated)

Street address and other common designation of the real property 3622 WEST CURTIS DRIVE
SACRAMENTO, CA 95818
APN Number:

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein The property heretofore described is being sold "as is"

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
(714) 259-7850 or www.fidelityasap.com
(714) 573-1965 or www.prioritypostings.com

DEBORAH BRIGNAC, VICE PRESIDENT
9200 OAKDALE AVE
MAILSTOP N110612
CHATSWORTH, CA 91311

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

C

Description: Sacramento,CA Document - Book.Page 20080319.358 Page: 1 of 1
Order: 20080319nac Comment:

EXHIBIT D

Jun 09 08 10:54a owner 305-667-1513 p.5

PRIORITY
POSTING AND PUBLISHING

TRUSTEE SALE (X)
TRUSTOR PAYMENT ( )

RECEIPT OF FUNDS AND INSTRUCTIONS

T.S. NO. A [redacted] PRIORITY NO. 377335 DATE 5-7-08
TRUSTEE California Reconveyance Co.
ADDRESS 9200 Oakdale Ave, #110612
CITY Chatsworth STATE CA ZIP 91311
PHONE NO. 800-892-6902 CONTACT Deborah Brignac

CHECK NO.	NAME OF BANK	AMOUNT
0035906975	Wells Fargo BK	$ 388,000.01
		$
		$
		$
		$
		$

TOTAL OF ANY CASH RECEIVED $ -0-

SUCCESSFUL BID $ 388,000.01 TOTAL RECEIVED $ 388,000.01
TRANSFER TAX $ -0- AMOUNT REQUIRED $ 388,000.01
RECORDING FEES $ -0- REFUND AMOUNT $ -0-
REFUND PAYABLE TO N/A
RECEIVED BY [redacted] BUYERS SIGNATURE [redacted]
BUYERS NAME Jim York DRIVERS LICENSE NO. [redacted]
TITLE TO PROPERTY TO BE VESTED AS FOLLOWS Red Rock Mortgage, Inc.

ADDRESS 3600 American River Dr. # 135
CITY Sacramento STATE CA ZIP 958
PHONE NO. [redacted] 0

EXHIBIT E

JPMC - 002984
CONFIDENTIAL
CSOC.RICH.004477

00339 Office AU # | 11-24 1210(8)

CASHIER'S CHECK

SERIAL #
ACCOUNT#

Purchaser: JAMES P YORK
Purchaser Account
Operator I.D. cu002254

May 07, 2008

PAY TO THE ORDER OF ***CALIFORNIA RECONVEYANCE COMPANY***

****Three hundred eighty-eight thousand dollars and 01 cent****

****$388,000.01****

WELLS FARGO BANK, N.A.
400 CAPITOL MALL
SACRAMENTO, CA 95814
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER – IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND

VOID IF OVER US $ 388,000 01

NON-NEGOTIABLE

Purchaser Copy

B-00[illegible] [illegible] 07[illegible]

EXHIBIT F

JPMC - 002986
CONFIDENTIAL
CSOC.RICH.004479

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080519 PAGE 0487
Check Number 9325
Monday, MAY 19, 2008 11:12:43 AM
Tel Pd $12.00 Nbr-0005398638
006-Sacramento Cy DTT PAID
AMH/GB/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No M721884

TRUSTEE'S DEED UPON SALE

APN [redacted] T.R.A. No.

The undersigned grantor declares:

1) The Grantee herein was not the foreclosing beneficiary.
2) The amount of the unpaid debt together with costs was.....$574,023.87
3) The amount paid by the grantee at the trustee sale was.....$388,000.01
4) The documentary transfer tax is $427.35
5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to **Red Rock Mortgage, Inc.** (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95618

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

f

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being $388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

Karime Arias, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

IRMA GARCIA TORRES
Commission # 1508392
Notary Public - California
Los Angeles County
My Comm. Expires Aug 17, 2008

EXHIBIT G

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Frederick B. Garcia, Clerk/Recorder
BOOK 20080602 PAGE 0885
Check Number 365268
Monday, JUN 02, 2008 10:45:44 AM
Ttl Pd $14.00 Nbr-0005418923
MCY/82/1-2

Space above this line for recorder's use only

Trustee Sale No 723397CA Loan No [redacted] Title Order No M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of $535,001 00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A P N [redacted]
Situs. 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3 That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4 On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC , being the highest bidder at such sale who bid the amount of $388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect

6 The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

JPMC - 002990
CONFIDENTIAL
CSOC.RICH.004483

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE. 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Colleen Irby, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

SIERRIE HERRADURA
Commission # 1792714
Notary Public - California
Los Angeles County
My Comm. Expires Mar 3, 2012

This document filed for recording By Fidelity National Title Insurance and Trust as an accommodation only. It has not been examined as to its execution or as its effect upon the title.

From: Gaugl, Sara C.
Sent: Wednesday, May 28, 2008 9:42:21 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
CC: Cook, Don; Adams, Carolyn; Owen, Jan L.; Elias, Alan
Subject: Richardson/CNN

All:
So you are aware, I just received a call from a producer with CNN re: Congresswoman Richardson's "debacle." Apparently, CNN's Campbell Brown plans to discuss the Congresswoman's situation during tomorrow's 8 p.m Eastern broadcast.

The producer said she's been tasked with cross-checking the accuracy of Ms. Richardson's statements with WaMu, at which point I informed her that we have not received consent from Ms. Richardson that would allow us to discuss her loan situation.

At that point, she informed me that CNN has talked with a forensic accountant. Based on his/her analysis of Ms. Richardson's financial situation, the accountant has "determined" that the Congresswoman probably shouldn't have qualified for the (WaMu) loan in the first place.

I'll keep you informed as I learn more. I expect to receive an update from CNN tomorrow.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Tuesday, October 21, 2008 2:52 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Google Alert - Laura Richardson

Thanks for forwarding! Hope all is well.

From: Owen, Jan L.
Sent: Tuesday, October 21, 2008 11:46 AM
To: Gaugl, Sara C.
Subject: FW: Google Alert - Laura Richardson

Fyi.

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Google Alerts [mailto:googlealerts-noreply@google.com]
Sent: Tuesday, October 21, 2008 10:16 AM
To: Owen, Jan L.
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Los Angeles News Roundup October 21, 2008
Laura Richardson goes negative in safe Democratic District. Payback or playing scared? Noodles could bring jail time in Walnut. Health police crack down on the nefarious Walnlut Family Festival.
LOS ANGELES COUNTY (CA) - http://www.redcounty.com/la/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Gaugl, Sara C.
Sent: Wednesday, October 08, 2008 8:26:11 PM
To: Gaugl, Sara C.
Subject:

Attachments: Business.doc

Business.doc
(172 kB)

Business
Family who got WaMu millions had fraud history
John Gittelsohn
John Gittelsohn. The Orange County Register
1505 words
22 September 2008
The Seattle Times
Fourth
E1
English
© 2008 Seattle Times. Provided by ProQuest Information and Learning. All rights reserved.

In July 2007, Vijay and Supriti Soni of Corona del Mar, Calif., paid $440,000 for a home at 2129 W. Civic Center Drive in Santa Ana.

Five weeks later, they resold the house to Javier Hernandez, the family gardener and handyman, for $660,000. That's a 50 percent gain in 38 days -- at a time when real-estate prices in Santa Ana were plunging.

But the lender that financed both mortgages, Washington Mutual, took a bath. Last March, Hernandez's loan went into default and in July the bank foreclosed. On the trustee's deed, the bank listed the home's value at $377,137 -- $220,000 less than the outstanding loan.

Records show WaMu, America's largest savings and loan, financed at least 43 mortgages worth $24.5 million on properties bought and sold by members of the Soni family since 2007.

Of the 22 homes sold in that period, at least six have become problems for WaMu: Four were foreclosed, one received a notice of default and another was listed for sale at a $260,000 loss. Total value of WaMu's mortgages on the troubled properties: $2.7 million.

The Seattle-based thrift's lending practices resembled those of many other institutions that have run into trouble. They all offered complex adjustable-rate and subprime mortgages, approving many with limited scrutiny.

WaMu's $310 billion in assets, its diverse loan portfolio, its large base of depositors and conservative risk management were supposed to protect the thrift from collapse. Now it appears to be the next domino in the row.

WaMu said it is investigating the Soni deals as part of a fraud scheme and maintained that those loans are not a symptom of larger problems.

"We have extensive controls in place to protect the integrity of our portfolio and loan processes," spokeswoman **Sara Gaugl** said. "We are continually enhancing our efforts to identify and prevent any potential illegal activity."

But lending analysts said the Soni case raises questions about standards at WaMu, which could face a federal takeover if it can't find a new source of credit. The distressed properties would then belong to the taxpayers.

"This is a quality-control problem," said Paul Leonard of the Center for Responsible Lending's California office. "It certainly is curious WaMu's fraud-detection system didn't pick this up. It looks very bad and it is bad. The question is how widespread it is."

Leonard and others said the Sonis' deals probably escaped notice because WaMu, like many other lenders:

* Allowed financing of property flips that occur less than 90 days after purchase. The Federal Housing Administration banned financing 90-day flips in 2006. It also required a second appraisal for homes sold at a 100 percent gain less than 180 days after purchase.

* Relied heavily on imperfect fraud-detection software. Computers are good at flagging things like unrealistic income statements but can be deceived by determined insiders.

* Did not check criminal backgrounds. The Sonis had been convicted in 2003 of numerous felonies for a real-estate-fraud scheme. WaMu checks criminal backgrounds of loan originators, such as outside mortgage brokers, but not borrowers.

Last month, District Attorney investigators raided the family's homes and business offices.

"Unfortunately, we are back looking at these characters again," said Doug Brannan, the deputy Orange County District attorney who prosecuted the Sonis in 2003.

WaMu declined to answer questions about the Soni case.

"This is an active investigation and we are fully cooperating with local law enforcement regarding this matter," Gaugl said.

The Soni family's transactions with WaMu indicate it continued making risky loans long after its underwriting standards were supposedly tightened in mid-2007, said James Barth, a senior finance fellow at the Milken Institute in Santa Monica.

"Lending institutions had an obligation to do due diligence to make sure the borrower can repay the loan, especially in 2007 and 2008 when they knew there was a mortgage meltdown taking place," Barth said.

Santa Ana home prices peaked in 2006 and have slid more than 40 percent since.

While those prices were plummeting, members of the Sonis family never sold for a loss. A Register analysis of 22 Santa Ana properties flipped by the family in the past two years shows a total gain on sale of $3.7 million.

Average gain: 48 percent. Average time between purchase and sale: 92 days.

Todd Lackner, a San Diego mortgage-fraud investigator who has examined the transaction records, said the common thread of WaMu funding makes the Sonis' transactions even more disturbing. "Any idiot can see these sale prices are excessive," he said.

The FBI says mortgage-fraud reports increased 31 percent nationally in fiscal 2007. "During declining markets, mortgage- fraud perpetrators may take advantage of industry personnel attempting to generate loans to maintain current standards of living," the FBI's annual fraud report said.

In the past two years, Soni family members took out a total 14 mortgages with various other lenders, but WaMu was their preferred one, with triple that number of loans.

In August 2003, an Orange County Superior Court jury found Vijay and Supriti Soni guilty of forgery, falsifying real-estate documents, identity theft and grand theft. Vijay Soni was sentenced to a year in jail. He also surrendered his real-estate license. Supriti Soni was sentenced to three years in prison.

Brannan said their scheme "took advantage of their clients' trust when they exploited the unsuspecting customers' information for their own financial gain. They left these families with large

financial liabilities, goods and property purchased in their name without their knowledge, many hidden costs, and a huge amount of grief to clean up their credit."

Last month, investigators from the Orange County District Attorney's office and state Franchise Tax Board served search warrants on nine locations, including the homes of the Sonis, her mother, Sushama Lohia, and the family of her sister Suniti Shah plus four family companies. They carted out 154 cardboard boxes and 40 computers filled with evidence.

Family members declined to comment for this story, citing the advice of attorneys.

"I'm confident that the facts will reveal that Mr. Soni has not engaged in any wrongdoing," said Vincent LaBarbera, Vijay Soni's attorney.

In the past two years, the Soni family essentially created their own market in Santa Ana by flipping enough homes in a small area, said Lackner, the appraisal-fraud specialist. In at least three cases, homes flipped from one family member to another -- sales later used by appraisers to give credibility to high asking prices for other properties.

One example: Lohia bought the bank-owned house at 827 S. Flower for $249,500 on Jan. 4. She sold it 20 days later for $575,000 to her daughter, Suniti Shah, who financed the purchase with a $488,750 WaMu mortgage.

"Selling to each other, that's something an appraiser should definitely discover," said Mike Sanders, a Laguna Beach real-estate appraiser. "If the appraiser finds all the same people's names on transactions, then that's something suspicious."

In an interview with the India Journal in Southern California, Vijay Soni provided another clue to his success at selling homes in a falling market: He said his company made the down payments for the buyers.

Soni said his "liquidation company" bought foreclosed properties in Santa Ana, Riverside and Corona and sold them by offering "10 percent down free money to any qualified buyer. With this big burden out of the way, they only have to worry about coming up with their monthly mortgage."

That would be the equivalent of 100 percent financing, experts said. If loan documents do not fully disclose who made the down payment, it would misrepresent the purchaser's stake in the property and potentially is a form of criminal fraud or theft, said Ann Fulmer, vice president for Interthinx, an Agoura Hills fraud detection company used by lenders.

"Unfortunately, the bank doesn't know it's 100 percent financing," she added.

Documents show that all of the family's sales through Washington Mutual indicated that the buyer paid a down payment of 10 to 20 percent.

But Elijio Servin Rojas said he never made a down payment on the home he bought in November for $640,000 from Sushama Lohia. Records show he paid at least $64,200 before closing.

Servin Rojas said he was renting when Lohia persuaded him to buy last year. He said he has fallen behind on payments on WaMu's $575,800 mortgage. He received a notice of default in July.

The Sonis were positioned to escape detection if in fact no money changed hands -- because Lohia, a licensed real-estate broker, also served as escrow agent.

Finance
Credit lines shrinking in the U.S.
By Bob Tedeschi
The New York Times Media Group
500 words
10 June 2008
International Herald Tribune
2
12
English
© 2008 The New York Times Company. All Rights Reserved.

When economists say that American consumers used their homes as automated teller machines during the recent credit boom, they are often talking about home equity lines of credit, a form of second mortgage popular among homeowners looking for a cushion against future cash shortfalls or a way to finance a new kitchen or a vacation.

It is no secret that lines of credit are harder to find these days.

But many homeowners in the United States may not realize that their existing lines of credit can be eliminated at the lender's whim.

Washington Mutual, a major U.S. issuer of second mortgages, said last month that it had reduced or suspended about $6 billion of available credit under existing home equity lines.

Countrywide Financial, Bank of America and JPMorgan Chase have made similar moves.

Analysts say the cuts have mostly come in regions where real estate values have dropped, but people with poor payment histories can also be affected.

Sara Gaugl, a Washington Mutual spokeswoman, said: "We will increase, decrease or suspend lines based on a number of factors, including a customer's entire relationship with WaMu, their payment status and history, changes to their creditworthiness, and changes in the value of their property. We believe this is part of being a responsible lender."

Home values are a particularly large component of the lender's decision, Gaugl said, and because the U.S. real estate market remains moribund, more credit lines could be cut.

"We will continue to evaluate individual home equity lines of credit in relationship to the amount of equity a customer has in their home," she said, "and if appropriate, we'll lower the line amount."

Like other lenders, Washington Mutual does not publicize its guidelines for making cuts, since they vary, based on the borrower's financial profile and changes in a home's value.

Gaugl said, however, that Washington Mutual customers could appeal the company's decision. Washington Mutual, which as of March 31 still had $51 billion of undrawn credit line commitments, continues to offer credit lines to qualified borrowers.

According to Cameron Findlay, chief economist at LendingTree, an online mortgage referral and origination service, borrowers with credit lines need not be blindsided by the bank. "If you're wondering if you could be next," he said, "just contact your lender and ask them what your loan-to-value ratio is for that loan."

Traditionally, lenders would offer borrowers credit as long as they had more than 20 percent equity in their homes. That threshold dropped during the credit boom, when real estate values were climbing quickly.

Now traditional lending standards are once again in vogue, and equity is the touchstone.

Lenders have automated systems that can estimate a home's value without a formal appraisal, Findlay said, but they are now most likely underestimating that value "because they're hedging their bets a little bit."

MORTGAGES
Real Estate Desk; SECTRE
Beating Regulators to the Punch
By BOB TEDESCHI
562 words
21 October 2007
The New York Times
Late Edition - Final
12
English
Copyright 2007 The New York Times Company. All Rights Reserved.

AS federal regulators and industry groups debate creating standards for explaining mortgage terms to borrowers, Washington Mutual is pushing ahead with its own initiative, which it says will help borrowers avoid bad loans.

The company's new rules apply to its loans marketed through 19,000 independent mortgage brokers, among other outlets, but not through its own branches. Earlier this month, it began requiring brokers to verify that they have disclosed key loan terms, spelled out in simplified language. Washington Mutual will also call borrowers before the mortgage closes to review the terms.

The company would not say whether its initiative was a response to recent criticisms of the mortgage industry, but the timing coincides with similar initiatives intended to make sure borrowers fully understand their mortgages.

Nonetheless, Washington Mutual's new approach signals an effort by one lender to assert greater control over the independent brokers who market loans on behalf of multiple lenders and who sell most of the mortgages taken out by borrowers each year.

Some brokers are bristling at the idea that lenders are getting more involved in their transactions. Speaking of Washington Mutual's new lending policy, Roy DeLoach, the executive director of the National Association of Mortgage Brokers, said, "We think it's flawed in a couple of ways."

Mr. DeLoach said the additional disclosure form required by Washington Mutual merely duplicates information already provided in other disclosure forms that brokers are required, by federal and state laws, to give borrowers within three days after completing a mortgage application.

Mr. DeLoach also said that Washington Mutual should not need to double-check with borrowers to make sure they understand the mortgage. "If you don't trust the mortgage broker you're dealing with, you probably shouldn't be doing business with them," he said.

Sara Gaugl, a Washington Mutual spokeswoman, said that the new forms in fact include information that is not in standard disclosure forms -- for example, the disclosure of prepayment fees and the fact that such fees can inhibit the borrower's ability to sell or refinance the property.

She also said that the company regards the follow-up call as a safety measure of sorts, not a signal that brokers should not be trusted. "We absolutely respect the relationship between the broker and the borrower," she said.

Washington Mutual's disclosure form is in three parts: broker fees paid by the borrower, broker fees paid by the lender, and the loan terms. The terms prominently list the existence of prepayment penalties, which can run into thousands of dollars for those who want to refinance a mortgage or sell the house before the end of the loan.

Washington Mutual's new lending rules also require brokers to arrange tax and insurance escrow accounts for all new subprime loans, to help borrowers keep up with expenses.

Ellen Bitton, the chief executive of the Park Avenue Mortgage Group, a Manhattan brokerage, said she regarded Washington Mutual's new lending standards as duplicative of her current practices. The fact that the company will call borrowers to check on the broker's performance "is a change," she said, adding: "I don't have a problem with it. It just means we're working in tandem to be sure the client gets the best service."

AP Interview: Calif. congresswoman says home sale 'improper'
By ERICA WERNER
Associated Press Writer
1075 words
24 May 2008
00:15
Associated Press Newswires
English
(c) 2008. The Associated Press. All Rights Reserved.

WASHINGTON (AP) - Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly $9,000 in delinquent property taxes.

She insisted she's not getting special terms because she's a congresswoman.

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

The problem is that the 1,600-square-foot home she bought for $535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid $388,000. The sale was officially recorded on Monday, according to documents on file with the Sacramento County Recorder's Office.

A default notice sent to Richardson in March put her unpaid balance at $578,384.

Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around $50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

Others also don't have to depend on winning an election to ensure their livelihood, she said.

Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

She said she got another letter asking for payments May 2 and paid them, but did not know the sale was going to happen five days later.

Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the recission of foreclosure sale."

She did not provide documentation of the structure of her new loan.

A Washington Mutual spokeswoman, **Sara Gaugl**, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

Asked later to respond to Richardson's specific comments, she reiterated that the savings and loan could not discuss the matter without the congresswoman's consent.

Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt.

James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

"I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. It was in cleaner and in better repair than most foreclosures."

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.

Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate.

In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than $75,000 of her own money on her campaign -- suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.

Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making $50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Real Estate; Features Desk
Ask and you may receive; For adjustable-rate- mortgage holders trying to keep their homes, job one is to get help.
Marty Graham
Special to The Times
1386 words
6 January 2008
Los Angeles Times
Home Edition
K-1
English
Copyright 2008 The Los Angeles Times

The route to negotiating an adjustable-rate-mortgage reset is an obstacle course, according to nonprofit counseling groups trying to help homeowners. And half the people navigating it don't stop to ask for directions.

"The statistic is that 50% of the families experiencing foreclosure never ask for help," said Lori Gay, president and chief executive of Los Angeles Neighborhood Housing Services -- a part of NeighborWorks, a national network of nonprofits that deals with homeownership issues. "A lot of those people could keep their homes if they asked someone for help."

Ask early, ask often and keep asking -- because everyone who can help is swamped with people who also need a hand, while the programs and rules for assistance continue to change.

Asking for help doesn't guarantee smooth sailing, counselors cautioned. Some borrowers aren't going to be able to keep their homes. But many will, especially if the lenders come through with the programs they've promised for up-to-date borrowers.

Last month, the Bush administration won voluntary agreement from lenders on a five-year freeze on interest rate hikes for borrowers who are current with payments, live in the mortgage property, face loan increases between now and July 2010 and meet other criteria. The deal was widely recognized as a good start, but many caution that it helps just a narrow segment of borrowers and isn't enforceable.

Kevin Stein, associate director of the California Reinvestment Coalition, said an October survey of 33 nonprofit groups that counsel borrowers showed that they were having a tough time getting the responses and results from lenders they need for their clients.

"There's a lot of chaos," Stein said. "There's a lot of lost faxes, unreturned phone calls, service representatives changing in the middle." He said lenders' responses seem to be: We'll have someone get back to you.

A jungle out there?

Is any institution doing a fair job of working with customers? "From where we stand, it doesn't look like it," Stein said. "It's a morass: People face incredible hold times when they call, the lenders don't have enough people servicing loans and there's no public information that drives accountability -- who's in trouble, who's in default, what the lenders are actually doing, not just saying they'll do -- to keep homes out of default."

Lenders disagree with Stein's assessment.

For example, Washington Mutual has been working hard to reach its borrowers, according to spokeswoman **Sara Gaugl**. The lender has sent 5 million pieces of mail, including statements with refinancing information, to current borrowers and is implementing a $2-billion program to get the best-qualified borrowers into better loans.

"As of November, we have refinanced or modified approximately $720 million in loans and will increase that number in the coming months," she said.

For borrowers facing unaffordable resets in their loans, what is the best way to proceed?

L.A. attorney John Torjesen, who represents people in litigation over such loans and foreclosures, says to start by digging out escrow documents and actually reading them.

The most important terms of the loan -- the frequency and size of increases, possible prepayment penalties or balloon payments -- should be all within the note itself. If homeowners haven't kept the documents and the escrow company can't produce them, a copy of the note is usually filed with the county registrar of deeds as a deed of trust at the same time the deed to the home is filed.

"Most people are surprised by their adjustables," Torjeson said. "Between mobile notaries who brought them the documents at closing and the ease and speed of getting the loans, most people didn't entirely understand what they were getting into.

"I've seen loan documents that say no prepayment penalty on the first page and on page 8 it establishes a prepayment penalty. Most mortgages require that the property have insurance, but I've seen documents that ultimately force the borrower to pay for very expensive insurance selected by the lender," he said. "People didn't know what happened until it was too late."

Once borrowers have slogged through the note, the next step is to decide whether to seek professional help before contacting the lender.

Lawyers such as Torjeson and Dorothy Herrera, senior attorney with the Legal Aid Foundation of Los Angeles, can help some people -- those who can show they were misled by a broker or ended up with a loan containing a clear violation of the Truth in Lending Act, including the failure to disclose key information.

But many of the consumers contacting Legal Aid don't qualify for those protections, Herrera said, and are just in over their heads financially.

Working with a housing counselor can improve the odds of avoiding default and persuading a lender to help. Borrowers may be able to refinance -- with fees -- into lower- or fixed-rate loans, have prepayment penalties waived, freeze their current interest rates, set up repayment schedules or restructure loans.

At the East L.A. Community Corp., home-buying counselor Angelica Rubio works with people at risk of foreclosure. Many families don't understand their loans and need help facing their lender, she said.

"We sit down with them and look at their finances . . . and see if they can afford to keep their homes," Rubio said. "We've started doing foreclosure workshops because this is a big problem in our community that's going to get bigger."

Dialing direct

Some borrowers prefer dealing directly with the lender, usually through its toll-free number. Experts say they should be prepared to wait -- then wait some more. Hold times of more than an hour have been reported, as lenders suffer personnel cuts stemming from the collapse of so many loans.

Herrera, the Legal Aid Foundation attorney, said she's heard of people spending several hours a day, for days, either on hold or being bounced from one service representative to another.

"People can't get through to somebody who has the authorization to look at their adjusting loan," Herrera said. Neighborhood Housing Services received more than a thousand calls from people in

mortgage distress on the day Countrywide announced it would work with borrowers to keep them in their homes, according to chief executive Gay. Countrywide has written about a quarter of the nation's adjustable-rate mortgages since 2005.

Countrywide and Washington Mutual are trying -- if you can reach them, Gay said.

Persistence pays

"Call early and often," Gay said. And if that doesn't work, find muscle, she said. "Call a neutral third party, a free housing counseling service, to help you work through this before the eviction notice is nailed to the door."

Once you find a lender's representative to work with, Gay said, make sure to get that person's name and telephone extension, and insist on letters to document calls and agreements.

"And then follow through. If you're going to negotiate, follow through. If you've set a payment amount, pay it. Whatever you said you would do, make sure you do it, and if you can't, call the lender again."

Sometimes, after all the negotiations and counseling, borrowers conclude they won't be able to keep their homes and must consider drastic options.

"It's very sad, but there are still better ways out of the situation than letting the home slip into foreclosure," Gay said. One client, who had 40% equity in the home, declared bankruptcy so he could have time to sell it.

"It gave him time to work out his debts and sell the house," Gay said. "It was worth marring his credit to be able to recover part of the equity rather than lose it through foreclosure."

Other borrowers, who have little or no equity, may look at short sales, where the lender allows the borrower to sell the house for less than the debt, as a strategy to protect their credit rating so they can buy another home later.

"We call it a soft landing," Gay said. "Sometimes it's the best we can do."

MONEY
Coping with the real estate slump ; Outlook is dire, but you can take steps to stay ahead
Noelle Knox
2307 words
4 January 2008
USA Today
FINAL
B.1
English
© 2008 USA Today. Provided by ProQuest Information and Learning. All Rights Reserved.

Here are some strategies for sellers, buyers and homeowners in a high-risk real estate market:

If you'd asked housing economist David Seiders at this time last year to forecast the real estate industry's future, he would have told you to expect "a recovery year" in 2008.

"That outlook has been cut dramatically from what I was saying a year ago," Seiders, chief economist for the National Association of Home Builders, concedes. He's slashed his projection for home construction by 35% and says 2008 will be "another down year" for housing overall.

How far down? Most economists caution that their real estate forecasts for this year stand on shaky ground. The depth of the downturn will depend on whether the overall economy slips into recession, how fast and how sharply home prices fall, whether more turmoil rocks the credit markets and how many more foreclosures lie ahead.

"We're really in a danger zone in terms of overall economic activity," says Seiders, who sees a 40% chance of recession this year, up from his earlier estimate of 30%.

Mark Zandi, chief economist at Moody's Economy.com, calls the current real estate recession the gravest since World War II. He expects home sales to hit bottom in the first half of this year, with prices continuing to fall until early 2009.

An even more pessimistic economist, David Rosenberg at Merrill Lynch, goes so far as to warn, "Real estate pricing in general can expect to be in the doldrums through 2012."

The biggest problem is the glut of homes for sale -- more than 10 months' worth. And about 2 million of those homes (about 2.6%) are vacant, with banks or builders trying to get them off their hands.

The number of vacant homes is expected to rise further this year because a record number of homes are entering foreclosure. And hundreds of thousands of homeowners with subprime, adjustable-rate loans will face higher monthly payments. For some, it will be the last financial straw.

Meanwhile, many would-be buyers are having trouble qualifying for loans.

Half of senior loan officers surveyed by the Federal Reserve in October said they had tightened their standards from July. Gone are loans for people who have trouble paying their bills on time. Gone are mortgages for 100% of the home price. Gone are loans requiring no proof of income or assets.

The stricter rules will deliver an especially severe punch to such areas as Arizona, California, Nevada, Florida and in and around Washington, D.C., and Manhattan, where those types of mortgages accounted for about 60% of purchase loans last year, according to Economy.com.

"A lot of (buyers) haven't come to the realization that the subprime market no longer exists," said Ritch Workman of Workman Mortgage in Melbourne, Fla. "Mortgage brokers are turning away more and more borrowers."

That isn't likely to change. The Federal Reserve last month issued hand-slapping rules for all lenders and mortgage brokers to end the riskiest lending practices. The new rules will take effect early this year, after a public comment period.

For buyers who have built up stellar credit and lots of cash in the bank, there are loans aplenty. Interest rates also remain historically low, and falling prices in many areas are making homes more affordable for more families.

In such a risky market, what's a buyer or seller to do? What follows are some strategies for buyers, sellers and homeowners that will help, no matter how grim the housing recession gets.

Buyers

Get that credit score up

If you're among the would-be buyers still finding themselves locked out of the market:

*Raise your credit score by paying your bills on time. Don't open any new credit card accounts or buy a car with a new loan. Don't buy anything, such as furniture, with a "no payments or interest for 90 days"-type of plan. With such plans, even if you pay off the entire amount in three months, your credit score will still take a hit.

*Forget belt-tightening; get a full-fledged corset. Most lenders now require buyers to put down at least 5% of the purchase price (that's about $10,500 on the national median home price of $210,200). The main exceptions are loans insured by the Federal Housing Administration, which require only 3%, and loans guaranteed by the Department of Veterans Affairs, which may cover the entire purchase price.

*Don't change jobs, if you can help it, until you've been formally approved for a mortgage. Lenders increasingly see job stability as a vital factor in creditworthiness.

*Recognize that you have the upper hand in bargaining. Consider asking the seller to help pay for any repairs, or to help pay for closing costs or to cover any homeowners' association fees for a few months. If it's a new home, ask the builder for even more freebies than it offered to get you in the door.

Sellers

Wait if you can or spruce it up

Lots of sellers are getting a harsh refresher in a lesson from Economics 101: the relationship between supply and demand. A record 4.3 million existing homes are for sale. In areas where there's too much supply, prices must fall.

This week, economists for Freddie Mac released their latest economic forecasts, which show home prices falling nearly 8% this year and not rising again before the end of 2009.

Prices in 11 major metro areas posted record declines in October, led by Miami, Tampa, Detroit and San Diego, according to the S&P/ Case-Shiller index.

More than 1 million homeowners nationwide are expected to lose their homes through foreclosure. Lenders, trying to cut their costs of maintaining and marketing homes, typically sell foreclosed homes for 20% below the market price.

"I tell sellers if they don't need to sell right now, just remove their home from the market," says Ron Shuffield of Esslinger-Wooten- Maxwell Realtors in Miami.

All of which means that to sell your house, you probably need to get it in near-perfect condition, price it right and market it aggressively.

Of course, not every U.S. real estate market is in the tank. Areas that never saw head-spinning price increases to begin with aren't seeing big price drops now. In the third quarter, government data showed that prices actually rose in 204 of the 287 metro areas surveyed. And in nearly every city, there are neighborhoods, or coveted condo developments, that seem immune to local and national trends.

But for most homeowners who need to sell, here are some tips:

*Start your spring cleaning now. Every surface should sparkle. Every groove should be dirt-free. Above all, wash the windows. Declutter the house by packing up family photos, stacks of paper, medicine bottles on the bathroom counter, the books overflowing the bookcase. Hide trash cans, ashtrays, the laundry hamper, the kitchen sponge, the cat's litter box and food dishes.

*Paint. Dark walls tend to make a house look smaller. Walls should be off-white or have earthy tones if the room draws lots of light. Real estate agents suggest that the carpet be light beige. Open or take down curtains, so the rooms will absorb as much light as possible.

*Most rooms contain too much furniture, which makes rooms look smaller. Reduce the number of pillows on the couch. Remove afghans and blankets. Scale back the number of paintings on the walls. Remove the leaves from your dining table and put no more than four chairs around it. Reduce the number of dishes in the china cabinet, leaving only a few.

*Keep the lawn mowed and the edges neat. Trim shrubs, especially around windows. Put flowering plants near the front door. Does the house need painting? Consider painting or staining the front door; it's one of the least expensive ways to spruce up the entry. If there's furniture on the porch, make sure it isn't plastic but rather good-quality wicker or wrought iron. Power-wash or stain the deck. Remove or hide old cans and bottles, auto parts, boats and RVs.

*What's your marketing strategy? If using an agent, make sure she or he is using the Internet as a major part of the advertising campaign. Tempt buyers by offering to help pay closing costs. Or better still, offer to lend the buyer part of the money they need, with what's called "carry-back financing."

Check your documents

Dig out your mortgage documents and triple-check what kind of loan you have. Specifically, you want to know whether it has an adjustable interest rate, how often the rate can rise and the maximum it can rise to. Is there a penalty for paying off the loan early? If so, when does the penalty expire?

Nearly 2 million homeowners have subprime, adjustable-rate mortgages (ARMs) that will reset before July 2010. The average borrower will see monthly payments jump by about $350, to $1,550. Already, one in five homeowners with a subprime ARM was behind at least one payment at the end of the third quarter, according to the Mortgage Bankers Association.

Last month, Treasury Secretary Henry Paulson announced a deal with lenders that would help thousands of homeowners with subprime ARMs. Under the plan, homeowners who got their loans between Jan. 1, 2005, and July 31, 2007, would either be put on a fast-track program to refinance their loan to a fixed-rate mortgage at a lower rate, or have their rate frozen for five years.

But there are many exclusions to the program. In addition, millions of borrowers with prime ARMs aren't eligible. Neither are most of those with exotic adjustable-rate loans that let them pay only the interest portion or even less each month.

Dan Przewlocki is one of them. He refinanced his home outside Detroit in 2004, so he doesn't qualify for the rescue plan. Przewlocki, 52, got what's called an option-ARM. It lets him choose among payment options each month. The less he pays, the more the principal balance grows.

He's been paying the highest option and hasn't missed one payment. Yet his rate has been rising nearly every month, catapulting Przewlocki's monthly payment to $2,700 from $1,200 initially.

Washington Mutual, his lender, won't refinance the $310,000 loan because the home's value has sunk below the value of the loan, to $250,000, Przewlocki said.

He works in an auto maintenance plant and looks for handyman jobs and temporary work at Kelly Services. But his house payments eat up nearly 70% of his gross income. And Przewlocki, a tech sergeant in the Air Force reserves, knows he'll fall behind on his payments once he's deployed to the Middle East this year.

"If the mortgage company wants to take the house," he says, "the keys are going to be on the kitchen table."

Sara Gaugl, a spokeswoman for Washington Mutual, says the amount of Przewlocki's loan and the current value of his house "put him out of scope for a refinance under WaMu's credit guidelines. However, we will continue to work with Mr. Przewlocki to determine if there are other options available to him."

If you're in a similar situation, or think you might be soon:

*Contact your lender as soon as you know your payment will be late. If you want free credit counseling, you can also call the Homeownership Preservation Foundation at 888-995-HOPE (888-995- 4673).

*If you can't renegotiate the terms of your loan, and your home is worth less than you owe, consider a "short sale": If your lender approves, you can sell your property at an agreed upon price, and your lender will forgive the remaining balance on your mortgage.

That's much better than wrecking your credit with a foreclosure. And under a law signed by President Bush last month, sellers no longer have to pay taxes on the amount of the forgiven debt. The law is retroactive to Jan. 1, 2007, and is scheduled to expire at the end of 2009.

Even if you don't keep your New Year's resolution to shed 20 pounds, getting out from under an unaffordable mortgage will take a huge weight off your shoulders.

TEXT OF INFO BOX BEGINS HERE

Subprime ARM loan rates nationwide

Almost half of subprime ARM loans are concentrated in a handful of states, which are expected to suffer increasing foreclosures as the loans reset to higher rates. States and their percentage of the nation's subprime ARMs:

Alabama 0.9%

Alaska 0.1%

Arizona 4.3%

Arkansas 0.4%

California 17.3%

Colorado 1.9%

Connecticut 1.3%

Delaware 0.3%

Dist. of Columbia 0.2%

Florida 12.3%

Georgia 3.3%

Hawaii 0.4%

Idaho 0.5%

Illinois 4.9%

Indiana 1.8%

Iowa 0.5%

Kansas 0.5%

Kentucky0.7%

Louisiana0.8%

Maine0.3%

Maryland2.9%

Massachusetts1.8%

Michigan3.6%

Minnesota1.7%

Mississippi0.5%

Missouri1.8%

Montana0.1%

Nebraska0.3%

Nevada2.0%

New Hampshire0.4%

New Jersey2.7%

New Mexico0.4%

New York3.5%

North Carolina1.9%

North Dakota0.1%

Ohio2.6%

Oklahoma0.6%

Oregon1.3%

Pennsylvania2.7%

Rhode Island0.4%

South Carolina0.9%

South Dakota0.1%

Tennessee1.7%

Texas5.7%

Utah1.0%

Vermont0.1%

Virginia2.4%

Washington2.6%

West Virginia0.2%

Wisconsin1.4%

Wyoming0.1%

WaMu Response from David Schneider, President, Home Loans, Regarding Proposal Aimed at Keeping Borrowers in their Homes
302 words
6 December 2007
16:39
Business Wire
English
(c) 2007 Business Wire. All Rights Reserved.

SEATTLE - (BUSINESS WIRE) - As a key member of HOPE NOW, WaMu (NYSE: WM) has worked very closely with the Treasury and the American Securitization Forum to develop what we believe is a positive step for borrowers who are unable to handle an increase in their monthly payment. In addition, this proposal establishes a new set of industry best practices making it easier for servicers to modify loans under the existing agreements. WaMu is in the process of implementing the fast-track modification process and expects to have it operational over the coming weeks.

Our firm belief is that early intervention combined with expanded options is instrumental to helping our customers find ways they can overcome financial obstacles to keep their home. We view foreclosure as a last resort and encourage our customers to contact us as soon as they anticipate difficulty in making payments on their mortgage so that we can discuss their various options.

We look forward to continuing our work with the Administration, Congress, state and local officials, our trade groups and community partners to stabilize the housing market and support efforts that will help customers maintain home ownership.

About WaMu

WaMu, through its subsidiaries, is one of the nation's leading consumer and small business banks. At Sept. 30, 2007, WaMu and its subsidiaries had assets of $330.1 billion. The company has a history dating back to 1889 and its subsidiary banks currently operate approximately 2,700 consumer and small business banking stores throughout the nation. WaMu's press releases are available at http://newsroom.wamu.com .

WaMu Media Contacts: Alan Gulick, 206-500-2760 alan.gulick@wamu.net or **Sara Gaugl**, 206-500-2822 **sara.gaugl**@wamu.net

MAIN
LENDERS REELING FROM BURST SUBPRIME Series: Subprime Fallout
MARY FRICKER
MARY FRICKER FOR THE PRESS DEMOCRAT
1129 words
11 November 2007
Press Democrat
CITY
A13
English
© 2007 Press Democrat. Provided by ProQuest Information and Learning. All Rights Reserved.

At the height of subprime lending in Sonoma County, the industry leader was Long Beach Mortgage, a division of Washington Mutual in Seattle.

Long Beach Mortgage made 945 subprime loans in Sonoma County from 2004 through 2006, for $232 million. That was almost 14 percent of the market and well ahead of its closest competitor.

The No. 2 subprime lender in Sonoma County was New Century Mortgage Corp. of Irvine, which made 635 loans for $148 million.

Both companies closed this year, victims of the mortgage meltdown.

Long Beach Mortgage became the largest subprime lender in the county by having the most accommodating programs and years of lending experience, said Don Bunch, an account representative at Long Beach Mortgage from 2002 through 2004.

For example, Long Beach Mortgage let homeowners count money from renting out rooms as income, while some lenders did not, Bunch said.

"Mortgage brokers went to lenders who could get the deal done," said Bunch, a mortgage broker for 25 years who has specialized in the subprime market for the past decade.

Long Beach Mortgage had an office on Fourth Street in Santa Rosa, next door to Washington Mutual, but it got all its business through independent mortgage brokers.

Bunch said his job as account rep for Long Beach was to make the rounds of brokers' offices and sell subprime loans.

"We'd take a look at the loans they were working on, see if they fit our programs and show them the benefits of submitting the loan to my company instead of my competitors," Bunch said. Today Bunch is co-owner of Affinity Mortgage, a Santa Rosa company that specializes in mobile- and manufactured-home loans.

Long Beach Mortgage resold most of its loans to Wall Street investors. This resale market is a valuable tool for spreading risk. But it is also the key reason underwriting standards have weakened since the days when banks held onto all loans themselves and had a personal interest in making sure the borrower could repay.

Wall Street investors were eager to buy the high-rate loans because they paid a nice return during a period of historically low interest rates. Long Beach's average rates for its first-lien loans in 2005 and 2006 were 8 percent to 10 percent, compared to about 6 percent for a 30-year, fixed-rate loan.

Investors relied on rating agencies such as Moody's Investors Service and Standard & Poor's to gauge the safety of the securities. In many cases, the agencies were wrong.

This year, rising defaults caused nervous Wall Street investors to stop buying the high-rate loans. With the subprime market essentially dead since August, Washington Mutual absorbed the remnants of Long Beach Mortgage in September.

"Nobody is buying those loans, hence nobody is going to make them," said Bunch. After working at Long Beach Mortgage, he joined two other subprime lenders, BNC Mortgage and Clearpath Lending Solutions. Both have closed.

Sara Gaugl, a spokeswoman for Washington Mutual, said the company is trying to help customers hurt by the downturn, and it wants to avoid similar problems in the future.

It will refinance up to $2 billion in subprime loans for qualified borrowers. It will no longer make no-documentation loans or loans with initial fixed-rate terms of less than five years. It will require that brokers use a simple, single-page disclosure form to explain their fees and the terms of the loan.

"We fully recognize that no party wins when a lender is forced to foreclose on a borrower," Gaugl said.

Library researcher Teresa Meikle contributed to this report.

INFOBOX:

SUBPRIME LEXICON

A variety of high-risk loans were made in Sonoma County in 2005 and 2006. The following are some of their most common characteristics:

Teaser interest rate: A start rate as low as 1 percent that will shortly reset upward.

Stated income loan: The borrower doesn't have to prove his or her income but is supposed to prove two years of employment and some reserves. Originally intended for the self-employed, but recently used by wage earners. Industry experts often call these "liar loans" because they say borrowers commonly inflated their incomes, sometimes at the direction of brokers or lenders who resold the loans to Wall Street investors. If fraud is present, investors can return the loan to the lender.

No documentation: The borrower doesn't have to document employment or assets but is supposed to have decent credit and a downpayment.

Piggyback loans: Borrower buys a house with a first mortgage that covers 80 percent of the price. A second mortgage covers 20 percent, allowing the borrower to avoid the cost and underwriting of Private Mortgage Insurance.

100 percent financing: Homebuyer borrows the entire cost of the home, instead of making a cash downpayment.

Balloon payment: Loan defers payment of principal, but some day principal will come due all at once.

Prepayment penalties: A fee charged to borrowers who pay off their loan within two to three years, typically 2 to 3 percent of the loan amount for subprime borrowers. Intended to discourage frequent refinancing and ensure that the lender will earn enough money on the loan to pay the broker's commission. In California last year,

91 percent of subprime loans had prepayment penalties, compared to

75 percent nationally.

Interest-only loans: Homebuyers get a lower monthly payment but don't build equity in their property, except through appreciation. At some point the principal will all come due.

40-year fixed-rate loan: Borrower gets lower monthly payments than the traditional 30-year loan, but the total interest cost is much higher.

Negative amortization: Borrowers with good credit can make such a low monthly payment that it doesn't cover their interest, so the principal they owe increases every month. The increase in principal is usually capped at 110 percent to 125 percent of the original loan amount. At that point, borrowers must start making much bigger monthly payments. In California last year, almost 17 percent of prime loans had this feature, compared to 5 percent nationally.

Yield spread premium: The commission the lender may pay its own loan agent or an independent mortgage broker. The higher the interest rate on the loan, and the longer the prepayment penalty period, the higher the commission.

FICO score: A way to score a borrower's creditworthiness, developed by Fair Isaac & Co. to measure risk. Lenders have increasingly come to rely on this score instead of doing their own credit evaluation before making a loan.

Sources: U.S. Department of Housing and Urban Development, The Orange County Register, Federal Deposit Insurance Corp., Press Democrat research.

Personal Finance
WaMu Calls for Mortgage Disclosure
By Lingling Wei
292 words
2 October 2007
The Wall Street Journal
B14
English
(Copyright (c) 2007, Dow Jones & Company, Inc.)

NEW YORK -- Washington Mutual Inc., the U.S.'s sixth-largest home-mortgage lender in terms of volume, is asking mortgage brokers it works with to provide more information to borrowers.

The move comes as lenders as well as brokers are facing pressure from lawmakers and consumer-advocacy groups to beef up customer disclosures, which have been criticized as inadequate and in some cases, misleading. Poor disclosures, critics say, have led many borrowers to take out loans they couldn't afford, contributing to the highest home-loan delinquency rate in five years.

Seattle-based WaMu said starting next Tuesday, brokers who do business with the company must show evidence that they explained to borrowers key terms of the loans they are recommending -- such as the amount, whether the interest rate or the payments may change, and if the loan has a fee for prepayments. In addition, the brokers should disclose the amount of their compensation, WaMu said, adding that it would try to call every borrower represented by a broker before closing to review loan terms.

" WaMu will not close or fund the loan without signed confirmation from the borrower that the key terms of the loan have been disclosed to the borrower by the broker early in the application process," said spokeswoman **Sara Gaugl**.

Like WaMu, many banks sell loans through third-party brokers in addition to their own sales force. Industry data show that mortgage brokers and state-licensed lenders generate about 68% of all residential mortgages in the U.S. In recent months, however, the rising number of soured loans has forced lenders to scrutinize more closely their relationships with brokers.

Washington Mutual seeks to better inform borrowers with new guidelines for mortgage brokers
By LINGLING WEI
Dow Jones Newswires
374 words
1 October 2007
15:43
Associated Press Newswires
English
(c) 2007. The Associated Press. All Rights Reserved.

NEW YORK (AP) - Washington Mutual Inc., the nation's sixth-largest home-mortgage lender in terms of volume, is asking mortgage brokers it works with to provide more information to borrowers.

Washington Mutual, of Seattle, said starting next Tuesday, brokers who do business with the company must show evidence that they explained to borrowers key terms of the loans they are recommending -- such as the amount, whether the interest rate or the payments may change, and if the loan has a fee for prepayments.

In addition, brokers should also disclose the amount of their compensation, Washington Mutual said, adding that it would try to call every borrower represented by a broker before closing to review the loan terms.

" Washington Mutual will not close or fund the loan without signed confirmation from the borrower that the key terms of the loan have been disclosed to the borrower by the broker early in the application process," said company spokeswoman **Sara Gaugl.**

The move comes as lenders and brokers are facing intensifying pressure from lawmakers and consumer-advocacy groups to beef up customer disclosures, which have been criticized as inadequate and, in some cases, misleading. Poor disclosures, critics say, have led many borrowers to take out loans they couldn't afford, contributing to the highest home-loan delinquency rate in five years.

Like Washington Mutual, many banks sell loans through third-party brokers in addition to their own sales force. Industry data show that mortgage brokers and state-licensed lenders generate about 68 percent of all residential mortgages in the U.S. In recent months, however, the rising number of soured loans has forced lenders to scrutinize more closely their relationships with brokers.

Gaugl said Washington Mutual, which does business with about 19,000 brokers nationwide, only works with mortgage brokers who are "in good standing" with the appropriate licensing authorities in the states where they do business. Washington Mutual expects the brokers it works with to embrace the new standards, she said, adding that the new procedures will help brokers "ensure that their customers select the loan product and terms that best meet their individual needs."

WaMu Response from David Schneider, President, Home Loans, Regarding Interagency Statement on Subprime Mortgage Lending
239 words
29 June 2007
13:44
Business Wire
English
(c) 2007 Business Wire. All Rights Reserved.

SEATTLE - (BUSINESS WIRE) - WaMu (NYSE:WM) fully supports the guidance and the goal of ensuring that mortgage loans are underwritten in a prudent fashion and communicated in an understandable way. No party wins when a lender is forced to foreclose on a borrower. We are well positioned to implement the guidance in our business. We've offered subprime mortgage products for more than 20 years and are focused on providing clear, understandable disclosures for our customers and ongoing training for our sales force.

WaMu remains committed to offering a range of products to meet individual customer needs. We are also committed to helping our current borrowers stay in their homes who may no longer fit current qualifying standards yet have a proven payment history. As part of this commitment, we will refinance or modify up to $2 billion in subprime loans at discounted interest rates to assist homeowners in stabilizing their finances and avoiding foreclosure. Our goal is to help our customers understand their various options and address their financial needs before they begin having problems making payments.

We remain concerned about the unlevel playing field that exists because the guidance does not apply to all lenders.

WaMu Media Contact: **Sara Gaugl**, 206-500-2822 **Sara.gaugl**@wamu.net or Investor Relations Contact: Alan Magleby, 212-326-6019 alan.magleby@wamu.net

YOUR HOME
Real Estate Desk; SECT11
Pluses and Minuses Of Option ARM's
By JAY ROMANO
644 words
9 October 2005
The New York Times
Late Edition - Final
10
English
Copyright 2005 The New York Times Company. All Rights Reserved.

A MORTGAGE known as an option ARM has become increasingly popular with borrowers. In fact, financial analysts say, this adjustable-rate mortgage may appear so attractive that borrowers may not fully understand its risks.

"Option ARM's are basically a mishmash of existing products," said Keith T. Gumbinger, vice president of HSH Associates, a financial publisher in Pompton Plains, N.J.

With the loans, Mr. Gumbinger said, the interest rate adjusts up or down in tandem with a financial index like the London Interbank Offered Rate, or Libor. And while rates on traditional ARM's change after a predetermined number of years, with most option ARM's the interest rate is readjusted monthly.

Option ARM's also allow a number of monthly payment options -- and the borrower can change the option each month. For example, Mr. Gumbinger said, the payment can be based on a fully amortizing 15- or 30-year mortgage. With those, the monthly payment includes principal and interest sufficient to pay off the loan over the specified term.

Another possibility, Mr. Gumbinger said, is for the borrower to make an interest-only payment. While that ensures that interest on the mortgage is paid as it accrues, it does not reduce the principal. After five years, the loan is recast and the payment recalculated to include payments against principal sufficient to ensure that the loan is fully satisfied by the end of the term.

The fourth and riskiest option allows the borrower to make a set minimum monthly payment based on an artificially low interest rate. For example, he said, the minimum payment may be based on an interest rate of only 1.25 percent, even though the actual interest rate is 5.5 percent. That, however, typically results in negative amortization, which means that any interest not covered by the monthly payment is added to the outstanding balance.

"You end up paying more interest in the long run because you're paying interest on the interest you should have been paying all along," he said. He added that while option ARM's have a lifetime interest rate cap -- generally 5 or 6 percentage points above the initial rate -- there is no annual cap (other than the lifetime cap) on the interest-rate increases. "So if interest rates rise quickly, things can get really ugly," he said.

That is because a typical option ARM limits the amount the minimum monthly payment can increase from one year to the next -- usually by 7.5 percent. While that may keep the minimum payment relatively low, an increase in the actual interest rate will widen the difference between the minimum payment and the actual amount that should be paid, increasing the negative amortization.

In addition, said **Sara Gaugl**, a spokeswoman for Washington Mutual, a lender in Seattle, the minimum payment can increase beyond the 7.5 percent annual cap when the loan is recast every five years, or any time the outstanding balance exceeds the property value by 125 percent (or, under state law, by 110 percent in New York).

Tim Malburg, president of Capstone Mortgage in Wilton, Conn., said option ARM's may make sense for some borrowers. "The main advantage is payment flexibility," he said, noting that since

borrowers can make any one of the allowable monthly payments each month, such a loan can benefit those whose income varies monthly.

But, Mr. Malburg said, another downside of such a mortgage is the potential for significant negative amortization, which could result, especially if the housing market falters, in the amount owed being more than the market value of the house. That means that if the borrower had to sell the house, he or she could not pay off the mortgage with the proceeds.

WaMu scales back lending operations

The savings-and-loan association exits wholesale lending and closes home-loan centers.

April 8, 2008: 8:30 AM EDT - CNN

NEW YORK (CNN) -- Washington Mutual told employees Monday that it will exit the wholesale lending business and close home-loan centers nationwide.

Washington Mutual, the nation's largest savings-and-loan association, is taking those steps to focus on delivering home-lending products to customers through banking stores and online, a WaMu spokesperson said.

Sara Gaugl, WaMu spokesperson, told CNN that the bank will no longer work with third party brokers. She said WaMu also will close its remaining stand-alone Home Loan Centers.

Gaugl said the company has not posted specific information about how many stores and employees will be affected.

The bank is close to a deal with private-equity firm TPG and other investors to receive a $5 billion investment, according to The Wall Street Journal.

The infusion would help WaMu meet its pressing capital requirements as the bank faces steep losses stemming from the housing crisis.

WaMu (WM, Fortune 500) shares rose nearly 30% in active trade in Monday's session.

Thomson Financial News
Washington Mutual to cut 3,000 jobs, closes all 186 home loan centers

04.08.08, 1:07 PM ET

NEW YORK (Thomson Financial) - **Washington Mutual Inc.** said it will cut 3,000 jobs and close all 186 of its free-standing home loan centers nationwide, accelerating efforts to align with its retail-focus banking business model.

The cuts are a part of to WaMu's plans, announced earlier Tuesday, to exit the wholesale lending business, and focus on retail banking.

Despite closing its home loan centers, WaMu spokeswoman Sara Gaugl said the lender wants to assure customers that 'we will continue to offer home loans.'

'We are focused on growing our in-store loan consultant network, which serve customers through our retail banking stores, and we will continue to invest in retaining our existing customers through our Consumer Direct channel,' Gaugl said.

'I'd like to emphasize that mortgages are important to our customers and remain an important part of WaMu's retail-focused business strategy.'

The announced actions affect about 3,000 positions in a number of locations throughout the country, including account management and sales positions, as well as home loan fulfillment support.

Earlier Tuesday, the Seattle-based mortgage lender said it secured a total of $7 billion in financing through a direct sale of equity securities to a group led by private equity firm TPG Capital.

The deal calls for TPG Capital's investment vehicle to buy $2 billion in newly-issued securities. In total, WaMu agreed to sell about 176 million common shares at $8.75 each in the deal. It also issued about 55,000 shares of convertible preferred stock carrying a purchase price and liquidation preference of $100,000 per share.

WaMu also reported a preliminary first-quarter loss of $1.1 billion, or 40 cents a share, including $3.5 billion in loan-loss provisions and expected net charge-offs of $1.4 billion. It expects to report full first-quarter results on April 15. The lender also slashed its quarterly dividend to 1 cent a share from 15 cents a share in an effort to preserve capital.

Shares of Washington Mutual (nyse: WM - news - people) recently fell 8.8% to $12, paring earlier losses of as much as 13%. Volume was 106.9 million shares in midday trading, compared with the full-day average over the past 30 days of 61.4 million shares.

Michelle Rama

WaMu to offset 1,000 layoffs in home loans with retail hires

Staffing in home loans down 28% since 2005

BY MATT CARTER, FRIDAY, SEPTEMBER 14, 2007.
Inman News

Washington Mutual will lay off about 1,000 employees in its Home Loans Group around the country as it closes its Mortgage Banker Finance business and restricts WaMu Capital Corp. to securitizing only WaMu loans.

A WaMu Home Loans spokeswoman said the layoffs are a response to changing mortgage market conditions, but are taking place in conjunction with hiring that's intended to accelerate growth in the company's core businesses -- retail, consumer direct and wholesale lending.

WaMu plans to hire up to 1,000 retail and banking loan consultants over the next several months, and increase its consumer direct sales force, said WaMu spokeswoman Sara Gaugl.

The Seattle-based company currently employs 1,000 banking loan consultants and 2,000 retail loan consultants, and operates more than 2,200 retail stores, Gaugl said.

"We ... intend to grow our retail, consumer direct and wholesale businesses and are positioning the size of our sales and support organizations to ensure that we capture growth opportunities and address customer needs," Gaugl said.

WaMu will integrate its remaining subprime lending business into its existing prime channels, eliminating the need for a dedicated subprime sales force, Gaugl said. The company will close loan fulfillment centers in Anaheim and San Diego, Calif., and San Antonio, Texas, moving work to other facilities.

WaMu Capital Corp. has "felt the effect of a greatly changed secondary market environment," and has moved away from purchasing and securitizing loans originated by others to managing WaMu loan production.

WaMu will no longer participate in conduit flow operations, Gaugl said, which require ongoing relationships with mortgage bankers to buy loans on a loan-by-loan basis, and will conduct "an orderly wind down" of its Mortgage Banker Finance business. In wholesale lending, WaMu is combining prime and subprime sales channels to create a unified 450-person sales force, she said.

"We remain fully committed to assisting borrowers across the credit spectrum with obtaining new loans as well as with staying in their existing homes," Gaugl said, noting the company's announcement in April of a commitment to refinance up to $2 billion in subprime loans for WaMu customers who are current on their payments but facing interest-rate resets.

In its last quarterly report to investors, WaMu said second-quarter net income rose 8 percent year-over-year, to $830 million.

But provisions for loan and lease losses were up 66 percent, to $372 million, and rising delinquencies on subprime loans the company had previously securitized forced it to write down by $181 million the value of subprime residuals during the first six months of the year. Total revenue from the sales and servicing of

home mortgage loans for the first half of the year was $425 million, compared with $486 million in the first half of 2006.

In a presentation to investors Monday, WaMu Chairman and Chief Executive Officer Kerry Killinger said the company began preparing for a downturn in the housing market two years ago.

Since the fourth quarter of 2005, Killinger said, WaMu has reduced staffing in its home-loan business by 28 percent, and exited the correspondent channel. As a result, Killinger said, WaMu fell from the third-largest mortgage originator in 2006 to sixth in 2007.

"I have commented several times over the past two years that many mortgage players appeared to be blindly adding staffing and capacity, even while mortgage demand was falling," Killinger said. "This overcapacity had to be taken out of the system before satisfactory returns could return to the business."

WaMu sold "nearly all" of its 2004 and 2005 subprime residuals two years ago, Killinger said, and the majority of its pay-option adjustable-rate mortgage (ARM) production during 2005, 2006 and 2007.

At the end of June, WaMu had only about $107 million in total exposure to subprime mortgage and Alt-A residuals, Killinger said, and just 3 percent of the company's $106 billion home-loan portfolio had loan-to-value ratios above 80 percent and FICO scores less than 660.

"We feel that our proactive steps have been important in positioning us for the dramatic slowing of the housing market," Killinger said.

Owners caught in grip of market
By Bruce Spence, The Record, Stockton, Calif.
McClatchy-Tribune Regional News
1599 words
9 September 2007
The Record (MCT)
English
Distributed by McClatchy - Tribune Information Services.

Sep. 9--When Louise Wohl bought her one-bedroom, one-bath Lodi condo in August 2005 for $180,000, she was delighted with her first home purchase.

She financed the entire purchase price at a 6.25 percent annual interest rate, leaving a monthly payment of less than $1,175 -- not easy to make but doable, she said.

Then in July, she got a letter from the lender saying her adjustable-rate loan was jumping after the initial two-year set rate to the going rate of about 8.25 percent.

This, she said, was news to her, and bad news at that, because she can't afford the $200 jump in the monthly payment.

Plus, she faces another adjustable-rate mortgage boost in six months, said Wohl -- who asked that she not be identified by her real name because she would be mortified if others knew of her financial straits.

Were the home real estate market still vibrant, she would have a way to respond, at least being able to sell for more than the purchase price, likely leaving some cash in her pocket.

But she went with the current financial wisdom typically offered by the mortgage sector for those struggling to avoid foreclosure: She contacted her lender to try to work out a deal that would allow her to stay in her home.

"I talked to three different people, and none of them could help me," she said. "One was very interested and helpful but said there was nothing he could do because the value of the home was less than the amount owed. He said, sorry, institutionally he couldn't do it."

Another said, well, just try to hang in there.

"I was like, OK, I guess I could make the payments if I don't buy gas and eat."

She isn't sure what will happen now.

"I wish I had never bought," she said. "I would have been better off renting."

Certainly, the pain of foreclosures is climbing for lenders.

Plenty of company

San Joaquin County almost topped the nation in home-foreclosure activity during the first half of the year, with several other California metropolitan areas not far behind, according to a recent report from a company that tracks foreclosure and bank-owned properties.

The Stockton area -- basically all of San Joaquin County -- came in second on the list, with some kind of foreclosure filing hitting one of every 51 households -- more than triple the number reported in the first six months of 2006, reported Irvine-based RealtyTrac, which publishes a national database of foreclosure and bank-owned properties.

Kevin Moran, a Coldwell Banker Grupe real-estate agent who specializes in foreclosure properties, said lenders who end up having to go through the lengthy and costly foreclosure process can end up taking up to a $200,000 loss when selling a 100 percent-financed home in today's slow market.

(The median sales price in San Joaquin County last month stood at $370,000, according to a recent Coldwell Banker Grupe-TrendGraphix monthly sales report, based on Multiple Listing Service data.)

Successes are few

Still, the anecdotal feedback is that homeowners trying to work into new mortgage arrangements aren't having much success yet.

The California Association of Mortgage Brokers launched a mortgage hot line to try to advise people struggling with mortgage payments. That includes getting people to contact their loan-service companies to try to make new arrangements.

"It's mixed results," said Cameron Pannabecker, owner of Cal-Pro Mortgage Inc. in Stockton and a board director for the state association. "Some lenders are much more cooperative than others."

There are options out there, he said, including folding missed payments back into the loan principal and re-amortizing, or else setting up, say, a six-month period of interest-only payments in hopes the homeowner will be able to catch a breath.

Loan restructuring seems to be happening only where consumers are getting experienced third parties -- a lawyer, accountant or mortgage broker -- to help them navigate through the system, Pannabecker said.

"Even then, it's challenging."

Typically, there isn't much loan modification going on even with lenders feeling more and more pain from foreclosures, he said.

Much motivation

That may change in the next six months, though, as foreclosure numbers continue to soar, he said.

Lenders will have to find more and better solutions to try to stop the bleeding, Pannabecker said.

"Pain is a wonderful motivator."

The alternative is government intervention, he said.

"If they can't figure out a way to keep people in these homes, it's going to be an economic disaster, an economic tsunami," he said.

Doug Duncan, chief economist for the Mortgage Bankers Association, said that given the costly increases in payment delinquencies and foreclosures, lenders have been staffing up to work with homeowners in trouble, either through restructuring loans or other actions.

But those lenders were lean in the number of employees with the skills needed to handle those situations, he said.

"Firms are staffing up as rapidly as they can," he said, "but that does take some time. And each borrower is a separate case that has to be worked."

Richard Pittman, spokesman for By Design Financial Solutions, a nonprofit loan counseling service doing business in San Joaquin County as Consumer Credit Counseling Service of Mid-Counties, said those in mortgage trouble are advised to call their loan-service company to try to work out a better situation, but statistics indicate that as many as half of those in mortgage trouble don't even try to call.

Typically, homeowners in trouble got sucked into cheap introductory monthly payments in a loan that readjusts in two, three or four years, he said. Then they're shocked when they find they can't get a refinance for better terms because in this current poor real-estate market, their house is worth less than they paid for it, he said.

When credit was easy, others refinanced their homes to tap their equity for cash so many times they end up losing their home because of costly mortgages, Pittman said.

Good times are gone

Before the market slowdown, people could either sell or refinance to get out from under an oppressive mortgage, he said, but it's been a year since most people have been able to achieve that.

He said lenders are becoming more proactive.

"The days are rapidly behind us where they say: 'You're current today. Call us back when you're three months behind,' " he said.

There are "work-out" options out there, he said, including a few cases where the loan-servicing company does lower the interest rates.

But the primary option usually is a repayment plan, where homeowners are expected to get and stay current and also start making up missed payments a bit each month, he said. For most homeowners, this isn't really an option, Pittman said.

Institutions are willing to work with homeowners "if the clients are really tenacious," he said, but most institutions aren't willing at this point to forgive ARM adjustments.

Terry Francisco, a spokesman for Bank of America in the Charlotte, N.C., corporate offices, said the bank was conservative in its home-loan program. Less than 0.1 percent of its mortgage portfolio is in foreclosure territory, low compared with the rest of the industry, he said.

BofA doesn't originate or service subprime home loans and has shied away from exotic mortgages except for "sophisticated borrowers," he said, because the bank didn't want homeowners ending up with loans they couldn't afford.

The bank wants to keep as many options open as possible to prevent foreclosures, Francisco said. That includes refinancing to give a distressed homeowner two or three months off monthly payments, with those missed months folded back into the loan, he said.

"The last thing we want to do is foreclose on someone."

Contact your lender

Sara **Gaugl**, spokeswoman for Washington Mutual, said the bank is encouraging customers to call as soon as they anticipate difficulty in making payments on their mortgage.

WaMu prefers to work out solutions to keep its customers in their homes -- and keep them as customers, she said.

In April, the bank announced a commitment to refinance up to $2 billion in subprime loans at discounted interest rates but only for subprime customers current on their existing loans.

Under the program, borrowers could qualify for a half-percentage-point discount on a 30-year, fixed-rate subprime loan or explore other refinancing alternatives. If a borrower's credit has improved significantly, the borrower also may be eligible for a lower-priced prime loan.

Gaugl said for borrowers who are already delinquent, the bank offers a number of assistance programs on a case-by-case basis including repayment plans, forbearance plans and loan modifications, which could reduce the interest rate and extend the maturity date of the loan.

The bank also has changed its lending programs. WaMu no longer offers subprime loans without income documentation or subprime adjustable rate mortgage loans with initial fixed-rate terms of fewer than five years.

Gaugl also said WaMu has increased staffing in the "loss-mitigation" department to work with homeowners in mortgage trouble.

Contact reporter Bruce Spence at (209) 943-8581 or bspence@recordnet.com.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Wednesday, September 10, 2008 6:02 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Re: Google Alert - Laura Richardson

I am on a plane back home now - got caught up in a couple of issues. I will call tomorrow. J

----- Original Message -----
From: Gaugl, Sara C.
To: Owen, Jan L.
Sent: Wed Sep 10 14:22:27 2008
Subject: RE: Google Alert - Laura Richardson

Thanks, Jan. Reading now.

How long are you in Seattle?

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, September 10, 2008 1:40 PM
To: Gaugl, Sara C.
Subject: Fw: Google Alert - Laura Richardson

FYI

----- Original Message -----
From: Google Alerts <googlealerts-noreply@google.com>
To: Owen, Jan L.
Sent: Wed Sep 10 13:39:23 2008
Subject: Google Alert - Laura Richardson

Google News Alert for: Laura Richardson

Five from CA make 'most corrupt' in Congress list <http://www.sacbee.com/static/weblogs/capitolalertlatest/015250.html>
The Sacramento Bee's Capital Alert - Sacramento,CA,USA Laura Richardson, whose housing and financial woes have been heavily covered, made the cut. She is one of only seven Democrats among the 24 lawmakers the ...

See all stories on this topic <http://news.google.com/news?hl=en&nel=http://www.sacbee.com/static/weblogs/capitolalertlatest/015250.html>

This as-it-happens Google Alert is brought to you by Google.

Remove <http://www.google.com/alerts/remove?s=EAAAAGz0onYDp17gZa6sA0VAcRM&hl=en&gl=> this alert.
Create <http://www.google.com/alerts?hl=en&gl=> another alert.
Manage <http://www.google.com/alerts/manage?hl=en&gl=> your alerts.

From: Gaugl, Sara C.
Sent: Thursday, September 04, 2008 8:46:41 PM
To: Gaugl, Sara C.
Subject:

Attachments: GL-CRC QAs.doc

GL-CRC QAs.doc (157 kB)

The Greenlining Institute & California Reinvestment Coalition (CRC) Partnership Meetings
Date:
Location:

F. Servicing. Please describe in detail any changes to WaMu's current servicing policies and practices. WaMu, as part of its outreach to distressed homeowners and in an attempt to positively impact rising foreclosures, created a team of "on the ground" Community Outreach Managers (COM) in various locations in the country, with a priority focus on our highest foreclosure volume areas. In California those outreach managers are:

California Area	*Name and Location*
Los Angeles	Angelica Arredondo 19850 Plummer Street Chatsworth, CA 91311 (818) 268-8816
San Diego/Bakersfield/San Bernardino	Cynthia Thompson 707 Broadway, 15th Floor, Suite C San Diego, CA 92101 (619) 687-0202
Stockton/Sacramento/ Modesto	Patty Lepe 400 East Main Street, 3rd Floor M/S: STA3COM Stockton, CA 95202-3000 (209) 460-6505
Oakland San Jose	Sondra Edwards 5050 Broadway Oakland, CA 94611 (510) 452-6550

Our COMs attend Homeownership Preservation Events and meet with our homeowners to determine if a workout is possible.

Data related to WaMu's servicing portfolio and foreclosure-related outcomes, including loan modifications, short sales, etc. I would like to begin this section by stating that we do not provide specific data about loan modifications outside of what we provide through the HOPE NOW Alliance. Our current policy and practice are to only disclose information that we provide publicly, such as in our financial

CSOC.RICH.004526

statement filings with regulatory agencies (e.g., Washington Mutual Bank files its Form 10-K with the Office of Thrift Supervision). I can inform CRC however, that 80 percent of our customers who are offered workout solutions accept them.

Loan mitigation activities have been a normal business practice at WaMu for many years, and our focus is to help our customers discover alternative solutions to foreclosure and ways they can overcome financial obstacles that could result in the loss of their home. To the extent feasible, WaMu works to preserve homeownership, although this is not always a realistic alternative.

It's important to note that despite the best efforts of lenders and servicers to help borrowers avoid foreclosure, the industry faces challenges. For example, the terms and conditions of applicable pooling and servicing or other servicing agreements, as well as tax law and accounting rules, determine the requirements regarding the loans we service on behalf of securitizations and third-party investors. These factors significantly define the parameters of our servicing and loss mitigation activities with respect to those loans. Declining home values (lack of equity), subordination of junior liens and securitized seconds also affect our ability to assist borrowers.

What are the incentives offered to servicers for loan modifications, workouts, short sales, deeds in lieu, and repayment plans? We vigilantly pursue the best workout options for all of our customers, regardless of any incentive that may be offered from an investor. For more information on available incentives to servicers, CRC may wish to contact either Freddie Mac or Fannie Mae.

How does WaMu partner with nonprofit counseling agencies to contact delinquent borrowers? WaMu continues to take a multi-pronged approach in our commitment to minimize borrower foreclosures and the resulting impact on our communities, and we are involved in amelioration efforts locally, regionally, and nationally with our nonprofit partners, including housing counseling agencies.

Our biggest challenge, however, is simply reaching borrowers who are most in need. If we can't reach them directly or indirectly such as through community organizations, we cannot help them. Several strategies have been developed for reaching out to our borrowers, including:

- As part of the HOPE NOW alliance we have sent thousands of letters to our borrowers encouraging them to contact us or the HOPE NOW Hotline to discuss workout solutions.
- Developing DVDs and CDs for borrowers who are in foreclosure, explaining various workout options and what they mean to the borrowers.
- Printing materials in both English and Spanish that identify contact information for our *WaMu Cares* team and Hope Now.
- Creating messaging on our general customer service line directing borrowers to contact us or the HOPE NOW Hotline if they are experiencing payment difficulties.
- Locating posters in our branches identifying options for assistance for individuals experiencing payment difficulties.

CSOC.RICH.004527

In addition, through our Loss Mitigation department and the WaMu Cares team and as part of this effort we are working hard to build relationships with housing agencies and nonprofits to keep them apprised of our programs so they can provide valuable information and assistance to homeowners.

One such example of our relationship building efforts was the June 2008 webinars on our loss mitigation practices. Developed at the request of CRC. these webinars offered nonprofit housing counselors tips on assisting WaMu borrowers that are in foreclosure or who are delinquent on their home loan. A total of 31 California nonprofit agencies represented by over 98 housing counselors attended the webinars.

Last, WaMu will consider fee-for-service relationships with qualified community organizations that can assist borrowers who our loss mitigation team has not been able to reach by using our standard practices and that can provide effective and cost-efficient delinquency counseling.

G. Loan document translation. At this time, WaMu has no plans to translate loan documents in languages other than English.

Our desire is to ensure that our customers are equipped with the tools needed to select the loan product and terms that best meet their individual needs and to simplify the process of obtaining a home loan. They also reflect our on-going efforts to be a responsible and ethical lender and ensure that the bank continues its efforts to achieve the intent of our Responsible Mortgage Lending Principles, which we originally announced in 2001 and subsequently revised.

- While I don't have any figures to share with regard to how many of our borrowers we expect to help through this program, it is important to note that this is just one element of our broader assistance efforts. We view foreclosure as a last resort and are focused on keeping as many of our borrowers as possible in their homes.

•

"As an active member of HOPE NOW, Washington Mutual (NYSE: WM) is pleased to provide our support for a coordinated, national approach among servicers and other industry participants aimed at helping at-risk homeowners avoid foreclosure.

The implementation of a standardized set of servicing best practices represents another important step WaMu and the industry is taking ensure that more borrowers receive assistance faster, while also bringing added consistency and transparency to the process.

We remain committed in our efforts to help borrowers with the financial ability and personal desire to keep their homes, but who require assistance given the challenging market conditions. WaMu plans to make an additional announcement about this effort later this week."

CSOC.RICH.004528

Potential Issues

Mortgage Lending Strategy			
Topic	**Question**	**Talking Points**	**Point Person**
Home Loans Strategy	*What steps has WaMu taken to adjust to the challenging mortgage lending and credit environment?*	• WaMu has taken a number of actions to prepare for this challenging environment, including diversifying our business, reducing market risk and lowering expenses. And, we continue to adjust to the changing market. • In terms of our Home Loans business, we've been proactive in adjusting to the ongoing declines of the mortgage and credit markets, and earlier this year, we announced a plan to substantially adjust and resize our business to reflect a smaller overall market. • From an origination standpoint, we exited the wholesale lending business. We also closed our remaining stand-alone home loan centers to enhance our focus on delivering home lending products to customers exclusively through our Retail Banking stores and other direct-to-consumer channels.	David Schneider
Home Loans Product Focus	*We've heard that WaMu has reduced its mix of home loan products? Is the company still committed to the mortgage lending business?*	• Mortgages remain an important part of WaMu's retail-focused business strategy. • In June, we rolled out a simplified home loan product offering to better serve the needs of our customers. Our prime product set falls into four basic categories: fixed rate mortgages; hybrid amortizing adjustable rate mortgages (ARMS); hybrid interest-only ARMS; and home equity products. • We'll also continue to accommodate qualified customers with large or non-conforming loans that otherwise fall within limits set by the federal mortgage agencies Freddie Mac and Fannie Mae. • Additionally, we've discontinued all negative amortizing loan product options, including the Option ARM product. These product options have significantly	David Schneider

CSOC.RICH.004529

		decreased in popularity with our customers given current market conditions, and no longer fit with our new product focus. • The key takeaway is that we continue to provide a broad range of attractive loan options for most consumers looking to purchase or refinance a home, and remain dedicated to responsibly meeting the home financing needs of the communities we serve. **Product** / **Terms** Fixed Rate Mortgage (FRM) — • Conforming 15-, 20-, 25-, 30-, and 40-year; • 30-year with a 10-year interest only period; • Agency-Jumbo 15- and 30-year Hybrid Amortizing Adjustable Rate Mortgage (ARM) — • 5/1, 7/1, and 10/1 LIBOR; • Agency-Jumbo 5/1 LIBOR Hybrid Interest Only (IO) ARM — • 5/1, 7/1, and 10/1 LIBOR Interest Only Home Equity Products — • *WaMu Equity Plus*[3]; • Home Equity Loan (HEL)	
Lending to traditionally underserved communities	*Given your current strategy, does WaMu have any programs designed to increase lending to traditionally underserved communities?*	• Outreach to minority neighborhoods is an important part of our business. We remain focused on increasing our outreach to qualified borrowers and have many programs in place to address the needs of those in low- and moderate-income communities and traditionally underserved populations, including our diverse and multi-cultural communities. • These affordable lending solutions lower the cost of financing for low- and moderate-income borrowers, including low and no down payment programs; rehabilitation loan programs; down payment assistance programs; and loans with automatic rate reductions to reward consistent, timely payments. • The Community Access Home Loans Program, WaMu's suite of affordable residential lending products, offers a full menu of prime home loan offerings that	Reza Aghamirzadeh, David Schneider

CSOC.RICH.004530

		don't require a perfect credit history and in some instances, do not require cash reserves. • We are pleased to report that, for the six years 2002 through 2007, our affordable Community Access product production totaled nearly $6.4 billion nationally. Of this amount, California ranked first in the number of originations and dollar volume during this time period. • In addition, through our Community Focus Funds Program, WaMu has earmarked $20 million to help provide price subsidies to qualified borrowers. Under the program, we provide closing cost assistance to LMI applicants, and applicants purchasing in LMI census tracts. This assistance, which is marketed through organizations and directly to potential applicants, lowers the cost of financing and increases affordability. • WaMu also provides ongoing support of local Mortgage Assistance Programs.	
Bond Programs	*Does WaMu participate in bond programs? If so, which ones?* *Will WaMu reconsider this decision in the future?*	• While we remain committed to working with local community housing organizations to provide affordable loans to low and moderate income borrowers, we have suspended current participation in all bond programs, with the exception of the California Housing Finance Agency (CalHFA) program. • We continue to offer a variety of affordable lending solutions, including: o Community Access Home Loans Program; o Community Focus Funds Program; and o Ongoing support of local Mortgage Assistance Programs. • Inline with our ongoing evaluation of programs and products to serve low and moderate income communities, we will consider re-engaging in select bond programs that may provide greater borrower benefits in the future.	Reza Aghamirzadeh
Home Equity Line Decreases	*We've heard that a number of lenders are freezing home equity lines of credit. Is WaMu taking such action? Do you feel this is*	• As background, WaMu has had programs in place for years that actively manage the amount of credit we extend to our customers, both at origination and during the term of their loan. We believe this is part of being a responsible lender. • Inline with the ongoing management of our customers' home equity lines of credit, we will increase, decrease or suspend lines based on a number of factors.	

CSOC.RICH.004531

3692

	fair given the difficult economic conditions?	including a customer's payment status and history, changes to their creditworthiness, and changes in the value of their property. • Given the current housing market, WaMu, as well as other lenders, have taken the fiscally responsible steps to reduce select credit lines when warranted by declining home values. We will continue to evaluate individual home equity lines of credit in relationship to the amount of equity a customer has in their home and, if appropriate, will lower the line amount according to WaMu's line management guidelines. • Additionally, most of our customers whose lines have been decreased continue to have access to available credit. • Our line management actions are done in accordance with the terms and conditions of the HELOC agreement signed by our customers, and we notify our customers when there is a charge to their account. • We encourage our customers to contact us if they have questions to better understand the circumstances, and have a process in place for those who wish to appeal a credit line decrease decision. We also will continue to assist homeowners who may have unique or special situations.	

Homeownership Preservation Efforts			
Topic	**Question**	**Talking Points**	**Point Person**
Pending Payment Increases	*What actions are WaMu taking to assist customers facing pending payment increases, or rate resets on their loans?*	• Our firm belief is that early intervention combined with expanded options is instrumental to helping our customers avoid foreclosure. • To that end, we are applying particular emphasis on reaching out to our adjustable rate mortgage customers at least six months prior to a rate reset through direct mail, dialing campaigns and statement messaging. • Last year, we sent approximately 5 million pieces of outreach mail and will continue to work with our borrowers requesting assistance up until their reset date and beyond. * Refer to $2B subprime assistance messaging	Michaela Albon

CSOC.RICH.004532

Initial $2B subprime assistance program	*Can you provide an update on the results of this program?* *What are you doing for those borrowers that don't qualify for this program, including those who have already become delinquent on their loan?*	• We're pleased to say that this program, which is just one component of our broader assistance efforts, has been well received. • Since the program was first established in April 2007, we have utilized most of the initial commitment and are now increasing our efforts to ensure we're helping as many of our customers as possible stay in their homes during this difficult environment. • In June, we announced that we were expanding the program from its original $2 billion commitment to $3 billion. • We are focused on reaching out to our customers with subprime loans and encouraging them to contact us if they are concerned about making their new mortgage payment as a result of a payment adjustment on an adjustable rate mortgage. • For those borrowers who have already become delinquent and are in need of assistance, we are offering expanded forbearance and loan restructuring plans, including permanent reductions in rate, extended terms and even partial forgiveness of debt.	David Schneider, John Schleck
Housing Bill	*Does WaMu support the Hope for Homeowners Program recently signed into law by the President?* *Is WaMu planning to implement the initiative? If yes, are you planning to forbear foreclosure for those that may qualify?* *Do you plan to make the principal reductions*	• We appreciate the efforts of Congress and the Administration and believe this legislation will go a long way toward providing stability to the housing market. • We share the same goal of helping at-risk homeowners avoid foreclosure whenever possible, and believe that the Hope for Homeowners Program will provide another option for borrowers and servicers in addressing troubled loans. • At this time, the federal agencies have not published guidelines for the new HFH program, however in the interim, we are establishing a process to implement the new program and will continue to actively work with all of our borrowers to pursue workout options that will enable them to stay in their homes. • We are committed to preserving homeownership for our borrowers whenever possible, and use a variety of workout options that enable us to do this effectively. Once HFH Program guidelines are available, we will review the cases in which we believe borrowers may be eligible and will work to help those borrowers either through the HFH Program or another one of our borrower assistance options (which would include providing forbearance with regard to foreclosure). • We recognize that market conditions and falling home prices are important considerations when evaluating the potential investor or bank loss	David Schneider

CSOC.RICH.004533

	necessary to qualify at-risk borrowers?	associated with various workout options. We anticipate that for borrowers whose income does not support other workout or modification options, we will offer to make the principal reduction necessary to allow eligible borrowers to participate in the HFH Program if the potential loss under the program would be lower than the anticipated loss associated with a foreclosure.	

Loan Modification Data/Results	*How many short sales, loan modifications, or other positive outcomes have resulted from your efforts?*	• WaMu provides modification programs through two of its business channels. First, Consumer Direct offers loan modifications, where appropriate, as part of our $2 billion subprime initiative for homeowners who are current on their existing mortgages. Second, our Loss Mitigation department provides modifications, where appropriate, to those borrowers who are delinquent on their payments and have entered the foreclosure process.
		• We are not able to provide data around loan modifications as our current policy and practice is to only disclose information that we provide publicly, such as in our financial statement filings with the SEC.
		• However, HOPE NOW, of which WaMu is a member, reported in a Jan. 7, 2008 press release that based on data received from 10 large servicers who handle approximately 58% of the subprime loans outstanding:
		  • Mortgage servicers modified the terms on approximately 30,000 subprime loans during Q3 07, with 10,000 of those modifications being made to adjustable rate loans;
		  • The number of subprime loan modifications during Q4 were running at a rate triple that of Q3;
		  • Numbers show that the industry helped one borrower to every two that went into foreclosure during the first half of 2007 and that figure rose to a ratio of three to four in the second half of 2007.
		• WaMu has been very proactive in modifying loans to keep borrowers in their homes and will continue to increase our efforts.
			Michaela Albon

Housing Counseling Services	*Does WaMu fund community organizations and housing counseling agencies for assistance in conducing delinquency and foreclosure prevention counseling?*	• WaMu's effort to sustain homeownership is multi-pronged and includes the participation of our loss mitigation team in homeownership preservation workshops in major metropolitan areas to assist cistressed borrowers and complete workouts on location. • We will consider fee-for-service relationships with qualified community organizations that can assist borrowers who our loss mitigation team has been unable to reach by using our standard practices and that can provide effective and cost-efficient delinquency counseling.	Reza Aghamirzadeh/ Bettye Wilkes

CSOC.RICH.004534

		• Additionally, WaMu has a long history of grant-making in the area of financial education, which is a major program focus of our corporate philanthropy program. • In the area of foreclosure prevention, WaMu provides grants to nonprofit organizations with experience and expertise in foreclosure prevention programs that help borrowers with unforeseeable hardships avoid losing their homes. • We have recently provided $100,000 to NeighborWorks America Center for Foreclosure Solutions in support of their advertising campaign and also announced the awarding of a $150,000 grant to the Homeownership Preservation Foundation, which will fund the counseling of 1,500 borrowers who are experiencing difficulty when making their monthly mortgage payments. • WaMu will continue to entertain grant requests through our Corporate & Employee Giving department. * CEAD to address California-specific grants	
REO Program	*Are you willing to work with nonprofit organizations before foreclosure to acquire properties?*	• WaMu does not hold title to properties prior to foreclosure. Due to borrower confidentiality and privacy restrictions, information regarding pending foreclosures may not be released to third parties that may be interested in purchasing such properties beyond the notices required by applicable foreclosure laws. • WaMu's REO Advance Notice Program (developed in partnership with CRC) is designed to provide information to our key nonprofit housing development agencies *as soon as* properties become available. Properties are only considered REO *after* the foreclosure or deed in lieu of foreclosure has been completed. • In an effort to streamline processes, WaMu's REO information is available via the internet at www.wamuproperties.com. Nonprofits will be able to log onto the site to search for property by City, State, or Zip Code. • In addition, we are currently exploring the possibility of discounting selected WaMu-owned REO properties to nonprofit organizations that have the capacity and funding to develop the property into affordable housing. Nonprofits interested in receiving property at a discount will be directed to contact their Community Affairs Relationship Manager.	David Schneider, Reza Aghamirzadeh

CSOC.RICH.004535

3696

Appraisal Practices, HMDA			
Topic	**Question**	**Talking Points**	**Point Person**
NY AG Lawsuit	*What's your reaction to the NY AG's allegations and subsequent SEC inquiry with regard to WaMu's appraisal practices?*	• After spending a month and a half investigating these allegations, we can say with confidence that there has been no systematic effort by WaMu to inflate home appraisals. • We take these allegations very seriously. We are voluntarily and fully cooperating with the SEC's inquiry as well as the OTS, and look forward to bringing the facts to both the regulators and public.	Michaela Albon

HMDA	*What has WaMu been doing to ensure that your HMDA data reflects fair lending practices?*
	
	Can you share your 2007 HMDA data with us?
		• Washington Mutual is committed to fair lending practices and we work diligently to eliminate barriers to homeownership. Examples include:
		  • Comprehensive Fair Lending Program
		  • Responsible Mortgage Lending Principles
		  • Products & Programs (Community Access)
		  • Homebuyer Education
		• That said, while HMDA data is a valuable tool in evaluating our lending performance, it presents only one part of the picture. For example, numerous factors account for why borrowers-of-color have higher denial rates than non-minority borrowers, including lack of borrower education, differences in borrowers' credit history, amount of debt, risk profile, property value and other factors, as pointed out in the Fed's HMDA analysis.
		• The bottom line: while interest-rate disparities between borrowers with different risk profiles are understandable and appropriate, disparities between borrowers who have different racial or ethnic backgrounds but the same risk profiles are unacceptable.
		• We are unable to provide 2007 HMDA data at this time. As a matter of practice and policy, WaMu does not release this information prior to review and approval by our federal regulators, a process that likely will be completed in March.
			Reza Aghamirzadeh

******

CSOC.RICH.004536

Response

- This is an active investigation and we are fully cooperating with local law enforcement regarding this matter.

- More broadly, we have extensive controls in place to protect the integrity of our portfolio and loan processes. We are continually enhancing our efforts to identify and prevent any potential illegal activity.

We will not tolerate misrepresentation or fraud of any kind, and will aggressively pursue all legal means available to combat these offenses.
****
WaMu does not disclose our customers' personal financial information without written authorization from the customer. As we've communicated previously, we have not received consent from Ms. Richardson that would allow us to discuss her loan situation. I'd like to reiterate, however, that we are committed to treating all of our customers with the same level of consideration and fairness.

****

- We are very focused on making sure that our customers have options as they approach a rate recast in order to decrease their likelihood of default.

- For Option ARM borrowers approaching payment recasts, we will offer refinance and modification alternatives which will provice affordable mortgage payments and improve their ability to stay in their homes.

    - For eligible borrowers, our initial offer will be a GSE 5/1 Hybrid Refinance.
    - Jumbo mortgage holders and those borrowers declined for the GSE offer will receive a 5/1 IO market rate modification offer.
    - Borrowers unable to make the payment associated with the 5/1 IO can submit income documentation for consideration of an Affordable 5/1 IO Mod.

      [This program will calculate an affordable monthly payment based on the borrowers income and current debts. Based on the calculation, not all borrowers will qualify for a discount to the market interest rate. Those who do qualify may receive rate discounts ranging from their current minimum payment up to the payment associated with the 5/1 IO market interest rate.]

      * Fees on all of these offers will be waived.

- We will market these offers to our customers through direct mail and telemarketing efforts beginning 5 months prior to their rate recast date.

- Through the end of 2009, we project approximately $12B in mortgages on our balance sheet to hit an Option-ARM recast.

CSOC.RICH.004537

- Roughly 25 percent of these recasts will be triggered by borrowers reaching the Negative Amortization cap, while the other 75 percent are driven by standard calendar recasts after 5 years. Borrowers reaching the negative amortization cap will have higher payment increases, and are therefore more likely to default.

- We have already modified over $8.2 billion in Option ARMs to hybrids helping over 22,000 customers avoid potential payment shock.

****

I would like to take this opportunity to note that WaMu lends to borrowers on the basis of credit history, assets and income, among other factors. Race is not a factor in determining creditworthiness at WaMu. In addition, several years ago, we were the first lender in the nation to create specific responsible lending principles to guide our mortgage activity and to promote fair and ethical lending, including those loans referred to us by brokers.

Our primary objective is to offer our customers the best possible loan available to them. If the borrower's financial profile has improved, we will inform them that they may be eligible for a lower-priced prime loan. We work very hard to move our borrowers up the credit spectrum provided they qualify.

From: Gaugl, Sara C.
Sent: Wednesday, September 03, 2008 9:30:42 PM
To: Gaugl, Sara C.
Subject:

Attachments: GL-CRC QAs.doc

GL-CRC QAs.doc (174 kB)

The Greenlining Institute & California Reinvestment Coalition (CRC) Partnership Meetings
Date:
Location:

F. Servicing. Please describe in detail any changes to WaMu's current servicing policies and practices. WaMu, as part of its outreach to distressed homeowners and in an attempt to positively impact rising foreclosures, created a team of "on the ground" Community Outreach Managers (COM) in various locations in the country, with a priority focus on our highest foreclosure volume areas. In California those outreach managers are:

California Area	*Name and Location*
Los Angeles	Angelica Arredondo 19850 Plummer Street Chatsworth, CA 91311 (818) 268-8816
San Diego/Bakersfield/San Bernardino	Cynthia Thompson 707 Broadway, 15th Floor, Suite C San Diego, CA 92101 (619) 687-0202
Stockton/Sacramento/ Modesto	Patty Lepe 400 East Main Street, 3rd Floor M/S: STA3COM Stockton, CA 95202-3000 (209) 460-6505
Oakland San Jose	Sondra Edwards 5050 Broadway Oakland, CA 94611 (510) 452-6550

Our COMs attend Homeownership Preservation Events and meet with our homeowners to determine if a workout is possible.

Data related to WaMu's servicing portfolio and foreclosure-related outcomes, including loan modifications, short sales, etc. I would like to begin this section by stating that we do not provide specific data about loan modifications outside of what we provide through the HOPE NOW Alliance. Our current policy and practice are to only disclose information that we provide publicly, such as in our financial

CSOC.RICH.004540

statement filings with regulatory agencies (e.g., Washington Mutual Bank files its Form 10-K with the Office of Thrift Supervision). I can inform CRC however, that 80 percent of our customers who are offered workout solutions accept them.

Loan mitigation activities have been a normal business practice at WaMu for many years, and our focus is to help our customers discover alternative solutions to foreclosure and ways they can overcome financial obstacles that could result in the loss of their home. To the extent feasible, WaMu works to preserve homeownership, although this is not always a realistic alternative.

It's important to note that despite the best efforts of lenders and servicers to help borrowers avoid foreclosure, the industry faces challenges. For example, the terms and conditions of applicable pooling and servicing or other servicing agreements, as well as tax law and accounting rules, determine the requirements regarding the loans we service on behalf of securitizations and third-party investors. These factors significantly define the parameters of our servicing and loss mitigation activities with respect to those loans. Declining home values (lack of equity), subordination of junior liens and securitized seconds also affect our ability to assist borrowers.

What are the incentives offered to servicers for loan modifications, workouts, short sales, deeds in lieu, and repayment plans? We vigilantly pursue the best workout options for all of our customers, regardless of any incentive that may be offered from an investor. For more information on available incentives to servicers, CRC may wish to contact either Freddie Mac or Fannie Mae.

How does WaMu partner with nonprofit counseling agencies to contact delinquent borrowers? WaMu continues to take a multi-pronged approach in our commitment to minimize borrower foreclosures and the resulting impact on our communities, and we are involved in amelioration efforts locally, regionally, and nationally with our nonprofit partners, including housing counseling agencies.

Our biggest challenge, however, is simply reaching borrowers who are most in need. If we can't reach them directly or indirectly such as through community organizations, we cannot help them. Several strategies have been developed for reaching out to our borrowers, including:

- As part of the HOPE NOW alliance we have sent thousands of letters to our borrowers encouraging them to contact us or the HOPE NOW Hotline to discuss workout solutions.
- Developing DVDs and CDs for borrowers who are in foreclosure, explaining various workout options and what they mean to the borrowers.
- Printing materials in both English and Spanish that identify contact information for our *WaMu Cares* team and Hope Now.
- Creating messaging on our general customer service line directing borrowers to contact us or the HOPE NOW Hotline if they are experiencing payment difficulties.
- Locating posters in our branches identifying options for assistance for individuals experiencing payment difficulties.

CSOC.RICH.004541

In addition, through our Loss Mitigation department and the WaMu Cares team and as part of this effort we are working hard to build relationships with housing agencies and nonprofits to keep them apprised of our programs so they can provide valuable information and assistance to homeowners.

One such example of our relationship building efforts was the June 2008 webinars on our loss mitigation practices. Developed at the request of CRC, these webinars offered nonprofit housing counselors tips on assisting WaMu borrowers that are in foreclosure or who are delinquent on their home loan. A total of 31 California nonprofit agencies represented by over 98 housing counselors attended the webinars.

Last, WaMu will consider fee-for-service relationships with qualified community organizations that can assist borrowers who our loss mitigation team has not been able to reach by using our standard practices and that can provide effective and cost-efficient delinquency counseling.

Is there a way for legal advocates to talk to the [WaMu] legal department on behalf of borrowers who may have claims against the bank? In our March 10, 2008 letter to you we provided the contact information for Michaela Albon. Since the time of that letter, Michaela has left the Bank. WaMu now asks that legal advocates follow our existing procedures when advocating on behalf of a borrower.

WaMu and the California Governor's initiative to offer streamlined long-term loan modifications to borrowers with reset challenges. We appreciate CRC's desire, given the current foreclosure environment, to learn about WaMu's involvement with Governor Schwarzenegger's initiative. As a matter of policy and practice, however, we do not disclose our conversations with elected officials. That said, WaMu does support efforts to help customers maintain homeownership and encourages borrowers to call their servicer early if they anticipate that a rate reset will be troublesome.

As a key member of HOPE NOW, WaMu has worked very closely with the Treasury and the American Securitization Forum to develop what we believe is a positive step for borrowers who are not able to handle an increase in their monthly mortgage payment. This proposal also establishes a new set of industry best practices, making it easier for servicers to modify securitized loans under existing servicing agreements.

We look forward to continuing our work with national, state, and local elected officials and our other partners, including those representing the community, in order to help stabilize the housing market and support efforts that will allow customers to sustain their homeownership.

G. Will WaMu participate in the new FHA rescue initiative signed into law by the President? If so, how? WaMu appreciates the efforts of Congress and the Administration to stabilize the housing markets and supports these efforts in promoting the Hope for Homeowners (HFH) Program. We share the same goal of helping at-risk homeowners avoid foreclosure whenever possible, and believe that the Hope for Homeowners Program will provide another option for borrowers and servicers in addressing troubled loans.

CSOC.RICH.004542

At this time, the federal agencies have not published guidelines for the new HFH program however, in the interim WaMu is establishing a process to implement the new program and will continue to actively work with all of its borrowers to pursue workout options that will enable them to stay in their homes.

D. Update on bank efforts to make Community Access or other prime loan products more accessible to African-American borrowers. WaMu lends to borrowers on the basis of credit history, assets and income, among other factors. Race is not a factor in determining creditworthiness at WaMu. In addition, several years ago, we were the first lender in the nation to create specific responsible lending principles to guide our mortgage activity and to promote fair and ethical lending, including those loans referred to us by brokers.

We remain focused on increasing our outreach to qualified borrowers and have many programs in place to address the needs of those in low- and moderate-income communities and traditionally underserved populations, including our diverse and multi-cultural communities.

WaMu is committed to providing a variety of affordable lending solutions that lower the cost of financing for low- and moderate-income borrowers, which include low and no down payment programs; rehabilitation loan programs; down payment assistance programs; and loans with automatic rate reductions to reward consistent, timely payments.

The Community Access Home Loans Program, WaMu's suite of affordable residential lending products, offers a full menu of prime home loan offerings that don't require a perfect credit history and in some instances, do not require cash reserves.

- 30- or 40-year fixed rate mortgage
- Affordable 95: LTV 95% or below
- Affordable 97: LTV 80.01% to 97%

Applicants qualify in one of two ways for Community Access:

- Income based: Applicant has a low to moderate income
- Place based: Property is within a low to moderate income census tract or is within an underserved/distressed census tract

In addition, through our Community Focus Funds Program, WaMu has earmarked $20 million to help provide price subsidies to qualified borrowers. Under the program, we provide closing cost assistance to LMI applicants, and applicants purchasing in LMI census tracts. This assistance, which is marketed through organizations and directly to potential applicants, lowers the cost of financing and increases affordability.

CSOC.RICH.004543

I am pleased to report that, for the six years 2002 through 2007, our affordable Community Access product production totaled nearly $6.4 billion nationally. Of this amount, California ranked first in the number of originations and dollar volume during this time period.

Before ending this section, I would like to state our belief that financial institutions, community organizations, and governments must work diligently, alone and together, in this difficult and challenging time in order to maintain or increase minority homeownership rates. We believe in sustainable homeownership, and to achieve that goal suggest that at least the following should occur:

- Increase financial and homebuyer education efforts in minority communities much earlier than has commonly occurred, including in high school. Emphasizing such areas as credit scoring, budgeting, credit cards, and broad awareness of the expenses associated with homeownership would better prepare potential borrowers for this undertaking.
- Increase down payment assistance programs to help LMI homebuyers. This assistance could be conditioned upon the receipt of homebuyer and/or financial education.
- Increase the number of "match" structures like the Individual Development Accounts that encourage a prospective homeowner to save.

E. WaMu solicitation of existing Long Beach customers for refinance loan options. Under WaMu's $3 billion assistance program, we are reaching out to our subprime customers and encouraging them to contact us if they are concerned about making their new mortgage payment. Our offers of assistance include refinancing or modifying their mortgage into a fixed rate loan at a discounted rate. (As a reminder, WaMu no longer offers subprime lending or has a subprime lending channel, Long Beach mortgage.)

F. Broker best practices. Last year, WaMu took steps to realign its home lending business primarily into its core retail banking network and to reduce the size of its other home lending operations. In April, we announced plans to further our retail-focused strategy by exiting wholesale lending, the loan broker channel.

G. Loan document translation. At this time, WaMu has no plans to translate loan documents in languages other than English.

Our desire is to ensure that our customers are equipped with the tools needed to select the loan product and terms that best meet their individual needs and to simplify the process of obtaining a home loan. They also reflect our on-going efforts to be a responsible and ethical lender and ensure that the bank continues its efforts to achieve the intent of our Responsible Mortgage Lending Principles, which we originally announced in 2001 and subsequently revised.

Potential Issues

CSOC.RICH.004544

Mortgage Lending Strategy			
Topic	**Question**	**Talking Points**	**Point Person**

Current Lending Environment	*What is WaMu's view on the housing downturn, and what steps need to be taken to correct it?*	• Clearly, the current downturn in housing is deeper than expected. We continue to see declining home prices, elevated inventories of unsold homes and increased foreclosure activity. As has been very well-publicized, the downturn has been more severe in markets like California, than it has been nationally.
		• However, I'd like to point out that we continue to support measures that could strengthen the housing market, including:
		  • Aggressive easing by the Fed,
		  • Temporarily raising the conforming limits for GSEs,
		  • Government economic stimulus actions, and
		  • Continued efforts by lenders to help borrowers remain in their homes.
		• We also will continue to work diligently with HOPE NOW, our legislators and regulators and community partners throughout the nation to help stabilize the housing market and support measures that will help customers maintain home ownership.
			David Schneider

Home Loans Strategy	*What steps has WaMu taken to adjust to the challenging mortgage lending and credit environment?*	• WaMu has taken a number of actions to prepare for this challenging environment, including diversifying our business, reducing market risk and lowering expenses. And, we continue to adjust to the changing market.
		• In terms of our Home Loans business, we've been proactive and ahead of many in adjusting to the ongoing declines of the mortgage and credit markets, and earlier this year, we announced a plan to substantially adjust and resize our Home Loans business to reflect a smaller overall market, by:
		  • Exiting our subprime mortgage lending channel;
		  • Closing a number of home loans centers, sales offices, and Home Loans processing and call centers;
		  • Eliminating approximately 2,600 Home Loans positions or about 22% of our staff; and
		  • Closing WaMu Capital Corp., our institutional broker-dealer business, as well as our mortgage banking finance warehouse lending operation.
		• WaMu remains committed to offering mortgage products to its customers and these steps significantly accelerate our focus on mortgage lending through our retail banking stores and other retail distribution channels.
		• We're also targeting growth in our consumer direct channel as we further leverage our brand presence and direct mail expertise, and our successful
			Reza Aghamirzadeh/ Michaela Albon

CSOC.RICH.004545

		wholesale business will continue to serve our valuable broker partners through our unique industry leading broker lending standard.	
Lending to traditionally underserved communities	*Will your current strategy diminish your ability to increase lending to traditionally underserved communities?*	• Outreach to minority neighborhoods is an important part of our business. We are committed to offering a range of mortgage products to meet the individual needs of our customers and to continue providing outreach to traditionally underserved populations, including our diverse and multi-cultural communities. • In addition, we offer programs that address underserved communities, including local, regional and state bond programs; low and no down payment programs; rehabilitation loan programs; down payment assistance programs; and loans with automatic rate reductions to reward consistent, timely payments; and homebuyer ecucation seminars in English and Spanish.	Reza Aghamirzadeh
Position on Non-Traditional Mortgage Products	*What is WaMu's position on nontraditional mortgage products?*	• We are committed to offering a range of mortgage products to meet the individual needs of our customers, and believe that fairly-priced residential loans that conform to our Responsible Lending Principles provide a valuable source of credit to borrowers. • WaMu has provided alternative mortgage products such as our "Option ARM" for over twenty years. During this time period, WaMu has offered the product through many different interest-rate and economic cycles and believe that these mortgages have been tested. ◦ We do not consider the Option ARM to be an "affordability" product; borrowers are qualified using fully amortizing payments, based on the fully indexed rate and the original principal amount, as opposed to being qualified on the teaser rates. • Within this context, we agree that alternative mortgage products are not appropriate for everyone. They do, however, provide financial flexibility for the right customers who find that alternative mortgage products offer advantages that are not available with traditional mortgage products.	Michaela Albon

Homeownership Preservation Efforts			
Topic	**Question**	**Talking Points**	**Point Person**
Pending Payment	*What actions are WaMu taking to assist customers*	• Our firm belief is that early intervention combined with expanded options is instrumental to helping our customers avoid foreclosure.	Michaela Albon

CSOC.RICH.004546

Increases	*facing pending payment increases, or rate resets on their loans?*	• To that end, we are applying particular emphasis on reaching out to our adjustable rate mortgage customers at least six months prior to a rate reset through direct mail, dialing campaigns and statement messaging. • Last year, we sent approximately 5 million pieces of outreach mail and will continue to work with our borrowers requesting assistance up until their reset date and beyond. * Refer to $2B subprime assistance messaging	
$2 billion subprime assistance program	*Can you provide an update on the results of this program?* *What are you doing for those borrowers that don't qualify for this program, including those who have already become delinquent on their loan?*	• Since the program was first established in April 2007, we have utilized most of the initial commitment and are now increasing our efforts to ensure we're helping as many of our customers as possible stay in their homes during this difficult environment. • In June, we announced that we were expanding the program from its original $2 billion commitment to a $3 billion. We continue to evaluate increasing the need in the future as customer demand and prevailing market conditions warrant. • We are reaching out to our customers and encouraging them to contact us if they are concerned about making their new mortgage payment as a result of a payment adjustment on an adjustable rate mortgage. And, if we do not hear back from a customer as a result of our initial outreach efforts, we will continue to attempt to contact them approximately every 30 days thereafter. • Our offers of assistance include refinancing or modifying their mortgage into a fixed rate loan at a discounted rate. Borrowers also will be offered a prime loan if their credit has significantly improved. • We're pleased to say that this program, which is just one component of our broader assistance efforts, has been well received. As of November, we have refinanced or modified over $700 million in loans and will increase that number in the coming months • For those borrowers who have already become delinquent and are in need of assistance, we are offering expanded forbearance and loan restructuring plans, including permanent reductions in rate, extended terms and even partial forgiveness of debt. *H. Update on WaMu's $2 billion subprime ARM refinance commitments. How many borrowers have received assistance? Any thoughts to expanding this?*	Michaela Albon

CSOC.RICH.004547

Paulson Plan	*What are your thoughts on the "Paulson Plan" – how many of your borrowers do you think the plan will realistically help, and what are you doing for those not helped by the plan?*	• WaMu is a member of the recently-announced private sector initiative called HOPE NOW and supports the proposal announced by the Bush administration aimed at keeping borrowers in their homes. • As a key member of HOPE NOW, WaMu has worked very closely with the Department of Treasury and the American Securitization Forum to develop what we believe is a positive step for subprime borrowers who are unable to handle an increase in their monthly payment. • This proposal also establishes a new set of industry standards for modifying securitized loans. Now that the SEC has issued guidance clarifying the accounting standards, servicers including WaMu are finalizing their programs and should be launching them shortly. • While I don't have any figures to share with regard to how many of our borrowers we expect to help through this program, it is important to note that this is just one element of our broader assistance efforts. We view foreclosure as a last resort and are focused on keeping as many of our borrowers as possible in their homes. * Refer to overarching homeownership preservation initiatives messaging	Jan Owen/ Michaela Albon
California Governor's Initiative	*Was WaMu asked to support Governor Schwarzenegger's initiative to streamline long-term loan modifications to borrowers with reset challenges?*	• As a matter of policy and practice, we do not discuss our conversations with elected officials. However, WaMu supports efforts to help customers maintain homeownership and encourages borrowers to call their servicer early if they anticipate that a rate reset will be troublesome. • We will continue our work with national, state, and local elected officials and our other partners, including those representing the community, in order to help stabilize the housing market and support efforts that will allow customers to sustain their homeownership.	Jan Owen
Loan Modification Data/Results	*How many short sales, loan modifications, or other positive outcomes have resulted from your efforts?*	• WaMu provides modification programs through two of its business channels. First, Consumer Direct offers loan modifications, where appropriate, as part of our $2 billion subprime initiative for homeowners who are current on their existing mortgages. Second, our Loss Mitigation department provides modifications, where appropriate, to those borrowers who are delinquent on their payments and have entered the foreclosure process. • We are not able to provide data around loan modifications as our current	Michaela Albon

CSOC.RICH.004548

		policy and practice is to only disclose information that we provide publicly, such as in our financial statement filings with the SEC.
		• However, HOPE NOW, of which WaMu is a member, reported in a Jan. 7, 2008 press release that based on data received from 10 large servicers who handle approximately 58% of the subprime loans outstanding:
		  • Mortgage servicers modified the terms on approximately 30,000 subprime loans during Q3 07, with 10,000 of those modifications being made to adjustable rate loans;
		  • The number of subprime loan modifications during Q4 were running at a rate triple that of Q3;
		  • Numbers show that the industry helped one borrower to every two that went into foreclosure during the first half of 2007 and that figure rose to a ratio of three to four in the second half of 2007.
		• WaMu has been very proactive in modifying loans to keep borrowers in their homes and will continue to increase our efforts.	

Housing Counseling Services	*Does WaMu fund community organizations and housing counseling agencies for assistance in conducing delinquency and foreclosure prevention counseling?*	• WaMu's effort to sustain homeownership is multi-pronged and includes the participation of our loss mitigation team in homeownership preservation workshops in major metropolitan areas to assist cistressed borrowers and complete workouts on location. • We will consider fee-for-service relationships with qualified community organizations that can assist borrowers who our loss mitigation team has been unable to reach by using our standard practices and that can provide effective and cost-efficient delinquency counseling. • Additionally, WaMu has a long history of grant-making in the area of financial education, which is a major program focus of our corporate philanthropy program. • In the area of foreclosure prevention, WaMu provides grants to nonprofit organizations with experience and expertise in foreclosure prevention programs that help borrowers with unforeseeable hardships avoid losing their homes. • We have recently provided $100,000 to NeighborWorks America Center for Foreclosure Solutions in support of their advertising campaign and also announced the awarding of a $150,000 grant to the Homeownership Preservation Foundation, which will fund the counseling of 1,500 borrowers who are experiencing difficulty when making their monthly mortgage payments. • WaMu will continue to entertain grant requests through our Corporate & Employee Giving department.	Reza Aghamirzadeh/ Michaela Albon

CSOC.RICH.004549

JPMC - 003056
CONFIDENTIAL

		* CEAD to address California-specific grants	
REO Program	*Are you willing to work with nonprofit organizations before foreclosure to acquire properties?*	• WaMu does not hold title to properties prior to foreclosure. Due to borrower confidentiality and privacy restrictions, information regarding pending foreclosures may not be released to third parties that may be interested in purchasing such properties beyond the notices required by applicable foreclosure laws. • WaMu's REO Advance Notice Program (developed in partnership with CRC) is designed to provide information to our key nonprofit housing development agencies *as soon as* properties become available. Properties are only considered REO *after* the foreclosure or deed in lieu of foreclosure has been completed. • In an effort to streamline processes, WaMu's REO information is available via the Internet at www.wamuproperties.com. Nonprofits will be able to log onto the site to search for property by City, State, or Zip Code. • In addition, we are currently exploring the possibility of discounting selected WaMu-owned REO properties to nonprofit organizations that have the capacity and funding to develop the property into affordable housing. Nonprofits interested in receiving property at a discount will be directed to contact their Community Affairs Relationship Manager.	David Schneider, Reza Aghamirzadeh

Appraisal Practices, HMDA			
Topic	**Question**	**Talking Points**	**Point Person**
NY AG Lawsuit	*What's your reaction to the NY AG's allegations and subsequent SEC inquiry with regard to WaMu's appraisal practices?*	• After spending a month and a half investigating these allegations, we can say with confidence that there has been no systematic effort by WaMu to inflate home appraisals. • We take these allegations very seriously. We are voluntarily and fully cooperating with the SEC's inquiry as well as the OTS, and look forward to bringing the facts to both the regulators and public.	Michaela Albon
HMDA	*What has WaMu been doing to ensure that your*	• Washington Mutual is committed to fair lending practices and we work diligently to eliminate barriers to homeownership. Examples include: • Comprehensive Fair Lending Program	Reza Aghamirzadeh

CSOC.RICH.004550

	HMDA data reflects fair lending practices? *Can you share your 2007 HMDA data with us?*	• Responsible Mortgage Lending Principles • Products & Programs (Community Access) • Homebuyer Education • That said, while HMDA data is a valuable tool in evaluating our lending performance, it presents only one part of the picture. For example, numerous factors account for why borrowers-of-color have higher denial rates than non-minority borrowers, including lack of borrower education, differences in borrowers' credit history, amount of debt, risk profile, property value and other factors, as pointed out in the Fed's HMDA analysis. • The bottom line: while interest-rate disparities between borrowers with different risk profiles are understandable and appropriate, disparities between borrowers who have different racial or ethnic backgrounds but the same risk profiles are unacceptable. • We are unable to provide 2007 HMDA data at this time. As a matter of practice and policy, WaMu does not release this information prior to review and approval by our federal regulators, a process that likely will be completed in March.	

Washington Mutual appreciates the efforts of Congress and the Administration to stabilize the housing markets and supports your efforts in promoting the Hope for Homeowners Program. We share the same goal of helping at-risk homeowners avoid foreclosure whenever possible, and believe that the Hope for Homeowners Program will provide another option for borrowers and servicers in addressing troubled loans.

1. **Will you be using the next few months to review loan documents, contact borrowers and forbear foreclosure for those that may qualify?**

   At this time, the federal agencies have not published guidelines for the new Home for Homeowners (H4H) Program, which we anticipate will include maximum debt-to-income and other credit qualifications, so it isn't yet possible to fully determine individual borrower eligibility for the HFH Program. However, in the interim, Washington Mutual is establishing a process to implement the new program and will continue to actively work with all of its borrowers to pursue workout options that will enable them to stay in their homes. Once HFH Program guidelines are available, which we hope will be in the next few days, we will review the cases in which we believe borrowers may be eligible and will work to help those borrowers either through the HFH Program or another one of our borrower assistance options (which would include providing forbearance with regard to foreclosure).

2. **Do you anticipate making the principal reductions necessary to qualify for refinancing at-risk borrowers into the Hope for Homeowners Program?**

   Washington Mutual continues to be committed to preserving homeownership for our borrowers whenever possible, and use a variety of workout options that enable us to do this effectively. We recognize that market conditions and falling home prices are important considerations when evaluating the potential investor or bank loss associated with various workout options. We anticipate that for borrowers whose income does not support other workout or modification options, we will offer to make the principal reduction necessary to allow eligible borrowers to participate in the HFH Program if the potential loss under the program would be lower than the anticipated loss associated with a foreclosure.

****

****

There is generally not a CLTV ratio customers must maintain. Rather, lenders typically evaluate home equity lines of credit in relationship to the amount of equity a customer has in their home.

CSOC.RICH.004552

The available equity is calculated based on the value of the property minus all outstancing liens on the property. For example, a HELOC with an 80% CLTV at origination has 20% in available equity. To determine the new amount of available equity, the total lien amounts are subtracted from the new property value.

Possible scenario for your background:

Original Value	New Value
Property valuation = $100K	Property valuation = $90K
Liens = $80K	Liens = $80K
Available equity = $20K	Available equity = $10K

In this example, the property value declined by 10%, but the available equity declined by a significant amount (50%). This may cause the lender to evaluate the level of the line of credit.

******

Response

- This is an active investigation and we are fully cooperating with local law enforcement regarding this matter.
- More broadly, we have extensive controls in place to protect the integrity of our portfolio and loan processes. We are continually enhancing our efforts to identify and prevent any potential illegal activity.

We will not tolerate misrepresentation or fraud of any kind, and will aggressively pursue all legal means available to combat these offenses.

****

WaMu does not disclose our customers' personal financial information without written authorization from the customer. As we've communicated previously, we have not received consent from Ms. Richardson that would allow us to discuss her loan situation. I'd like to reiterate, however, that we are committed to treating all of our customers with the same level of consideration and fairness.

****

- We are very focused on making sure that our customers have options as they approach a rate recast in order to decrease their likelihood of default.
- For Option ARM borrowers approaching payment recasts, we will offer refinance and modification alternatives which will provide affordable mortgage payments and improve their ability to stay in their homes.
    - For eligible borrowers, our initial offer will be a GSE 5/1 Hybrid Refinance.

CSOC.RICH.004553

- Jumbo mortgage holders and those borrowers declined for the GSE offer will receive a 5/1 IO market rate modification offer.
- Borrowers unable to make the payment associated with the 5/1 IO can submit income documentation for consideration of an Affordable 5/1 IO Mod.

  [This program will calculate an affordable monthly payment based on the borrowers income and current debts. Based on the calculation, not all borrowers will qualify for a discount to the market interest rate. Those who do qualify may receive rate discounts ranging from their current minimum payment up to the payment associated with the 5/1 IO market interest rate.]

  * Fees on all of these offers will be waived.

- We will market these offers to our customers through direct mail and telemarketing efforts beginning 6 months prior to their rate recast date.
- Through the end of 2009, we project approximately $12B in mortgages on our balance sheet to hit an Option-ARM recast.
  - Roughly 25 percent of these recasts will be triggered by borrowers reaching the Negative Amortization cap, while the other 75 percent are driven by standard calendar recasts after 5 years. Borrowers reaching the negative amortization cap will have higher payment increases, and are therefore more likely to default.
- We have already modified over $8.2 billion in Option ARMs to hybrids helping over 22,000 customers avoid potential payment shock.

****

We applaud the efforts of Congress and the Administration and believe this legislation will go a long way toward providing stability and restoring confidence to the housing and financial markets.

We share the same goal of helping at-risk homeowners avoid foreclosure whenever possible, and taken together, this legislation will provide additional tools and expanded options for borrowers and lenders in addressing troubled loans. We also remain committed to doing our part to strengthen the housing market and increase homeownership opportunities for qualified consumers.

****

As a follow-up to our discussion, there is absolutely no truth to the rumors you have heard with regard to our home lending strategy. Mortgages are important to our customers and remain an important part of WaMu's retail-focused business strategy.

It is possible that Peter's sources misinterpreted a press release WaMu issued on June 18, 2008, where we announced that we had simplified the set of home loan products we offer to consumers through our Retail Banking stores and Internet and telephone sales channel.

CSOC.RICH.004554

As background, our prime product set falls into four basic categories: fixed rate mortgages; hybrid amortizing adjustable rate mortgages (ARMS); hybrid interest-only ARMS; and home equity products. We've also discontinued all negative amortizing loan product options, including the Option ARM product given current market conditions and our new product focus.

The bottom line is that we continue to provide a broad range of attractive loan options for most consumers looking to purchase or refinance a home, and remain dedicated to responsibly meeting the home financing needs of the communities we serve.

And finally, in early April 2008, we announced that we had exited the wholesale lending business (selling mortgages through third-party brokers). We also announced that we had closed our remaining stand-alone home loan centers to enhance our focus on delivering home lending products to customers exclusively through our Retail Banking stores and other direct-to-consumer channels.

[Recapping our conversation, we've simplified our home loan product offering to better serve the needs of our customers. As part of this effort, we've discontinued all negative amortizing loan product options, including the Option ARM product, and will no longer offer the WaMu Mortgage Plus loan. These product options have significantly decreased in popularity with our customers given current market conditions, and no longer fit with our new product focus.

I'd like to emphasize that we continue to provide a broad range of attractive loan options for most customers looking to purchase or refinance a home, and remain dedicated to responsibly meeting the home financing needs of the communities we serve.

And, as noted in the press release, our prime product set falls into four basic categories: fixed rate mortgages; hybrid amortizing adjustable rate mortgages (ARMS); hybrid interest-only ARMS; and Home Equity products. We'll also continue to accommodate qualified customers with large or non-conforming loans that otherwise fall within limits set by the federal mortgage agencies Freddie Mac and Fannie Mae.]

****

WaMu has had programs in place for years that actively manage the amount of credit we extend to our customers, both at origination and during the term of their loan. We believe this is part of being a responsible lender.

Inline with the ongoing management of our customers' home equity lines of credit, we will increase, decrease or suspend lines based on a number of factors, including a customer's payment status and history, changes to their creditworthiness, and changes in the value of their property.

Given the current housing market, WaMu, as well as other lenders, have taken the fiscally responsible steps to reduce select credit lines when warranted by declining home values. We will continue to evaluate individual home equity lines of credit in relationship to the amount of equity a customer has in their home and, if appropriate, will lower the line amount according to WaMu's line management guidelines.

Additionally, most of our customers whose lines have been decreased continue to have access to available credit.

Our line management actions are done in accordance with the terms and conditions of the HELOC agreement signed by our customers, and we notify our customers when there is a change to their account. We encourage our customers to contact us if they have questions to better understand the circumstances, and have a process in place for those who wish to appeal a credit line decrease decision. We also will continue to assist homeowners who may have unique or special situations.

CSOC.RICH.004555

JPMC - 003063
CONFIDENTIAL

CSOC.RICH.004556

From: Elias, Alan
Sent: Thursday, August 21, 2008 7:13:01 PM
To: Gaugl, Sara C.
Subject: RE: Recent Coverage Re: Richardson Property

Ok, Thanks. "Cloud" is his way of saying controversial – which it was from his perspective, since he/the public has no way of understanding what really took place in terms of our clerical error.

ae

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 4:11 PM
To: Elias, Alan
Subject: RE: Recent Coverage Re: Richardson Property

REDACTED

From: Elias, Alan
Sent: Thursday, August 21, 2008 4:08 PM
To: Gaugl, Sara C.
Subject: RE: Recent Coverage Re: Richardson Property

Thanks.

Did we, in fact, refinance her loan to include outstanding tax liens?

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 3:51 PM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: RE: Recent Coverage Re: Richardson Property

Here is the latest article from *The Daily Breeze*, which is an extension of the story that appeared earlier this morning.

- Sara

Richardson escapes $400 property bill - *The Daily Breeze*
By Gene Maddaus
August 21, 2008
In a statement, Rep. Laura Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Richardson bought the home in January 2007 upon being elected to the Assembly. But after she won a seat in Congress a few months later, neighbors noticed that property was left vacant and had been poorly maintained.

Sacramento police were called to the home on July 21 because the garage door was open, suggesting a possible break-in. The police called code enforcement officials, who brought in a contractor to board up the door.

Code enforcement officers also found rotting food on the ground, which might attract rodents, as well as junk and debris in the yard.

In such cases, the homeowner gets a bill from the city. Ron O'Connor, the code enforcement operations manager, said the city would also charge $250 for night service, plus the cost of the contractor, bringing the total to perhaps $400.

Apparently relying on county property records, the city sent a notice of a "public nuisance" to Red Rock Mortgage, the real estate firm that bought the property at auction.

Richardson did not learn about the notice until last week.

James York, the owner of Red Rock Mortgage, sued Richardson and Washington Mutual after the auction was rescinded, arguing that he was the rightful owner of the property. As part of the suit, York filed a notice of pending litigation on the property, which clouded Richardson's title.

York later settled the lawsuit for an undisclosed sum. On July 11, 10 days before the apparent break-in, York's attorney signed notices to withdraw the lawsuit and the notice of litigation from the property, thereby relinquishing York's claim on it.

O'Connor said it was unclear from information available to him who owned the property on July 21.

But Richardson had the title to the property once the sale was rescinded on June 2. Were it otherwise, she would have had to sue York to get the house back - not vice versa.

In order to resolve the ownership of the property, O'Connor said he would have to spend $100 for a title search, which would take three weeks.

"It's not worth it," he said. "I'm just going to get rid of it."

O'Connor said that Richardson would still be sent a notice to comply with the code violations, but would not be required to pay for the board-up.

In another development, Washington Mutual paid Richardson's outstanding property tax bill of $9,000 on July 31. No public records explain why the bank would do that, though it is possible that the tax bill was added to Richardson's loan balance in a refinancing.

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 11:44 AM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: Recent Coverage Re: Richardson Property

REDACTED

****

Rep. won't be billed for house problem – *The Daily Breeze*

By Gene Maddaus

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Rep. Richardson's Sacramento home declared 'public nuisance' – *Los Angeles Times*
Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance."

The city has threatened to fine her as much as $5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from $5,742 to almost $20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of $177,500.

In addition, she owed nearly $9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of $154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for $388,000. Richardson had paid $535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

York said Washington Mutual filed a letter of recision of the sale June 2 with Sacramento County. Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with [Washington Mutual] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms. In addition, Washington Mutual paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a $1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as $5,000 per month unless progress is made to improve conditions.

Neighbors have complained about the state of the house for months.

They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell I sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 7:10:38 PM
To: Elias, Alan
Subject: RE: Recent Coverage Re: Richardson Property

REDACTED

From: Elias, Alan
Sent: Thursday, August 21, 2008 4:08 PM
To: Gaugl, Sara C.
Subject: RE: Recent Coverage Re: Richardson Property

Thanks.

Did we, in fact, refinance her loan to include outstanding tax liens?

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 3:51 PM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: RE: Recent Coverage Re: Richardson Property

Here is the latest article from *The Daily Breeze*, which is an extension of the story that appeared earlier this morning.

- Sara

Richardson escapes $400 property bill - *The Daily Breeze*
By Gene Maddaus
August 21, 2008
In a statement, Rep. Laura Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Richardson bought the home in January 2007 upon being elected to the Assembly. But after she won a seat in Congress a few months later, neighbors noticed that property was left vacant and had been poorly maintained.

Sacramento police were called to the home on July 21 because the garage door was open, suggesting a possible break-in. The police called code enforcement officials, who brought in a contractor to board up the door.

Code enforcement officers also found rotting food on the ground, which might attract rodents, as well as junk and debris in the yard.

In such cases, the homeowner gets a bill from the city. Ron O'Connor, the code enforcement operations manager, said the city would also charge $250 for night service, plus the cost of the contractor, bringing the total to perhaps $400.

Apparently relying on county property records, the city sent a notice of a "public nuisance" to Red Rock Mortgage, the real estate firm that bought the property at auction.

Richardson did not learn about the notice until last week.

James York, the owner of Red Rock Mortgage, sued Richardson and Washington Mutual after the auction was rescinded, arguing that he was the rightful owner of the property. As part of the suit, York filed a notice of pending litigation on the property, which clouded Richardson's title.

York later settled the lawsuit for an undisclosed sum. On July 11, 10 days before the apparent break-in, York's attorney signed notices to withdraw the lawsuit and the notice of litigation from the property, thereby relinquishing York's claim on it.

O'Connor said it was unclear from information available to him who owned the property on July 21.

But Richardson had the title to the property once the sale was rescinded on June 2. Were it otherwise, she would have had to sue York to get the house back - not vice versa.

In order to resolve the ownership of the property, O'Connor said he would have to spend $100 for a title search, which would take three weeks.

"It's not worth it," he said. "I'm just going to get rid of it."

O'Connor said that Richardson would still be sent a notice to comply with the code violations, but would not be required to pay for the board-up.

In another development, Washington Mutual paid Richardson's outstanding property tax bill of $9,000 on July 31. No public records explain why the bank would do that, though it is possible that the tax bill was added to Richardson's loan balance in a refinancing.

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 11:44 AM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: Recent Coverage Re: Richardson Property

REDACTED

- Sara

****

Rep. won't be billed for house problem – *The Daily Breeze*
By Gene Maddaus

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she

said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Rep. Richardson's Sacramento home declared 'public nuisance' – *Los Angeles Times*
Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance."

The city has threatened to fine her as much as $5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from $5,742 to almost $20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of $177,500.

In addition, she owed nearly $9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of $154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance

my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for $388,000. Richardson had paid $535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

York said Washington Mutual filed a letter of recision of the sale June 2 with Sacramento County. Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with [Washington Mutual] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms. In addition, Washington Mutual paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a $1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as $5,000 per month unless progress is made to improve conditions.

Neighbors have complained about the state of the house for months.

They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell I sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you

From: Elias, Alan
Sent: Thursday, August 21, 2008 7:07:54 PM
To: Gaugl, Sara C.
Subject: RE: Recent Coverage Re: Richardson Property

Thanks.

Did we, in fact, refinance her loan to include outstanding tax liens?

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 3:51 PM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: RE: Recent Coverage Re: Richardson Property

Here is the latest article from *The Daily Breeze*, which is an extension of the story that appeared earlier this morning.

- Sara

Richardson escapes $400 property bill - *The Daily Breeze*
By Gene Maddaus
August 21, 2008
In a statement, Rep. Laura Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Richardson bought the home in January 2007 upon being elected to the Assembly. But after she won a seat in Congress a few months later, neighbors noticed that property was left vacant and had been poorly maintained.

Sacramento police were called to the home on July 21 because the garage door was open, suggesting a possible break-in. The police called code enforcement officials, who brought in a contractor to board up the door.

Code enforcement officers also found rotting food on the ground, which might attract rodents, as well as junk and debris in the yard.

In such cases, the homeowner gets a bill from the city. Ron O'Connor, the code enforcement operations manager, said the city would also charge $250 for night service, plus the cost of the contractor, bringing the total to perhaps $400.

Apparently relying on county property records, the city sent a notice of a "public nuisance" to Red Rock Mortgage, the real estate firm that bought the property at auction.

Richardson did not learn about the notice until last week.

James York, the owner of Red Rock Mortgage, sued Richardson and Washington Mutual after the auction was rescinded, arguing that he was the rightful owner of the property. As part of the suit, York filed a notice of pending litigation on the

property, which clouded Richardson's title.

York later settled the lawsuit for an undisclosed sum. On July 11, 10 days before the apparent break-in, York's attorney signed notices to withdraw the lawsuit and the notice of litigation from the property, thereby relinquishing York's claim on it.

O'Connor said it was unclear from information available to him who owned the property on July 21.

But Richardson had the title to the property once the sale was rescinded on June 2. Were it otherwise, she would have had to sue York to get the house back - not vice versa.

In order to resolve the ownership of the property, O'Connor said he would have to spend $100 for a title search, which would take three weeks.

"It's not worth it," he said. "I'm just going to get rid of it."

O'Connor said that Richardson would still be sent a notice to comply with the code violations, but would not be required to pay for the board-up.

In another development, Washington Mutual paid Richardson's outstanding property tax bill of $9,000 on July 31. No public records explain why the bank would do that, though it is possible that the tax bill was added to Richardson's loan balance in a refinancing.

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 11:44 AM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: Recent Coverage Re: Richardson Property

REDACTED

****

Rep. won't be billed for house problem – *The Daily Breeze*
By Gene Maddaus

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Rep. Richardson's Sacramento home declared 'public nuisance' – *Los Angeles Times*

Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance."

The city has threatened to fine her as much as $5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from $5,742 to almost $20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of $177,500.

In addition, she owed nearly $9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of $154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for $388,000. Richardson had paid $535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

York said Washington Mutual filed a letter of recision of the sale June 2 with Sacramento County. Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with [Washington Mutual] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms. In addition, Washington Mutual paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a $1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as $5,000 per month unless progress is made to improve conditions.

Neighbors have complained about the state of the house for months.

They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted]cell I sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Thursday, August 21, 2008 6:41 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Google Alert - Washington Mutual

Google News Alert for: **Washington Mutual**

Laura Richardson won't have to pay a $400 property bill
Los Angeles Times - CA,USA
... and the sweet deal she got from **Washington Mutual** to regain control of her foreclosed home, which had been sold, just got some more good news. ...
See all stories on this topic

The best political conventions money can buy
MarketWatch - USA
How about a **mutual** pledge that no private money will be allowed at the 2012 conventions? That would be putting the country first, and it would be change we ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From:	ShareThis <notifier@bounces.sharethis.com> on behalf of Owen, Jan L. <u146276@wamu.com>
Sent:	Thursday, August 21, 2008 5:11 PM
To:	Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject:	jan.owen@wamu.net has shared: NOW IT NEEDS FIXING, REP. RICHARDSON SAYS: NOT MY HOUSE!

jan.owen@wamu.net wanted to share this with you:

NOW IT NEEDS FIXING, REP. RICHARDSON SAYS: NOT MY HOUSE!

http://thedistrictweekly.com/daily/staff-infection/briefing/now-it-...

Powered by ShareThis

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 5:09:25 PM
To: Owen, Jan L.
Subject: RE: Emailing: now-it-needs-fixing-rep-richardson-says-not-my-house.htm

Never mind, just got to it. Thanks!

From: Owen, Jan L.
Sent: Thursday, August 21, 2008 2:07 PM
To: Gaugl, Sara C.
Subject: Emailing: now-it-needs-fixing-rep-richardson-says-not-my-house.htm

<< File: now-it-needs-fixing-rep-richardson-says-not-my-house.htm >> FYI- this is well written. J

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 5:08:35 PM
To: Owen, Jan L.
Subject: RE: Emailing: now-it-needs-fixing-rep-richardson-says-not-my-house.htm

I can't get to this - would you try reforwarding? Thank you!

From: Owen, Jan L.
Sent: Thursday, August 21, 2008 2:07 PM
To: Gaugl, Sara C.
Subject: Emailing: now-it-needs-fixing-rep-richardson-says-not-my-house.htm

<< File: now-it-needs-fixing-rep-richardson-says-not-my-house.htm >> FYI- this is well written. J

From: Elias, Alan
Sent: Thursday, August 21, 2008 3:01:08 PM
To: Gaugl, Sara C.
Subject: RE: Recent Coverage Re: Richardson Property

Sara: please bring these – especially the LA Times piece – to the meeting with the lawyers so that they can better understand the damage to the corporate image we're incurring because of our policies.

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 11:44 AM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: Recent Coverage Re: Richardson Property

David and John -
As discussed during this morning's call, embedded below for your reference is recent coverage on Richardson's Sacramento property. As Don mentioned, the Sacramento Code Enforcement Department has declared the property a "public nuisance."

I will continue to reiterate to inquiring reporters that WaMu does not have possession of the property. Note that media coverage also reflects that Richardson's statements have conflicted with available public records.

- Sara

****

Rep. won't be billed for house problem – *The Daily Breeze*
By Gene Maddaus

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Rep. Richardson's Sacramento home declared 'public nuisance' – *Los Angeles Times*
Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance."

The city has threatened to fine her as much as $5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from $5,742 to almost $20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of $177,500.

In addition, she owed nearly $9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of $154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for $388,000. Richardson had paid $535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

York said Washington Mutual filed a letter of recision of the sale June 2 with Sacramento County. Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with [Washington Mutual] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms. In addition, Washington Mutual paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a $1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as $5,000 per month unless progress is made to improve conditions.

Neighbors have complained about the state of the house for months.

They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted]cell I sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 2:37:38 PM
To: Gaugl, Sara C.
Subject: Recent Coverage Re: Richardson Property

David and John -
As discussed during this morning's call, embedded below for your reference is recent coverage on Richardson's Sacramento property. As Don mentioned, the Sacramento Code Enforcement Department has declared the property a "public nuisance."

I will continue to reiterate to inquiring reporters that WaMu does not have possession of the property. Note that media coverage also reflects that Richardson's statements have conflicted with available public records.

- Sara

****

Rep. won't be billed for house problem – *The Daily Breeze*
By Gene Maddaus Staff Writer

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Rep. Richardson's Sacramento home declared 'public nuisance' – *Los Angeles Times*
http://www.latimes.com/news/local/la-richmo_k5ly64nc20080815025641,0,6484560,email.photo**UMBRAGE:** Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance."

The city has threatened to fine her as much as $5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from $5,742 to almost $20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of $177,500.

In addition, she owed nearly $9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of $154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for $388,000. Richardson had paid $535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

York said Washington Mutual filed a letter of recision of the sale June 2 with Sacramento County. Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with [Washington Mutual] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms. In addition, Washington Mutual paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a $1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as $5,000 per month unless progress is made to improve

conditions.

Neighbors have complained about the state of the house for months.

They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell I sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you

From: Borges, Ruben
Sent: Tuesday, August 19, 2008 10:50:25 AM
To: Gaugl, Sara C.; Elias, Alan
CC: Riley, Olivia
Subject: Home troubles - Los Angeles Times

Home troubles
19 August 2008
Los Angeles Times

Re "Official's housing troubles continue," Aug. 15
Rep. Laura Richardson didn't require a mortgage relief bill to help her keep a house she couldn't afford. All she needed to keep her neglected, foreclosed home was some bureaucratic muscle to convince her lender, **Washington Mutual**, to rescind the sale and pull the rug right out from under a buyer who wanted to repair the run-down home.
I'm curious to see if Richardson (a Democrat, so by default a self-proclaimed champion of the people) will ensure that her constituents in Long Beach and those facing foreclosure throughout the state get the same kind of sweet deal with their lenders.
I also wonder if her Democratic colleagues in the state Senate and Assembly will open an investigation to see if her arrangement violated any ethics standards. And for her sake, I hope she has the same interest rate and loan balance that was in effect before **Washington Mutual** foreclosed on, and then so graciously rescued, her home.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Tuesday, August 19, 2008 9:57 AM
To: Thorn, Ann <ann.thorn@wamu.net>
Subject: Re: Richardson

Thanks, Ann.

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Thorn, Ann
To: Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.
Sent: Tue Aug 19 05:49:51 2008
Subject: Richardson

Just wanted to let you know that I got a call from Congresswoman Richardson last night around 7 on my voicemail. She said no issue, just wanted to ask a couple questions and Sara I guess she wanted to get a hold of you. I will be reaching back out to her today to find out what she needed and will advise.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418[illegible]

For Internal Use Only

From:	Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent:	Monday, August 18, 2008 11:38 AM
To:	Riley, Olivia <olivia.riley@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Kishner, Gary <gary.kishner@wamu.net>
Subject:	Long Beach Press-Telegram - 37th's serial problems

37th's serial problems

Long Beach Press-Telegram

08/16/2008

After the defaults come an unlikely opponent and a public-nuisance notice.

Laura Richardson, the local congresswoman with a national reputation for serial financial defaults, has a new set of problems and a new opponent. Neither is good news for her constituents.

The problems come from code enforcement officers in Sacramento who have declared her house there a public nuisance. The lawn and plants are dead or dying, a broken door has been boarded up, a gate is broken, junk and debris lie in the driveway, windows are covered with brown paper and rotting fruit in the backyard provides a rodent banquet.

Richardson had bought the home after being elected to the Assembly; let it go into default, foreclosure and public auction; then, after the issue made headlines, pressured the mortgage-holder to cancel the sale and give her back the house.

Such a recision is unheard of in the mortgage business, but maybe the lender, **Washington Mutual**, preferred a lawsuit from the buyer to the thought of having a vengeful congresswoman in Washington for years to come. (The house buyer and **WaMu** settled the lawsuit quietly.)

Richardson's office had no meaningful comment about the code-enforcement action, which threatens progressively steeper fines unless she starts cleaning up the property within 30 days. In the past, her explanation for defaulting on that loan, as well as loans on homes in San Pedro and Long Beach, was that she had to borrow money to finance her election to Congress because she is not a wealthy person.

Ordinarily we would see on Nov. 4 how well that explanation sits with voters, but we probably won't. That's because of the quality of the two other candidates.

One, Peter Mathews, a community college teacher who has run for Congress and lost many times over the years, ran against her in the Democratic primary and lost again. Now he's running in November as an ultra-long-shot write-in.

The latest opponent is Nick Dibs, a part-time substitute teacher who last week managed to collect 7,725 signatures to get his name on the Nov. 4 ballot as an independent. (There was no candidate in the primary from the Republican Party or any other.)

So that will be the choice for 37th District residents of Signal Hill, Compton, Carson and most of Long Beach. Either reward Richardson's continuing personal irresponsibility by returning her to Congress, or go for Dibs or Mathews, neither of whom otherwise would be considered remotely qualified.

Some choice.

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@**wamu**.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, August 15, 2008 7:31 PM
To: Gottlieb, Jeff <[redacted]>
Subject: RE: WaMu Follow-Up

Hello, Jeff.
WaMu does not disclose our customers' personal financial information without written authorization from the customer. As we've communicated previously, we have not received consent from Ms. Richardson that would allow us to discuss her loan situation. I'd like to reiterate, however, that we are committed to treating all of our customers with the same level of consideration and fairness.

Additionally, the matter with Mr. York and Red Rock Mortgage Inc. has been resolved and the terms are confidential.

Best regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted]cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, August 15, 2008 6:29 PM
To: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Review Requested: Media Response

I can certainly wait another 30 min or so. I'll pull the trigger around 4:15 or so.....

Best,

Sara

From: Riley, Olivia
Sent: Friday, August 15, 2008 3:21 PM
To: Gaugl, Sara C.
Subject: RE: Review Requested: Media Response

I am on a call right now, and don't want to hold up your response given the time.

From: Gaugl, Sara C.
Sent: Fri 08/15/2008 2:40 PM
To: Riley, Olivia
Subject: RE: Review Requested: Media Response

Hi - give me a call if you have a second 206-500

From: Riley, Olivia
Sent: Friday, August 15, 2008 2:38 PM
To: Gaugl, Sara C.
Subject: RE: Review Requested: Media Response

REDACTED

From: Gaugl, Sara C.
Sent: Fri 08/15/2008 2:28 PM
To: Battaglia, Paul J.; Cook, Don
Cc: Riley, Olivia
Subject: Review Requested: Media Response

REDACTED

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted]cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gottlieb, Jeff [redacted]
Sent: Friday, August 15, 2008 1:04 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up

These questions are about the property owned by Laura Richardson at 3622 W. Curtis Dr., Sacramento, CA. If Washington Mutual is going to say it cannot answer some of them because it involves Richardson's confidential financial information, I want you and her to waive that right. The transactions around the house have raised serious questions about whether Rep. Richardson received preferential treatment from Washington Mutual. I have quoted experts as saying this type of deal was unheard of. By not answering the questions, Washington Mutual is encouraging those suspicions.

1. Why did Washington Mutual pay Laura Richardson's delinquent property taxes of about $9,000?
2. What were the terms of the settlement with James York, who bought the house at the foreclosure sale? If you say the terms are confidential, I want you to waive confidentiality, which, I assume, was a condition WAMU requested.

3. Why did Washington Mutual take back the property from Mr. York?
4. Has Washington Mutual ever taken back a house after it has been sold at a foreclosure auction, the deed was recorded and the new owner already had a crew renovating the house? Give me examples.

5. What are the financial terms of the deal that gave the house back to Rep. Richardson?

From: Riley, Olivia <olivia.riley@wamu.net>
Sent: Friday, August 15, 2008 6:21 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Review Requested: Media Response

I am on a call right now, and don't want to hold up your response given the time.

From: Gaugl, Sara C.
Sent: Fri 08/15/2008 2:40 PM
To: Riley, Olivia
Subject: RE: Review Requested: Media Response

Hi - give me a call if you have a second 206-500[illegible]

From: Riley, Olivia
Sent: Friday, August 15, 2008 2:38 PM
To: Gaugl, Sara C.
Subject: RE: Review Requested: Media Response

REDACTED

From: Gaugl, Sara C.
Sent: Fri 08/15/2008 2:28 PM
To: Battaglia, Paul J.; Cook, Don
Cc: Riley, Olivia
Subject: Review Requested: Media Response

REDACTED

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gottlieb, Jeff[redacted]
Sent: Friday, August 15, 2008 1:04 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up

These questions are about the property owned by Laura Richardson at 3622 W. Curtis Dr., Sacramento, CA. If Washington Mutual is going to say it cannot answer some of them because it involves Richardson's confidential financial information, I want you and her to waive that right. The transactions around the house have raised serious questions about whether Rep. Richardson received preferential treatment from Washington Mutual. I have quoted experts as saying this type of deal was unheard of. By not answering the questions, Washington Mutual is encouraging those suspicions.

1. Why did Washington Mutual pay Laura Richardson's delinquent property taxes of about $9,000?
2. What were the terms of the settlement with James York, who bought the house at the foreclosure sale? If you say the terms are confidential, I want you to waive confidentiality, which, I assume, was a condition WAMU requested.

3. Why did Washington Mutual take back the property from Mr. York?
4. Has Washington Mutual ever taken back a house after it has been sold at a foreclosure auction, the deed was recorded and the new owner already had a crew renovating the house? Give me examples.

5. What are the financial terms of the deal that gave the house back to Rep. Richardson?

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, August 15, 2008 5:40 PM
To: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Review Requested: Media Response

Hi - give me a call if you have a second 206-500[redacted].

From: Riley, Olivia
Sent: Friday, August 15, 2008 2:38 PM
To: Gaugl, Sara C.
Subject: RE: Review Requested: Media Response

REDACTED

From: Gaugl, Sara C.
Sent: Fri 08/15/2008 2:28 PM
To: Battaglia, Paul J.; Cook, Don
Cc: Riley, Olivia
Subject: Review Requested: Media Response

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted]cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gottlieb, Jeff [redacted]
Sent: Friday, August 15, 2008 1:04 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up

These questions are about the property owned by Laura Richardson at 3622 W. Curtis Dr., Sacramento, CA. If Washington Mutual is going to say it cannot answer some of them because it involves Richardson's confidential financial information, I want you and her to waive that right. The transactions around the house have raised serious questions about whether Rep. Richardson received preferential treatment from Washington Mutual. I have quoted experts as saying this type of deal was unheard of. By not answering the questions, Washington Mutual is encouraging those suspicions.

1. Why did Washington Mutual pay Laura Richardson's delinquent property taxes of about $9,000?
2. What were the terms of the settlement with James York, who bought the house at the foreclosure sale? If you say the terms are confidential, I want you to waive confidentiality, which, I assume, was a condition WAMU requested.

3. Why did Washington Mutual take back the property from Mr. York?
4. Has Washington Mutual ever taken back a house after it has been sold at a foreclosure auction, the deed was recorded and the new owner already had a crew renovating the house? Give me examples.

5. What are the financial terms of the deal that gave the house back to Rep. Richardson?

From: Riley, Olivia <olivia.riley@wamu.net>
Sent: Friday, August 15, 2008 5:38 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Review Requested: Media Response

Can we remind them why she got the house back (the date issue)? Isn't that a matter of public record?

From: Gaugl, Sara C.
Sent: Fri 08/15/2008 2:28 PM
To: Battaglia, Paul J.; Cook, Don
Cc: Riley, Olivia
Subject: Review Requested: Media Response

Paul and Don:

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gottlieb, Jeff[redacted]
Sent: Friday, August 15, 2008 1:04 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up

These questions are about the property owned by Laura Richardson at 3622 W. Curtis Dr., Sacramento, CA. If Washington Mutual is

going to say it cannot answer some of them because it involves Richardson's confidential financial information, I want you and her to waive that right. The transactions around the house have raised serious questions about whether Rep. Richardson received preferential treatment from Washington Mutual. I have quoted experts as saying this type of deal was unheard of. By not answering the questions, Washington Mutual is encouraging those suspicions.

1. Why did Washington Mutual pay Laura Richardson's delinquent property taxes of about $9,000?
2. What were the terms of the settlement with James York, who bought the house at the foreclosure sale? If you say the terms are confidential, I want you to waive confidentiality, which, I assume, was a condition WAMU requested.

3. Why did Washington Mutual take back the property from Mr. York?
4. Has Washington Mutual ever taken back a house after it has been sold at a foreclosure auction, the deed was recorded and the new owner already had a crew renovating the house? Give me examples.

5. What are the financial terms of the deal that gave the house back to Rep. Richardson?

From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Friday, August 15, 2008 4:19 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: LA Times - Official's housing troubles continue; Rep. Richardson's Sacramento home is declared a public nuisance by the city.

Thanks,
Debbie Gordon
Public Relations
206.500.2835

From: Gordon, Debbie
Sent: Friday, August 15, 2008 8:43 AM
To: Riley, Olivia; Baptista, Geri Ann S.
Subject: LA Times - Official's housing troubles continue; Rep. Richardson's Sacramento home is declared a public nuisance by the city.

Official's housing troubles continue; Rep. Richardson's Sacramento home is declared a public nuisance by the city.
California; Metro Desk
Jeff Gottlieb
15 August 2008
Los Angeles Times

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that **Washington Mutual**, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance." The city has threatened to fine her as much as $5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action. Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area

seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from $5,742 to almost $20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of $177,500. In addition, she owed nearly $9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of $154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote. "I do not fit any of these descriptions. I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for $388,000. Richardson had paid $535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

York said **Washington Mutual** filed a letter of recision of the sale June 2 with Sacramento County.

Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with **[Washington Mutual]** trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms.

In addition, **Washington Mutual** paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a $1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as $5,000 per month unless progress is made to improve conditions.

Neighbors have complained about the state of the house for months. They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

--

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gottlieb, Jeff <[redacted]>
Sent: Friday, August 15, 2008 4:04 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: WaMu Follow-Up

These questions are about the property owned by Laura Richardson at 3622 W. Curtis Dr., Sacramento, CA. If Washington Mutual is going to say it cannot answer some of them because it involves Richardson's confidential financial information, I want you and her to waive that right. The transactions around the house have raised serious questions about whether Rep. Richardson received preferential treatment from Washington Mutual. I have quoted experts as saying this type of deal was unheard of. By not answering the questions, Washington Mutual is encouraging those suspicions.

1. Why did Washington Mutual pay Laura Richardson's delinquent property taxes of about $9,000?
2. What were the terms of the settlement with James York, who bought the house at the foreclosure sale? If you say the terms are confidential, I want you to waive confidentiality, which, I assume, was a condition WAMU requested.

3. Why did Washington Mutual take back the property from Mr. York?
4. Has Washington Mutual ever taken back a house after it has been sold at a foreclosure auction, the deed was recorded and the new owner already had a crew renovating the house? Give me examples.

5. What are the financial terms of the deal that gave the house back to Rep. Richardson?

From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Fri 8/15/2008 12:42 PM
To: Gottlieb, Jeff
Subject: Re: WaMu Follow-Up

Thanks for your note. Please let me know what specific questions you have and I will look into them.

Best,

Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Gottlieb, Jeff <[redacted]>
To: Gaugl, Sara C.
Sent: Fri Aug 15 12:37:03 2008
Subject: RE: WaMu Follow-Up

It has to do with the Rep. Laura Richardson foreclosure sale/give back.

From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Fri 8/15/2008 12:12 PM
To: Gottlieb, Jeff
Subject: WaMu Follow-Up

Hi, Jeff.
I hope you are doing well. I'm currently in a meeting, and just noticed that I missed a call from you on my cell. I will call you back shortly, however I wanted to send you a quick note now as I'm unsure if you are on deadline.

Please let me know how I can be of assistance.

Best,

Sara

Sent from my BlackBerry Wireless Handheld

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, August 15, 2008 3:52 PM
To: Gordon, Debbie <debbie.j.gordon@wamu.net>; Riley, Olivia <olivia.riley@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: Re: SF Chronicle - Calif. congresswoman's house a public nuisance

Thanks, Debbie. I have received a few calls on this.

Olivia, I am just getting out of a meeting and will update you shortly, though messaging is consistent.

Best,

Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Gordon, Debbie
To: Riley, Olivia; Baptista, Geri Ann S.; Gaugl, Sara C.
Sent: Fri Aug 15 12:48:03 2008
Subject: SF Chronicle - Calif. congresswoman's house a public nuisance

Calif. congresswoman's house a public nuisance

Friday, August 15, 2008

(08-15) 10:40 PDT Sacramento, CA (AP) --

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to $5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home. Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents. Inspectors came after calls to police about a suspicious person there.

Richardson's office did not immediately respond to a request for comment Friday. In a statement her office released to the Los Angeles Times, she said she had not received any information about the nuisance declaration.

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Friday, August 15, 2008 3:48 PM
To: Riley, Olivia <olivia.riley@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: SF Chronicle - Calif. congresswoman's house a public nuisance

Calif. congresswoman's house a public nuisance

Friday, August 15, 2008

(08-15) 10:40 PDT Sacramento, CA (AP) --

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to $5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home. **Washington Mutual** sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents. Inspectors came after calls to police about a suspicious person there.

Richardson's office did not immediately respond to a request for comment Friday. In a statement her office released to the Los Angeles Times, she said she had not received any information about the nuisance declaration.

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, August 15, 2008 3:43 PM
To: Jeff.Gottlieb[redacted]
Subject: Re: WaMu Follow-Up

Thanks for your note. Please let me know what specific questions you have and I will look into them.

Best,

Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Gottlieb, Jeff [redacted]
To: Gaugl, Sara C.
Sent: Fri Aug 15 12:37:03 2008
Subject: RE: WaMu Follow-Up

It has to do with the Rep. Laura Richardson foreclosure sale/give back.

From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Fri 8/15/2008 12:12 PM
To: Gottlieb, Jeff
Subject: WaMu Follow-Up

Hi, Jeff.
I hope you are doing well. I'm currently in a meeting, and just noticed that I missed a call from you on my cell. I will call you back shortly, however I wanted to send you a quick note now as I'm unsure if you are on deadline.

Please let me know how I can be of assistance.

Best,

Sara

Sent from my BlackBerry Wireless Handheld

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gottlieb, Jeff <[redacted]>
Sent: Friday, August 15, 2008 3:37 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: WaMu Follow-Up

It has to do with the Rep. Laura Richardson foreclosure sale/give back.

From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Fri 8/15/2008 12:12 PM
To: Gottlieb, Jeff
Subject: WaMu Follow-Up

Hi, Jeff.
I hope you are doing well. I'm currently in a meeting, and just noticed that I missed a call from you on my cell. I will call you back shortly, however I wanted to send you a quick note now as I'm unsure if you are on deadline.

Please let me know how I can be of assistance.

Best,

Sara

Sent from my BlackBerry Wireless Handheld

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, August 15, 2008 2:22 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Google Alert - Washington Mutual

Google News Alert for: **Washington Mutual**

CGM's Heebner Sold Monsanto Stake, Shorted **Washington Mutual**
Bloomberg - USA
The $10.4 billion fund also sold short 100 million shares of **Washington Mutual** and 32 million shares of Wachovia, trades that will profit if the stocks fall ...
See all stories on this topic

Calif. congresswoman's house a public nuisance
San Francisco Chronicle - CA, USA
Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice. ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Jan Owen [redacted]
Sent: Friday, August 15, 2008 2:10 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Emailing: la-me-richardson15-2008aug15,0,912962
Attach: p_ev_transid=1218823767448869220372&ev_Latimes.com_news_s_pageview=1:bg.gif

---

Hello jan.owen@wamu.net Profile Logout

- LAT Home
- |
- My LATimes
- |
- Print Edition
- |
- All Sections

- More Classifieds
- |
- Real Estate
- |
- Cars.com
- |
- Jobs

Los Angeles Times

California | Local

SEARCH

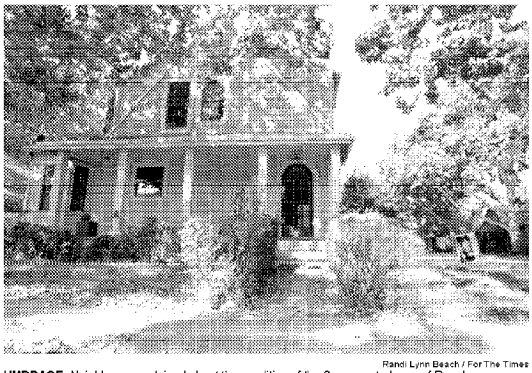
- Crime
- Education
- Politics
- Environment
- Immigration
- Traffic
- O.C.
- Valley
- Inland Empire

California/Local
Columnists:
»Steve Lopez
»Sandy Banks
»Patt Morrison
»George Skelton
»Dana Parsons
»Steve Harvey
»Steve Hymon
Community Papers:
»Burbank
»Newport Beach
»Laguna Beach
»Huntington Beach
»Glendale
News/Opinion

LA TIMES
NOW ON KINDLE

Randi Lynn Beach / For The Times
UMBRAGE: Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

Rep. Richardson's Sacramento home declared 'public nuisance'



Randi Lynn Beach / For The Times
UMBRAGE: Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

The Sacramento home of the Democratic congresswoman from Long Beach is declared a 'public nuisance' by the city.

By Jeff Gottlieb, Los Angeles Times Staff Writer
August 15, 2008

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

• Ethics watchdog wants probe of Long

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public

Rep. Laura Richardson

Beach congresswoman's foreclosure woes

nuisance."

The city has threatened to fine her as much as $5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from $5,742 to almost $20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of $177,500.

In addition, she owed nearly $9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of $154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Single Page | 1 | 2 | Next »

An updated 1932 Santa Monica hacienda
These owners applied their contemporary design sensibility while preserving the integrity of the vernacular architecture. Photos

Junkyard treasures: Rare automotive finds
In an Oklahoma barnyard, a 50-acre collection of rusting car collectibles that nature is busy reclaiming. Photos

Save over 50% off the newsstand price. Click here to subscribe to The Times.

ADVERTISEMENT

Sports Headlines

1. Extra practice pays off for gold medalist Nastia Liukin
2. U.S. tennis player James Blake makes a racket over the Olympic spirit
3. Michael Phelps' relay teammates anxious about not letting him down
4. Michael Phelps wins sixth gold medal
5. Please, let Michael Phelps be for real

Secret spots of the West

We asked you for your favorite Western places, and you told us. From the suggestions you sent us, we chose 6 to explore. Photos

More on LATimes.com

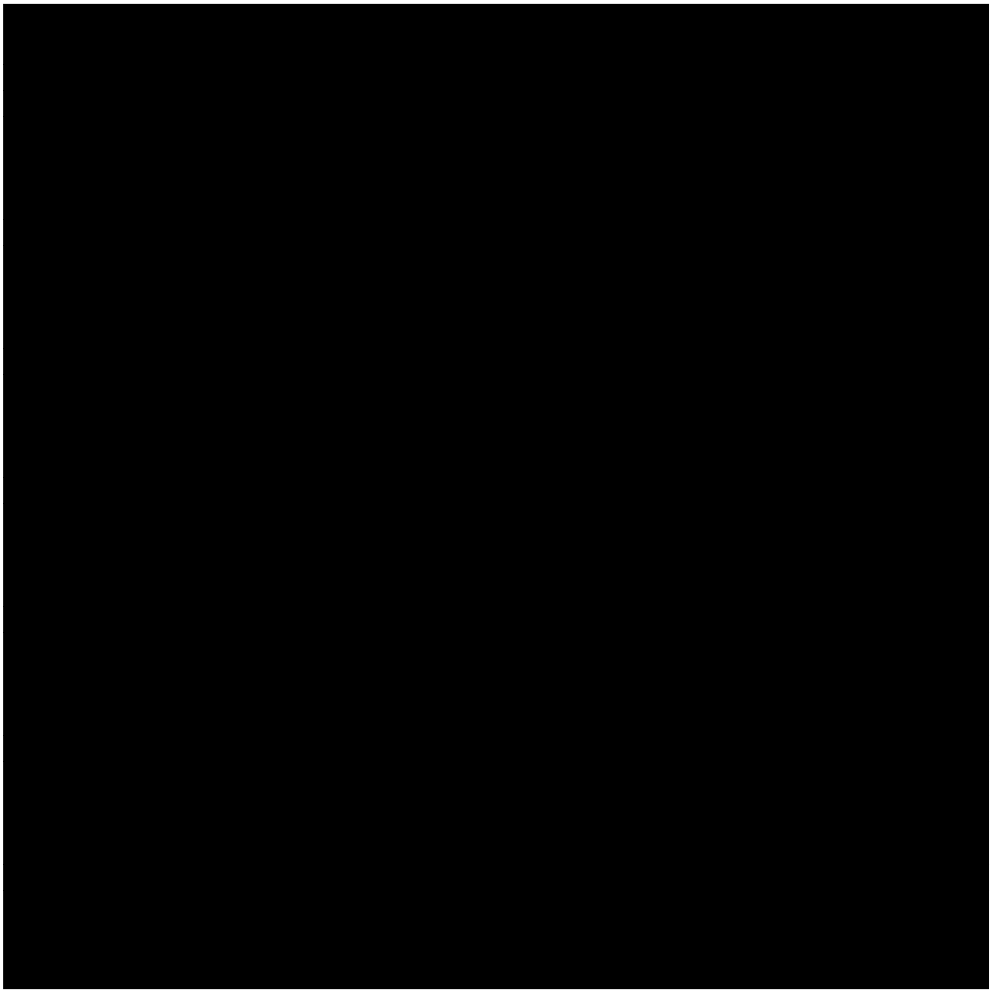
Los Angeles | Orange County | San Fernando Valley | Ventura County | Inland Empire

Partners

Hoy | KTLA | Metromix | ShopLocal | Shopping Grocery Coupons

Classifieds

Career Builder | Cars.com | Apartments.com FSBO (For Sale By Owner) | Open Houses
Copyright 2008 Los Angeles Times
Privacy Policy Terms of Service | Advertise | Home Delivery | Reprint Requests | Help & Services | Contact | Site Map



From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Monday, July 28, 2008 12:00 PM
To: Gordon, Debbie <debbie.j.gordon@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Media Request from the AP

I know – I figured that was the case!

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie
Sent: Monday, July 28, 2008 8:49 AM
To: Gaugl, Sara C.; Baptista, Geri Ann S.
Cc: Riley, Olivia
Subject: RE: Media Request from the AP

OK. Well, he called Saturday at 4:57pm – what does he expect?! ☺

Thanks,
Debbie Gordon
Public Relations
206.500.2835

From: Gaugl, Sara C.
Sent: Monday, July 28, 2008 8:48 AM
To: Gordon, Debbie; Baptista, Geri Ann S.
Cc: Riley, Olivia
Subject: RE: Media Request from the AP

Hi, Debbie.
This story ran over the weekend.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie
Sent: Monday, July 28, 2008 8:13 AM
To: Baptista, Geri Ann S.; Gaugl, Sara C.
Cc: Riley, Olivia
Subject: Media Request from the AP
Importance: High

Reporter	Jacob Adelman
Publication	AP (in LA)
Phone Number	213-626[illegible]
Media Request / Scope of the Story	Daily Breeze citing WaMu in a report that a broker who bought Laura Richardson's home is dropping a lawsuit over WaMu's decision to rescind the foreclosure. Wants to confirm details.
Request Date	7/26/2008
Coverage Date	Not Known
Deadline	Not Stated
Lead	G. Baptista

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Monday, July 28, 2008 11:48 AM
To: Gordon, Debbie <debbie.j.gordon@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Media Request from the AP

Hi, Debbie.
This story ran over the weekend.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie
Sent: Monday, July 28, 2008 8:13 AM
To: Baptista, Geri Ann S.; Gaugl, Sara C.
Cc: Riley, Olivia
Subject: Media Request from the AP
Importance: High

Reporter	Jacob Adelman
Publication	AP (in LA)
Phone Number	213-626[redacted]
Media Request / Scope of the Story	Daily Breeze citing WaMu in a report that a broker who bought Laura Richardson's home is dropping a lawsuit over WaMu's decision to rescind the foreclosure. Wants to confirm details.
Request Date	7/26/2008
Coverage Date	Not Known
Deadline	Not Stated
Lead	G. Baptista

Debbie Gordon
Executive Assistant
Public Relations

Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Monday, July 28, 2008 12:14 AM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: San Jose Mercury News: Lawsuit dropped over SoCal congresswoman's home

Thanks for forwarding. I don't believe I received a call either - perhaps they called at some point on Saturday? I spoke with the LA Times and of course, Gene M.

It doesn't appear they reached Mr. York either....

From: Baptista, Geri Ann S.
Sent: Sat 07/26/2008 8:01 PM
To: Gaugl, Sara C.
Subject: San Jose Mercury News: Lawsuit dropped over SoCal congresswoman's home

This article link was mailed to you by: **geriann.baptista@wamu.net**
The sender included the following message:

This is the AP story. They claim we didn't return a call. I don't think GM Newsroom got a call.

Lawsuit dropped over SoCal congresswoman's home - The Associated Press

TORRANCE, Calif.—A man who paid $388,000 for the home of U.S. Rep. Laura Richardson dropped a lawsuit that claimed she got special treatment when a bank rescinded the foreclosure, it was reported Saturday. View Full Story

Most Emailed

(From the last 12 hours)

1. Refugee from Big Sur flames returns to isolated paradise
2. Jitters hit same-sex couples, too
3. The law backs Schwarzenegger's pay-cut plan
4. Parents see opening in reviled remarks on autism
5. Young people cultivate a community through food

http://www.mercurynews.com/news/ci_10008829
http://www.mercurynews.com

This e-mail was initiated by machine [10.148.8.5] at IP [10.148.8.5].

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Saturday, July 26, 2008 12:31 AM
To: Gene Maddaus <[redacted]>
Subject: RE: WaMu Follow-Up

Hello, Gene.
"Absolutely not" was in response to your first question regarding Ms. Richardson.

We are committed to treating all of our customers with the same level of consideration and fairness.

Best,

Sara

From: Gene Maddaus [redacted]
Sent: Fri 07/25/2008 5:28 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up
to be clear, "absolutely not" is not an answer to this question, right?

Would a similarly situated client who was not in Congress get the same treatment?

-----Original Message-----
From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Friday, July 25, 2008 5:25 PM
To: Gene Maddaus
Subject: RE: WaMu Follow-Up

In response to your question, absolutely not - we're committed to treating all of our customers with the same level of consideration and fairness.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gene Maddaus [redacted]
Sent: Friday, July 25, 2008 5:02 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up

Sara, I am doing great. Without disclosing the terms of the agreement, which
I imagine were generous, can you reiterate that WaMu showed no preferential
treatment to Ms. Richardson in this matter? Would a similarly situated
client who was not in Congress get the same treatment?
Gene

-----Original Message-----
From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Friday, July 25, 2008 4:44 PM
To: Gene Maddaus
Subject: WaMu Follow-Up

Hello, Gene.
Hope you are doing well.

The matter with Red Rock Mortgage, Inc. and Mr. York has been resolved and the terms are confidential.

Best regards,

Sara

Sent from my BlackBerry Wireless Handheld

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, July 25, 2008 8:25 PM
To: Gene Maddaus <[redacted]>
Subject: RE: WaMu Follow-Up

In response to your question, absolutely not - we're committed to treating all of our customers with the same level of consideration and fairness.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gene Maddaus [mailto:[redacted]]
Sent: Friday, July 25, 2008 5:02 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up

Sara, I am doing great. Without disclosing the terms of the agreement, which I imagine were generous, can you reiterate that WaMu showed no preferential treatment to Ms. Richardson in this matter? Would a similarly situated client who was not in Congress get the same treatment?
Gene

-----Original Message-----
From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Friday, July 25, 2008 4:44 PM
To: Gene Maddaus
Subject: WaMu Follow-Up

Hello, Gene.
Hope you are doing well.

The matter with Red Rock Mortgage, Inc. and Mr. York has been resolved and the terms are confidential.

Best regards,

Sara

Sent from my BlackBerry Wireless Handheld

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gene Maddaus <[redacted]>
Sent: Friday, July 25, 2008 8:02 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: WaMu Follow-Up

Sara, I am doing great. Without disclosing the terms of the agreement, which I imagine were generous, can you reiterate that WaMu showed no preferential treatment to Ms. Richardson in this matter? Would a similarly situated client who was not in Congress get the same treatment?
Gene

-----Original Message-----
From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Friday, July 25, 2008 4:44 PM
To: Gene Maddaus
Subject: WaMu Follow-Up

Hello, Gene.
Hope you are doing well.

The matter with Red Rock Mortgage, Inc. and Mr. York has been resolved and the terms are confidential.

Best regards,

Sara

Sent from my BlackBerry Wireless Handheld

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Friday, July 25, 2008 7:44:21 PM
To: Baptista, Geri Ann S.
Subject: RE: Yes.....

Done. Will let you know of any follow-up questions.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Friday, July 25, 2008 4:31 PM
To: Gaugl, Sara C.
Subject: RE: Yes.....

It's not a matter of policy, though...

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[redacted]cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Friday, July 25, 2008 4:30 PM
To: Baptista, Geri Ann S.
Subject: RE: Yes.....

Nothing... but at the end of the day, we're not going to be able to provide any info that reporters want anyway.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Friday, July 25, 2008 4:28 PM
To: Gaugl, Sara C.
Subject: RE: Yes.....

Ridiculous!

What does this have to do with our obligation to Richardson?

Geri Ann S. Baptista - VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[redacted]cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Friday, July 25, 2008 4:27 PM
To: Baptista, Geri Ann S.
Subject: Yes.....

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Friday, July 25, 2008 7:29:36 PM
To: Baptista, Geri Ann S.
Subject: RE: Yes.....

Nothing... but at the end of the day, we're not going to be able to provide any info that reporters want anyway.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Friday, July 25, 2008 4:28 PM
To: Gaugl, Sara C.
Subject: RE: Yes.....

Ridiculous!
What does this have to do with our obligation to Richardson?

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[illegible] cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Friday, July 25, 2008 4:27 PM
To: Baptista, Geri Ann S.
Subject: Yes.....

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, July 25, 2008 7:20 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: FW: laura richardson

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 1 Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gene Maddaus [illegible]
Sent: Friday, July 25, 2008 4:16 PM
To: Gaugl, Sara C.
Subject: laura richardson

please give me a call asap re: the laura richardson litigation. 310 543[illegible]
gene

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, July 23, 2008 7:23 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Media Request from Daily Breeze

I'll call you right back – on the phone with GIR re: the housing bill.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Wednesday, July 23, 2008 4:22 PM
To: Gordon, Debbie; Donahoe-Wilmot, Darcy
Cc: Winn, Shane A.; Gaugl, Sara C.
Subject: RE: Media Request from Daily Breeze

Hi all,
This matter concerns Richardson. Sara and I will handle.

Thanks,
Geri Ann

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[illegible]cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie
Sent: Wednesday, July 23, 2008 3:45 PM
To: Donahoe-Wilmot, Darcy
Cc: Winn, Shane A.; Gaugl, Sara C.; Baptista, Geri Ann S.
Subject: Media Request from Daily Breeze
Importance: High

Reporter	Gene Maddus
Publication	Daily Breeze newspaper, Torrance, CA
Phone Number	310-543[illegible]
Media Request / Scope of the Story	Litigation matter
Request Date	7/23/2008

Coverage Date	Not Known
Deadline	ASAP
Lead	D. Donahoe-Wilmot

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, July 23, 2008 7:14 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Media Request from Daily Breeze

Hey there –
I just got your VM – please feel free to give Gene a call back. We'll see how this one goes! ☺

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Wednesday, July 23, 2008 3:57 PM
To: Gaugl, Sara C.
Subject: FW: Media Request from Daily Breeze
Importance: High

Hey Sara,
Pretty sure this is about the San Diego/Bank of America one. Do you want to make the initial call to check? If it is Richardson, you and I can take it back. If it is the San Diego/BofA one, you can make the call whether you want to take those requests since it is about our foreclosure practices. I'm happy to stay with it on consult since it involves potential litigation.

Give me a call,
G

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[illegible]cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie
Sent: Wednesday, July 23, 2008 3:45 PM
To: Donahoe-Wilmot, Darcy
Cc: Winn, Shane A.; Gaugl, Sara C.; Baptista, Geri Ann S.
Subject: Media Request from Daily Breeze
Importance: High

Reporter	Gene Maddus
Publication	Daily Breeze newspaper, Torrance, CA
Phone Number	310-543[illegible]
Media Request / Scope of	

the Story	Litigation matter
Request Date	7/23/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	D. Donahoe-Wilmot

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, June 18, 2008 3:06 PM
To: Gordon, Debbie <debbie.j.gordon@wamu.net>; Winn, Shane A. <shane.winn@wamu.net>
Cc: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Media Request from The Hill Newspaper

Debbie, this is related to the Richardson situation. I'll take this one.

Geri Ann, see below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible]tell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie
Sent: Wednesday, June 18, 2008 12:04 PM
To: Winn, Shane A.
Cc: Gaugl, Sara C.
Subject: Media Request from The Hill Newspaper
Importance: High

Reporter	Jessica Holter
Publication	The Hill Newspaper (Washington, DC)
Phone Number	202-628-[illegible]
Media Request / Scope of the Story	Does WaMu have any special program that treats Politicians differently from other mortgage customers?
Request Date	6/18/2008
Coverage Date	Not Known
Deadline	ASAP

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, June 18, 2008 12:57 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: RE: LA Times Blog: Richardson

Well, I wouldn't say there is anyone that is a "must" - I'm sure we'll get our fair share of reactive calls.

However, if we wanted to land a wire, these folks have been fair to us in the past:

Bloomberg - Elizabeth Hester
Reuters – Al Yoon
Associated Press – Stephen Bernard

And to Derek's point, if we went to the WSJ, it would be Ruth Simon. But we need to expect that she's going to hammer us on Option ARM portfolio performance.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Elias, Alan
Sent: Tuesday, June 17, 2008 10:46 PM
To: Gaugl, Sara C.
Subject: RE: LA Times Blog: Richardson

I'd go reactive, unless there's one reporter -- a friendly or at least very fair one -- who would be a "must" for David to speak with.

Thanks!

AE

-----Original Message-----
From: Gaugl, Sara C.
Sent: Tue 06/17/2008 6:03 PM
To: Elias, Alan
Subject: RE: LA Times Blog: Richardson

Okay, thanks.

I have been keeping Olivia in the loop re: timing as I imagine she'll want to give various constituency relations folks a heads up, which I of course support.

It would be great if we're able to send them a package of info: the release, FAQs and e-story. Seems like we're just about there.

What are your thoughts on teeing up David for media interviews tomorrow? Is your preference that we handle media inquiries on a reactive basis, or do you want me to plan on pushing this proactively to our main contacts (in addition to the wire distribution)?

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Elias, Alan
Sent: Tuesday, June 17, 2008 5:56 PM
To: Gaugl, Sara C.
Subject: Re: LA Times Blog: Richardson

Ps..close of market tomorrow is the new timing.

----- Original Message -----
From: Gaugl, Sara C.
To: Elias, Alan; Thorn, Ann; Battaglia, Paul J.; Cook, Don; Owen, Jan L.
Sent: Tue Jun 17 17:52:24 2008
Subject: LA Times Blog: Richardson

This should be interesting..

http://latimesblogs.latimes.com/laland/2008/06/ask-the-congres.html

Ask the congresswoman: Your questions for U.S. Rep. Laura Richardson
I'm overdue for a session of "Ask the blogger," so here goes. Today, something completely different: Instead of your questions for me, I'd like to hear your questions for U.S. Rep. Laura Richardson, the triple-default Democrat from Long Beach.

I sent her office a list of questions in late May (you can see my questions by clicking at the bottom of this post) and haven't heard back, so I'm giving up and turning to you: submit your best (serious) questions for U.S. Rep. Laura Richardson, I'll sort through them and send them along to her congressional office. Fire away.

(Sent by e-mail on June 10 to Kimberly Parker, chief of staff to U.S. Rep. Laura Richardson)
Kimberly: I'm still interested in answers to the questions below, which I first submitted to the congresswoman's office on May 22:

Questions from Peter Viles at the Los Angeles Times:
What kind of mortgage did the congresswoman take on the Sacramento home? (Adjustable Rate Mortgage, Option ARM, 30-year-fixed, etc.)

What was the amount of the loan and the interest rate?
Who was the original lender?
Did she take out one loan or more than one loan?

Did she make a down payment? If so, how much?
A published report quotes the seller of the house saying that Ms. Richardson received $15,000 from the seller for closing costs. Is this accurate?

What were her monthly payments on the mortgage?
How many payments did she make on the mortgage?
When did she begin missing payments on the mortgage, and why?
When and how did she contact the lender to discuss a loan modification?
Did she contact the lender herself, or did a member of her staff contact the lender?
Documents indicate the amount she owed on the loan was eventually greater then the initial value of the loan itself. Can you explain why the amount she owed increased?

When did she and the lender agree to a loan modification? And what is the exact nature of the loan modification? What is the new interest rate, the new principal amount, and the new monthly payment?

How many payments has the congresswoman made on the loan modification?
Thanks.
Peter Viles

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Tuesday, June 17, 2008 9:04 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: RE: LA Times Blog: Richardson

Okay, thanks.

I have been keeping Olivia in the loop re: timing as I imagine she'll want to give various constituency relations folks a heads up, which I of course support.

It would be great if we're able to send them a package of info: the release, FAQs and e-story. Seems like we're just about there.

What are your thoughts on teeing up David for media interviews tomorrow? Is your preference that we handle media inquiries on a reactive basis, or do you want me to plan on pushing this proactively to our main contacts (in addition to the wire distribution)?

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Elias, Alan
Sent: Tuesday, June 17, 2008 5:56 PM
To: Gaugl, Sara C.
Subject: Re: LA Times Blog: Richardson

Ps..close of market tomorrow is the new timing.

----- Original Message -----
From: Gaugl, Sara C.
To: Elias, Alan; Thorn, Ann; Battaglia, Paul J.; Cook, Don; Owen, Jan L.
Sent: Tue Jun 17 17:52:24 2008
Subject: LA Times Blog: Richardson

This should be interesting....

http://latimesblogs.latimes.com/laland/2008/06/ask-the-congres.html

Ask the congresswoman: Your questions for U.S. Rep. Laura Richardson
I'm overdue for a session of "Ask the blogger," so here goes. Today, something completely different: Instead of your questions for me, I'd like to hear your questions for U.S. Rep. Laura Richardson, the triple-default Democrat from Long Beach.

I sent her office a list of questions in late May (you can see my questions by clicking at the bottom of this post) and haven't heard back, so I'm giving up and turning to you: submit your best (serious) questions for U.S. Rep. Laura Richardson. I'll sort through them

and send them along to her congressional office. Fire away.

(Sent by e-mail on June 10 to Kimberly Parker, chief of staff to U.S. Rep. Laura Richardson)
Kimberly: I'm still interested in answers to the questions below, which I first submitted to the congresswoman's office on May 22.

Questions from Peter Viles at the Los Angeles Times:
What kind of mortgage did the congresswoman take on the Sacramento home? (Adjustable Rate Mortgage, Option ARM, 30-year-fixed, etc.)

What was the amount of the loan and the interest rate?
Who was the original lender?
Did she take out one loan or more than one loan?
Did she make a down payment? If so, how much?
A published report quotes the seller of the house saying that Ms. Richardson received $15,000 from the seller for closing costs. Is this accurate?

What were her monthly payments on the mortgage?
How many payments did she make on the mortgage?
When did she begin missing payments on the mortgage, and why?
When and how did she contact the lender to discuss a loan modification?
Did she contact the lender herself, or did a member of her staff contact the lender?
Documents indicate the amount she owed on the loan was eventually greater then the initial value of the loan itself. Can you explain why the amount she owed increased?

When did she and the lender agree to a loan modification? And what is the exact nature of the loan modification? What is the new interest rate, the new principal amount, and the new monthly payment?

How many payments has the congresswoman made on the loan modification?
Thanks.
Peter Viles

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Tuesday, June 17, 2008 8:57 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: RE: LA Times Blog: Richardson

I guess... reader comments are quite creative. :)

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Elias, Alan
Sent: Tuesday, June 17, 2008 5:56 PM
To: Gaugl, Sara C.
Subject: Re: LA Times Blog: Richardson

The media is very bored!

Adrian signed off. Now waiting for Kerry again...

----- Original Message -----
From: Gaugl, Sara C.
To: Elias, Alan; Thorn, Ann; Battaglia, Paul J.; Cook, Don; Owen, Jan L.
Sent: Tue Jun 17 17:52:24 2008
Subject: LA Times Blog: Richardson

This should be interesting....

http://latimesblogs.latimes.com/laland/2008/06/ask-the-congres.html

Ask the congresswoman: Your questions for U.S. Rep. Laura Richardson
I'm overdue for a session of "Ask the blogger," so here goes. Today, something completely different: Instead of your questions for me, I'd like to hear your questions for U.S. Rep. Laura Richardson, the triple-default Democrat from Long Beach.

I sent her office a list of questions in late May (you can see my questions by clicking at the bottom of this post) and haven't heard back, so I'm giving up and turning to you: submit your best (serious) questions for U.S. Rep. Laura Richardson. I'll sort through them and send them along to her congressional office. Fire away.

(Sent by e-mail on June 10 to Kimberly Parker, chief of staff to U.S. Rep. Laura Richardson)
Kimberly: I'm still interested in answers to the questions below, which I first submitted to the congresswoman's office on May 22:

Questions from Peter Viles at the Los Angeles Times:

What kind of mortgage did the congresswoman take on the Sacramento home? (Adjustable Rate Mortgage, Option ARM, 30-year-fixed, etc.)

What was the amount of the loan and the interest rate?
Who was the original lender?
Did she take out one loan or more than one loan?
Did she make a down payment? If so, how much?
A published report quotes the seller of the house saying that Ms. Richardson received $15,000 from the seller for closing costs. Is this accurate?

What were her monthly payments on the mortgage?
How many payments did she make on the mortgage?
When did she begin missing payments on the mortgage, and why?
When and how did she contact the lender to discuss a loan modification?
Did she contact the lender herself, or did a member of her staff contact the lender?
Documents indicate the amount she owed on the loan was eventually greater then the initial value of the loan itself. Can you explain why the amount she owed increased?

When did she and the lender agree to a loan modification? And what is the exact nature of the loan modification? What is the new interest rate, the new principal amount, and the new monthly payment?

How many payments has the congresswoman made on the loan modification?
Thanks.
Peter Viles

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Monday, June 16, 2008 1:07 PM
To: Strom, Erik E. <erik.strom@wamu.net>
Subject: RE:

I haven't, Erik. I believe the Congresswoman communicated to Ann late last week that she was getting all of her paperwork together this weekend and planned to follow-up with us early this week.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Strom, Erik E.
Sent: Monday, June 16, 2008 10:04 AM
To: Gaugl, Sara C.
Subject:

Have you heard if we have sent Ms. Richardson a note from Legal on what date she needs to act by...
Erik Strom

From:	Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent:	Monday, June 16, 2008 11:33 AM
To:	Gordon, Debbie <debbie.j.gordon@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc:	Riley, Olivia <olivia.riley@wamu.net>
Subject:	RE: AP - Buyer sues Calif. congresswoman over foreclosure

Thanks for forwarding, Debbie.

Geri Ann – I did not receive any additional inquiries over the weekend.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie
Sent: Monday, June 16, 2008 8:24 AM
To: Gaugl, Sara C.; Baptista, Geri Ann S.
Cc: Riley, Olivia
Subject: AP - Buyer sues Calif. congresswoman over foreclosure

Buyer sues Calif. congresswoman over foreclosure
By JULIET WILLIAMS
13 June 2008
21:43
Associated Press Newswires

SACRAMENTO (AP) - A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force **Washington Mutual** Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for $388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for $535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes **Washington Mutual**'s trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for **Washington Mutual**, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at $578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly $71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with **Washington Mutual** to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly $9,000 in delinquent property taxes.

In the notice of recission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have "significantly increased its value."

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it -- making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Friday, June 13, 2008 8:16 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: Media Request from CNN in LA

- While I'm unable to provide specifics in order to protect Congresswoman Richardson's privacy rights, I can tell you that WaMu is committed to giving all customers the same level of consideration and fairness in all circumstances.
- If a loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation. As you would expect, the conditions in which a lender would seek to rescind a foreclosure sale and any subsequent actions are driven by the specific facts of each case.
- In this instance, the foreclosure trustee has recorded a notice of rescission with the Sacramento County Recorder's office. That document is a matter of public record.
- The Notice of Rescission clearly indicates that the foreclosure sale was rescinded because it took place ahead of the agreed upon sale date of June 4, 2008.

I am unable to discuss specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Kishner, Gary
Sent: Friday, June 13, 2008 12:54 PM
To: Gordon, Debbie
Cc: Riley, Olivia; Gaugl, Sara C.
Subject: RE: Media Request from CNN in LA

Unless I hear otherwise, I will assume that you guys have this covered.

Gary Kishner, Vice President
National Public Relations, West Bureau
WaMu
9200 Oakdale Ave., Second Floor
Chatsworth, California 91311

Mail Stop: N110218

818.775.4234 *office*
818.775.4210 *fax*
818.618.[illegible] *mobile*
gary.kishner@wamu.net

"Don't let your ego get too close to your position, so that if your position gets shot down, your ego doesn't go with it." - Colin Powell

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie
Sent: Friday, June 13, 2008 12:38 PM
To: Gordon, Debbie; Kishner, Gary
Cc: Riley, Olivia
Subject: RE: Media Request from CNN in LA

It is about Congresswoman Laura Richardson. CNN heard that WaMu filed a letter of dissention on June 2 and wanted a comment on that.

Thanks,
Debbie Gordon
Public Relations
206.500.2835

From: Gordon, Debbie
Sent: Friday, June 13, 2008 12:27 PM
To: Kishner, Gary
Cc: Riley, Olivia
Subject: Media Request from CNN in LA
Importance: High

Reporter	Sara Wisefeld(sp?)
Publication	CNN in LA
Phone Number	323-646[illegible]cell
Media Request / Scope of the Story	Quick Q re: a story they are airing tonight at 5pm PST. No further info provided. I left her a vm asking for details on the story, but haven't heard back, yet.
Request Date	6/13/2008
Coverage Date	Not Known
Deadline	3pm PST today
Lead	G. Kishner

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103

Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Weisfeldt, Sara <[redacted]>
Sent: Friday, June 13, 2008 5:16 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Re: WaMu Comment

Thanks Sara :)

Sent from my blackberry

----- Original Message -----
From: Gaugl, Sara C. <sara.gaugl@wamu.net>
To: Weisfeldt, Sara
Sent: Fri Jun 13 17:14:53 2008
Subject: WaMu Comment

Hello, Sara.

It was good talking with you. Thank you for providing us with the opportunity to comment for your story.

As mentioned, I am unable to discuss specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan.

Best regards,

Sara

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228[redacted]bell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Friday, June 13, 2008 5:14:53 PM
To: sara.weisfeldt[redacted]
Subject: WaMu Comment

Hello, Sara.
It was good talking with you. Thank you for providing us with the opportunity to comment for your story.

As mentioned, I am unable to discuss specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan.

Best regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Friday, June 13, 2008 4:00 PM
To: Kishner, Gary <gary.kishner@wamu.net>; Gordon, Debbie <debbie.j.gordon@wamu.net>
Cc: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Media Request from CNN in LA

Thanks for forwarding, Gary. Yes, we'll handle.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Kishner, Gary
Sent: Friday, June 13, 2008 12:54 PM
To: Gordon, Debbie
Cc: Riley, Olivia; Gaugl, Sara C.
Subject: RE: Media Request from CNN in LA

Unless I hear otherwise, I will assume that you guys have this covered.

Gary Kishner, Vice President
National Public Relations, West Bureau
WaMu
9200 Oakdale Ave., Second Floor
Chatsworth, California 91311

Mail Stop: N110218

818.775.4234 *office*
818.775.4210 *fax*
818.618[illegible] *mobile*
gary.kishner@wamu.net

"Don't let your ego get too close to your position, so that if your position gets shot down, your ego doesn't go with it." - Colin Powell

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie
Sent: Friday, June 13, 2008 12:38 PM

To: Gordon, Debbie; Kishner, Gary
Cc: Riley, Olivia
Subject: RE: Media Request from CNN in LA

It is about Congresswoman Laura Richardson. CNN heard that WaMu filed a letter of dissention on June 2 and wanted a comment on that.

Thanks,
Debbie Gordon
Public Relations
206.500.2835

From: Gordon, Debbie
Sent: Friday, June 13, 2008 12:27 PM
To: Kishner, Gary
Cc: Riley, Olivia
Subject: Media Request from CNN in LA
Importance: High

Reporter	Sara Wisefeld(sp?)
Publication	CNN in LA
Phone Number	323-646-[illegible] cell
Media Request / Scope of the Story	Quick Q re: a story they are airing tonight at 5pm PST. No further info provided. I left her a vm asking for details on the story, but haven't heard back, yet.
Request Date	6/13/2008
Coverage Date	Not Known
Deadline	3pm PST today
Lead	G. Kishner

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 4:20:15 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press
http://www.dailybreeze.com/ci_9564107

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Wednesday, June 11, 2008 6:37:58 PM
To: Strom, Erik E.
CC: Baptista, Geri Ann S.
Subject: William Marshall's contact info

Hi, Erik.
As always, many thanks for your assistance. The gentleman who phoned from Ms. Richardson's office is William Marshall – his contact information follows below for your reference.

William Marshall, Communications Director for Congresswoman Laura Richardson
Office: 202-226
Cell: 202-641
Fax: 202-225
Email: William.marshall

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228 cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Wednesday, June 11, 2008 2:22 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Cc: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Media request from Washington Post

Maryann called asking for Sara indicating she is on deadline.

Maryann.aker[redacted]

Thanks,
Debbie Gordon
Public Relations
206.500.2835

From: Gordon, Debbie
Sent: Wednesday, June 11, 2008 10:45 AM
To: Gaugl, Sara C.
Cc: Baptista, Geri Ann S.
Subject: Media request from Washington Post
Importance: High

Reporter	Maryann Akers
Publication	Washington Post
Phone Number	703-469-[redacted]
Media Request / Scope of the Story	Oddly enough, Congresswoman Laura Richardson's office referred reporter to WaMu. Told that Sara Gaugl gave a comment, but she couldn't find it.
Request Date	6/11/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Tuesday, June 10, 2008 8:42:30 PM
To: jeff.gottlieb[redacted]
Subject: WaMu Information

Hello, Jeff.
Thank you for providing us with the opportunity to comment for your story.

In response to your questions, California Reconveyance Company is owned by WaMu.

As mentioned, I am unable to discuss specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan. But more broadly, if any loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation. As you would expect, the conditions in which a lender would seek to rescind a foreclosure sale and any subsequent actions are driven by the specific facts of each case.

Best regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted]tell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: lbreport.com <mail@lbreport.com>
Sent: Tuesday, June 10, 2008 3:57 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: One clarification...

...for accuracy, what entity is the foreclosure trustee that recorded the notice of rescission with the Sac'to County Recorder's office? (I'm sorry I don't have the document at hand and we'd like to use your statement exactly as you provided it, but with clarity for lay readers.) If the trustee is other than WaMu, is it accurate to say that WaMu remains the lender and the trustee is acting on WaMu's behalf? Thank you for this.

----- Original Message -----
From: "Gaugl, Sara C." <sara.gaugl@wamu.net>
To: "lbreport.com" <mail@lbreport.com>
Sent: Tuesday, June 10, 2008 9:39 AM
Subject: RE: Follow re further reported

Hello, Bill.
Thank you for providing us the opportunity to comment for your story. In response to your question, the foreclosure trustee has recorded a notice of rescission with the Sacramento County Recorder's office. That document is a matter of public record.

I'm unable to discuss the specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan. We are, however, committed to treating all of our customers with the same level of consideration and fairness.

More broadly, if any loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation.

As you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible]bell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments

without copying or disclosing the contents. Thank you.

-----Original Message-----
From: lbreport.com [mailto:mail@lbreport.com]
Sent: Tuesday, June 10, 2008 8:27 AM
To: Gaugl, Sara C.
Subject: Re: Follow re further reported

My competition has the story now. Here's their link, which they headlined
"WaMu giving Richardson a break?"

http://www.dailybreeze.com/ci_9536078

The story is also echoed in their co-owned Long Beach outlet the Press-Telegram and perhaps others in the Media News Group LA market chain...and it's probably being picked up all over the blogosphere.

I'm just trying to get this story, not wage a crusade. I'd like to confirm
if a notice to rescind was filed...If the notice to rescind isn't a publicly
filed document, I won't press for it. I don't want anything sub rosa, only
public info. I'd also welcome any response by WaMu to the favoritism charge
(since LongBeachReport.com is exclusively online we can post it at length.
FYI, we're in our eighth year of operation.)

Info would be very much appreciated as soon as you can send it.

s/ Bill Pearl, publisher
LBReport.com
mail@lbreport.com

----- Original Message -----
From: "Gaugl, Sara C." <sara.gaugl@wamu.net>
To: <mail@lbreport.com>
Sent: Tuesday, June 10, 2008 7:51 AM
Subject: Re: Follow re further reported

> Good morning, William. I am currently in a meeting but expect to be back
> at my desk in an hour or so.
>
> When is your deadline?
>
> Best regards,
>

> Sara
> ---
> Sent from my BlackBerry Wireless Handheld
>
>
> ----- Original Message -----
> From: lbreport.com <mail@lbreport.com>
> To: Gaugl, Sara C.
> Sent: Tue Jun 10 05:42:25 2008
> Subject: Follow re further reported
>
> This email is from LongBeachReport.com following up on a story
reported
> this morning (June 10) by the Torrance Daily Breeze/Long Beach
> Press-Telegram indicating that WaMu has filed a notice to rescind the
> auction sale of the Sacramento property purchased by
then-Assemblywoman,
> now Congresswoman Laura Richardson.
>
> Does WaMu have any statements/comments on the matter, including the
> contention reported in the story by the new buyer that WaMu's notice
to
> rescind the sale shows [paraphrase] favoritism toward Richardson?
>
> Please advise...and thank you.
>
> s/ William Pearl, publisher
> LongBeachReport.com
> mail@lbreport.com
> 562.421[redacted](pvt)
>

No virus found in this incoming message.
Checked by AVG.
Version: 7.5.524 / Virus Database: 270.1.0/1492 - Release Date: 6/9/2008

10:29 AM

--
No virus found in this incoming message.
Checked by AVG.
Version: 7.5.524 / Virus Database: 270.2.0/1494 - Release Date: 6/10/2008
7:22 AM

From: Gaugl, Sara C.
Sent: Tuesday, June 10, 2008 12:40 PM
To: lbreport.com <mail@lbreport.com>
Subject: RE: Follow re further reported

Hello, Bill.
Thank you for providing us the opportunity to comment for your story. In response to your question, the foreclosure trustee has recorded a notice of rescission with the Sacramento County Recorder's office. That document is a matter of public record.

I'm unable to discuss the specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan. We are, however, committed to treating all of our customers with the same level of consideration and fairness.

More broadly, if any loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation.

As you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: lbreport.com [mailto:mail@lbreport.com]
Sent: Tuesday, June 10, 2008 8:27 AM
To: Gaugl, Sara C.
Subject: Re: Follow re further reported

My competition has the story now. Here's their link, which they headlined "WaMu giving Richardson a break?"

http://www.dailybreeze.com/ci_9536078

The story is also echoed in their co-owned Long Beach outlet the Press-Telegram and perhaps others in the Media News Group L.A market chain...and it's probably being picked up all over the blogosphere.

I'm just trying to get this story, not wage a crusade. I'd like to confirm if a notice to rescind was filed...If the notice to rescind isn't a publicly filed document, I won't press for it. I don't want anything sub rosa, only public info. I'd also welcome any response by WaMu to the favoritism charge (since LongBeachReport.com is exclusively online we can post it at length. FYI, we're in our eighth year of operation.)

Info would be very much appreciated as soon as you can send it.

s/ Bill Pearl, publisher
LBReport.com
mail@lbreport.com

----- Original Message -----
From: "Gaugl, Sara C." <sara.gaugl@wamu.net>
To: <mail@lbreport.com>
Sent: Tuesday, June 10, 2008 7:51 AM
Subject: Re: Follow re further reported

> Good morning, William. I am currently in a meeting but expect to be back
> at my desk in an hour or so.
>
> When is your deadline?
>
> Best regards,
>
> Sara
> ---
> Sent from my BlackBerry Wireless Handheld
>
>
> ----- Original Message -----
> From: lbreport.com <mail@lbreport.com>
> To: Gaugl, Sara C.
> Sent: Tue Jun 10 05:42:25 2008
> Subject: Follow re further reported
>
> This email is from LongBeachReport.com following up on a story reported
> this morning (June 10) by the Torrance Daily Breeze/Long Beach
> Press-Telegram indicating that WaMu has filed a notice to rescind the
> auction sale of the Sacramento property purchased by then-Assemblywoman,
> now Congresswoman Laura Richardson.
>
> Does WaMu have any statements/comments on the matter, including the
> contention reported in the story by the new buyer that WaMu's notice to
> rescind the sale shows [paraphrase] favoritism toward Richardson?
>
> Please advise...and thank you.
>
> s/ William Pearl, publisher
> LongBeachReport.com
> mail@lbreport.com
> 562 42[illegible](pvt)
>

No virus found in this incoming message.
Checked by AVG.
Version: 7.5.524 / Virus Database: 270.1.0/1492 - Release Date: 6/9/2008
10:29 AM

From: Gaugl, Sara C.
Sent: Thursday, June 5, 2008 6:54 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: FW: Reporter from Daily Breeze

FYI, Alan. It appears that the reporter at the Daily Breeze is still working on his story, though I haven't received any follow-up questions since providing our initial response on Monday.

As an aside, we (legal, GIR, Loss Mit) have a touch-base call at 4 p.m. – I'll keep you informed of any new developments.

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Martin T. McGuinn [illegible]
Sent: Thursday, June 05, 2008 2:49 PM
To: Battaglia, Paul J.
Cc: Owen, Jan L.; Gaugl, Sara C.
Subject: Reporter from Daily Breeze

Paul:

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[illegible]
Direct Dial: (619) 525-[illegible]
Direct Fax: (619) 525-[illegible]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Gaugl, Sara C.
Sent: Monday, June 2, 2008 5:11 PM
To: Gene Maddaus <[redacted]>
Subject: WaMu Follow-Up

Gene,
Thank you for providing us the opportunity to comment for your story. In response to your questions, I'm unable to discuss the specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan. We are, however, committed to treating all of our customers with the same level of consideration and fairness.

More broadly, if any loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation.

As a matter of policy, we don't comment on litigation. But, as you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Friday, May 30, 2008 5:52 PM
To: 'gene.maddaus[redacted]
Subject: Re: follow-up

Thanks for your email, Gene. May I ask your deadline?

Regards,
Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Gene Maddaus [redacted]
To: Gaugl, Sara C.
Sent: Fri May 30 10:27:39 2008
Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?

2. If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

3. Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?

4. Has Ms. Richardson allowed WaMu to discuss her case publicly? (If yes, there will be some other questions.)

Gene

-----Original Message-----
From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Thursday, May 29, 2008 7:10 PM
To: Gene Maddaus
Subject: Re: follow-up

Good evening, Gene.

I am currently in a meeting and away from my office, but if you would please send me your specific questions, I can evaluate them and get back to you.

Best regards,

Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Gene Maddaus <[redacted]
To: Gaugl, Sara C.
Sent: Thu May 29 16:47:09 2008
Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus
Daily Breeze
310 54[redacted]

Subject: Updated: Richardson update
Location: 877-709[illegible] passcode[illegible]

Start: 5/30/2008 3:30 PM
End: 5/30/2008 4:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Battaglia, Paul J.; Woodcock, Wendy A.; GM QSM DTE; Baptista, Geri Ann S.; Oakley, Susan B.; Gaugl, Sara C.; Cook, Don; Thorn, Ann; Thorn, Ann
Resources: 877-709[illegible] passcode[illegible]

When: Friday, May 30, 2008 12:30 PM-1:30 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[illegible] passcode[illegible]

~~*~*~*~*~*~*~*~*

From: Gaugl, Sara C.
Sent: Thursday, May 29, 2008 10:10 PM
To: 'gene.maddaus[redacted]
Subject: Re: follow-up

Good evening, Gene.

I am currently in a meeting and away from my office, but if you would please send me your specific questions, I can evaluate them and get back to you.

Best regards,

Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Gene Maddaus <[redacted]
To: Gaugl, Sara C.
Sent: Thu May 29 16:47:09 2008
Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus
Daily Breeze
310 543[redacted]

From: Gene Maddaus <[redacted]>
Sent: Thursday, May 29, 2008 7:47 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus
Daily Breeze
310 543[redacted]

From: Gaugl, Sara C.
Sent: Wednesday, May 28, 2008 9:52:07 PM
To: wpearl[redacted]
Subject: WaMu Follow-Up

Hello, William.
I'm sorry I missed your call earlier this afternoon. I left a message for you a moment ago, but thought I'd follow up with you via email as well in case you're on deadline.

So you are aware, we have not received consent from Ms. Richardson that would allow us to discuss her loan situation.

Should you wish, you are more than welcome to attribute that statement to me.

Best regards,

Sara

Sara Gaugl
WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 9:10:18 PM
To: Wilson-Aguilar, Jason
Subject: Richardson Origination Update

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:
As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk
by Tanta
http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * * * * * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land and Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:
Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she

would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for $535,500, with no downpayment and with $15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was $365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been $3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been $3793.13.

The AP reports that Richardson's salary as a state representative was $113,000 in 2007, and she received $20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to $25,000. That gives me an annual income of $138,000 or a gross monthly income of $11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this to say about herself:
"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to $170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her $39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Saturday, May 24, 2008 9:21 AM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Additional Info Re: Richardson

Call me on my cell or home this weekend if you want. I can certainly look into below through public State records and Wamu records. We perhaps have these loans and if not, we can certainly review public records.

Let me know

cell: 414-418[illegible] or home 904-230[illegible]

From: Gaugl, Sara C.
Sent: Sat 05/24/2008 12:54 AM
To: Thorn, Ann
Subject: Additional Info Re: Richardson

Thought you would find this interesting. I spoke with Gene this evening - he was one of the reporters who broke the story earlier this week.

There are a few elements of the story I'd like to discuss/verify with you at some point.

Thanks again for all of your support, Ann.

Best,

Sara

Congresswoman Richardson had defaulted on 3 homes, records show
By Gene Maddaus, Staff Writer
05/23/2008

Rep. Laura Richardson, who lost her Sacramento home in a recent foreclosure auction, has also defaulted on two other properties in Long Beach and San Pedro, records show.

Richardson, D-Long Beach, was able to bring her payments up to date on the Long Beach home relatively quickly, but the San Pedro property lingered in the foreclosure process for almost eight months, and still has a pending auction date.

In her first interview since the news broke Tuesday that her Sacramento home had been foreclosed, Richardson blamed the foreclosure on a miscommunication by her lender. She did not apologize for failing to make payments on three separate homes and expressed no regret for failing to pay nearly $9,000 in property taxes.

In her only admission of fault, she said she could have acted more quickly to correct the situation.

"I should have moved forward in an earlier fashion," she said. "I acknowledge that. I intend never to conduct business in that fashion again."

Asked how she planned to reimburse the state for her unpaid property taxes, Richardson said, "I have financial obligations, and I will fulfill those financial obligations. There will be no debts to the state of California."

In an hour-and-a-half interview in the offices of the Long Beach Press-Telegram, Richardson declined to answer numerous detailed questions about her finances. For

example, she refused to discuss the mortgage terms on the Sacramento house, refused to say how many payments she had made, and refused to say when she learned that the mortgage was in default.

A notice of default was issued in December, but Richardson offered no evidence that she had taken any remedial action before April. By then, the auction had already been scheduled for one month.

The home, which Richardson bought in January 2007 for $535,000, sold at auction on May 7 to a real estate investor for $388,000. The lender, Washington Mutual Bank, took a loss of nearly $200,000 on the deal, and the buyer, James York, agreed to pay her property tax bill.

Richardson said that she was not aware the home had sold until she was contacted by reporters this week. She produced correspondence from Washington Mutual Home Loans, dated April 17, which indicated that her loan was reinstated and the auction would be put on hold until June 4.

She produced an e-mail, dated Thursday, indicating that she was trying to work with the lender to have the foreclosure rescinded.

A spokeswoman for Washington Mutual Bank, Sara Gaugl, declined to comment on the matter.

"We have not received consent from Ms. Richardson that would allow us to discuss her loan situation," Gaugl said.

County records indicate that the San Pedro home went into default in September 2007, at which point Richardson was behind on her payments by $12,410.71, and had made no payments since June.

A notice of trustee sale was issued on April 17, and an auction was scheduled for May 14 on the courthouse steps in Norwalk. The outstanding loan balance was $367,436, on an original 2005 loan of $359,000.

However, the auction was put on hold.

Richardson produced records from Wells Fargo Bank, which holds the note on her San Pedro home. That document, dated March 21, indicated that Richardson had qualified for a loan modification which would prevent the foreclosure from going forward.

Cal Western Reconveyance Corp., which was responsible for collecting the debt, confirmed that a hold had been placed on the auction, and the auction date had been postponed to July 14, pending a workout of the loan.

Again, Richardson produced no document to confirm that she took any remedial action on the San Pedro property before March.

The Long Beach home, which is Richardson's primary address, went into default on March 28.

Richardson had not made a payment on the house since November, and owed $19,921.74 on the property. Three days later, the default was rescinded, indicating that Richardson had arranged to make the payments.

While Richardson did not apologize for her actions, she did attempt to explain them.

In 2005, Richardson was a Long Beach councilwoman and a staffer for Lt. Gov. Cruz Bustamante. She was elected to the Assembly in 2006 and then to Congress in 2007, to fill a seat vacated by the death of Rep. Juanita Millender-McDonald.

Richardson loaned her Assembly campaign $100,000 in the summer of 2006, borrowing against the equity in her Long Beach home. After her election, she raised enough money to pay herself back, but immediately had to plow $77,500 in loans to her congressional campaign.

"I am not financially wealthy," she said. "I am not a millionaire. Based upon what I was going through, changing four jobs in less than one year, I think any American would understand what that does in terms of a person's financial stability."

As a member of Congress, Richardson makes $169,300 a year. As a member of the Assembly, she made about $116,000, plus a per diem for living expenses in Sacramento.

When it was pointed out that the average American makes far less than that, Richardson responded, "The average American is not responsible for maintaining several households."

Richardson said she did not make an effort to sell the Sacramento home, even after she was elected to Congress, and still hoped to rent it out.

Richardson attempted to link her situation to the plight of others facing foreclosure, and said the experience would help make her a better advocate on foreclosure issues.

"I think this is what many Americans are unfortunately facing right now," she said. "I am concerned that I can take what I have learned from this to help somebody else. Many people are one step away from issues that are life-changing moments. When a person moves across the country, that is a life-changing moment."

Richardson noted that unlike the state Legislature, the U.S. Congress does not provide for living expenses.

"On the federal level, there is no per diem," she said. "They don't pay for you to move."

Richardson is renting an apartment in the Washington, D.C., area. She declined to disclose or discuss her credit score.

She has begun to pay down her congressional campaign debt, and repaid herself $18,000 of the $77,500 in personal loans. She still owes $220,000 to her campaign consultant - which is unusual for a successful campaign - and about $330,000 overall.

Richardson said she would advise anyone in her circumstance "to seek assistance immediately" and to maintain contact with their lenders.

She said she ultimately hopes to testify about her situation in front of the Senate, and will write to the president to urge him to sign a package of foreclosure legislation.

"We need to put a better process in place, so a person's home is not being sold up underneath them," she said. "We have to improve the way we respond to this crisis."

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Saturday, May 24, 2008 1:54 AM
To: Thorn, Ann <ann.thorn@wamu.net>
Subject: Additional Info Re: Richardson

Thought you would find this interesting. I spoke with Gene this evening - he was one of the reporters who broke the story earlier this week.

There are a few elements of the story I'd like to discuss/verify with you at some point.

Thanks again for all of your support, Ann.

Best,

Sara

Congresswoman Richardson had defaulted on 3 homes, records show
By Gene Maddaus, Staff Writer
05/23/2008

Rep. Laura Richardson, who lost her Sacramento home in a recent foreclosure auction, has also defaulted on two other properties in Long Beach and San Pedro, records show.

Richardson, D-Long Beach, was able to bring her payments up to date on the Long Beach home relatively quickly, but the San Pedro property lingered in the foreclosure process for almost eight months, and still has a pending auction date.

In her first interview since the news broke Tuesday that her Sacramento home had been foreclosed, Richardson blamed the foreclosure on a miscommunication by her lender. She did not apologize for failing to make payments on three separate homes and expressed no regret for failing to pay nearly $9,000 in property taxes.

In her only admission of fault, she said she could have acted more quickly to correct the situation.

"I should have moved forward in an earlier fashion," she said. "I acknowledge that. I intend never to conduct business in that fashion again."

Asked how she planned to reimburse the state for her unpaid property taxes, Richardson said, "I have financial obligations, and I will fulfill those financial obligations. There will be no debts to the state of California."

In an hour-and-a-half interview in the offices of the Long Beach Press-Telegram, Richardson declined to answer numerous detailed questions about her finances. For example, she refused to discuss the mortgage terms on the Sacramento house, refused to say how many payments she had made, and refused to say when she learned that the mortgage was in default.

A notice of default was issued in December, but Richardson offered no evidence that she had taken any remedial action before April. By then, the auction had already been scheduled for one month.

The home, which Richardson bought in January 2007 for $535,000, sold at auction on May 7 to a real estate investor for $388,000. The lender, Washington Mutual Bank, took a loss of nearly $200,000 on the deal, and the buyer, James York, agreed to pay her property tax bill.

Richardson said that she was not aware the home had sold until she was contacted by

reporters this week. She produced correspondence from Washington Mutual Home Loans, dated April 17, which indicated that her loan was reinstated and the auction would be put on hold until June 4.

She produced an e-mail, dated Thursday, indicating that she was trying to work with the lender to have the foreclosure rescinded.

A spokeswoman for Washington Mutual Bank, Sara Gaugl, declined to comment on the matter.

"We have not received consent from Ms. Richardson that would allow us to discuss her loan situation," Gaugl said.

County records indicate that the San Pedro home went into default in September 2007, at which point Richardson was behind on her payments by $12,410.71, and had made no payments since June.

A notice of trustee sale was issued on April 17, and an auction was scheduled for May 14 on the courthouse steps in Norwalk. The outstanding loan balance was $367,436, on an original 2005 loan of $359,000.

However, the auction was put on hold.

Richardson produced records from Wells Fargo Bank, which holds the note on her San Pedro home. That document, dated March 21, indicated that Richardson had qualified for a loan modification which would prevent the foreclosure from going forward.

Cal Western Reconveyance Corp., which was responsible for collecting the debt, confirmed that a hold had been placed on the auction, and the auction date had been postponed to July 14, pending a workout of the loan.

Again, Richardson produced no document to confirm that she took any remedial action on the San Pedro property before March.

The Long Beach home, which is Richardson's primary address, went into default on March 28.

Richardson had not made a payment on the house since November, and owed $19,921.74 on the property. Three days later, the default was rescinded, indicating that Richardson had arranged to make the payments.

While Richardson did not apologize for her actions, she did attempt to explain them.

In 2005, Richardson was a Long Beach councilwoman and a staffer for Lt. Gov. Cruz Bustamante. She was elected to the Assembly in 2006 and then to Congress in 2007, to fill a seat vacated by the death of Rep. Juanita Millender-McDonald.

Richardson loaned her Assembly campaign $100,000 in the summer of 2006, borrowing against the equity in her Long Beach home. After her election, she raised enough money to pay herself back, but immediately had to plow $77,500 in loans to her congressional campaign.

"I am not financially wealthy," she said. "I am not a millionaire. Based upon what I was going through, changing four jobs in less than one year, I think any American would understand what that does in terms of a person's financial stability."

As a member of Congress, Richardson makes $169,300 a year. As a member of the Assembly, she made about $116,000, plus a per diem for living expenses in Sacramento.

When it was pointed out that the average American makes far less than that, Richardson responded, "The average American is not responsible for maintaining several households."

Richardson said she did not make an effort to sell the Sacramento home, even after she was elected to Congress, and still hoped to rent it out.

Richardson attempted to link her situation to the plight of others facing foreclosure, and said the experience would help make her a better advocate on foreclosure issues.

"I think this is what many Americans are unfortunately facing right now," she said. "I am concerned that I can take what I have learned from this to help somebody else. Many people are one step away from issues that are life-changing moments. When a person moves across the country, that is a life-changing moment."

Richardson noted that unlike the state Legislature, the U.S. Congress does not provide for living expenses.

"On the federal level, there is no per diem," she said. "They don't pay for you to move."

Richardson is renting an apartment in the Washington, D.C., area. She declined to disclose or discuss her credit score.

She has begun to pay down her congressional campaign debt, and repaid herself $18,000 of the $77,500 in personal loans. She still owes $220,000 to her campaign consultant - which is unusual for a successful campaign - and about $330,000 overall.

Richardson said she would advise anyone in her circumstance "to seek assistance immediately" and to maintain contact with their lenders.

She said she ultimately hopes to testify about her situation in front of the Senate, and will write to the president to urge him to sign a package of foreclosure legislation.

"We need to put a better process in place, so a person's home is not being sold up underneath them," she said. "We have to improve the way we respond to this crisis."

From: Verdin, Tom [redacted]
Sent: Friday, May 23, 2008 11:20 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Final version

Sara, here's the final AP story based on our interview with Laura Richardson. Let me know if WaMU wants to comment further. Regards,

Tom

¶ ca cabas nv nvbas nat wdc ami caol
¶ BC-CA--Congresswoman's House, 3rd Ld-Writethru
¶ AP Interview: Calif. congresswoman says home sale 'improper'
¶ AP Interview: Calif. congresswoman claims sale of her Sacramento house shouldn't have happened
¶ Eds: ADDS comments, details.
¶ ewfodtfotav1
¶ By ERICA WERNER
¶ Associated Press Writer
¶ 05-23-2008 19:55
¶ WASHINGTON (AP) _ Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

¶ She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

¶ In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

¶ Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

¶ She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

¶ Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly $9,000 in delinquent property taxes.

¶ She insisted she's not getting special terms because she's a congresswoman.
¶ "I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

¶ Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1½-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

¶ The problem is that the 1,600-square-foot home she bought for $535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid $388,000. The sale was officially recorded on Monday, according to documents on file with the **Sacramento** County Recorder's Office.

¶ A default notice sent to Richardson in March put her unpaid balance at $578,384.
¶ Richardson, **46,** makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

¶ Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around $50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

¶ **Others also don't have to depend on winning an election to ensure their livelihood, she said.**
¶ Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

¶ She said she got another letter asking for payments May 2 and paid them, but did not know the sale was going to happen five days later.

¶ Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the recission of foreclosure sale."

¶ **She did not provide documentation of the structure of her new loan.**
¶ A Washington Mutual spokeswoman, Sara Gaugl, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

¶ Washington Mutual did not respond to a later inquiry seeking comment on Richardson's claims.
¶ Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt.
¶ James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

¶ "I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. It was in cleaner and in better repair than most foreclosures."

¶ The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

¶ **Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.**

¶ **Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate.**

¶ **In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.**

¶ **Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.**

¶ **"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.**
¶ **Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than $75,000 of her own money on her campaign _ suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.**

¶ **Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making $50,000 or less are struggling to pay their debts.**

¶ **"Truthfully, it's appalling," Sloan said.**
¶

Tom Verdin

Correspondent

Sacramento bureau
916-448-[illegible]

The information contained in this communication is intended for the use of the designated recipients named above. If the reader of this communication is not the intended recipient, you are hereby notified that you have received this communication in error, and that any review, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify The Associated Press immediately by telephone at +1-212-621-1898 and delete this email. Thank you.
[IP_US_DISC]
msk dccc60c6d2c3a6438f0cf467d9a4938

From: Verdin, Tom [redacted]
Sent: Friday, May 23, 2008 10:02 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Laura Richardson

Sara, here's our first take on the Laura Richardson story tonight. Subsequent versions will have greater detail. Please let me know if WaMu wants to issue an updated statement.

Tom

¶ BC-CA--Congresswoman's House
¶ URGENT
¶ AP Interview: Calif. congresswoman says home sale 'improper'
¶ AP Interview: Calif. congresswoman claims sale of her Sacramento house shouldn't have happened
¶ Eds: APNewsNow. Will be led.
¶ ewfodtfotav1
¶ By ERICA WERNER
¶ Associated Press Writer
¶ 05-23-2008 18:36
¶ WASHINGTON (AP) _ California Congresswoman Laura Richardson claims the foreclosure auction of her Sacramento house was improper and contrary to a written agreement she had with her lender.

¶ In a lengthy interview with The Associated Press on Friday, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage. Her house was sold at auction earlier this month.

¶ Richardson said that sale never should have happened and that she has renegotiated her loan to pay it off.
¶ She insisted that she is not getting special terms because she's a congresswoman.
¶ In fact, Richardson said the experience has allowed her to relate to the thousands of other Americans _ including many in her Los Angeles-area district _ confronted with foreclosures. She even wants to testify before Congress about it.

¶

From: Verdin, Tom
Sent: Friday, May 23, 2008 6:27 PM
To: sara.gaugl@wamu.net
Subject: Laura Richardson

Sara, thank you for calling us back earlier this evening.

As it happens, our reporter in Washington who covers California's congressional delegation was on the phone with Laura Richardson while you and I were talking. In brief, Richardson is blaming WaMu. She claims she did not know her Sacramento house was being sold at auction and says WaMu told her no action would be taken on it until sometime next month.

She also claims to have documentation to support this claim but has yet to provide it to us.

We'll be moving a story based on Richardson's comments shortly.

Because AP did not have her statement when we spoke previously, I wanted to give WaMu an opportunity to respond.

We'll be sending our story in takes (individual bites will move before the final writethru), and I can send you those so you can see exactly what Richardson claims.

Regards,

Tom

Tom Verdin

Correspondent

Sacramento bureau
916-448-

<< OLE Object: Picture (Metafile) >>

The information contained in this communication is intended for the use of the designated recipients named above. If the reader of this communication is not the intended recipient, you are hereby notified that you have received this communication in error, and that any review, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify The Associated Press immediately by telephone at +1-212-621-1898 and delete this email. Thank you.
[IP_US_DISC]
msk dccc60c6d2c3a6438f0cf467d9a4938

From: Verdin, Tom <[redacted]>
Sent: Friday, May 23, 2008 9:27 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Laura Richardson

Sara, thank you for calling us back earlier this evening.

As it happens, our reporter in Washington who covers California's congressional delegation was on the phone with Laura Richardson while you and I were talking. In brief, Richardson is blaming WaMu. She claims she did not know her Sacramento house was being sold at auction and says WaMu told her no action would be taken on it until sometime next month.

She also claims to have documentation to support this claim but has yet to provide it to us.

We'll be moving a story based on Richardson's comments shortly.

Because AP did not have her statement when we spoke previously, I wanted to give WaMu an opportunity to respond.

We'll be sending our story in takes (individual bites will move before the final writethru), and I can send you those so you can see exactly what Richardson claims.

Regards,

Tom

Tom Verdin

Correspondent

Sacramento bureau
916.448.[redacted]

Associated Press

The information contained in this communication is intended for the use of the designated recipients named above. If the reader of this communication is not the intended recipient, you are hereby notified that you have received this communication in error, and that any review, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify The Associated Press immediately by telephone at +1-212-621-1898 and delete this email. Thank you.
[IP_US_DISC]
msk dccc60c6d2c3a6438f0cf467c9a4938

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 8:31 PM
To: Gene Maddaus <[redacted]>
Subject: RE: Laura Richardson

Gene:
Thank you for your call. As mentioned, please feel free to attribute the following statement to me.

We have not received consent from Ms. Richardson that would allow us to discuss her loan situation.

Regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gene Maddaus [redacted]
Sent: Fri 05/23/2008 4:53 PM
To: Gaugl, Sara C.
Subject: Laura Richardson

Please call asap re the congresswoman.

Gene Maddaus
Daily Breeze
310 543[redacted]

From: Gene Maddaus <[redacted]>
Sent: Friday, May 23, 2008 7:53 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Laura Richardson

Please call asap re the congresswoman.

Gene Maddaus
Daily Breeze
310 543[redacted]

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 5:59 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: RE: Your advice re: Richardson

Alan, Adrian and Libby are out. I'll call Lynn to see if Adrian is available via cell.

REDACTED I also can include Geri Ann. We discussed this issue earlier today as well on an earlier call - were just waiting to see if she made additional comments.

Conference call number is below for your reference.

(866) 723-[redacted]

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Elias, Alan
Sent: Friday, May 23, 2008 2:52 PM
To: Gaugl, Sara C.
Subject: Re: Your advice re: Richardson

REDACTED

Thanks

----- Original Message -----
From: Gaugl, Sara C.
To: Elias, Alan
Cc: Cook, Don
Sent: Fri May 23 14:48:32 2008
Subject: FW: Your advice re: Richardson

http://cbs5.com/business/congresswoman.home.default,2,730339.html

"We finally [saw] a notice on the front door about two and a half months ago," Burgos said. "It was a bank repossession notice."

FYI.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 2:31 PM
To: Elias, Alan
Cc: Cook, Don
Subject: Your advice re: Richardson

Hi, Alan.
I would appreciate your advice/perspective.

At this point, Ms. Richardson has not signed any of the consent forms we have provided to her (including the media consent form).

I haven't seen any additional public statements made by her, however according to a reporter, she's now claiming that WaMu did not properly notify her that she was in default. This, of course, is not accurate.

Since she's decided to take more of an "accusatory" tone toward WaMu, I feel now may be the time to enter into the fray and begin communicating to reporters that we have not been authorized by Ms. Richardson to discuss her loan situation, and direct them to the public record if further pressed.

The alternative is to continue to keep a low profile and essentially not comment at all, as coverage and public sentiment continues to center around (1) the facts of her default and foreclosure, and (2) the inconsistencies in her statements and the public record.

Thoughts?

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Battaglia, Paul J.
Sent: Friday, May 23, 2008 1:57 PM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.

Subject: RE: Media Update: Claim from Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Cook, Don
Sent: Friday, May 23, 2008 1:13 PM
To: Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

-----Original Message-----
From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 1:09 PM
To: Owen, Jan L.; Baptista, Geri Ann S.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: Media Update: Claim from Richardson

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228.[illegible] cell | sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, May 22, 2008 5:53 PM
To: Richardson, Laura <imaca[redacted]>
Cc: Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Communications regarding Richardson Loan

Congresswoman Richardson, I will take this opportunity to introduce Sara Gaugl as your contact from our Communication Department. Her email contact is above.

Thank you

Ann

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Richardson, Laura [redacted]
Sent: Thursday, May 22, 2008 4:20 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.
Subject: Communications regarding Richardson Loan
Importance: High

Ann/Wendy,

Could you please forward ASAP your communications contact? Channel 9 and 2 (CBS) has shown up to film at the district office and we have received numerous calls from other affiliates; therefore a response is required.

Sincerely,

Laura Richardson

From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Thursday, May 22, 2008 5:51 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Cc: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: Media Request from Daily Breeze

Reporter	Gene Maddaus, [redacted]
Publication	Daily Breeze newspaper
Phone Number	310-543-[redacted]
Media Request / Scope of the Story	Laurie Richardson default - wants details and statement.
Request Date	5/22/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Thursday, May 22, 2008 3:51 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Media Request from Capital Weekly

Reporter	John Howard
Publication	CapitalWeekly.net / Capital Weekly Newspaper
Phone Number	916-444[redacted]
Media Request / Scope of the Story	Laurie Richardson foreclosure - has Qs about CA Reconveance Company, etc.
Request Date	5/22/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Congresswoman Richardson Update
Location: 877-709[illegible]passcode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.; Cook, Don; Baptista, Geri Ann S.; GM QSM DTE; Kallner, Brad
Resources: 877-709[illegible]passcode

When: Thursday, May 22, 2008 11:00 AM-12:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[illegible]passcode

~~*~*~*~*~*~*~*~*

From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Wednesday, May 21, 2008 6:49 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Cc: Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Hutchinson, Libby G. <libby.hutchinson@wamu.net>
Subject: Media request from AP

Reporter	Samantha Young - speak to anyone if she is not there
Publication	AP
Phone Number	916-448
Media Request / Scope of the Story	Loan that went into default taken out thru WaMu then referred to the CA Reconveance Company (a subsidiary of WaMu who referred all calls to Corporate). Re: congresswoman Laurie Richardson at 3622 West Curtis Drive, Sacramento, CA. Has documents, wants to confirm what they are looking at. All in the bureau are working on it.
Request Date	5/21/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Wednesday, May 28, 2008 12:43 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: Washington Mutual/Laura Richardson
Attach: 001 MTM to Parkinson re rescission dtd 5-28-08.pdf

FYI- we will need too talk about this and the recent press when you get a chance. Thanks, J

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Martin T. McGuinn [redacted]
Sent: Wednesday, May 28, 2008 9:34 AM
To: Battaglia, Paul J.
Cc: Owen, Jan L.
Subject: FW: Washington Mutual/Laura Richardson

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[redacted]
Direct Dial: (619) 525-[redacted]
Direct Fax: (619) 525-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Beth Ward
Sent: Wednesday, May 28, 2008 9:09 AM
To: donna[redacted]
Subject: Washington Mutual/Laura Richardson

Good morning, Ms. Parkinson. Attached is Mr. McGuinn's letter of today's date regarding the above matter.

Beth Ward
Paralegal to Martin T. McGuinn

& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398
Direct Fax: (619) 398

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.
This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

KIRBY & McGUINN
A PROFESSIONAL CORPORATION

Leonard Ackerman
Dean T. Kirby, Jr.
Jana Logan
Kenneth G. Noorigian
Cheryl Edwards Tannenberg

600 B Street, Suite 1950
San Diego, CA 92101
(619) 685-4000

Martin T. McGuinn
Voice: 619.525
Fax: 619.525
E-Mail: mmcguinn

May 28, 2008

VIA EMAILONLY donna@parkinsonphinney.com
Donna Parkinson, Esq.
Parkinson & Phinney LLC
400 Capitol Mall, 11th Fl.
Sacramento, CA 95814

Re:	*Your Clients:*	*James York and Red Rocks Mortgage Inc. (collectively, "Red Rocks")*
	Our Clients:	*Washington Mutual Bank ("WaMu") and California Reconveyance Company ("CRC")*
	Real Property:	*3622 W. Curtis Drive, Sacramento, CA (the "Property")*
	Borrower:	*Laura Richardson*
	Our File No.:	*WAS002-93*

Dear Ms. Parkinson:

This letter is being sent to you pursuant to California Code of Procedure section 1152 and Federal Rules of Evidence, rule 408. The contents of this letter may not be used in any pleading or constitute an admission of liability on the part of our client. The facts as we understand them to be are that Red Rocks was the high bidder at a foreclosure conducted by CRC on May 7, 2008. That foreclosure sale occurred despite an agreement between WaMu and Ms. Richardson to postpone the foreclosure sale to June 4, 2008. That postponement agreement was confirmed in writing by letter dated April 17, 2008, a copy of which is attached hereto.

As you know, California law permits a trustee to rescind a foreclosure sale where the borrower and the lender had an agreement to postpone the sale. California Civil Code section 1058.5(b) permits a trustee with the consent of either the beneficiary or the successful bidder to rescind a foreclosure sale due to the filing of a bankruptcy by the owner or otherwise.

The extent of a trustee's right to rescind a foreclosure sale has been the subject of litigation in several courts of appeal. *Residential Capital LLC v. Cal Western Reconveyance Corp.* (2003) 108 Cal.App.4th 807, 822 held: "The right of the trustor to postpone the foreclosure sale by agreement with the beneficiary is as important to the protection of the trustor's property from wrongful foreclosure as are the notice requirements." The Residential Capital court enunciated two important

principles: First, it reaffirmed the holding in *Little v. CFS Servicing Corp.* (1987) 188 Cal.App.3rd 1354 that the only recovery permitted to a third party bidder is the return of its capital paid at the sale, plus interest; and second, it held that the failure to postpone the sale at the request of the borrower when there was an agreement to do so was a substantial irregularity to a foreclosure sale permitting the trustee to rescind.

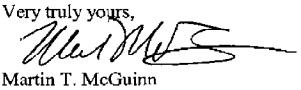
Although the TDUS was not delivered to the bidder prior to rescission in the Residential Capital case, later case law supported the beneficiary's and the trustee's right to rescind after the TDUS had been delivered and recorded. In *Bank of America v La Jolla Group II* (2005) 129 Cal.App.4th 706, 712 the court held: "But La Jolla has not relied on this presumption and, if it had, we would have concluded that the presumption was rebutted by the fact that the trustor and beneficiary entered into an agreement to cure the default and reinstate the loan before the foreclosure sale. In sum, the foreclosure sale was invalid." In *Bank of America*, the bidder contended that once the trustee's deed upon sale has been delivered with all the recitals of statutory compliance and the recital of authority under the power of sale "the deed cannot be 'void' as a matter of law." The court rejected that argument by noting: "We know of no authority for this proposition."

It is clear in this case that, based on the written agreement to postpone, WaMu has the right to rescind the sale. When the sale is rescinded, in addition to return of the funds paid at the sale ($388,000.01), Red Rocks is entitled to interest on the sales proceeds, plus reimbursement of any funds expended on the Property since the sale. Reasonable interest in this case totals approximately $2,500. As well, prior to your being retained by Red Rocks, Mr. York told me that he has expended approximately $10,000-15,000 in repairs to the Property.

In an effort to resolve this matter amicably, WaMu is willing to offer Red Rocks a small premium on its investment and pay a total of $25,000 to Red Rocks in exchange for a release of all right, title and interest that Red Rocks has in the Property. That amounts to an approximate $10,000 return on a one-month investment—a return that is not legally mandated. The payment is conditioned upon the parties executing a settlement agreement releasing each other from any liability or claims arising out of or relating to the May 7, 2008 foreclosure sale, including a Civil Code section 1542 waiver, and Red Rocks will provide a W-4 to WaMu to allow it to issue the check. We are prepared to immediately document the settlement. Please advise if this offer is acceptable to Red Rocks.

Thank you in advance for your continuing professional courtesy and cooperation in this matter. Should you have any questions, or wish to discuss the case further, please do not hesitate to contact the undersigned.

Very truly yours,



Martin T. McGuinn

cc: Paul Battaglia *(via email)*
Jan Owen *(via email*

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [redacted]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732[redacted]

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

From: RichardsonMC, Laura <[redacted]>
Sent: Friday, May 23, 2008 11:34 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>
Cc: RichardsonMC, Laura <[redacted]>; Hernandez, Rosa (Rep. Richardson) <[redacted]>
Subject: RE: WaMu Consent Form Attached

Sara,
Thank you for your response. At this point I think the communication with the media has been adequate. We covered print, ap and television outlets today. I provided the letter of April 17th and my consent to release that letter which addresses the questions we received. If any further information is needed I will contact you. If I can be of assistance or clarify any questions feel free to contact me on my cell phone @ 562-706[redacted]

Sincerely,
Laura Richardson

From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Thursday, May 22, 2008 6:18 PM
To: RichardsonMC, Laura
Subject: WaMu Consent Form Attached

Congresswoman Richardson:
We appreciate your concern over media attention surrounding your loan situation. Please be aware that WaMu does not disclose our customers' personal financial information without written authorization from the customer.

If we are asked by the media to verify or discuss aspects of your loan situation outside of what is available in public records, we require your written consent to do so. Attached is our standard media consent form for your signature, which can be faxed to 206-377[redacted]

Thank you,
Sara Gaugl

<<Consent Form.doc>>

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 5:31 PM
To: Elias, Alan <alan.elias@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: Your advice re: Richardson

Hi, Alan.
I would appreciate your advice/perspective.

At this point, Ms. Richardson has not signed any of the consent forms we have provided to her (including the media consent form).

I haven't seen any additional public statements made by her, however according to a reporter, she's now claiming that WaMu did not properly notify her that she was in default. This, of course, is not accurate.

Since she's decided to take more of an "accusatory" tone toward WaMu, I feel now may be the time to enter into the fray and begin communicating to reporters that we have not been authorized by Ms. Richardson to discuss her loan situation, and direct them to the public record if further pressed.

The alternative is to continue to keep a low profile and essentially not comment at all, as coverage and public sentiment continues to center around (1) the facts of her default and foreclosure, and (2) the inconsistencies in her statements and the public record.

Thoughts?

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible]ell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Battaglia, Paul J.
Sent: Friday, May 23, 2008 1:57 PM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

-----Original Message-----
From: Cook, Don
Sent: Friday, May 23, 2008 1:13 PM
To: Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

-----Original Message-----
From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 1:09 PM
To: Owen, Jan L.; Baptista, Geri Ann S.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: Media Update: Claim from Richardson

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228[redacted]cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 8:17:01 PM
To: Baptista, Geri Ann S.
Subject: FW: Richardson [redacted]

Attachments: Document.pdf

As we're discussing.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] cellba
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 5:14 PM
To: Gaugl, Sara C.
Subject: FW: Richardson [redacted]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Wednesday, May 21, 2008 5:00 PM
To: Battaglia, Paul J.
Subject: RE: Richardson [redacted])

REDACTED

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 4:37 PM
To: Chiu, Huey-Jen
Subject: Richardson [redacted]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 110612
Chatsworth, CA 91311
800 892-6902
(818)775-2258 (Fax)

The following copy of the original of which was filed for record on 12/14/2007 in the office of the County Recorder of the County set forth below is sent to you in as much as an examination of the title of the trust property shows you may have an interest in the Trustee's Sale Proceedings.

CALIFORNIA RECONVEYANCE COMPANY, Trustee

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [redacted] Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is $18,356.40 as of 12/13/2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the above paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. 723397CA Loan No. [redacted] tle Order No. M721884

To find out the amount you must pay, to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY JACKSONVILLE FL 32256 (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: [redacted] Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 Including the note(s) for the sum of $535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: 12/13/2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

_____

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 12/28/2007 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806	$ 0.41
Number of pieces: 3		$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X _____
(Declarant)

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth, CA 91311. I am over the age of eighteen years; On 12/28/2007 by Certified mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0290 6970		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818			
7179 2993 5780 0290 6987		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818			
7179 2993 5780 0290 6994		$ 0.41	$ 2.65	
Certified	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806			
Number of pieces: 3		$ 1.23	$ 7.95	

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X [signature]
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.: [redacted]

I, LINDA YELNICKER

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 01/10/2008 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON STREET LONG BEACH, CA 90806	$ 0.41
Number of pieces: 3		$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X _____
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.:

I, LINDA YELNICKER

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business addresss is 9200 Oakdale Avenue N 110612 Chatsworth, CA 91311. I am over the age of eighteen years; On 01/10/2008 by Certified mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, addresss to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0302 7742 Certified	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818	$ 0.41	$ 2.65	
7179 2993 5780 0302 7759 Certified	LAURA RICHARDSON 3622 W CURTIS DRIVE SACRAMENTO, CA 95818	$ 0.41	$ 2.65	
7179 2993 5780 0302 7766 Certified	LAURA RICHARDSON 717 E VERNON STREET LONG BEACH, CA 90806	$ 0.41	$ 2.65	
Number of pieces: 3		$ 1.23	$ 7.95	

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X
(Declarant)

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 7:06 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc: Hutchinson, Libby G. <libby.hutchinson@wamu.net>; Cook, Don <don.cook@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: FW: Media request from AP

Thanks for forwarding, Debbie. I'm currently on the phone with servicing and our attorneys with regard to this situation.

Geri Ann, if you'd like to join the call, here's the conference call number. We're just starting now.
(866) 723[illegible]

Jan, FYI below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.[illegible] 206.228[illegible]
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gordon, Debbie
Sent: Wednesday, May 21, 2008 3:49 PM
To: Gaugl, Sara C.
Cc: Baptista, Geri Ann S.; Hutchinson, Libby G.
Subject: Media request from AP
Importance: High

Reporter	Samantha Young - speak to anyone if she is not there
Publication	AP
Phone Number	916-448[illegible]
Media Request / Scope of the Story	Loan that went into default taken out thru WaMu then referred to the CA Reconveance Company (a subsidiary of WaMu who referred all calls to Corporate). Re: congresswoman Laurie Richardson at 3622 West Curtis Drive, Sacramento, CA. Has documents, wants to confirm what they are looking at. All in the bureau are working on it.
Request Date	5/21/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations

Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103

Seattle, WA 98101

206.500[illegible]direct, 206.37[illegible]
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 5:00 PM
To: O'Hanlon, Kellie M. <kellie.ohanlon@wamu.net>
Cc: Friedberg, Patricia E. <patricia.friedberg@wamu.net>
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

Thanks, Kellie.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: O'Hanlon, Kellie M.
Sent: Wednesday, May 21, 2008 1:58 PM
To: Gaugl, Sara C.
Cc: Friedberg, Patricia E.
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Sara,
The property went to auction on 05/07 and proceeds from the auction have been received by Washington Mutual.

-----Original Message-----
From: Friedberg, Patricia E.
Sent: Wednesday, May 21, 2008 1:28 PM
To: O'Hanlon, Kellie M.
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Please review and respond

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:26 AM
To: Woodcock, Wendy A.; Friedberg, Patricia E.
Cc: Owen, Jan L.
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Wendy and Pat -
Forwarding to you as well I received Brad's out of office.

Thanks for the help.

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | [redacted]cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -
Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is[redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----
From: Kevin Could [redacted]
To: FSIR Meeting Group [redacted]
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 4:54 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

I'm still on the call.... will follow-up with you as soon as I can.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 11:47 AM
To: Baptista, Geri Ann S.
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

Hi, Geri Ann.
FYI, below As discussed - on the phone with Loss Mit now.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:26 AM
To: Woodcock, Wendy A.; Friedberg, Patricia E.
Cc: Owen, Jan L.
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Wendy and Pat -
Forwarding to you as well I received Brad's out of office.

Thanks for the help.

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I [redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -
Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I [redacted]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison

Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute

----- Original Message -----
From: Kevin Gould <KGould@CalBankers.com>
To: FSIR Meeting Group <FSIRMeetingGroup@CalBankers.com>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000.

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 4:24:32 PM
To: Gomez, Ramon
CC: Potolsky, Doug
Subject: RE: Did you see this? It was apparently, a "WaMu Loan".

I did, however thanks for forwarding, Ramon.

I'm actually on the phone discussing now...

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.[illegible] | 206.228.[illegible]
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gomez, Ramon
Sent: Wednesday, May 21, 2008 1:12 PM
To: Gaugl, Sara C.
Cc: Potolsky, Doug
Subject: Did you see this? It was apparently, a "WaMu Loan".

http://latimesblogs.latimes.com/laland/

Report: California Congresswoman walked away from $578K mortgage

Capitol Weekly reports that newly elected California Congresswoman Laura Richardson walked away from the mortgage on her $535,000 Sacramento home, letting the house slip into foreclosure and disrepair less than two years after she bought it with no money down.

"While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees," the publication reports.

Richardson, a Democrat from Long Beach, declined to comment for the Capitol Weekly story, and her office did not immediately respond to a request for comment from LA Land.

Capitol Weekly, citing tax records at the Sacramento County assessor's office, reports "... in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn. A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage."

In addition to 100% financing on the home itself, the report quotes the woman who sold the house to Richardson as saying she also gave Richardson $15,000 toward closing costs.

The weekly also reports Richardson's residence quickly became an eyesore, angering neighbors. The report says she recused herself on two key house votes on government efforts to address the foreclosure crisis.

Ramon Gomez
WaMu -- Capital Markets
623 Fifth Avenue, 18th Floor
New York, NY 10022
Telephone: 212.702.[illegible]
Cell phone: 973.768.[illegible]
email: r.gomez@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 4:14 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 12:34 PM
To: Cook, Don
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -
Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at

auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is[redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----
From: Kevin Gould <KGould@CalBankers.com>
To: FSIR Meeting Group <FSIRMeetingGroup@CalBankers.com>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $335,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000.

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin

repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 4:08:49 PM
To: Alvarez, Rosalva R.
Subject: RE: (866) 723[illegible]PC[illegible]

Hi, Rosie.
Thanks for joining on such short notice. We have a media/loan issue concerning Congresswoman Laura Richardson.
Her loan number [illegible]

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 1:07 PM
To: Alvarez, Rosalva R.; Owen, Jan L.; Cook, Don; Woodcock, Wendy A.
Subject: (866) 723-5524 PC[illegible]
Importance: High

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 3:34 PM
To: Cook, Don <don.cook@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -
Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----
From: Kevin Gould <KGould@CalBankers.com>
To: FSIR Meeting Group <FSIRMeetingGroup@CalBankers.com>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 2:58 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: RE: Request for an interview from theStreet.com

Will do. I'm currently on the phone with loss mitigation re: Congresswoman Richardson….. will fill you in. ugh.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.[illegible] I 206.228.[illegible]
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Elias, Alan
Sent: Wednesday, May 21, 2008 11:48 AM
To: Gaugl, Sara C.
Subject: RE: Request for an interview from theStreet.com

Please give Mike a call to discuss. I understand the hesitation, and it might be that we decline to participate – especially given the recent spate of stories about cuts in credit lines -- but we do continue to offer a HELOC product and should likely make sure the public (and the media) understands that.

My 2 cents worth, anyway…

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 11:39 AM
To: Elias, Alan
Subject: FW: Request for an interview from theStreet.com

Thoughts? I'm not sure this is a topic we want to be too proactive on right now, but let me know what you think. I've got a call out to Peter to better understand his story.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.[illegible] I 206.228.[illegible]
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Peter McDougall [mailto:mcdougallpeter[illegible]]
Sent: Wednesday, May 21, 2008 10:09 AM

To: GM Newsroom
Subject: Request for an interview

Hi,

I am a beat reporter with TheStreet.com. I was hoping that I could speak to someone at Washington Mutual about home equity loans. In particular I wanted to ask someone about the continued availability of home equity loans to consumers with good credit and stable home prices, in light of the recent reduction in home equity credit offered by Washington Mutual.

UNfortunately I am on a tight deadline, and was hoping to speak to someone this afternoon.

Thank you so much for any assistance you could provide.

Peter McDougall
207-449-

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 2:47 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

Hi, Geri Ann.
FYI, below As discussed - on the phone with Loss Mit now.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:26 AM
To: Woodcock, Wendy A.; Friedberg, Patricia E.
Cc: Owen, Jan L.
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Wendy and Pat -
Forwarding to you as well I received Brad's out of office.

Thanks for the help.

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM

To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -
Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is[redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----
From: Kevin Gould <[redacted]>
To: FSIR Meeting Group <[redacted]>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 1:26 PM
To: Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Friedberg, Patricia E. <patricia.friedberg@wamu.net>
Cc: Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

Wendy and Pat -
Forwarding to you as well I received Brad's out of office.

Thanks for the help.

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -
Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----
From: Kevin Gould <KGould@CalBankers.com>
To: FSIR Meeting Group <FSIRMeetingGroup@CalBankers.com>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 12:51 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: FW: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Hi, Alan.
FYI, below. I briefly spoke with Jan and she's going to call me back in a minute.

Though we are mentioned in the story, it is focused on Congresswoman Richardson's decision to walk away from her home and her reasons for doing so.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.[redacted] 206.228[redacted]
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----
From: Kevin Gould <KGould[redacted]
To: FSIR Meeting Group <FSIRMeetingGroup[redacted]
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour.

It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Friday, October 3, 2008 9:48 AM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Fw: Google Alert - Laura Richardson

I really think we should write a novel about this one! It just cracks me up. J

----- Original Message -----
From: Google Alerts <googlealerts-noreply@google.com>
To: Owen, Jan L.
Sent: Fri Oct 03 00:54:21 2008
Subject: Google Alert - Laura Richardson

Google News Alert for: Laura Richardson

Richardson's Sacramento code violation case is dropped <http://www.dailybreeze.com/ci_10622638>
Daily Breeze - Torrance,CA,USA
Laura Richardson after determining that her yard has been adequately cleaned up. The South Bay Democrat nearly lost the house in May after failing to pay ...

See all stories on this topic <http://news.google.com/news?hl=en&nel=http://www.dailybreeze.com/ci_10622638>

This as-it-happens Google Alert is brought to you by Google.

Remove <http://www.google.com/alerts/remove?s=EAAAAGz0onYDp17gZa6sA0VAeRM&hl=en&gl=> this alert.
Create <http://www.google.com/alerts?hl=en&gl=> another alert.
Manage <http://www.google.com/alerts/manage?hl=en&gl=> your alerts.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Saturday, September 20, 2008 3:05 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Fw: Google Alert - Laura Richardson

I am not thrilled about this

----- Original Message -----
From: Google Alerts <googlealerts-noreply@google.com>
To: Owen, Jan L.
Sent: Sat Sep 20 11:04:38 2008
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: Laura Richardson

Laura Richardson to chat with Whoopi Goldberg <http://www.inboxrobot.com/news.php?fid=189109879>
on ABC's "The View," will serve as a guest panelist with Richardson at the Congressional Black Caucus Foundation's annual legislative conference. Richardson's discussion, "Image of Blacks in America: Is it Our ...

Inbox Robot: Congressional Black... - http://www.inboxrobot.com/news/cbc-congressional-black-caucus
<http://www.inboxrobot.com/news/cbc-congressional-black-caucus>

This as-it-happens Google Alert is brought to you by Google.

Remove <http://www.google.com/alerts/remove?s=EAAAAGz0onYDp17gZa6sA0VAeRM&hl=en&gl=> this alert.
Create <http://www.google.com/alerts?hl=en&gl=> another alert.
Manage <http://www.google.com/alerts/manage?hl=en&gl=> your alerts.

From: Smith, Kimberly <kimberly.brown@wamu.net>
Sent: Wednesday, May 21, 2008 5:30 PM
To: Kallner, Brad <brad.kallner@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Cc: Champney, Steven D. <steven.champney@wamu.net>; Berens, John <john.berens@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Siedzik, Tasha A. <tasha.siedzik@wamu.net>
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

...just one clarification

The foreclosure hold that was placed in April was not initiated by loss mit

After loss mitigation denied the workout request, it appears the homeowner called in and requested additional time to reinstate the loan. On 4/3/08, our executive response team submitted a request to the attorney to postpone the 4/7/08 sale date.

Thanks!

Kimberly Brown Smith
Department Manager, Community Outreach
Homeownership Preservation Team
904-886-1308
Washington Mutual Bank
This email is confidential and the property of Washington Mutual Inc. It is intended solely for the use of the individual or entity to whom this e-mail is addressed. If you are not the intended recipient or otherwise have reason to believe that you have received this message in error, please completely delete this message immediately from your computer. Any other use, retention, dissemination, forwarding, printing, or copying of this e-mail is strictly prohibited.

-----Original Message-----
From: Kallner, Brad
Sent: Wednesday, May 21, 2008 5:16 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan; Siedzik, Tasha A.; Smith, Kimberly
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

I have checked with Kim, we tried to work a modification, unfortunately she had a deficit monthly of over $2,100. We placed the original foreclosure sale date on hold for 30 days in April. The loan went to sale on 5/7/08, third party outbid.

Sara, please feel free to give Kim or I a call if you need to discuss.

Brad

-----Original Message-----
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 1:24 PM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -
Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is[redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I [redacted]cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan I..
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----
From: Kevin Gould [redacted]
To: FSIR Meeting Group [redacted]
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $335,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000.

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin

repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 21, 2008 1:24 PM
To: Kallner, Brad <brad.kallner@wamu.net>
Cc: Champney, Steven D. <steven.champney@wamu.net>; Berens, John <john.berens@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: Research Needed: Congresswoman Richardson/Foreclosure

Brad -
Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----
From: Kevin Gould [redacted]
To: FSIR Meeting Group [redacted]
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:31:02 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
CC: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:
As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk
by Tanta
http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * * * * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that

foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land and Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:
Richardson, 46, makes nearly $170,000 as a member of Congress and was paid $113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of $20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for $535,500, with no downpayment and with $15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was $365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been $3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been $3793.13.

The AP reports that Richardson's salary as a state representative was $113,000 in 2007, and she received $20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to $25,000. That gives me an annual income of $138,000 or a gross monthly income of $11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this to say about herself:
"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your

plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to $170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her $39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[illegible] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Schneider, David C.
Sent: Wednesday, May 21, 2008 11:51 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Re: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

---

Story doesn't seem to be too bad.

Are ther ripples with this one? ds

----- Original Message -----
From: Gaugl, Sara C.
To: Schneider, David C.
Cc: Battaglia, Paul J.; Elias, Alan; Cook, Don
Sent: Wed May 21 20:29:37 2008
Subject: RE: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

David,
As a follow-up to Paul's message, Capitol Weekly broke this story today (full-text article embedded below for your reference). This "news" has since been reported by a LA Times blogger, and we know that the AP and Washington Post have picked up on the story as well. Additional coverage is expected tomorrow.

- Sara

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still

shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 □ $40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue I WMC401 Seattle WA 98101
206.500.2822 direct I 206.228[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 8:16 PM
To: Schneider, David C.
Cc: Berens, John; Champney, Steven D.; Cook, Don; Owen, Jan L.; Gaugl, Sara C.; Elias, Alan
Subject: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communicaton

David,

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confideatial information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents.

Thank You.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 22, 2008 1:49 AM
To: Schneider, David C. <u215416@wamu.com>
Subject: RE: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

---

My apologies - here is the AP article.

Calif. congresswoman's home threatened with repo
By DON THOMPSON

SACRAMENTO, Calif. (AP) — Rep. Laura Richardson has an unusual perspective on the housing foreclosure bills moving through Congress: One of her own homes was threatened with repossession after she failed to pay the mortgage.

Richardson, a Southern California Democrat, bought a two-story home in a leafy, upper-middle-class neighborhood of Sacramento in January 2007, just months after winning a seat in the state Assembly.

She bought the three-bedroom, 1 1/2-bath home in the state capital for $535,500. The bill collectors started knocking soon after, according to records reviewed Wednesday by The Associated Press.

The city utility department placed a lien on her property in June 2007 for $154 in unpaid bills, according to documents at the Sacramento County recorder's office. In December, she received a default notice on the mortgage from the collection agency of Washington Mutual Inc., her lender. At that point, she owed $18,356.

At the time, she had left the Legislature after a quick rise from the Long Beach City Council and moved to Washington after winning a special election to fill a vacant congressional seat. Richardson on Wednesday blamed the frequent job-shifting for financial problems related to the Sacramento property.

A default notice in March this year put the "unpaid balance and other expenses" at $578,384 and said her 1,639-square-foot house would be auctioned at a trustee sale.

County records show the property was sold to a company called Red Rock Mortgage Inc. of Sacramento for $388,000 — although the county assessor's office continues to list Richardson as the owner. No listing could be found for Red Rock.

That sale was officially recorded Monday, according to the records. But Richards said the home was not in foreclosure and had not been seized.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement — with no special provisions," Richardson said in a statement Wednesday. "I fully intend to fulfill all financial obligations of this property."

Richardson's chief of staff, Kimberly Parker, told the AP that the mortgage on the home had been sold but that the house had not. The collection agency referred inquiries to Washington Mutual, which did not return a call.

A real estate agent's lock box hung Wednesday from the front door of the 1926-vintage house.

Records at a Sacramento County tax office also show Richardson is delinquent in paying $8,950 in property taxes.

Richardson moved from the Long Beach City Council to her Assembly seat in 2006, and the next year won a special election to represent a heavily Democratic congressional district that includes Long Beach.

Congressional records show Richardson did not cast votes May 8 on three bills related to the Foreclosure Prevention Act. In her statement, she said she was away from Washington because of her father's funeral.

"I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable," Richardson said in her statement.

From: Gaugl, Sara C.
Sent: Wed 05/21/2008 10:47 PM
To: Schneider, David C.
Subject: RE: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

David,
So far, WaMu is not a significant focus of this news cycle and we haven't been positioned in a negative light.

For your reference, embedded below is the AP article we were expecting - WaMu is only briefly mentioned as the lender consistent with earlier coverage. I placed a call to AP's newsroom but didn't receive a call back before they went to print. However, given that we don't yet have Congresswoman Richardson's consent to discuss her loan with the media (we've asked for it, though), we are limited to confirming information available in the public record - which the media has already uncovered.

Because the AP is a national wire service, expect this article to trigger additional media inquiries and news coverage tomorrow. I'll keep you informed of any new developments, including any statements we provide to the media.

Please feel free to call at any time if you'd like to further discuss. 206-228-

- Sara

From: Schneider, David C.
Sent: Wed 05/21/2008 8:51 PM
To: Gaugl, Sara C.
Subject: Re: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

Story doesn't seem to be too bad.

Are ther ripples with this one? ds

----- Original Message -----
From: Gaugl, Sara C.
To: Schneider, David C.
Cc: Battaglia, Paul J.; Elias, Alan; Cook, Don
Sent: Wed May 21 20:29:37 2008

David,
As a follow-up to Paul's message, Capitol Weekly broke this story today (full-text article embedded below for your reference). This "news" has since been reported by a LA Times blogger, and we know that the AP and Washington Post have picked up on the story as well. Additional coverage is expected tomorrow.

- Sara

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000.

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228[illegible]cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 22, 2008 1:48 AM
To: Schneider, David C. <u215416@wamu.com>
Subject: RE: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

David,
So far, WaMu is not a significant focus of this news cycle and we haven't been positioned in a negative light.

For your reference, embedded below is the AP article we were expecting - WaMu is only briefly mentioned as the lender consistent with earlier coverage. I placed a call to AP's newsroom but didn't receive a call back before they went to print. However, given that we don't yet have Congresswoman Richardson's consent to discuss her loan with the media (we've asked for it, though), we are limited to confirming information available in the public record - which the media has already uncovered.

Because the AP is a national wire service, expect this article to trigger additional media inquiries and news coverage tomorrow. I'll keep you informed of any new developments, including any statements we provide to the media.

Please feel free to call at any time if you'd like to further discuss. 206-228-[illegible]

- Sara

From: Schneider, David C.
Sent: Wed 05/21/2008 8:51 PM
To: Gaugl, Sara C.
Subject: Re: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

Story doesn't seem to be too bad.

Are ther ripples with this one? ds

----- Original Message -----
From: Gaugl, Sara C.
To: Schneider, David C.
Cc: Battaglia, Paul J.; Elias, Alan; Cook, Don
Sent: Wed May 21 20:29:37 2008

David,
As a follow-up to Paul's message, Capitol Weekly broke this story today (full-text article embedded below for your reference). This "news" has since been reported by a LA Times blogger, and we know that the AP and Washington Post have picked up on the story as well. Additional coverage is expected tomorrow.

- Sara

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for $535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly $600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign $60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself $115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly $200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- $535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than $578,000 –$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for $135,000. An estimate from Zillow.com puts the current value of that house at $474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson $15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct $2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments $15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent $587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent $18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than $18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was $587,384.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 1 Seattle WA 98101
206.500.2822 direct I 206.228[illegible]bell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Laura Richardson <laurarichardson[redacted]>
Sent: Wednesday, June 18, 2008 7:27 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Cc: Thorn, Ann <ann thorn@wamu.net>
Subject: WaMu Statement

Ann,
Could you forward this letter to Sara? I am not sure I have the correct spelling of her name or her email address.

Washington Mutual
1301 2nd Ave.
Seattle , Washington 98101

Dear Sara Gaugl:

Over the last several weeks, I have read the following quotes from you in various newspapers:

"I'm unable to discuss the specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan."

And:

"More broadly, if the loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation."

It is my understanding that a statement has been released on behalf of Washington Mutual. Despite efforts by those assisting me in this process, no one on my staff has received a copy of the release.

Could you please e-mail a copy of the release regarding the property @ 3622 Curtis Drive , Sacramento , CA., to my e-mail address: laurarichardson[redacted] at your earliest convenience.

Further, I did sign a consent form to release the document from WaMU that acknowledged terms and that no further action would occur prior to June 6th. I hereby consent again the release of that document and WaMu explanations as to why a rescission is being sought and allowable in this case. Please forward a copy of that explanation to me as well at laurarichardson[redacted]

Sincerely,

Laura Richardson

Cc: Ann Thorn

From: Thornton, Gamae M.
Sent: Thursday, August 28, 2008 5:06:24 PM
To: Klein, Jason C.
Subject: Newspaper articles

Attachments: Defaults.pdf; Appraisers.pdf

Hi Jason. I found the articles that you wanted scanned on sfgate.com and PDF'd them from there.

Defaults.pdf (142 kB)

Appraisers.pdf (123 kB)

Gamae M. Thornton
Legal Assistant
Legal Department
Legal Division Admin - WMB

Washington Mutual Bank
201 Mission Street, 12th Floor
Mail Stop: CSSF112
San Francisco, CA 94105

415.278.4713 direct, 415.278.6012 fax
gamae.thornton@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Please consider the environment before printing this e-mail. Thank you.

SFGate.com

Defaults seem unlikely to sink Rep. Richardson

Laura E. Davis, Associated Press
Sunday, August 24, 2008

(08-24) 04:00 PDT Long Beach --

Like many voters in this port city and the gritty urban areas of Rep. Laura Richardson's political turf, Johnetta Walker is disenchanted with the lawmaker whose meteoric rise has been marked with personal financial failures.

Richardson's ambitious one-year ascent from City Council to state Assembly to Congress gained national attention in May when one of her houses was sold in foreclosure, followed by news of several loan defaults.

"How can you be a leader of anything if you can't be a leader of your home?" asks Walker, a bus driver who lives in Compton (Los Angeles County), a working-class city in Richardson's district.

Walker says she won't vote for Richardson in November, but her effort will most likely be in vain. A disorganized field of last-minute challengers and no recall option means there's little angered constituents can do to unseat the financially troubled Democrat.

After news came out about the foreclosure and sale of Richardson's Sacramento home, which she bought in January 2007 after winning a seat in the state Assembly, a pattern of years of financial irresponsibility emerged.

A few days before the June primary, the Long Beach Press-Telegram reported that Richardson, who won her House seat last year in a special election, had been issued multiple defaults on two Southern California homes. Five of those occurred in the previous 13 months, when Richardson was using $177,500 of her own money to finance her political career.

Despite a challenger's news conference highlighting her problems, the lawmaker coasted through the primary with nearly three-fourths of the vote, setting her up to run unopposed in November.

Democratic voter registration in her 37th Congressional District - which includes parts of working-class South Central Los Angeles, Carson (Los Angeles County), Compton and most of Long Beach - outnumbers Republican registration 59.3 percent to 17.5 percent, and Republicans didn't bother to field a candidate this year.

JPMC - 003314
CONFIDENTIAL
CSOC.RICH.004807

Yet her decisive primary victory and apparent clear sailing in November failed to end criticism.

Unpaid bills

The local paper reported that she didn't pay car repair bills for years, failed to disclose certain financial details - including a loan from a strip club owner - and leased the priciest car in the House at taxpayers' expense. She also once had a real estate license, suggesting she should have known how to better handle her properties.

A Washington watchdog group called for a House Ethics Committee investigation into Richardson's personal finances, citing her history of defaulting on home loans and suspicions of special treatment when her bank rescinded the sale of her foreclosed Sacramento home. She and the bank denied the allegation after the property was returned to her, but it has fallen into disrepair and was recently declared a public nuisance.

As Richardson's problems surfaced this summer, so did three challengers: two write-ins, Lee Davis and Peter Mathews, both of whom lost to Richardson in the primary, and independent Nicholas Dibs, a schoolteacher and political novice.

The three candidates say they were encouraged to run by people unhappy with Richardson and point to voter discontent as signs that their challenges could be successful.

"I walk the streets, and people say, 'Please run as a write-in. We will vote for you. We don't want her,' " said Davis, publisher of the community paper the Wrigley Bulletin and News.

An everywoman?

Richardson - who voted for a mortgage debt forgiveness bill that later passed - has portrayed her foreclosure as an example of how even a member of Congress can suffer a plight plaguing tens of thousands of hapless Americans.

But that explanation hasn't impressed many of her constituents, who have been quick to share their opinions publicly or post them on Web sites.

"If she can't take care of herself, then how is she going to take care of other people (while serving) in Congress?" said Juliana Flores as she left her job at a Target store in Carson.

Some voters say they will do more research on Richardson to determine whether she can separate her own problems from her political duties.

"You always want to make sure someone is capable of handling their personal issues and the issues of the public at large," said Ed Smith, a manager of a fast food restaurant. "I don't vote for someone just because they're the only one running for a particular position."

JPMC - 003315
CONFIDENTIAL
CSOC.RICH.004808

Write-in candidate Mathews, a college professor who has made several bids for Congress, pointed to a July poll in the Press-Telegram, taken before Davis and Dibs had officially become candidates, that had 57 percent of respondents saying he has a chance of beating Richardson.

But Gary Jacobson, a political science professor at UC San Diego, said independent and write-in candidates rarely win seats in Congress because they usually can't match the money, name recognition and organization of incumbents or candidates backed by a party.

Splitting the opposition

He added that Richardson's three challengers may actually be working against each other.

"It makes it virtually impossible to beat her because it will divide the opposition," he said.

Richardson refused to be interviewed for this story, but campaign spokesman William Marshall Jr. issued a statement. While ignoring her reported indiscretions, the statement said Richardson has consistently gained voter support because of her legislative record and noted some of her achievements in less than a year in Congress.

"She will diligently repeat her resounding (primary) victory of over 74 percent," the statement concluded.

Richardson has received the backing of some of her powerful Democratic colleagues, including House Speaker Nancy Pelosi and popular local lawmaker Rep. Maxine Waters, who represents an adjacent district. In addition, House Majority Leader Steny Hoyer, D-Md., held a Capitol Hill fundraiser for Richardson in June.

If Richardson is re-elected, recall will not be possible, either, because the Constitution does not allow it for members of Congress.

That leaves the 2010 Democratic primary as the next chance for voters to remove Richardson from her seat.

"There's only a remote danger in the general election this year, but a very serious danger in the 2010 primary," said Jack Pitney, a government professor at Claremont McKenna College. "Ambitious politicians in that area are going to be carefully weighing a primary against her."

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/08/24/BAIS12H06Q.DTL

This article appeared on page **B - 6** of the San Francisco Chronicle

JPMC - 003316
CONFIDENTIAL
CSOC.RICH.004809

SFGate.com

Appraisers still getting pressure on prices

Kenneth Harney
Sunday, August 24, 2008

(08-24) 04:00 PDT Washington -- Have the real estate valuation shenanigans and inflated home appraisals that characterized the boom years disappeared from the marketplace?

Are mortgage loan officers and realty agents - even individual home sellers - continuing to influence or attempting to interfere with appraisals despite new federal rules that ban such behavior?

Ask appraisers, and many will tell you it's still business as usual. Attempts at encouraging inflated appraisals continue to be commonplace, though in some cases the techniques have become subtler.

"Absolutely, appraisers continue to get pressured" to hit the numbers needed to push transactions to closing, said Bill Garber, government affairs director for the Appraisal Institute, the country's largest professional organization representing appraisers.

"That has not changed yet," added Garber, even though recently signed federal housing legislation toughened appraisal standards and the Federal Reserve's new truth-in-lending rules ban interference, bribes or intimidation designed to influence appraisers' valuations. The most recent national poll of appraisers, conducted by October Research Corp. two years ago, found that 90 percent of those interviewed reported some form of interference or intimidation by retail loan officers, brokers and third-party appraisal management firms, among others.

Gary Crabtree, principal of Affiliated Appraisers in Bakersfield, said "it hasn't gone away," and there are even some developments on the horizon that could make things worse. Starting Oct. 1, a federal foreclosure-relief refinancing program gets under way that will require lenders to write down the value of distressed houses to 90 percent of current market value to enable borrowers to be refinanced.

Some appraisers "could find themselves under pressure to inflate values" on those properties to cut lenders' losses, said Crabtree, even though the federal legislation authorizing the refi program specifically prohibits interference.

Sara Schwarzentraub, president of Inter-State Appraisal Service of La Mesa (San Diego County), recalled how one client complained that, "If you didn't know you could hit what was needed, you shouldn't have taken the assignment." The number needed by the caller - a mortgage company employee - was $50,000 to $60,000 higher than comparable values in the area could support, according to Schwarzentraub.

In Owings, Md., Michael Tsourounis, president of Calvert Appraisal and Realty Services, recounted

JPMC - 003317
CONFIDENTIAL
CSOC.RICH.004810

a recent experience when he visited a mortgage company in his area. Tsourounis inquired about the possibility of doing appraisal work for the lender.

"The office manager asked me directly: 'If I sent you out to appraise a million-dollar home and the comps (comparable values) only came in at $800,000 ... but in your heart you knew it was worth a million dollars, what would you bring it in at?"

Tsourounis said he told the manager that "the market is full of million-dollar houses selling for $750,000. Why should I be responsible for adding one more foreclosed property to the already growing list?"

"Not surprisingly," he said, he's never heard back from the lender, never received an appraisal assignment. "Was that a form of interference? You bet it was," said Tsourounis. "It was just a little subtler, a little less direct, than it used to be."

The obvious intent here, according to Frank Gregoire, immediate past chairman of the Florida Real Estate Appraisal Board and an appraiser in the St. Petersburg-Tampa area, "is really to find out: Will this guy play ball? Will he be cooperative when we need him?" Gregoire said appraisers still routinely receive probing e-mails and phone calls from lenders and brokers designed to elicit the same information: Will an appraiser "pre-comp" a property with a sales contract pending at a specific price? Can a specific valuation number needed for a refinancing - which may be far out of line with current property values - be reliably reached by the appraiser?

Part of the reason in today's market environment, he said, "is that things are tough, sales volumes are down, and some lenders know that they'll eventually find someone who'll cooperate," often a newcomer who badly needs an assignment. "It's not easy for some of them to say no, especially when they see business go to folks who everybody knows are playing the game."

Only when federal and state governments severely punish unethical appraisers and the people who pressure them "will all this start to get under control," Gregoire said. But he sees some signs for optimism: State regulators in Florida and elsewhere are cracking down increasingly on appraisers, even stripping away their licenses. And the new federal legislation authorizes financial penalties to be imposed by the secretary of housing when appraisers are found to have caved to pressure and cooked the books to inflate values.

E-mail Kennneth Harney at kenharney@earthlink.net.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/08/24/RE9512D5H3.DTL

This article appeared on page **K - 3** of the San Francisco Chronicle

JPMC - 003318
CONFIDENTIAL
CSOC.RICH.004811

Subject: Call re Laura Richardson F/C Rescission

Start: 6/13/2008 7:00 PM
End: 6/13/2008 7:30 PM
Show Time As: Busy

Recurrence: (none)

Number: 866-736-
Participant Code:

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Friday, February 13, 2009 10:03 AM
To: Mathis, Julie A. <julie.mathis@wamu.net>
Subject: RE: [redacted]Richardson

Can we mod her again due to the escrow increase. Her payment going up almost $500 per month

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Mathis, Julie A.
Sent: Thursday, February 12, 2009 8:47 PM
To: Thorn, Ann
Subject: FW: [redacted]chardson

Ann, do you need anything from me on this?

thanks,

Julie

Julie Mathis VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 858.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you

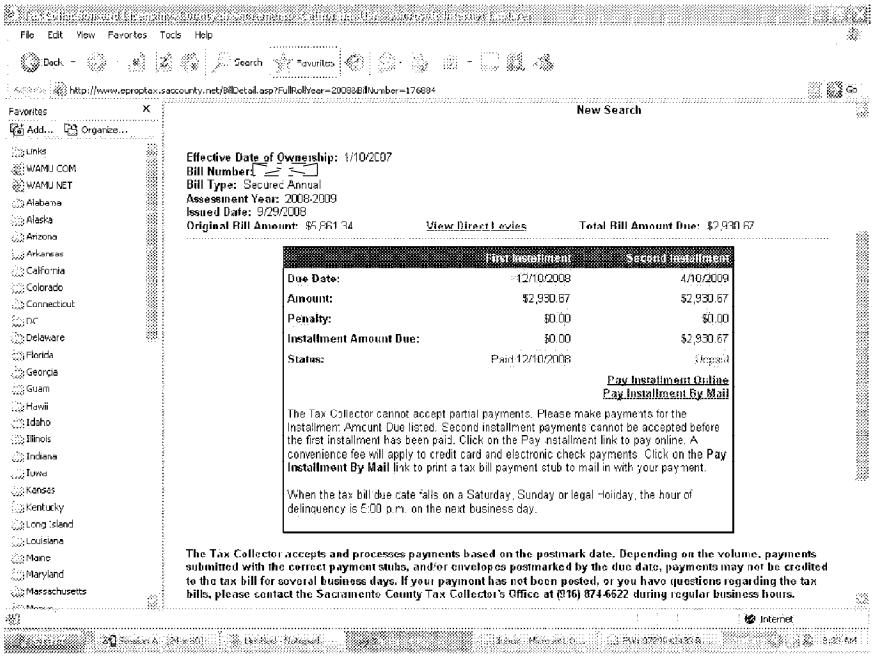
---

From: Todd, Kevin C.
Sent: Tuesday, February 10, 2009 9:02 AM
To: Thorn, Ann
Cc: Leviner, Cheryl H.; Mathis, Julie A.; Rogers, Savannah L.; Adams-McElveen, Dena M.
Subject: FW: [redacted]Richardson

Ann,
The $508.41 was correct at the time the taxes were disbursed; whether the tax office did not know if the two bills would be combined by the 08/09 billing or the tax research associate did not ask, either way the amounts should have been combined on the line to prevent a deeper shortage.

WaMu does not pay CA supplemental bills on cycle. these are bills that are sent to the homeowner and unless the homeowner calls with a request to pay them, WaMu is not aware they exist, unless they are reported as delinquent. In this case due to the fact that the account was non escrow, would have been reported delinquent along with the full year 07/08 secured bill. At this point unless the homeowner makes improvements to her property, she should no longer have a supplemental bill.

The increase from $508.41 to $2,930.67 for the taxes is due to the secured tax bill merging with the supplemental bill. Please see below :



File Edit View Favorites Tools Help

Back Search Favorites

http://www.eproptax.saccounty.net/BillDetail.asp?FullRollYear=2008&BillNumber=176884

Favorites

Add... Organize...

Links
WAMU COM
WAMU NET
Alabama
Alaska
Arizona
Arkansas
California
Colorado
Connecticut
DC
Delaware
Florida
Georgia
Guam
Hawaii
Idaho
Illinois
Indiana
Iowa
Kansas
Kentucky
Long Island
Louisiana
Maine
Maryland
Massachusetts

New Search

Effective Date of Ownership: 1/10/2007
Bill Number: [redacted]
Bill Type: Secured Annual
Assessment Year: 2008-2009
Issued Date: 9/29/2008
Original Bill Amount: $5,861.34 View Direct Levies **Total Bill Amount Due:** $2,930.67

	First Installment	Second Installment
Due Date:	12/10/2008	4/10/2009
Amount:	$2,930.67	$2,930.67
Penalty:	$0.00	$0.00
Installment Amount Due:	$0.00	$2,930.67
Status:	Paid 12/10/2008	Unpaid

Pay Installment Online
Pay Installment By Mail

The Tax Collector cannot accept partial payments. Please make payments for the Installment Amount Due listed. Second installment payments cannot be accepted before the first installment has been paid. Click on the Pay Installment link to pay online. A convenience fee will apply to credit card and electronic check payments. Click on the Pay **Installment By Mail** link to print a tax bill payment stub to mail in with your payment.

When the tax bill due date falls on a Saturday, Sunday or legal Holiday, the hour of delinquency is 5:00 p.m. on the next business day.

The Tax Collector accepts and processes payments based on the postmark date. Depending on the volume, payments submitted with the correct payment stubs, and/or envelopes postmarked by the due date, payments may not be credited to the tax bill for several business days. If your payment has not been posted, or you have questions regarding the tax bills, please contact the Sacramento County Tax Collector's Office at (916) 874-6622 during regular business hours.

Internet

Kevin C. Todd
LS Section Mgr II
Tax Mitigation - Relationship Mgt.

WaMu, now backed by the strength of JPMorgan Chase

2210 Enterprise Dr.
Florence, SC 29501

(843) 673-3887 direct, (843) 673-3008 fax
kevin.todd@wamu.net

NOTE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Adams-McElveen, Dena M.
Sent: Monday, February 09, 2009 5:07 PM
To: Todd, Kevin C.
Cc: Leviner, Cheryl H.; Thorn, Ann; Mathis, Julie A.; Rogers, Savannah L.
Subject: RE: [redacted] Richardson

The issue at hand is the increase on the tax line from $508.41 to $2930.67 per installment. When the modification was completed, the tax line had the $508.41. The modification included all delinquent taxes; so it was funded correctly with no shortage based on the $508.41 anticipated tax installments. When the $2930.67 paid in 11/08; the escrow shortage was created. The shortage includes the difference in the anticipated amount and the actual amount paid; in addition to the difference needed to make the 3/09 installment at $2930.67.

I think we all need to know why the tax line was loaded at $508.41 when the modification was completed, but the actual payment was $2930.67. I saw Tess' email; but that really doesn't explain the difference in the tax amount loaded on the line and the tax amount paid in 11/08. Michelle Thomas has it documented that $508.41 was the correct amount in 7/08. Why the substantial increase? Is the $2930.67 correct? It appears that Michelle loaded the base amount on the lines (per Tess' amount of $1016.82). If the property is fully assessed now or due to the change in ownership issues that occurred on the loan, is that the reason for the increase? The borrower is questioning the increase in the taxes. Was this something we could not have known or prevented at the time of the modification? We just need to provide Ann with information she can give to the borrower to explain why she now has a shortage after her modification.

Thanks!

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

From: Thorn, Ann
Sent: Monday, February 09, 2009 4:30 PM
To: Mathis, Julie A.; Rogers, Savannah L.; Adams-McElveen, Dena M.; Todd, Kevin C.
Subject: FW: [illegible] Richardson

There are a few people working on this and I got an old email that was going around about the escrow/taxes for Richardson.

Would appear from the figures below that the modification INCLUDED the $19,119 in taxes, but another email from Dena said the tax line said $508 at the time of the modification.
I am no tax expert, but something is not making sense. I know we were to have included all delinquent taxes in her modification.

Have we found out anything further. Kevin, I saw that you had forwarded to someone for research.

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [illegible]

For Internal Use Only

From: Battaglia, Paul J.
Sent: Monday, February 09, 2009 4:12 PM
To: Thorn, Ann
Subject: [illegible] Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
JPMorgan Chase Bank, National Association
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 10:38 AM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [illegible] ichardson

REDACTED

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM

To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

REDACTED

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]

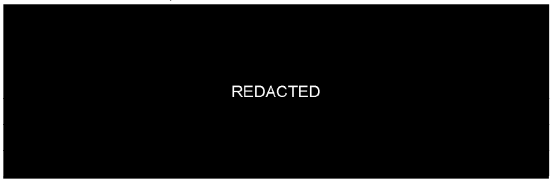
For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

REDACTED

Current UPB $533,455.31
Capitalized Amount $73,314.03
Delinquent Interest 07/07-08/08 $50,856.13
Escrow (Taxes) $19,119.14
Foreclosure Fees $3,338.76
New Modified UPB $606,769.34

1st payment date 9/1/08 $4,060.73
New P&I $2,627.62
New Escrow $1,433.11
Amortization term 480; Maturity term 342



Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [illegible] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [illegible] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [illegible] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [illegible] Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [redacted] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [redacted] Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 47125
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [redacted] Richardson

Hi Michelle,
Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [illegible] Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [illegible] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [illegible] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*********Please note my phone number has changed to* **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann.
Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

**********Please note my phone number has changed to* **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,
Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

**********Please note my phone number has changed to* **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:32 PM
To: Thorn, Ann
Subject: RE: [illegible] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [illegible] Richardson
Importance: High

Can you change back to presale stop code

***********Please note my phone number has changed to* **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [illegible] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [illegible] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [illegible] Richardson >>
Thank you,
[illegible]
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: 0729942433 Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4725
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Julie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4725
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [redacted] Richardson

Michelle.

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>
Tax Mitigation Specialist, Senior
Phone (843)873-3706
Fax (843) 873-4726
Mailstop FSC0211

Sonya.Springs@wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda

Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [redacted] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>
Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

From: Kirby, Louise L
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Kirby, Louise L
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7–conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Miligation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [redacted] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - properly taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let managament know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [redacted] Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes $8109.81 + $405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Adams-McElveen, Dena M. <dena.adams-mcelveen@wamu.net>
Sent: Monday, February 9, 2009 5:07 PM
To: Todd, Kevin C. <kevin.todd@wamu.net>
Cc: Leviner, Cheryl H. <cheryl.leviner@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>; Rogers, Savannah L. <savannah.rogers@wamu.net>
Subject: RE: [redacted] Richardson

The issue at hand is the increase on the tax line from $508.41 to $2930.67 per installment. When the modification was completed, the tax line had the $508.41. The modification included all delinquent taxes; so it was funded correctly with no shortage based on the $508.41 anticipated tax installments. When the $2930.67 paid in 11/08; the escrow shortage was created. The shortage includes the difference in the anticipated amount and the actual amount paid; in addition to the difference needed to make the 3/09 installment at $2930.67.

I think we all need to know why the tax line was loaded at $508.41 when the modification was completed; but the actual payment was $2930.67. I saw Tess' email; but that really doesn't explain the difference in the tax amount loaded on the line and the tax amount paid in 11/08. Michelle Thomas has it documented that $508.41 was the correct amount in 7/08. Why the substantial increase? Is the $2930.67 correct? It appears that Michelle loaded the base amount on the lines (per Tess' amount of $1016.82). If the property is fully assessed now or due to the change in ownership issues that occurred on the loan, is that the reason for the increase? The borrower is questioning the increase in the taxes. Was this something we could not have known or prevented at the time of the modification? We just need to provide Ann with information she can give to the borrower to explain why she now has a shortage after her modification.

Thanks!

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

From: Thorn, Ann
Sent: Monday, February 09, 2009 4:30 PM
To: Mathis, Julie A.; Rogers, Savannah L.; Adams-McElveen, Dena M.; Todd, Kevin C.
Subject: FW: [redacted] Richardson

There are a few people working on this and I got an old email that was going around about the escrow/taxes for Richardson.

Would appear from the figures below that the modification INCLUDED the $19,119 in taxes, but another email from Dena said the tax line said $508 at the time of the modification.
I am no tax expert, but something is not making sense. I know we were to have included all delinquent taxes in her modification.

Have we found out anything further. Kevin, I saw that you had forwarded to someone for research.

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Battaglia, Paul J.
Sent: Monday, February 09, 2009 4:12 PM
To: Thorn, Ann
Subject: [redacted]Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
JPMorgan Chase Bank, National Association
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 10:38 AM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [redacted]Richardson

Okay good. I looked at Savannah's numbers and the math adds up, so you're good to go forward and prepare the mod documents based on these numbers. If not already done, I recommend someone make a call to Richardson to inform her that the taxes are included (capitalized) in the MOD and documents are on the way. From her e-mail to Julie and Ann yesterday she is inquiring about the taxes.

-Daryl

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM
To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted]Richardson

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

Ann: Yes. Per my voice mail message, I'm trying to understand the MOD terms as they were communicated to Richardson. Are the terms the same as listed below by Savannah? Or does the recently discovered tax advance crate an issue?

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

Daryl, not sure if you are covering for Paul in his absence....

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

Paul,
These are the new terms that will be communicated to the mortgagor once you approve them so the documents can be sent out.

Current UPB $533,455.31
Capitalized Amount $73,314.03
  Delinquent Interest 07/07-08/08 $50,856.13
  Escrow (Taxes) $19,119.14
  Foreclosure Fees $3,338.76
New Modified UPB $606,769.34
1st payment date 9/1/08 $4,060.73
New P&I $2,627.62
New Escrow $1,433.11
Amortization term 480; Maturity term 342

Step Rate Extending Amortization Term (Balloon will be due at the Maturity date 2/1/2037)

Step Rate:	*Year 1*	*Year 2*	*Year 3*	*Year 4*
Rate:	4.241%	4.241%	5.241%	6.241%
Term:	480	468	456	444
P&I:	$2,627.62	$2,627.62	$3,009.88	$3,407.00
1st pyt date:	9/1/08	9/1/09	9/1/10	9/1/11

Please let me know if you have any questions on the terms.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [redacted] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [redacted] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [redacted] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904 462 2150
cell: [redacted]

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [redacted] Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [redacted] Richardson

Hi Michelle,
Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [illegible] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [illegible] Richardson

Ann.
Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937

Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,
Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [redacted]Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW:[redacted] Richardson
Importance: High

Can you change back to presale stop code

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW:[redacted]ichardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [illegible] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [illegible] Richardson >>
Thank you,
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [illegible] ichardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [illegible] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [redacted] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [redacted] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>
Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM

To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II

Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [redacted] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let managament know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [redacted] Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes $8109.81 + $405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Todd, Kevin C. <kevin.todd@wamu.net>
Sent: Monday, February 9, 2009 4:40 PM
To: Thorn, Ann <ann.thorn@wamu.net>
Cc: Peshoff, Darlene <darlene.peshoff@wamu.net>; Adams-McElveen, Dena M. <dena.adams-mcelveen@wamu.net>; Rogers, Savannah L. <savannah.rogers@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>
Subject: FW: URGENT - Richardson

Ann,
Please see Tess's comments below in regards to the delinquent tax payments. If you have any further questions please let us know. Thanks!

Kevin C. Todd
LS Section Mgr II
Tax Mitigation - Relationship Mgt.

WaMu, now backed by the strength of JPMorgan Chase

2210 Enterprise Dr.
Florence, SC 29501

(843) 673-3887 direct, (843) 673-3008 fax
kevin.todd@wamu.net

NOTE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Palmatier, Tess E.
Sent: Monday, February 09, 2009 4:14 PM
To: Todd, Kevin C.
Subject: RE: URGENT - Richardson

Per Brianna at Sacramento County Tax Office WaMu posted paid - 07/08 full year secured tax bill total base $1,016.82, 06/07 full year supplemental bill base $2,098.35 and a 07/08 full year supplemental bill base $4,994.64 – total $8,109.81 with $977.63 total penalty.

There were 2 consecutive installments which per CA gives the mortgage company the right to force escrow.

Any additional questions please feel free to ask .

Tess Palmatier

Servicing - Real Estate Tax Associate - SR
Tax Mitigation - Priority Research
PH#-843-673-4552
Toll Free 1-800-353-3860 EXN: 4552
Fax# 843-673-3008

WaMu - Now backed by the strength of JPMorgan Chase

"A wise man will make more opportunities than he finds."

Francis Bacon

-----Original Message-----
From: Todd, Kevin C.
Sent: Monday, February 09, 2009 12:49 PM
To: Palmatier, Tess E.
Cc: Peshoff, Darlene; Thorn, Ann
Subject: RE: URGENT - Richardson
Importance: High

Tess,
Please research this loan and respond back ASAP with all the tax details. Thanks!

Kevin C. Todd
LS Section Mgr II
Tax Mitigation - Relationship Mgt.

WaMu, now backed by the strength of JPMorgan Chase

2210 Enterprise Dr.
Florence, SC 29501

(843) 673-3887 direct, (843) 673-3008 fax
kevin.todd@wamu.net

NOTE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Thorn, Ann
Sent: Monday, February 09, 2009 11:58 AM
To: Peshoff, Darlene; Todd, Kevin C.
Subject: FW: URGENT - Richardson
Importance: High

Darlene/Todd------

This is a Congresswoman that we did a modification on several months ago. She was a non-escrowed account and we ended up paying her delinquent taxes but I can not remember all the details. Her analysis now is increasing her payment by $500 and I need some details from taxes on the situation.

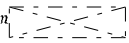
Can you please let me know what you can find.....

Thanks.

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell:

For Internal Use Only

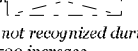
-----Original Message-----
From: Adams-McElveen, Dena M.
Sent: Monday, February 09, 2009 7:51 AM
To: Thorn, Ann; Mathis, Julie A.
Cc: Leviner, Cheryl H.

Subject: RE: URGENT - Richardson 

The tax line was updated to the higher amount after the modification was completed. Neither Escrow Analysis nor Loss Mit had anyway of knowing this increase was going to take place. The modification and the subsequent analysis was based on the amounts the Tax Dept. had loaded on the line at the time of the modification.

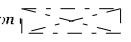
Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----
From: Thorn, Ann
Sent: Friday, February 06, 2009 5:25 PM
To: Adams-McElveen, Dena M.; Mathis, Julie A.
Cc: Leviner, Cheryl H.
Subject: Re: URGENT - Richardson 

I am still not getting why this was not recognized during the mod process....
We are still telling her she has a $500 increase

---------- Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Adams-McElveen, Dena M.
To: Mathis, Julie A.
Cc: Thorn, Ann; Leviner, Cheryl H.
Sent: Fri Feb 06 13:54:27 2009
Subject: RE: URGENT - Richardson 

The escrow account is correct. When the modification occurred, the amount on the tax lines were $508.41. The account was analyzed with this information on 9/22/08 effective 10/08. (All appeared correct. Escrow funding had the over/short at $0.00; which is expected on modifications.) The monthly escrow payment was $84.74. The total payment was $4352.32.

When the taxes were paid in 11/08, the line was updated to the billed amount of $2930.67. (I believe this is an automated process within the Tax Dept.) This disbursement created a large escrow shortage; which triggered an off cycle analysis. The analysis was performed on 11/20/08 effective 1/09. The monthly escrow payment increased from $84.74 to $488.45; in addition, there was an escrow shortage of $4440.81 being collected at $370.07 per month. The total payment increased from $4352.32 to $5126.10.

On 2/2/09, I was contacted by ECC and asked to make an exception for the homeowner and accept the old payment amount ($4352.32) for 1/09-2/09 and to run a new analysis with a 36 month escrow shortage spread effective for 3/09. I adjusted the payment on PCH1 to the old amount for 1/09-2/09.

On 2/3/09, I ran the new analysis with the effective date of 3/09 and a 36 month escrow shortage spread. The new payment amount is now $4885.19 beginning 3/09.

Please let me know if you need any additional information.

Thank you,

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----
From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:15 PM
To: Adams-McElveen, Dena M.
Cc: Thorn, Ann
Subject: URGENT - Richardson
Importance: High

Dena,

Can you please help us with the issue below on this loan? We just modified the loan and it appears we did not collect enough escrow funding nor is the monthly escrow payment correct.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Waelde, Sean D.
Sent: Friday, February 06, 2009 4:06 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: RE: Richardson

Why yes I do....Dena Adams-McElveen.

Sean D. Waelde
Default ERT Section Manager II
CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA3000
Jacksonville, FL 32256
Tel: 904-462-1821 Fax: 866-271-7346

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:04 PM
To: Waelde, Sean D.
Cc: Thorn, Ann
Subject: FW: Richardson
Importance: High

Sean, this the loan I discussed with you last nite, do you have a contact in escrow?

Thanks!

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Thomas, Michelle M.
Sent: Friday, February 06, 2009 3:57 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Mathis, Julie A.; Pound, Robert A.
Subject: RE: Richardson

I can't determine if we are collecting the correct amount of escrow. This has to be done in the escrow department. I can confirm that the tax amounts on the lines are correct. Unfortunately, I don't have a contact in the escrow department for you.

Michelle M. Thomas
Real Estate Tax Associate, Sr.
Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michelle.m.thomas@wamu.net -----
Original Message-----
From: Thorn, Ann
Sent: Friday, February 06, 2009 3:36 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: RE: Richardson

Did we get resolution? This is a Congresswoman that we need to get some information to so she can make her payment for Jan. and Feb.

Please advise

Thanks

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

-----Original Message-----
From: Rogers, Savannah L.
Sent: Friday, February 06, 2009 9:17 AM
To: Thomas, Michelle M.
Cc: Mathis, Julie A.; Thorn, Ann
Subject: Richardson [redacted]
Importance: High

Hi Michelle,

You helped with researching this escrowed property tax bill in July 2008 and since then we have a portion of the tax bill (which I have attached from NETRonline.com). I noticed on TAX2 we last paid $2,930.67 and the second portion is $2,930.67 which is due 3/09. This appears on ANA1 making the new escrow payment effective 3/09 $488.45 and total payment will be $4,885.19 (PCH2/hpmt).

Would you mind researching to make sure we have escrowed the right amount to cover this mortgagor's taxes? The mortgagor has received notification that her escrow is too low to cover her taxes.

Thank you,

Savannah Rogers
Negotiator-Prime
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way
Jacksonville, FL 32256

866.926.8937 x17577, 469.549.5978 fax
savannah.rogers@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Mathis, Julie A.
Sent: Thursday, February 05, 2009 5:38 PM
To: Rogers, Savannah L.
Cc: Thorn, Ann
Subject: FW: Emailing: Richardson [redacted] *Workbook v10 04 07 08.xls*
Importance: High

Savannah,

Please review - the mortgagor's escrow payment is much too low to pay her taxes and she has already received notice of such. Please review and let Ann and I know asap what the escrow payment should be.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Rogers, Savannah L.
Sent: Thursday, February 05, 2009 5:25 PM
To: Mathis, Julie A.
Subject: Emailing: Richardson Workbook v10 04 07 08.xls

The message is ready to be sent with the following file or link attachments:

Richardson Workbook v10 04 07 08.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Monday, February 9, 2009 4:30 PM
To: Mathis, Julie A. <julie.mathis@wamu.net>; Rogers, Savannah L. <savannah.rogers@wamu.net>; Adams-McElveen, Dena M. <dena.adams-mcelveen@wamu.net>; Todd, Kevin C. <kevin.todd@wamu.net>
Subject: FW: [illegible] Richardson

There are a few people working on this and I got an old email that was going around about the escrow/taxes for Richardson.

Would appear from the figures below that the modification INCLUDED the $19,119 in taxes, but another email from Dena said the tax line said $508 at the time of the modification.
I am no tax expert, but something is not making sense. I know we were to have included all delinquent taxes in her modification.

Have we found out anything further. Kevin, I saw that you had forwarded to someone for research.

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [illegible]

For Internal Use Only

From: Battaglia, Paul J.
Sent: Monday, February 09, 2009 4:12 PM
To: Thorn, Ann
Subject: [illegible] Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
JPMorgan Chase Bank, National Association
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 10:38 AM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [redacted] Richardson

Okay good. I looked at Savannah's numbers and the math adds up, so you're good to go forward and prepare the mod documents based on these numbers. If not already done, I recommend someone make a call to Richardson to inform her that the taxes are included (capitalized) in the MOD and documents are on the way. From her e-mail to Julie and Ann yesterday she is inquiring about the taxes.

-Daryl

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM
To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

Taxes are included and new mod figs need to be communicated to richardson to let her know that taxes are now included, but we amended the interest and maturity to keep payments the same as originally communicated.
REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

Ann: Yes. Per my voice mail message, I'm trying to understand the MOD terms as they were communicated to Richardson. Are the terms the same as listed below by Savannah? Or does the recently discovered tax advance crate an issue?

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

Daryl, not sure if you are covering for Paul in his absence....

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

Paul,

[redacted]
REDACTED

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [redacted] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [redacted] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [redacted] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [redacted] Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual

Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [redacted] Richardson

Hi Michelle,
Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP

Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann.
Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A., Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

**********Please note my phone number has changed to* **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM

To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,
Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [redacted] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann

Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [redacted] Richardson
Importance: High

Can you change back to presale stop code

**********Please note my phone number has changed to **904-462-2150**

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [redacted] Richardson >>
Thank you.
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.

Subject: FW: [redacted] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1 800 353 3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Julie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [redacted] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>
Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06 26 08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [redacted]Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [redacted]Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>
Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and

delete the original message."

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7–conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [redacted] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let managament know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the

sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [redacted] Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes $8109.81 + $405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Adams-McElveen, Dena M. <dena.adams-mcelveen@wamu.net>
Sent: Monday, February 9, 2009 7:51 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>
Cc: Leviner, Cheryl H. <cheryl.leviner@wamu.net>
Subject: RE: URGENT - Richardson [redacted]

The tax line was updated to the higher amount after the modification was completed. Neither Escrow Analysis nor Loss Mit had anyway of knowing this increase was going to take place. The modification and the subsequent analysis was based on the amounts the Tax Dept. had loaded on the line at the time of the modification.

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----
From: Thorn, Ann
Sent: Friday, February 06, 2009 5:25 PM
To: Adams-McElveen, Dena M.; Mathis, Julie A.
Cc: Leviner, Cheryl H.
Subject: Re: URGENT - Richardson [redacted]

I am still not getting why this was not recognized during the mod process....
We are still telling her she has a $500 increase

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Adams-McElveen, Dena M.
To: Mathis, Julie A.
Cc: Thorn, Ann; Leviner, Cheryl H.
Sent: Fri Feb 06 13:54:27 2009
Subject: RE: URGENT - Richardson [redacted]

The escrow account is correct. When the modification occurred, the amount on the tax lines were $508.41. The account was analyzed with this information on 9/22/08 effective 10/08. (All appeared correct. Escrow funding had the over/short at $0.00; which is expected on modifications.) The monthly escrow payment was $84.74. The total payment was $4352.32.

When the taxes were paid in 11/08, the line was updated to the billed amount of $2930.67. (I believe this is an automated process within the Tax Dept.) This disbursement created a large escrow shortage; which triggered an off cycle analysis. The analysis was performed on 11/20/08 effective 1/09. The monthly escrow payment increased from $84.74 to $488.45; in addition, there was an escrow shortage of $4440.81 being collected at $370.07 per month. The total payment increased from $4352.32 to $5126.10.

On 2/2/09, I was contacted by ECC and asked to make an exception for the homeowner and accept the old payment amount ($4352.32) for 1/09-2/09 and to run a new analysis with a 36 month escrow shortage spread effective for 3/09. I adjusted the payment on PC111 to the old amount for 1/09-2/09.

On 2/3/09, I ran the new analysis with the effective date of 3/09 and a 36 month escrow shortage spread. The new payment amount is now $4885.19 beginning 3/09.

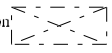
Please let me know if you need any additional information.

Thank you,

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----
From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:15 PM
To: Adams-McElveen, Dena M.
Cc: Thorn, Ann
Subject: URGENT - Richardson
Importance: High



Dena,

Can you please help us with the issue below on this loan? We just modified the loan and it appears we did not collect enough escrow funding nor is the monthly escrow payment correct.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank

you.

-----Original Message-----
From: Waelde, Sean D.
Sent: Friday, February 06, 2009 4:06 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: RE: Richardson [redacted]

Why yes I do....Dena Adams-McElveen.

Sean D. Waelde
Default ERT Section Manager II
CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA3000
Jacksonville, FL 32256
Tel: 904-462-1821 Fax: 866-271-7346

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:04 PM
To: Waelde, Sean D.
Cc: Thorn, Ann
Subject: FW: Richardson [redacted]
Importance: High

Sean, this the loan I discussed with you last nite, do you have a contact in escrow?

Thanks!

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Thomas, Michelle M.
Sent: Friday, February 06, 2009 3:57 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Mathis, Julie A.; Pound, Robert A.
Subject: RE: Richardson

I can't determine if we are collecting the correct amount of escrow. This has to be done in the escrow department. I can confirm that the tax amounts on the lines are correct. Unfortunately, I don't have a contact in the escrow department for you.

Michelle M. Thomas
Real Estate Tax Associate, Sr.
Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michelle.m.thomas@wamu.net -----Original Message-----

From: Thorn, Ann
Sent: Friday, February 06, 2009 3:36 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: RE: Richardson

Did we get resolution? This is a Congresswoman that we need to get some information to so she can make her payment for Jan. and Feb.

Please advise

Thanks

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell:

For Internal Use Only

-----Original Message-----
From: Rogers, Savannah L.
Sent: Friday, February 06, 2009 9:17 AM
To: Thomas, Michelle M.
Cc: Mathis, Julie A.; Thorn, Ann
Subject: Richardson
Importance: High

Hi Michelle,

You helped with researching this escrowed property tax bill in July 2008 and since then we have a portion of the tax bill (which I have attached from NETRonline.com). I noticed on TAX2 we last paid $2,930.67 and the second portion is $2,930.67 which is due 3/09.

This appears on ANA1 making the new escrow payment effective 3/09 $488.45 and total payment will be $4,885.19 (PCI12/hpmt).

Would you mind researching to make sure we have escrowed the right amount to cover this mortgagor's taxes? The mortgagor has received notification that her escrow is too low to cover her taxes.

Thank you,

Savannah Rogers
Negotiator-Prime
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way
Jacksonville, FL 32256

866.926.8937 x17577, 469.549.5978 fax
savannah.rogers@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Mathis, Julie A.
Sent: Thursday, February 05, 2009 5:38 PM
To: Rogers, Savannah L.
Cc: Thorn, Ann
Subject: FW: Emailing: Richardson [redacted] Workbook v10 04 07 08.xls
Importance: High

Savannah,

Please review - the mortgagor's escrow payment is much too low to pay her taxes and she has already received notice of such. Please review and let Ann and I know asap what the escrow payment should be.

Thanks,

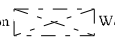
Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

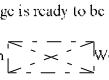
WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Rogers, Savannah L.
Sent: Thursday, February 05, 2009 5:25 PM
To: Mathis, Julie A.
Subject: Emailing: Richardson  Workbook v10 04 07 08.xls

The message is ready to be sent with the following file or link attachments:

Richardson  Workbook v10 04 07 08.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Friday, February 6, 2009 5:25 PM
To: Adams-McElveen, Dena M. <dena.adams-mcelveen@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>
Cc: Leviner, Cheryl H. <cheryl.leviner@wamu.net>
Subject: Re: URGENT - Richardson

I am still not getting why this was not recognized during the mod process....
We are still telling her she has a $500 increase

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Adams-McElveen, Dena M.
To: Mathis, Julie A.
Cc: Thorn, Ann; Leviner, Cheryl H.
Sent: Fri Feb 06 13:54:27 2009
Subject: RE: URGENT - Richardson

The escrow account is correct. When the modification occurred, the amount on the tax lines were $508.41. The account was analyzed with this information on 9/22/08 effective 10/08. (All appeared correct. Escrow funding had the over/short at $0.00; which is expected on modifications.) The monthly escrow payment was $84.74. The total payment was $4352.32.

When the taxes were paid in 11/08, the line was updated to the billed amount of $2930.67. (I believe this is an automated process within the Tax Dept.) This disbursement created a large escrow shortage; which triggered an off cycle analysis. The analysis was performed on 11/20/08 effective 1/09. The monthly escrow payment increased from $84.74 to $488.45; in addition, there was an escrow shortage of $4440.81 being collected at $370.07 per month. The total payment increased from $4352.32 to $5126.10.

On 2/2/09, I was contacted by ECC and asked to make an exception for the homeowner and accept the old payment amount ($4352.32) for 1/09-2/09 and to run a new analysis with a 36 month escrow shortage spread effective for 3/09. I adjusted the payment on PCH to the old amount for 1/09-2/09.

On 2/3/09, I ran the new analysis with the effective date of 3/09 and a 36 month escrow shortage spread. The new payment amount is now $4885.19 beginning 3/09.

Please let me know if you need any additional information.

Thank you,

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----
From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:15 PM
To: Adams-McElveen, Dena M.
Cc: Thorn, Ann
Subject: URGENT - Richardson [redacted]
Importance: High

Dena,

Can you please help us with the issue below on this loan? We just modified the loan and it appears we did not collect enough escrow funding nor is the monthly escrow payment correct.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Waelde, Sean D.
Sent: Friday, February 06, 2009 4:06 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: RE: Richardson [redacted]

Why yes I do....Dena Adams-McElveen.

Sean D. Waelde
Default ERT Section Manager II
CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA3000
Jacksonville, FL 32256
Tel: 904-462-1821 Fax: 866-271-7346

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender

by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:04 PM
To: Waelde, Sean D.
Cc: Thorn, Ann
Subject: FW: Richardson
Importance: High

Sean, this the loan I discussed with you last nite, do you have a contact in escrow?

Thanks!

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Thomas, Michelle M.
Sent: Friday, February 06, 2009 3:57 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Mathis, Julie A.; Pound, Robert A.
Subject: RE: Richardson

I can't determine if we are collecting the correct amount of escrow. This has to be done in the escrow department. I can confirm that the tax amounts on the lines are correct. Unfortunately, I don't have a contact in the escrow department for you.

Michelle M. Thomas
Real Estate Tax Associate, Sr.
Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michelle.m.thomas@wamu.net -----Original Message-----

From: Thorn, Ann
Sent: Friday, February 06, 2009 3:36 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: RE: Richardson

Did we get resolution? This is a Congresswoman that we need to get some information to so she can make her payment for Jan. and Feb.

Please advise

Thanks

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

-----Original Message-----
From: Rogers, Savannah L.
Sent: Friday, February 06, 2009 9:17 AM
To: Thomas, Michelle M.
Cc: Mathis, Julie A.; Thorn, Ann
Subject: Richardson [redacted]
Importance: High

Hi Michelle,

You helped with researching this escrowed property tax bill in July 2008 and since then we have a portion of the tax bill (which I have attached from NETRonline.com). I noticed on TAX2 we last paid $2,930.67 and the second portion is $2,930.67 which is due 3/09. This appears on ANA1 making the new escrow payment effective 3/09 $488.45 and total payment will be $4,885.19 (PCH2/hpmt).

Would you mind researching to make sure we have escrowed the right amount to cover this mortgagor's taxes? The mortgagor has received notification that her escrow is too low to cover her taxes.

Thank you,

Savannah Rogers
Negotiator-Prime
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way
Jacksonville, FL 32256

866.926.8937 x17577, 469.549.5978 fax
savannah.rogers@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Mathis, Julie A
Sent: Thursday, February 05, 2009 5:38 PM
To: Rogers, Savannah L.
Cc: Thorn, Ann
Subject: FW: Emailing: Richardson[redacted] Workbook v10 04 07 08.xls
Importance: High

Savannah,

Please review - the mortgagor's escrow payment is much too low to pay her taxes and she has already received notice of such. Please review and let Ann and I know asap what the escrow payment should be.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Rogers, Savannah L.
Sent: Thursday, February 05, 2009 5:25 PM
To: Mathis, Julie A.
Subject: Emailing: Richardson[redacted] Workbook v10 04 07 08.xls

The message is ready to be sent with the following file or link attachments:

Richardson[redacted] Workbook v10 04 07 08.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

From: Adams-McElveen, Dena M. <dena.adams-mcelveen@wamu.net>
Sent: Friday, February 6, 2009 4:54 PM
To: Mathis, Julie A. <julie.mathis@wamu.net>
Cc: Thorn, Ann <ann.thorn@wamu.net>; Leviner, Cheryl H. <cheryl.leviner@wamu.net>
Subject: RE: URGENT - Richardson [redacted]

The escrow account is correct. When the modification occurred, the amount on the tax lines were $508.41. The account was analyzed with this information on 9/22/08 effective 10/08. (All appeared correct. Escrow funding had the over/short at $0.00; which is expected on modifications.) The monthly escrow payment was $84.74. The total payment was $4352.32.

When the taxes were paid in 11/08, the line was updated to the billed amount of $2930.67. (I believe this is an automated process within the Tax Dept.) This disbursement created a large escrow shortage; which triggered an off cycle analysis. The analysis was performed on 11/20/08 effective 1/09. The monthly escrow payment increased from $84.74 to $488.45; in addition, there was an escrow shortage of $4440.81 being collected at $370.07 per month. The total payment increased from $4352.32 to $5126.10.

On 2/2/09, I was contacted by ECC and asked to make an exception for the homeowner and accept the old payment amount ($4352.32) for 1/09-2/09 and to run a new analysis with a 36 month escrow shortage spread effective for 3/09. I adjusted the payment on PCH1 to the old amount for 1/09-2/09.

On 2/3/09, I ran the new analysis with the effective date of 3/09 and a 36 month escrow shortage spread. The new payment amount is now $4885.19 beginning 3/09.

Please let me know if you need any additional information.

Thank you,

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----
From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:15 PM
To: Adams-McElveen, Dena M.
Cc: Thorn, Ann
Subject: URGENT - Richardson [redacted]
Importance: High

Dena,

Can you please help us with the issue below on this loan? We just modified the loan and it appears we did not collect enough escrow funding nor is the monthly escrow payment correct.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Waelde, Sean D.
Sent: Friday, February 06, 2009 4:06 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: RE: Richardson[redacted]

Why yes I do....Dena Adams-McElveen.

Sean D. Waelde
Default ERT Section Manager II
CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA3000
Jacksonville, FL 32256
Tel: 904-462-1821 Fax: 866-271-7346

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:04 PM
To: Waelde, Sean D.
Cc: Thorn, Ann
Subject: FW: Richardson[redacted]
Importance: High

Sean, this the loan I discussed with you last nite, do you have a contact in escrow?

Thanks!

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Thomas, Michelle M.
Sent: Friday, February 06, 2009 3:57 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Mathis, Julie A.; Pound, Robert A.
Subject: RE: Richardson [redacted]

I can't determine if we are collecting the correct amount of escrow. This has to be done in the escrow department. I can confirm that the tax amounts on the lines are correct. Unfortunately, I don't have a contact in the escrow department for you.

Michelle M. Thomas
Real Estate Tax Associate, Sr.
Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michelle.m.thomas@wamu.net -----Original Message-----

From: Thorn, Ann
Sent: Friday, February 06, 2009 3:36 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: RE: Richardson [redacted]

Did we get resolution? This is a Congresswoman that we need to get some information to so she can make her payment for Jan. and Feb.

Please advise

Thanks

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

-----Original Message-----
From: Rogers, Savannah L.
Sent: Friday, February 06, 2009 9:17 AM
To: Thomas, Michelle M.
Cc: Mathis, Julie A.; Thorn, Ann
Subject: Richardson
Importance: High

Hi Michelle,

You helped with researching this escrowed property tax bill in July 2008 and since then we have a portion of the tax bill (which I have attached from NETRonline.com). I noticed on TAX2 we last paid $2,930.67 and the second portion is $2,930.67 which is due 3/09. This appears on ANA1 making the new escrow payment effective 3/09 $488.45 and total payment will be $4,885.19 (PCH2/hpmt).

Would you mind researching to make sure we have escrowed the right amount to cover this mortgagor's taxes? The mortgagor has received notification that her escrow is too low to cover her taxes.

Thank you,

Savannah Rogers
Negotiator-Prime
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way
Jacksonville, FL 32256

866.926.8937 x17577, 469.549.5978 fax
savannah.rogers@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Mathis, Julie A.
Sent: Thursday, February 05, 2009 5:38 PM
To: Rogers, Savannah L.
Cc: Thorn, Ann
Subject: FW: Emailing: Richardson Workbook v10 04 07 08.xls
Importance: High

Savannah,

Please review - the mortgagor's escrow payment is much too low to pay her taxes and she has already received notice of such. Please review and let Ann and I know asap what the escrow payment should be.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----
From: Rogers, Savannah L.
Sent: Thursday, February 05, 2009 5:25 PM
To: Mathis, Julie A.
Subject: Emailing: Richardson Workbook v10 04 07 08.xls

The message is ready to be sent with the following file or link attachments:

Richardson Workbook v10 04 07 08.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

Subject: Richardson
Location: 562 706

Start: 7/15/2008 8:30 AM
End: 7/15/2008 9:00 AM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Organizer

Required Attendees: Mathis, Julie A.; Rogers, Savannah L.

Subject: Call Laura Richardson

Start: 7/11/2008 2:00 PM
End: 7/11/2008 2:30 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Organizer

Required Attendees: Mathis, Julie A.; Rogers, Savannah L.

Subject: Richardson
Location: call her

Start: 6/23/2008 4:00 PM
End: 6/23/2008 4:30 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Organizer

Required Attendees: Mathis, Julie A.; Rogers, Savannah L.
Optional Attendees: Thorn, Ann

Subject: Congresswoman Richardson
Location: Ann will join Wendy in her office

Start: 6/6/2008 12:00 PM
End: 6/6/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Woodcock, Wendy A.; Mathis, Julie A.
Resources: Ann will join Wendy in her office

When: Friday, June 06, 2008 12:00 PM-1:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Ann will join Wendy in her office

~~*~*~*~*~*~*~*~*

From: Riley, Olivia
Sent: Friday, June 27, 2008 11:52:40 AM
To: Aney, Derek; Rodriguez, Adrian; Gaspard, Scott; Watson, Alison; Owen, Jan L.; Brandeberry, Mike E.; Aghamirzadeh, Reza; Horn, Karen E.; Magleby, Alan F.; Wisdorf, Doug; Baker, Todd; Robinson, John; Doperalski, Cathy L.; Hume, Sophie; Gailey, Ron P.; Hutchinson, Libby G.
Subject: CONFIDENTIAL: Attorney/Client Privileged: June 26, 2008 Issues Briefing

Attachments: Issues Management Threat Overview 06-27-08.doc

Issues Management Threat Overview 06-27-08.doc (35 kB)

Good evening all,
Attached is the Issues Briefing for tomorrow morning's council meeting.

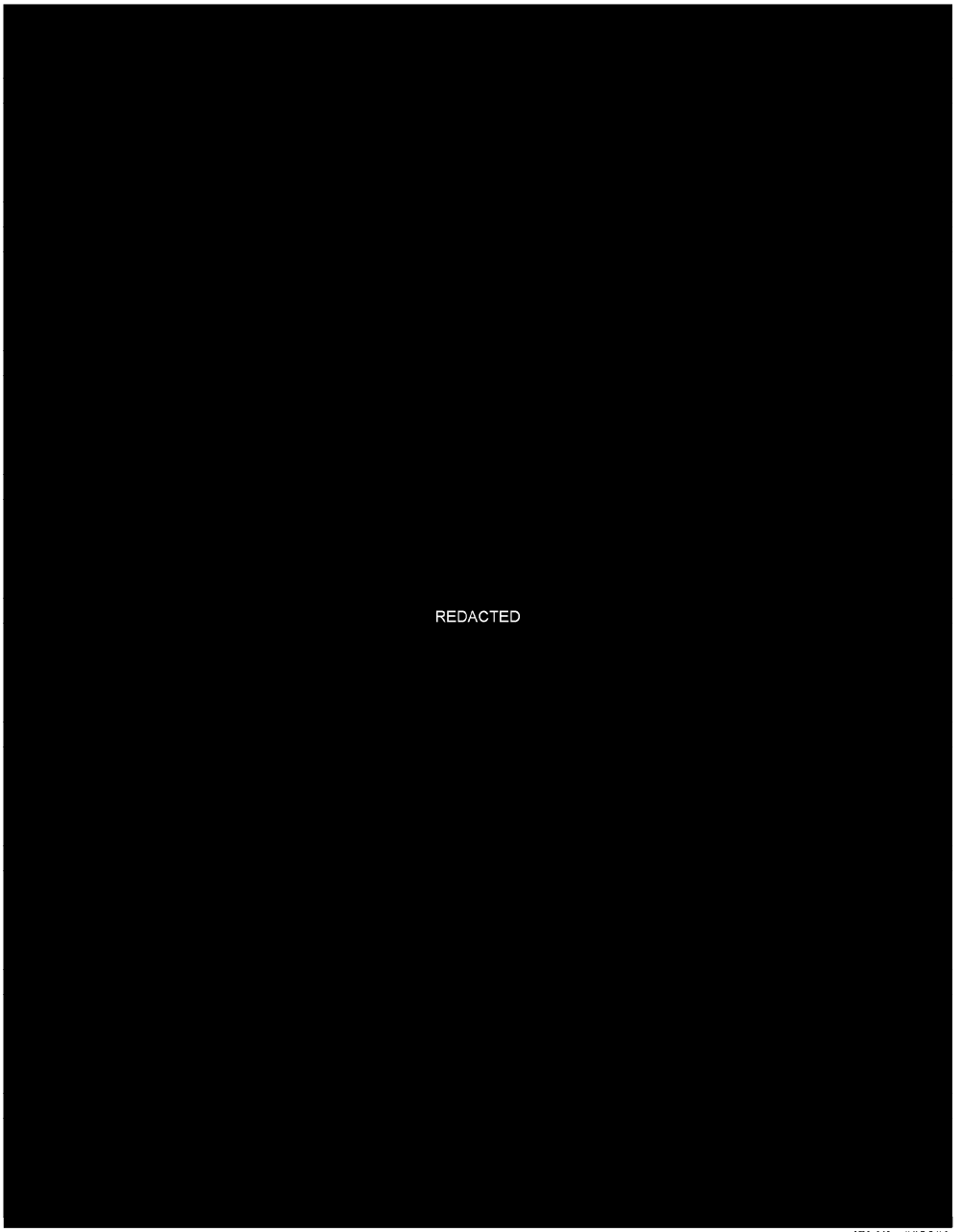
Best,
Olivia

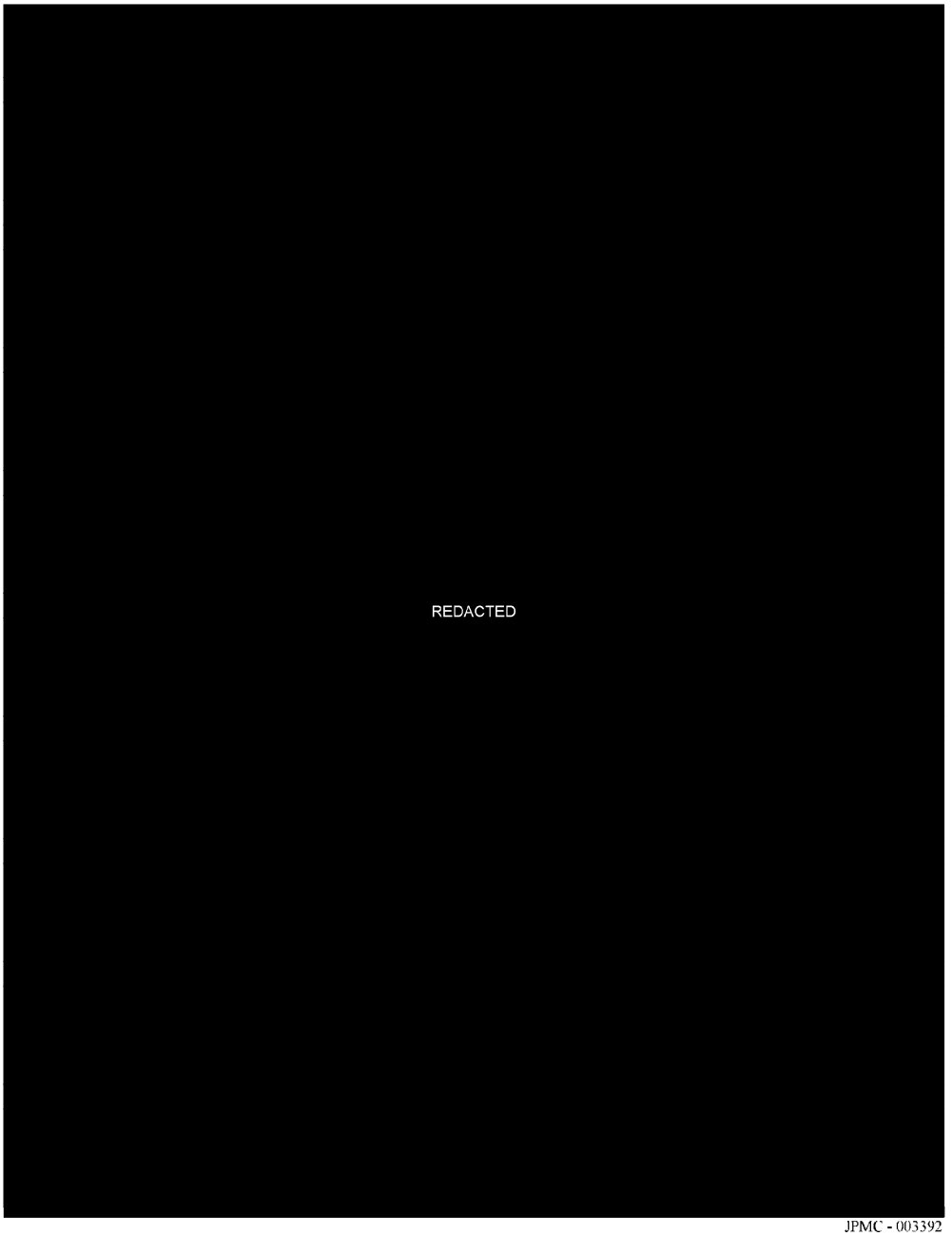
Olivia Riley, VP
Public Relations
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2834 direct, 206.377.2023 fax
olivia.riley@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.


REDACTED


REDACTED

From: GM PR
Sent: Wednesday, June 11, 2008 10:59:19 AM
Subject: Breaking News: Seattle PI, Los Angeles Times, American Banker, TheStreet.com

WaMu Focused News

1. Ex-WaMu workers tapped for their mortgage expertise
June 10, 2008
By BILL VIRGIN
Seattle Post-Intelligencer

Rising defaults and delinquencies on loans, houses staying on the market longer and fetching less-than-hoped-for prices when they do sell, a weakening economy -- sounds like a great time for banks to get into or expand their presence in the mortgage business.
Yet several banks in this region are doing just that.
And they've got just the place to go to recruit people they need to increase the number of home loans they write: former **Washington Mutual** employees.
KeyBank became the latest to tap the pool of former **WaMu** home-loan personnel when it named Michael Taylor as its vice president and sales manager for its Northwest region; he had been regional manager for **Washington Mutual**'s Eastern Washington, Idaho and Utah markets.
Taylor, in turn, has hired Ed Sauriol, a 16-year **WaMu** veteran, as producing sales manager for Key's South Puget Sound region.
That's just the start. Although Key started the year with 13 employees on its mortgage lending staff in Washington, Taylor says the bank is at 30 now and could be up to 50 by the end of the year "as long as I find the right talent."
Taylor and Key are hoping to generate home-loan business not only from its existing customers, but also from the contacts with real estate agents, builders and others in the community those recruits bring with them. Key wants to double its mortgage lending in the 13 states it operates in nationally, and triple its mortgage writing in Washington state.
Key's not alone, either in expanding home lending or recruiting former **WaMu** employees to accomplish that.
Wells Fargo & Co. opened a new downtown Seattle home-loan office with 31 employees, all from the same **WaMu** home-loan center.
Wells Fargo has also added 10 former **WaMu** employees on the Eastside, five in Bellingham, four in Mount Vernon and a couple in the South Sound area, according to spokeswoman Lara Underhill.
JPMorgan Chase, meanwhile, has hired former **WaMu** mortgage staffers in Seattle, California and Utah.
Those employees are available because of **WaMu**'s decision, announced in April, to close all of its free-standing home-loan centers -- 186 nationally, 23 in Washington -- and lay off 3,000 employees. **WaMu** plans to make home loans through its retail bank branches.
"These are experienced mortgage officers," Wells Fargo's Underhill says. "They're familiar with the market."
Less obvious is why Key, Wells and others would want to expand in home lending just now.
KeyBank's Taylor says that for all the bad news about the housing sector -- "the consumer has a feeling the mortgage business has shut down" -- there's still business to be done. Maybe even more business, he adds, with **WaMu** and others pulling back not just from retail lending ,but also the wholesale business (loans written by brokers and other lenders).
"It's creating some opportunity for us," Taylor said. "Even though the mortgage pie has shrunk, the number of hands in that pie has shrunk even further."
"We're still writing mortgages; we're still in business," adds JPMorgan Chase spokeswoman Christine Holevas. "People still want the American dream. They want to own their own home. We're helping them do so in a prudent manner."
Those banks say prudent lending in the past -- not loading up on the sorts of exotic and risky mortgages now going sour -- puts them in a position to expand now. Taylor says FHA lending programs are regaining favor. "It's old-school stuff," he says. Interest rates that are still attractive are driving business for new loans and refinancing activity.
Lenders are expanding in the Seattle area, he adds, because "we were never down as far as the national market. That doesn't mean we were without pain. But inventory is moving. ... We could potentially see a rebound this summer," although he's not predicting it will be substantial.

WaMu Related News

2. In an "extremely unusual" move, WaMu goes to bat for Rep. Richardson
June 10, 2008
Los Angeles Times

Just when you thought you were safe from news about U.S. Rep. Laura Richardson, Democrat of Long Beach: The Daily Breeze reports that her lender, **Washington Mutual**, is trying to help her get her foreclosed house back (That's the house at right, located in Sacramento).
The Breeze's Gene Maddaus: "The real estate broker who bought Rep. Laura Richardson's house at a foreclosure sale last month is accusing her of receiving preferential treatment because her lender has issued a notice to rescind the sale.
Neither Richardson nor **WaMu** would talk to Maddaus about the situation. Richardson has yet to answer L.A. Land's questions, posed in writing on May 22, about the Sacramento mortgage, and the modification to the mortgage she says she received from **WaMu**.

Catching up: I must confess I failed to post a story about Richardson's car troubles. Here's how the Long Beach Press-Telegram told

it: "In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week. The next day, Richardson began using a city-owned vehicle -- putting almost 31,000 miles on it in about a year -- and continued driving the car five days after she had left the council to serve in the state Assembly, city records show."
In a terrific example of public service journalism, though, the Press-Telegram did manage to get some money for the mechanic. It reports that Richardson paid the 2-year-old, $735 bill after the newspaper called seeking an interview about the unpaid debt.
More: "James York, owner of Red Rock Mortgage, said he would file a lawsuit against Richardson and her lender, **Washington Mutual**, by the end of the week, and has every intention of keeping the house. 'I'm just amazed they've done this,' York said. 'They never would have done this for anybody else.' "
Maddaus seeks out analysis from foreclosure expert Leo Nordine, who opines that a bank going to bat for a former homeowner in a situation such as this is "extremely unusual." "Unless [the borrower] filed bankruptcy beforehand, they'd never do it."

3. Overdraft and ATM Fees Rise, As Economy Slumps
June 2008
By Anthony Malakian
American Banker

Consumers are always wary of being nickel-and-dimed to death, and thanks to the current economic malaise, more banks are heading in that direction. Many of the biggest banks are raising fees for ATM usage and overdrafts, which analysts say isn't such a bad idea.
Bank of America recently raised its overdraft fee (also called NSF for non-sufficient funds) to $25 from $20 for the first day, and $35 for each subsequent day. First Horizon raised its NSF fee to $35 from $32. **Washington Mutual** upped its overdraft to $34 from $32 in most states. Citibank now also is charging a $3 ATM fee for non-customers, as is BofA, which raised its surcharge last July.
Bank of the Sierra, a $1.3-billion-asset bank in Porterville, CA, hasn't joined the wave of increased fees, but bank president and CEO James Holly acknowledges the changing attitude. "Years ago, if you overdrew your account, we couldn't wait to close your account and throw you out," says Holly, joking. "Now we have to go find those people and bring them in, because they are really valuable folks to have."
Robert Hammer, chairman and CEO of Thousand Oaks, CA-based bank advisory firm R.K. Hammer Investment Bankers, says banks should be mandated to raise fees. "Without a doubt, bank fees are rising, but you have to understand that rising risk in our industry today is indisputable," Hammer says. "In an environment of rising risk, you would expect fees of those risks to rise, too. It would be an abdication of responsibility for bank management to not have fees rising as well."
While some argue this promotes customer dissatisfaction, it doesn't seem to lead to attrition, says Greg Lowell, senior manager in the financial-services strategy group for research company Accenture. In a report to be released this month, Accenture found a 23 percent difference in customer satisfaction between banks that charged fees and those that didn't. Yet, 61 percent of customers said that if their bank charged a fee, they would continue to do business with it, only 12 percent less than those banks that wouldn't charge a fee for the service. "Our research does bear out that customers in retail banking do tend to stay with the bank, not necessarily out of a strong sense of loyalty, but out of a reluctance to make the move to another bank because of all the time and cost in making that happen," says Lowell.
Certain fees really aggravate customers, such as customer-service fees, monthly service fees and product-purchase fees. Overdraft fees, on the other hand, were found to be somewhat accepted, because "people, for the most part, understand it's a fee related to a specific error on their part," Lowell says. Consumers also understand a fee for use of an ATM not connected to their bank. Lowell says banks need to understand how their customers view certain fees and not just make a "knee-jerk increase in fees" because BofA did.
Ed Woods, a senior analyst at Boston-based consultant Celent, agrees that not all fees are greeted with anger. "There are segments of the population that aren't adverse to paying late fees," he says. "What seems to be most important to them is to have the flexibility to get [the payment or take out money] when they want."
Ron Shevlin, senior analyst at Boston-based consultant Aite Group, says, though, banks do need to worry about silent attrition. While higher fees may not provoke a customer to leave his bank, he may not keep depositing money or buying new products, either. "In the short term, it seems like a great business move. The problem is that it leaves such a bad taste in the consumer's mouth," Shevlin says. "These are the kinds of things that over time build up dissatisfaction, but the bank won't see that in terms of a hit for at least a couple of quarters."
Shevlin adds that there is no reason to believe that fees will go back down, either. "If they were to spend the next year maintaining their retention rates in the face of increasing fees, the business will look at it and say, 'Why would we want to reduce the fees now?'" Shevlin says.

4. Lessons for Small Biz in Bank Blowups
Elizabeth Blackwell
June 10, 2008
TheStreet.com

No one pities CEOs these days, what with their stratospheric compensation, company-paid perks and golden parachutes. Even when they do get fired, they don't have to join the line at the local unemployment office.
Still, most of us wouldn't want to be running a major financial institution these days, when bank CEOs seem to be dropping left and

right. Citigroup (C - Cramer's Take - Stockpickr) and Merrill Lynch (MER - Cramer's Take - Stockpickr) both gave their CEOs the boot late last year; this week, Wachovia (WAC - Cramer's Take - Stockpickr) did the same. **Washington Mutual**'s (**WAMU** - Cramer's Take - Stockpickr) CEO got to keep his job -- barely -- but was forced to give up his chairman title, a move that was the result of pressure from shareholders.

All this fallout from the subprime mortgage mess may seem far removed from the average small business owner (unless your small business happens to be a title company or mortgage lender). But the lack of confidence in Wachovia's and **Washington Mutual**'s leadership serves as a cautionary tale for anyone who runs a business, no matter what size.

It's not as if Wachovia's CEO was trolling suburban subdivisions, hustling no-interest loans to unqualified buyers. But the current mortgage meltdown is partially the result of incentives put in place by high-ranking executives. Those top dogs are now realizing that any shady dealings within their companies -- no matter how far removed from their corner offices -- can bring them down, too.

The lesson here is clear: If you give your employees incentives to cut corners, however unintentionally, their shoddy tactics can eventually be pinned on you. You need to know how your subordinates operate, because you may ultimately be the fall guy for their mistakes.

At Wachovia and other major banks, "Everyone had a cash incentive to approve loans, and that started at the top," says Tomas Norton of The Norton Group, which provides banking-related consulting and litigation support services. "A mindset based on volume went from the absolute top to the very bottom of the food chain."

Troubled Mentality

The repeal of the Glass-Steagall Act in 1999, which allowed commercial and investment banks to merge, was the beginning of what Norton points to as a change in mentality in the lending business. "It put an investment banker mentality into a commercial banking operation," he says. Mortgages became commodities that were packaged into securities. The more mortgages were approved, the more executive compensation soared.

CEOs, in search of the short-term profits that could boost stock prices, demanded more and more loans. And they didn't ask too many questions about how those mortgages were being approved.

For banks like **Washington Mutual** and Wachovia, the result was a disconnect between public perception and real-world tactics. To the general public, banks remained traditional, even conservative institutions. Bank branches continued to spring up in suburban subdivisions and big-city downtowns, creating the illusion that these banks were a part of the community.

But behind the scenes, banks were indulging in speculative, risky financial behavior. "They created the impression of community banking by having a branch on every corner," says Norton. "But they had no relationship with the customer. They wanted to get your loan, keep it for five minutes, then sell it off for short-term profits."

And they were willing to overlook all the warning signs, such as home buyers who didn't have enough income to pay off their loans. For a while it worked -- until the whole system fell apart.

Bank CEOs had a few great years, where they took credit for soaring stock prices and were compensated accordingly. And you could do the same, by overlooking red flags and making some short-term profits. But if you want your business to last, you'd better take a close look at how your employees are operating on your behalf.

Do you reward results, regardless of how they were obtained? Do you send the message -- overt or implied -- that you're always thinking short-term? For the banks, says Norton, "Compensation was based on approval. No one wanted to say no to loans." Are you willing to say no?

It's easy to think -- as the bank CEOs did -- that the folks in charge should focus on the big picture. But if they don't know exactly how the people at the bottom are operating, they won't stay on top very long.

***** Please do not distribute Breaking News content. License restrictions limit the dissemination of this copyrighted material. Thank you. *****

From: Riley, Olivia
Sent: Friday, June 13, 2008 11:49:31 AM
To: Hutchinson, Libby G.; Rodriguez, Adrian; Gaspard, Scott; Watson, Alison; Owen, Jan L.; Brandeberry, Mike E.; Aghamirzadeh, Reza; Horn, Karen E.; Magleby, Alan F.; Wisdorf, Doug; Baker, Todd; Robinson, John; Doperalski, Cathy L.; Hume, Sophie; Gailey, Ron P.
Subject: CONFIDENTIAL: Attorney/Client Privileged: June 13, 2008 Issues Briefing

Attachments: Issues Management Threat Overview 06-13-08.doc

Issues Management Threat Overview 06-13-08.doc (35 kB)

Good morning,
Attached is the briefing for this morning's Issues Council meeting.

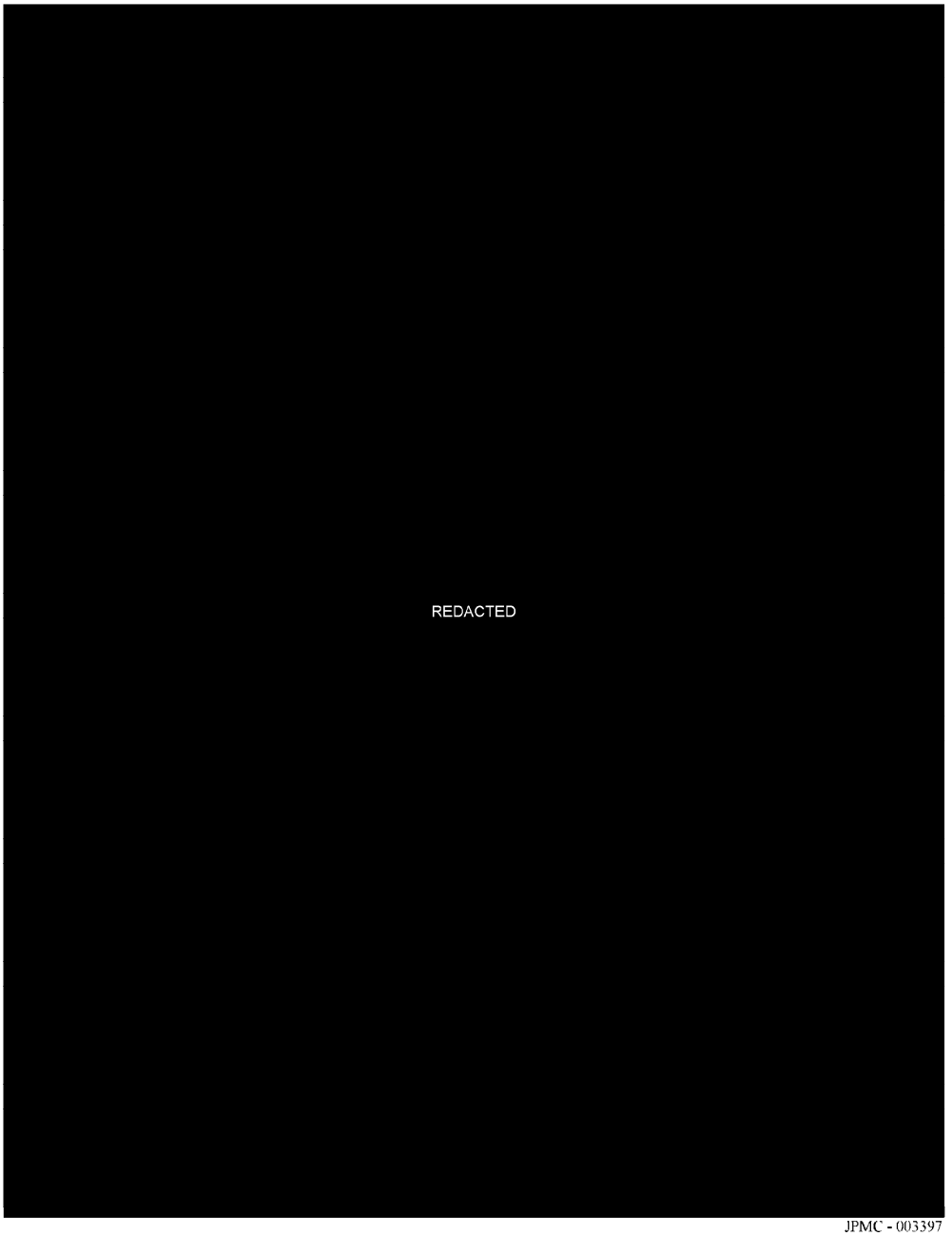
Olivia

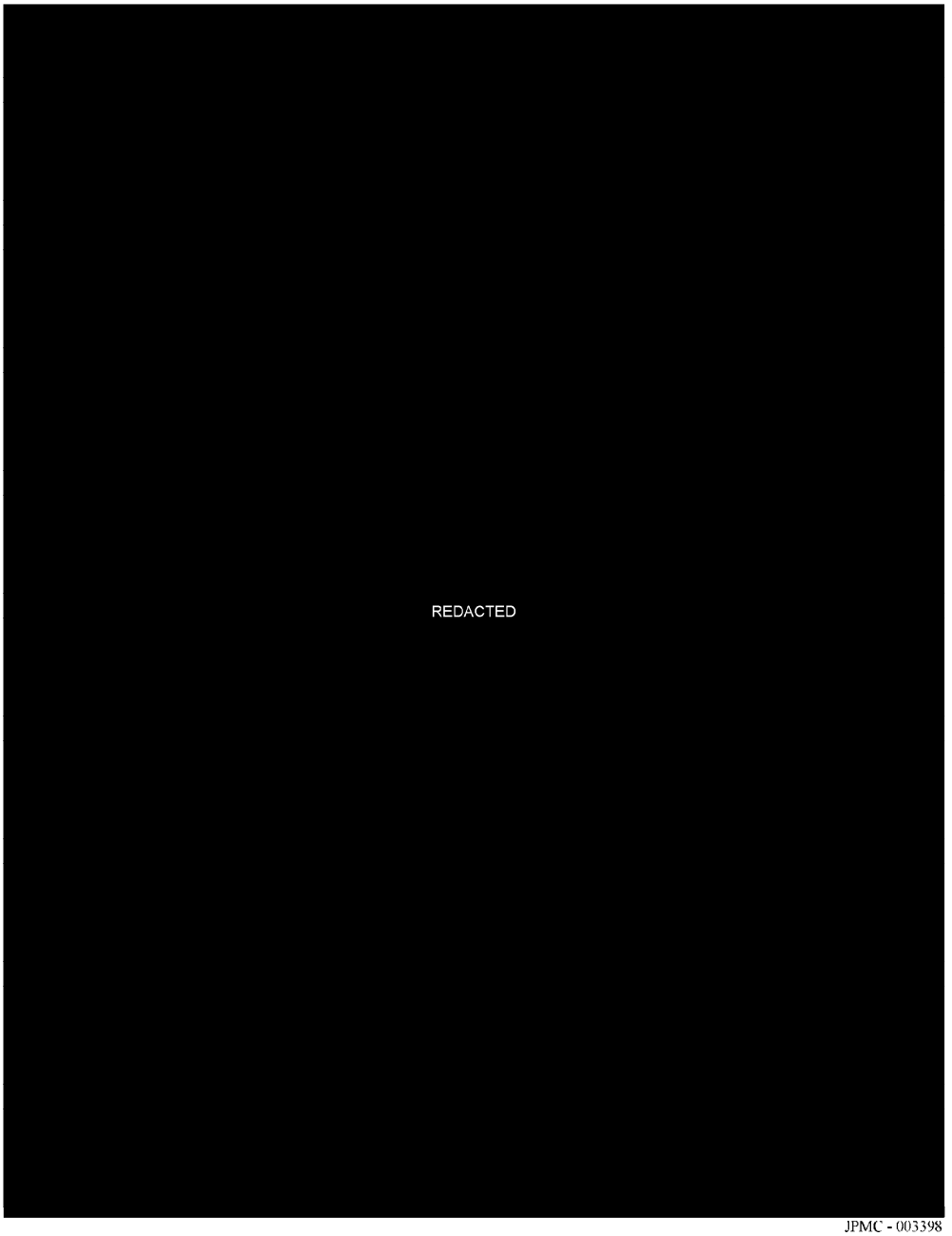
Olivia Riley, VP
Public Relations
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2834 direct, 206.377.2023 fax
olivia.riley@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.


REDACTED


REDACTED

From: Finch, Brian <[redacted]>
Sent: Friday, February 6, 2009 5:35 PM
To: Villegas, Peter R. <peter.villegas@wamu.net>; Manning, Antonio L. <antonio.manning@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Arredondo, Angelica <angelica.arredondo@wamu.net>; Agopian, Vera <vera.agopian@wamu.net>
Cc: Kishner, Gary <gary.kishner@wamu.net>; Delgiorno-Andonian, Laura R. <[redacted]>; Prenta, Ronald <ronald.prenta@wamu.net>; Ware, Janet <[redacted]>
Subject: Updated govt invitee list for Glendale HOC event
Attach: Glendale HOC govt outreach_02-06-09.doc

All–
Attached is the government outreach list for the Glendale HOC. Column 3 shows those who have been invited and any response we've received.

(1) Please let me know if you've received a response not listed in Column 3. Also let me know if there are others you invited who aren't reflected here.

(2) The next step after the event is to more broadly distribute the press release and an information sheet to key offices in L.A, San Bernardino and Orange Counties. I want to take advantage of your local relationships. Please let me know:
(a) if there is anyone listed in Column 4 with whom you have a good relationship with the official or senior staff, and where it's effective for the press release to come from you.
(b) other key local leaders in LA, San Bernardino and Orange Counties whom you know and to whom we should send this info.

Thanks again for everyone's teamwork and help.

400 N. Brand Blvd, Suite 120
Glendale, CA 92103
MSA: Glendale
818-548-[redacted]
Opened 12/29/08

Open House:
Thurs, Feb.12th – 9:00 am until 11:00 am

In-district	1. Engage officials	2. Extend Open House invite	3. Send press release on 2/12
U.S. Sen Feinstein (LA office)		Invited thru Villegas Childress to connect with DC office	Villegas Childress (D.C.)
U.S. Sen Boxer (LA office)		Invited thru Finch Childress to connect with DC office	Finch Childress (D.C.)
U.S. Rep. Adam B. Schiff (D-29)		Invited thru Finch, Will send TBD rep	Finch
Governor Schwarzenegger (LA office)			Finch
CA Sen. Carol Liu (D-21)	Jan triangulating with capitol office Finch reached out to district director	Invited thru Finch	Finch Owen (SAC)
CA Assm. Paul Krekorian (D-43)	Krekorian's office is located at 620 N Brand Blvd Finch working with CoS and district manager	Invited thru Finch	Finch
L.A. County Supervisor Mike Antonovich (D-5)		Invited thru Manning	Manning
City Manager Jim Starbird		Invited thru Agopian	Yes
Glendale Mayor John Drayman		Invited thru Finch, Not available	Yes
Glendale Councilman Ara Najarian		Invited thru Finch, Not available	Yes
Glendale Councilman Frank Quintero		Invited thru Finch, Not available	Yes
Glendale Councilman Dave Weaver		Invited thru Finch, Will attend and provide remarks	Yes
Glendale Councilman Bob Yousefian		Invited thru Finch, Not available	Yes
Glendale Director of Community Development & Housing Madalyn Blake		Invited thru Agopian???	Yes
Glendale Director of Community Development & Housing Assoc Sam Yeremian		Invited thru Agopian???	Yes
Acjacent to district			
U.S. Rep Xavier Becerra (D-31)			Villegas
U.S. Rep Howard Berman (D-28)			Villegas
U.S. Rep Hilda Solis (D-32) *			Villegas
CA Sen. Alex Padilla (D-20)	Jan triangulating with capitol office	Invited thru Owen	Yes
CA Sen. Fran Pavley (D-23)			Yes

CA SD 26 – vacant			Yes
CA Sen. Gil Cedillo (D-22)			Yes
CA Sen. Bob Huff (R-29)			Yes
CA Sen. George Runner (R-17)	Jan triangulating with capitol office	Invited thru Owen	Owen
CA Assm. Anthony Portantino (D-44)			Yes
CA Assm. Kevin DeLeon (D-45)			Yes
CA Assm. Felipe Fuentes (D-39)	Jan triangulating with capitol office CoS	Invited thru Owen	Owen
CA Assm. Mike Feuer (D-42)			Yes
CA Assm. Bob Blumenfield (D-40)			Yes
LA County Supervisor Gloria Molina (D-1)			Yes
LA County supervisor Yev Zarolslavsky (D-3)			Yes
L.A. Mayor Antonio Villaraigosa	Through Finch	Invited thru Finch, Not available. Will provide cucle and/or release	Finch
L.A. Councilman Ed Reyes (D-1)			Yes
LA Councilwoman Wendy Greuel (D-2)		Invited thru Villegas to attend and speak	Villegas
L.A. Councilman Tom LaBonge (D-4)			Yes
L.A. Councilman Eric Garcetti (D-13)			Yes
LA Councilman Jose Huizar (D-14)			Yes
L.A. Housing Department			Yes
Pasadena City Manager Jim Wong		Invited thru Arredondo	Yes
LA County Dept of Consumer Affairs Director Pastor Herrera		Invited thru Finch	Finch
Federal Reserve Bank Area Regional Manager Melody Winter Nava ?		Invited thru Ron Branch?	
HUD Pauline Louie?		Invited thru Ron Branch?	
Other			
LA Council District 3 Dennis Zine			Yes
District 5 Jack Weiss			Yes
District 6 Tony Cardenas			Yes
District 7 Richard Alarcon			Yes
District 8 Bernard Parks			Yes
District 9 Jan Perry Asst President Pro Tem			Yes
District 10 Herb Wesson			Yes
District 11 Bill Rosendahl			Yes
District 12 Greig Smith			Yes
District 15 Janice Hahn			Yes
LA County Supervisor Mark Ridley-Thomas (D-2)			Yes
L.A. County Supervisor Don Knabe (Dist 4)			Yes

Rep. David T. Dreier			Yes
Rep. Brad J. Sherman			Yes
Rep. Howard L. Berman			Yes
Rep. Henry A. Waxman			Yes
Rep. Diane E. Watson			Yes
Rep. Lucille Roybal-Allard			Yes
Rep. Maxine Waters			Finch
Rep. Jane Harman			Yes
Rep. Laura Richardson			Yes
Rep. Grace F. Napolitano			Yes
Rep. Linda T. Sanchez			Yes
Rep. Edward R. Royce			Yes
Rep. Jerry Lewis			Yes
Rep. Gary G. Miller			Yes
Rep. Joe Baca			Yes
Rep. Ken Calvert			Yes
Rep. Mary Bono Mack			Yes
Rep. Dana T. Rohrabacher			Yes
Rep. Loretta L. Sanchez			Yes
Rep. John B. T. Campbell			Yes
Larry Zerlan		Invited thru Agopian, RSVPd to attend	
Glendale Chamber of Commerce CEO Judy Kendall		Invited thru Agopian/Finch	

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Friday, January 30, 2009 6:49 PM
To: Camper, Naomi G. <[redacted]>
Cc: Stewart, Barbara L. <[redacted]>; Griner, Rob E. <[redacted]>; Farrell, Donna M. <[redacted]>; Archer, Catrina L. <[redacted]>
Subject: RE: When you have a minute

Of course- I will try and call you all next week. Thank you. J

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Camper, Naomi G.
Sent: Friday, January 30, 2009 3:32 PM
To: Owen, Jan L.
Cc: Stewart, Barbara L.; Griner, Rob E.; Farrell, Donna M.; Archer, Catrina L.
Subject: Re: When you have a minute

Donna – can you please find a time that works for this? Or to make life easier for everyone, Jan you could just try to reach one of us next week?

Naomi Gendler Camper
Head of Federal Gov't Relations
JPMorgan Chase
202.585.[redacted]w
202.255.[redacted]c

"Owen, Jan L." <jan.owen@wamu.net>

01/30/2009 06:17 PM

To "Camper, Naomi G." <[redacted]>, "Griner, Rob E." <[redacted]>
cc "Stewart, Barbara L." <[redacted]>
Subject When you have a minute

WaMu/Chase has a situation with Congresswoman Richardson mortgage that I would like to bring you up to speed on. My office number is below and my cell is 916-804-[redacted] Although this is not urgent- I do want to update you both. Next week will work. Thanks, Jan

Jan Lynn Owen

First Vice President

State and Local Government and Industry Relations Manager

801 K Street Suite 110

Sacramento, CA 95814

916-553-4961

916-325-4717 fax

jan.owen@wamu.net

From: Camper, Naomi G. <[redacted]>
Sent: Friday, January 30, 2009 6:32 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Cc: Stewart, Barbara L. <[redacted]>; Griner, Rob E. <[redacted]>; Farrell, Donna M. <[redacted]>; Archer, Catrina L. <[redacted]>
Subject: Re: When you have a minute

Donna – can you please find a time that works for this? Or to make life easier for everyone, Jan you could just try to reach one of us next week?

Naomi Gendler Camper
Head of Federal Gov't Relations
JPMorgan Chase
202.585[redacted]w
202.255[redacted]c

"Owen, Jan L." <jan.owen@wamu.net>

01/30/2009 06:17 PM

To "Camper, Naomi G." <[redacted]>, "Griner, Rob E." <[redacted]>
cc "Stewart, Barbara L." <[redacted]>
Subject When you have a minute

WaMu/Chase has a situation with Congresswoman Richardson mortgage that I would like to bring you up to speed on. My office number is below and my cell is 916-804[redacted]. Although this is not urgent- I do want to update you both. Next week will work. Thanks, Jan

Jan Lynn Owen

First Vice President

State and Local Government and Industry Relations Manager

801 K Street Suite 110

Sacramento, CA 95814

916-553-4961

916-325-4717 fax

jan.owen@wamu.net

From: Owen, Jan L.
Sent: Friday, January 30, 2009 6:17:39 PM
To: Camper, Naomi G.; Griner, Rob E.
CC: Stewart, Barbara L.
Subject: When you have a minute

WaMu/Chase has a situation with Congresswoman Richardson mortgage that I would like to bring you up to speed on. My office number is below and my cell is 916-804[illegible] Although this is not urgent- I do want to update you both. Next week will work. Thanks, Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Stewart, Barbara L. [redacted]
Sent: Friday, January 30, 2009 5:24 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Re: Conference Call with Laura Richardson

Call when you get a chance. [redacted]

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: "Owen, Jan L." [jan.owen@wamu.net]
Sent: 01/30/2009 12:25 PM PST
To: Barbara Lynn Stewart
Subject: FW: Conference Call with Laura Richardson

I will need to update you on this one when you are available. Nothing urgent. Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Thorn, Ann
Sent: Friday, January 30, 2009 12:06 PM
To: Battaglia, Paul J.; Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.
Cc: Cook, Don
Subject: RE: Conference Call with Laura Richardson

She just called and I called her back, but got voicemail.
I have to leave for the day so I will try her again on Monday.

Everyone have a nice weekend.

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Battaglia, Paul J.
Sent: Friday, January 30, 2009 10:28 AM
To: Thorn, Ann; Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.
Cc: Cook, Don
Subject: RE: Conference Call with Laura Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
JPMorgan Chase Bank, National Association
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500[redacted]
Fax: 206-377[redacted]

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Friday, January 30, 2009 5:28 AM
To: Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

REDACTED

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Mathis, Julie A.
Sent: Friday, January 30, 2009 8:26 AM
To: Thorn, Ann; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

Ms. Richardson is due for her January payment. Sept, Oct, Nov and Dec pmts were made around the 15th of each month.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Friday, January 30, 2009 7:57 AM
To: Gaugl, Sara C.; Mathis, Julie A.; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: Conference Call with Laura Richardson

Happy Friday Everyone!!!!

[redacted]

Julie, what is the status of her loan?

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Austin, Daysha [redacted]
Sent: Thursday, January 29, 2009 6:09 PM
To: Thorn, Ann
Subject: Conference Call with Laura Richardson

Hi Ann, are you available to speak with Laura Richardson? If so, what time can she call you?

Daysha Austin

U.S. Representative Laura Richardson (D-CA)

100 W. Broadway, Suite 600

(562) 436 Phone

(562) 437 Fax

This e-mail (including any attachments) is intended only for use by the named addressee (s). It may contain confidential or privileged information. If the reader of this message is not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution or copying of this communication is strictly prohibited under U.S. House of Representatives policies. If you received this e-mail in error, please advise the sender by reply e-mail and then delete this e-mail immediately from your computer. Thank you. U.S. House of Representatives.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Friday, January 30, 2009 3:26 PM
To: Stewart, Barbara L. [redacted]
Subject: FW: Conference Call with Laura Richardson

I will need to update you on this one when you are available. Nothing urgent. Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Thorn, Ann
Sent: Friday, January 30, 2009 12:06 PM
To: Battaglia, Paul J.; Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.
Cc: Cook, Don
Subject: RE: Conference Call with Laura Richardson

She just called and I called her back, but got voicemail.
I have to leave for the day so I will try her again on Monday.

Everyone have a nice weekend.

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Battaglia, Paul J.
Sent: Friday, January 30, 2009 10:28 AM
To: Thorn, Ann; Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.
Cc: Cook, Don
Subject: RE: Conference Call with Laura Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel

JPMorgan Chase Bank, National Association
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-[redacted]
Fax: 206-377-[redacted]

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Friday, January 30, 2009 5:28 AM
To: Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

REDACTED

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Mathis, Julie A.
Sent: Friday, January 30, 2009 8:26 AM
To: Thorn, Ann; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

Ms. Richardson is due for her January payment. Sept, Oct, Nov and Dec pmts were made around the 15th of each month.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax

julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Friday, January 30, 2009 7:57 AM
To: Gaugl, Sara C.; Mathis, Julie A.; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: Conference Call with Laura Richardson

Happy Friday Everyone!!!!

Julie, what is the status of her loan?

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell.

For Internal Use Only

From: Austin, Daysha
Sent: Thursday, January 29, 2009 6:09 PM
To: Thorn, Ann
Subject: Conference Call with Laura Richardson

Hi Ann, are you available to speak with Laura Richardson? If so, what time can she call you?

Daysha Austin

U.S. Representative Laura Richardson (D-CA)

100 W. Broadway, Suite 600

(562) 436- Phone

(562) 437- Fax

This e-mail (including any attachments) is intended only for use by the named addressee (s). It may contain confidential or privileged information. If the reader of this message is not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution or copying of this communication is strictly prohibited under U.S. House of Representatives policies. If you received this e-mail in error, please advise the sender by reply e-mail and then delete this e-mail immediately from your computer. Thank you. U.S. House of Representatives.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Friday, January 30, 2009 9:42 AM
To: Thorn, Ann <ann.thorn@wamu.net>
Subject: Re: Conference Call with Laura Richardson

Ann: instead of a call- maybe a couple of one off calls? I will call you this am. Thanks, J

----- Original Message -----
From: Thorn, Ann
To: Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Sent: Fri Jan 30 05:28:06 2009
Subject: RE: Conference Call with Laura Richardson

REDACTED

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Mathis, Julie A.
Sent: Friday, January 30, 2009 8:26 AM
To: Thorn, Ann; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

REDACTED

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase

7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Friday, January 30, 2009 7:57 AM
To: Gaugl, Sara C.; Mathis, Julie A.; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: Conference Call with Laura Richardson

Happy Friday Everyone!!!!

[redacted]

Julie, what is the status of her loan?

Ann Thorn, EVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Austin, Daysha [redacted]
Sent: Thursday, January 29, 2009 6:09 PM
To: Thorn, Ann
Subject: Conference Call with Laura Richardson

Hi Ann, are you available to speak with Laura Richardson? If so, what time can she call you?

Daysha Austin

U.S. Representative Laura Richardson (D-CA)

100 W. Broadway, Suite 600

(562) 436[illegible] Phone
(562) 437[illegible] Fax

This e-mail (including any attachments) is intended only for use by the named addressee (s). It may contain confidential or privileged information. If the reader of this message is not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution or copying of this communication is strictly prohibited under U.S. House of Representatives policies. If you received this e-mail in error, please advise the sender by reply e-mail and then delete this e-mail immediately from your computer. Thank you. U.S. House of Representatives.

From: Rob Lapsley <[redacted]>
Sent: Thursday, January 22, 2009 8:03 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Articles of Interest

State warned of possible credit downgrade

Matthew Yi, Chronicle Sacramento Bureau
Thursday, January 22, 2009

(01-22) 04:00 PST Sacramento --

A leading national credit-rating agency put California's government on notice Wednesday for a possible downgrade in credit, blaming an estimated $40 billion budget deficit that Gov. Arnold Schwarzenegger and the Legislature have been unable to resolve.

Moody's Investor Service also downgraded two of the state's outstanding bond debts: $8.7 billion in bonds sold in previous years to help solve earlier budget deficits and $5 billion in short-term loans that the state took out last fall to help smooth California's cash flows.

A downgrade in the state's overall credit rating would be yet another blow to California's already shaky finances, making it more difficult and expensive for the Golden State to borrow or sell bonds in the future. The downgrade of existing bonds could raise some of the state's interest payments and make it more difficult for investors holding those notes to resell them on the bond market, said H.D. Palmer, a spokesman for the Department of Finance.

According to Moody's note to investors published Wednesday, placing the state's credit rating on its watch list for a possible downgrade reflects "the state's significant budgetary shortfall, impending liquidity crisis and lack of legislative solutions."

The move is the latest evidence of "how urgently our state needs its legislators to act to resolve our fiscal emergency," Schwarzenegger's finance director Mike Genest said in a written statement. "We can prevent this from happening by acting swiftly to close our budget gap in the manner that the governor has proposed," he wrote.

Alicia Trost, a spokeswoman for state Senate President Pro Tem Darrell Steinberg, D-Sacramento, said a warning on the state's credit rating is "just further proof that the governor and Legislature must come together on a budget solution (for the rest of this year and next fiscal year) as quickly as possible."

The credit news is the latest evidence that "California needs to enact major budget reforms

and measures to stimulate our economy as soon as possible," said Jennifer Gibbons, a spokeswoman for Assembly Republican leader Mike Villines of Clovis (Fresno County).

Schwarzenegger and legislative leaders will try to reconvene budget negotiations today, aides said.

But despite California's impending fiscal doom, which includes delaying tax refunds and other payments in coming weeks and possibly issuing IOUs, Schwarzenegger and legislative leaders took a break from budget negotiations in recent days when they flew to Washington to witness Tuesday's inauguration of President Obama.

Schwarzenegger returned to the state Tuesday evening, and Steinberg and Assembly Speaker Karen Bass, D-Baldwin Vista (Los Angeles County), were scheduled to return late Wednesday.

Before leaving Washington on Wednesday, Steinberg and Bass said in a conference call that they had met in the Capitol with California's Democratic congressional delegation, including Sens. Dianne Feinstein and Barbara Boxer, to ensure that California would get its share of an impending federal economic stimulus package.

The state lawmakers said they are hopeful California will receive additional federal funds to help pay for the state's health care and education systems as well as infrastructure projects.

"But it's still no substitute for what we have to do to make the biggest dent in the $42 billion deficit (which includes $2 billion in reserves)," Steinberg said.

Bass said she and Steinberg are returning to California hopeful "that we can have a deal in a few days."

Republican lawmakers, meanwhile, remained in Sacramento this week, convening a policy retreat at a hotel across the street from the state Capitol.

State Controller John Chiang warned Friday that without a budget compromise, the state would run out of cash in February. He announced that he plans to delay nearly $3.7 billion in tax refunds, grants to the poor and college students next month. Chiang said he may be forced to issue IOUs if the budget impasse continues.

In a related development, Chiang filed a legal brief Wednesday with the Sacramento County Superior Court that sided with state worker unions who have argued that Schwarzenegger doesn't have legal authority to force furloughs on state employees.

Last month, Schwarzenegger issued an executive order mandating that state employees take two days off without pay each month starting in February as a cash-saving measure. State worker unions filed a lawsuit against the governor, and a court hearing is scheduled for Jan. 29.

California Republicans put taxes on table for state budget deal

jsanders@sacbee.com

Published Thursday, Jan. 22, 2009

After months of holding firm on a "no new taxes" pledge, some Republican lawmakers said Wednesday that they are willing to consider a tax hike as part of a wider-ranging deal to close the state's budget gap.

Republican legislators' internal budget discussions were part of a private, two-day policy conference at Sacramento's Hyatt Hotel.

The GOP caucus realizes a tax hike will be part of any budget pact but could support it only if agreement were reached on permanent program cuts, a hard spending cap and other issues, lawmakers said.

"The reforms have to be there," said Assemblyman Anthony Adams, R-Hesperia.

"(We must be able) to tell constituents, 'Look, we had to raise taxes, we had to go forward, but we've fundamentally altered the way in which Sacramento is going to be budgeted – and we will not have these problems again because of it,'" Adams said.

No deal seems imminent to bridge the state's projected $40 billion budget shortfall.

But Assemblyman Roger Niello, a Fair Oaks Republican who serves as vice chairman of the Assembly Budget Committee, said he senses a change in the tone of negotiations.

"I think both sides are beginning to at least discuss the priorities of the other side," he said.

Gov. Arnold Schwarzenegger and legislative leaders are expected to meet today in an attempt to hammer out an agreement.

Democrats need three GOP votes in both the Senate and Assembly to garner the two-thirds supermajority needed to pass a budget.

Democrats consistently have resisted GOP demands to roll back environmental and labor regulations to aid businesses, and to permanently cap state spending through a formula tied to inflation and population growth.

Assembly Speaker Karen Bass, in a media conference call, did not rule out the possibility Wednesday of reaching agreement on a spending cap.

"I think that we can say it's important that we negotiate all aspects of this, putting everything on the table," Bass said.

Later, Shannon Murphy, Bass' spokeswoman, said that "we're not going to get into specifics, but negotiations are serious and all options are being discussed."

Assemblyman Michael Duvall, R-Yorba Linda, said that "I think we all know it's crisis time" and that discussion is targeting "what the pushes and shoves are going to be."

Republicans know there "has to be some kind of revenue to balance this whole situation" but must obtain systemic change to "make sure we're not right back in this mess next year."

"There will be things that are fee-generated and probably some kind of tax (increase)," Duvall said of prospects for a deal. "But until we actually get the whole package, we're not jumping on board."

Several GOP lawmakers said no consensus has been reached in the caucus on whether a temporary sales tax hike is preferable to a vehicle license fee increase or some other revenue option.

Niello carefully avoided using the word "tax increase," saying only that he could support additional revenues as part of a deal.

"I'm going to express enough flexibility so that the other side will know that, as for me, if they express flexibility on those things that I think are important, I'm going to express flexibility on those things that they think are important," he said.

Niello said he always has been willing to discuss revenue increases in return for systemic changes in state government.

"The problem has been, all along, that every notion of reform that we've put forth has been literally ignored," Niello said. "It gets frustrating."

Sen. Tony Strickland, R-Moorpark, declined to speculate on a tax deal.

"The bottom line is, we want spending reforms and we want to control the growth of government," he said.

Asked about prospects for a tax hike, Senate Republican leader Dave Cogdill, R-Modesto, said only that "we're looking at a lot of different things."

The GOP is insistent upon strong, long-lasting changes to state budgeting and "right now, we're not seeing it," he said.

Adams said he doesn't expect a budget deal to be struck this week because Democrats have balked at GOP demands in the past.

"While it shouldn't have to come to this, it may be true that until we get the real pressure of insolvency there, you're not going to see a break," he said.

Private, political histories loom over House race

By Anthony York *(published Thursday, January 22, 2009)*

A vote on President Obama's selection for Labor Secretary, Rep. Hilda Solis, D-El Monte, could touch off a political battle here in California that crosses ethnic and personal political lines.

The jockeying to replace Solis has already claimed one candidate, Sen. Gloria Romero, D-Los Angeles and set up a political showdown that includes Board of Equalization Chairwoman Judy Chu, D- Monterey Park, and Sen. Gil Cedillo, D-Los Angeles.
But before any of that happens, Solis must win confirmation from the Senate. And while Republicans would have to unanimously oppose her nomination to have any hopes of blocking her ascension to Labor Secretary, they were not happy with Solis after her confirmation hearing.

"She answered no questions," said Sen. Tom Coburn (R-Okla.), a member of the Health, Education, Labor and Pensions Committee told Politico. "If she won't answer the questions, how can you support the nomination?"

Assuming Solis gets through her Senate hazing, another fierce political battle will begin for her Congressional seat.
Romero surprised Capitol observers by dropping out of the Congressional race saying she is committed to running for Superintendent of Public Instruction in 2010.

"I have represented East Los Angeles and the San Gabriel Valley for over a decade and have no doubt that with the strong support from my constituents I would have been a formidable and winning candidate and a champion for the people in the next Congress," Romero said in her statement.

"I have evaluated the wonderful opportunities before me and have chosen to listen to my heart. My passion is education. I understand that education is the civil rights issue of our time -- the great equalizer in America ... It is for this reason that I have chosen to decline to run for Congress and to pursue my dream of becoming California's next Superintendent of Public Instruction."

Romero was believed to be a strong front-runner for the eastern Los Angeles County Congressional seat. Her state Senate district encompasses more than 90 percent of the Congressional district.

That leaves Cedillo and Chu alone as the declared candidates for the seat.

Organized labor is expected to play an important role in the race. In special elections, turn-out is notoriously low, and the support from labor is seen as critical in these low-turn out races. In 2007, labor's support was instrumental in vaulting Laura Richardson over Sen. Jenny Oropeza, D-Long Beach, in the race to replace Juanita Millender-McDonald.

On Thursday morning, both the Service Employees International Union and and Los Angeles County Federation of Labor endorsed Chu.
There have been tensions between Romero and Maria-Elena Durazo, head of the powerful Los Angeles County Federation of Labor. But Capitol sources say Romero decided to focus on the superintendent's race after consulting with former Sen. Richard Polanco, among others.

The potential Congressional showdown has also divided the Capitol's Latino Caucus, of which Cedillo is chair. Cedillo has tangled with Assemblyman John Perez, D-Los Angeles, and has even threatened to challenge Perez for his Assembly seat in 2010.

Perez is the cousin of Los Angeles Mayor Antonio Villaraigosa, and Villaraigosa is said to be leaning toward endorsing Chu, though his office did not return calls seeking comment.

Cedillo and Villlaraigosa were once close political allies, with Villariagosa using his clout to help Cedillo's election to the Assembly in a 1997 pecial election. But tensions between the two childhood friends quickly grew, and eventually boiled over after Villaraigosa's failed race for Los Angeles mayor in 2001. Villaraigosa threatened to run against Cedillo for Senate after his 2001 defeat, and the rift has never healed between the two. Cedillo stuck with Hahn when Villarigosa eventually defeated Hahn in 2005.

Villaraigosa enjoys considerable clout with the Los Angeles County Federation of Labor, and its leader, Durazo. But Cedillo also has deep labor roots. He was the general manager of SEIU Local 660 in the early 1990s. And his push for the rights of undocumented residents has made him a celebrity among certain factions of the Latino community.

While labor's decision to back Chu is a blow to the Cedillo campaign, others in the caucus want to ensure the district is represented by a Latino. Polanco has been working hard to unify Latinos behind Cedillo's candidacy.

If Chu is to win the seat, she will have to earn some Latino support. The 32nd Congressional District is about 62 percent Latino. Asians make up about 20 percent of the district population. Latinos make up about half of the district's voter registration. Asians comprise about 13 percent of registered voters.

In her departure from the Congressional race, Romero announced her support for Cedillo.

"Senator Cedillo has been a forceful advocate for public safety and anti-gang initiatives. He has been tenacious in his advocacy for the rights and dignity of working families and the preservation of good middle-class jobs," she said. "He has been a leader in the San Gabriel Valley Caucus' fight for a more equitable share of transportation dollars for eastern Los Angeles County and the communities we jointly represent."

Chu has already secured the endorsement of Assemblyman Ed Hernandez, D-El Monte, who has his eyes on Romero's senate seat in 2010. Chu and her husband, Assemblyman Mike Eng, D-Los Angeles, -- two of Hernandez's top potential rivals – are said to be backing Hernandez for the Senate seat.

"Judy Chu is intimately familiar with the particular challenges facing the people of this district from her nearly 25 years representing them at the local and state levels, and she shares with Hilda Solis the same passionate dedication to public service that has made her such a fierce advocate for our communities," Hernandez said in a statement. " I have endorsed Dr. Judy Chu for the 32nd Congressional District because I know she will be a strong and effective voice for the people of our region."

Romero's exit from the congressional race sets up a 2010 showdown between Romero and Assemblyman Tom Torlakson, D-Antioch, for state superintendent. The current superintendent, Jack O'Connell is being pushed out by term limits, and has announced his intention to run for governor in 2010.

You have received this message because you have subscribed to a mailing list of California Chamber of Commerce. If you do not wish to receive periodic emails from this source, please click below to unsubscribe.

powered by **voter**VOICE To unsubscribe from this mailing list click here.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Tuesday, October 21, 2008 2:46 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: Google Alert - Laura Richardson

Fyi.

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Google Alerts [mailto:googlealerts-noreply@google.com]
Sent: Tuesday, October 21, 2008 10:16 AM
To: Owen, Jan L.
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Los Angeles News Roundup October 21, 2008
Laura Richardson goes negative in safe Democratic District. Paybak or playing scared? Noodles could bring jail time in Walnut. Health police crack down on the nefarious Walnlut Family Festival.
LOS ANGELES COUNTY (CA) - http://www.redcounty.com/la/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, October 18, 2008 7:55 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Another Pelosi Lie: "White House officials prevented Treasury ...
By Pam
Laura Richardson (D-Deadbeat defaulter) continues to provoke outrage and snickers in California. But will her constituents actually do anything about their national embarrassment? The latest? Via the Long Beach Press Telegram, ...
Right Voices - http://rightvoices.com/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, October 18, 2008 3:14 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

New face, same name
Daily Breeze - Torrance,CA,USA
Furutani was elected in February to represent the 55th Assembly District, replacing **Laura Richardson** after she was elected to Congress. ...
See all stories on this topic

Newsman of the Americas
Multichannel News - New York,NY,USA
Democratic candidates Hillary Clinton, Christopher Dodd, John Edwards, Mike Gravel, Dennis Kucinich, Barack Obama and Bill **Richardson** participated in a ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, October 17, 2008 4:13 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Loch Ness - Free Movies
By gasperiniblog2699
Though he ruffles the feathers of a few locals, he is able to persuade an innkeeper named **Laura (Richardson)** to let him stay in her hotel. And with the help of **Laura**'s young daughter, John begins to open his eyesand his heartto what's **...**
gasperini blog - http://base.lt/eblog/gasperiniblog2699/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, October 17, 2008 3:48 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

'Blame Bush for everything' crusade
Sacramento Bee - CA, USA
Barbara Lee, **Laura Richardson**, Maxine Waters and Diane Watson. It's also backed by state legislative leaders such as Assemblyman Mike Davis, ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, October 17, 2008 2:59 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Favored candidates face challenges
Daily Breeze - Torrance,CA,USA
Laura Richardson, a Democrat elected in 2007 to replace the late Rep. Juanita Millender-McDonald, has been campaigning in her Carson-to-Long Beach district ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Thursday, October 16, 2008 8:00 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

November 4, 2008 Ballot Recommendations: Part 1
By admin
District 37—**Laura Richardson** District 38—Grace Napolitano District 39—Linda Sanchez District 40—Christina Avalos District 42—Ed Chau District 43—Joe Baca. California State Senate District 21—Carol Liu District 23—Fran Pavley ...
egpnews.com - http://egpnews.com/

Esquire magazine endorses Mathews in current issue
By admin
... including presidential candidate Barack Obama, for the upcoming November election. Mathews (D), who is running against incumbent **Laura Richardson** (D) as a write-in candidate, continues to gain support throughout the 37th District. ...
Signal Tribune Newspaper - http://www.signaltribunenewspaper.com/

37th Congressional FORUM Oct 22nd
By kendavis
All five candidates have accepted the invitation: **Laura Richardson**, incumbent & Democrat on the ballot: Nick Dibs, Independent on the ballot, and Democratic write-ins Peter Mathews & Lee Davis, as well as Republican write-in June Pouesi ...
4 Signal Hill Homes Local Blog - http://www.4signalhillhomes.com/blog/

172nd Court District Nov. 2008
By Carrie Gonzalez
... **LAURA** A;BROWN, GREGG R;WADE, TODD N;JACOBS, KEVIN T;HILL, JOHN L JR;COFFEY, WILLIAM B JR;CARSTARPHEN, EDWARD M;CROWTHER, RICHARD S;WARE, JAMES L;BALDO, NICHOLAS S;POWERS, JAMES H;KNABESCHUH, LOUIS H JR;BOYD, ERNEST W;**RICHARDSON**, ...
Southeast Texas Record - - http://www.setexasrecord.com/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Thursday, October 16, 2008 1:47 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Seats In Congress Contested
Gazette Newspapers - Long Beach,CA,USA
By Kurt Helin Conventional political wisdom is that the two Congressional seats representing the Long Beach area "safe" — meaning Democrat **Laura Richardson ...**
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Tuesday, October 14, 2008 7:10 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Esquire endorses Mathews, Cook, Sanchez in local races
Contra Costa Times - Walnut Creek,CA,USA
Laura Richardson, D-Long Beach. Esquire criticized **Richardson** for defaulting on three home loans. "This doesn't mean she's not capable, but it certainly **...**
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, October 4, 2008 2:31 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

How California members of the US House of Representatives voted on ...
Los Angeles Times - CA,USA
... Doris Matsui (Sacramento), Jerry McNerney (Pleasanton), George Miller (Martinez), Nancy Pelosi (San Francisco), **Laura Richardson** (Long Beach), **...**
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, October 3, 2008 9:16 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

A chihuahua adopt-a-thon, jail for a porn director, and another ...
Los Angeles Times - CA,USA
OC Watchdog **Laura Richardson's** code violation case in Sacramento is dropped. Daily Breeze A dog park for Pershing Square? Blog Downtown.
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, October 3, 2008 9:04 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Oct. 3, 2008 - Bailout Passes - Yes Votes -The VOTE THEM OUT LIST ...
By toddlorensinclair
Laura Richardson (D-CA). CA. Rep. Susan A. Davis (D-CA). CA. Rep. Zoe Lofgren (D-CA). CA. Rep. Hilda A. Solis (D-CA). CA. Rep. John Campbell (R-CA). CA. Rep. Jerry McNerney (D-CA). CA. Rep. Joe Baca (D-CA) ...
What ... ? - http://toddlorensinclair.wordpress.com

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, October 3, 2008 5:50 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Why not 435? Or, even 535? And, that's just voting members ...
By A Siegel
Corrine Brown. Rep. Luis V. Gutierrez. Rep. Carolyn McCarthy. Rep. Donna M. Christensen. Rep. Bennie G. Thompson. Rep. John J. Hall. Rep. David Loebsack. Rep. Richard E. Neal. Rep. **Laura Richardson**. Rep. Rick Larsen. Rep. Michael A. Arcuri.
Get Energy Smart! NOW!!! - http://getenergysmartnow.com

How the Calif. delegation voted on the *revised* $700 billion bailout
Radanovich, **Laura Richardson**, Dana Rohrabacher, Lucille Roybal-Allard, Ed Royce, Linda T. Sanchez, Loretta Sanchez, Adam Schiff, Brad Sherman, Hilda L. Solis, Jackie Speier, Fortney Pete Stark, Pete Stark, Ellen O. ...
TotalCapitol.com - http://www.totalcapitol.com/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, October 3, 2008 10:53 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Plea to Sarah_Estopp_killing wolves_Corruption Congress
By Sharon 4Anderson(Sharon 4Anderson)
Dishonorable mentions. Rep. Marsha Blackburn (R-TN); Sen. Norm Coleman (R-MN); Rep. **Laura Richardson** (D-CA); Rep. Michael Turner (R-OH). Home. Map data ©2008 Tele Atlas - Terms of Use. NEWS: Former CEO Testifies About Gifts. **...**
Sharon4Council - http://sharon4council.blogspot.com/

Richardson's Sacramento Code Violation Case is Dropped
By newsig
Laura Richardson after determining that her yard has been adequately cleaned up. The South Bay Democrat nearly lost the house in May after failing to pay the mortgage for nearly a year. **...**
All Content | Citizens for Responsibi... - http://www.citizensforethics.org//

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, October 3, 2008 7:37 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

FEES * USA - Second Bill Proposes National Container Fee
By truckbus(truckbus)
Laura Richardson, D-Calif Washington,DC,USA -The Journal of Commerce/Traffic World -29 Sept 2008: -- Revenue from the fee would be used to develop freight transportation infrastructure, improve national security aspects of goods **...**
trucks world news - http://infotruck.blogspot.com/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, October 3, 2008 3:54 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Richardson's Sacramento code violation case is dropped
Daily Breeze - Torrance,CA,USA
Laura Richardson after determining that her yard has been adequately cleaned up. The South Bay Democrat nearly lost the house in May after failing to pay ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Thursday, October 2, 2008 9:13 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Vote "NO" on 700 Billion Bailout Bill
By dk
Representative **Laura Richardson** (D - 37), 202-225-7924, 202-225-7926, http://**richardson**.house.gov/IMA/issue_subscribe.htm. Representative Grace Napolitano (D - 38), 202-225-5256, 202-225-0027 **...**
ნაოყჯნი | աթ ı - http://www.duykhang.com/iam/me

Container fee legislation underscores freight funding needs
Legislation introduced by Congresswoman **Laura Richardson** (D-CA) helps underscore the growing recognition of the need to increase federal support of freight infrastructure. The bill, the MOVEMENT Act of 2008 (HR 7002), calls for the **...**
The American Journal of Transportation - http://www.ajot.com

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Owen, Jan L.
Sent: Wednesday, October 01, 2008 5:20:10 PM
To: Gaugl, Sara C.
Subject: Emailing: bobby-rush-greedy-guzzler.htm

Attachments: bobby-rush-greedy-guzzler.htm

bobby-rush-greedy-guzzler.htm
(56 kB)

This still just cracks me up! J

MY RACE FOR IL 1ST CONGRESSIONAL DISTRICT 2008 ELECTION

THIS BLOG WILL BE USED TO POST MY EXPERIENCE AS A AFRICAN AMERICAN REPUBLICAN RUNNING FOR OFFICE IN A HEAVILY DEMOCRATIC DISTRICT. I WILL POST ARTICLES, EVENTS, AND REPORT MY RECEPTION NOT ONLY FROM THE 1ST DISTRICT BUT MY LOCAL PARTY MEMBERS AS WELL.

WEDNESDAY, OCTOBER 1, 2008

Bobby Rush The Greedy Guzzler

Well, well, well. About those leased cars that congressionals push off onto us taxpayers -- I've been doing a little looking up and found some very interesting tidbits.

For instance, Jesse Jackson, Jr. leases (at taxpayers expense) a Ford Expedition for $1,161 a month.

Bobby Rush likes his Lincoln Navigator that costs $746 a month.

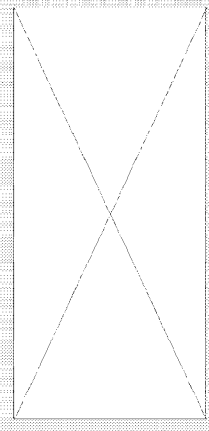
And John Shimkus has a Jeep Commander that costs $627/month.

But then there's Dan Lipinski (D-Ill). Lipinski pays for his own vehicle. He says charging taxpayers raises too many questions.

You can see more on the list. Not all the congressionals fleece us taxpayers by renting expensive cars. Some have leased vehicles that come in under $300 or $400.

POLLS

Opinion Polls & Market Research



Online Surveys & Market Research

But I don't think any of them ought to get a free ride to work. With the money we're already paying them, the least they can do is pay for their own personal vehicle and the gas to go in it. Here's an interesting article that has more politicians named: http://cbs2chicago.com/politics/congressmen.taxpayers.cars.2.724709.html

And then there's these two from California. Laura Richardson likes her Lincoln Town Car. It costs $1300/month. That's a lot more than Diane Watson's Town Car which costs the taxpayer $686/month. Both are from California. So why is Richardson's car costing more money? Supposedly there was some customizing done to it.

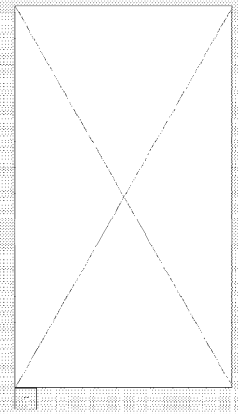
Huh? Like what, for crying out loud! Here's the article: http://www.dailybreeze.com/ci_9740150

Gregory Meeks has a Lexus that costs $998/month.

But the best alibi that I've heard for some time is Charles Rangel's (from New York) excuse for his Cadillac Deville which costs taxpayers $774/month. Rangel says it's his way of showing respect for the taxpayers in his district.

And it doesn't seem to matter that the approval ratings for congress keep going down, down and down. They're probably just sitting up there under The Dome when the new ratings go down another notch and say, "So what? We get what we want so who cares?"

It's just greed. They're just greedy. And it's not just the cost of their leases. Add to that the cost of gasoline and registration costs and auto insurance.



HOW COME THERE IS NOT AFRICAN AMERICAN REPUBLICAN CONGRESSMAN IN OFFICE?

BLOG ARCHIVE

▼ 2008 (18)

But listen to this: Senators don't lease cars at taxpayers' expense. They aren't allowed to.

Read more:
http://ballyblog.wordpress.com/2008/05/01/congressmen-lease-luxury-cars-paid-by-tax-dollars/

As long as Nancy Pelosi is so all fired up about House Ethics, etc., she ought to favor legislation that would ban tax money being used for the House members' leased vehicles.

http://freerepublic.com/focus/f-news/2051684/posts

POSTED BY REV. ISAAC HAYES AT 12:36 PM

---

0 COMMENTS:

Post a Comment

Home Older Post

Subscribe to: Post Comments (Atom)

▼ October (1)
Bobby Rush The Greedy Guzzler

▫ September (16)
Bobby Rush Lets Us Down Again
Bobby Rush and his Limousine Liberal Friends
Mounting A Campaign to go to the Next Level
BOBBY RUSH THE ZERO PERCENTER
Antoine Members on Detention & Deportation
Bobby Rush: Working to Keep His House, But Not You...
Help Me Stop Bobby Rush and the Liberal Agenda
GOP Candidate to Interview with Black Talk Radio
Bobby Rush Supports Genocide
Bobby Rush Gets an "F" on Immigration
Antoine Members for Congress
Bobby Rush Burdens the Poor & Working Class
Antoine Members (R-Ill.) signs the Taxpayer Protec...
Antoine Members: "I

nominate John McCain because.....

Roxane Battle speaks with black congressional cand...

Rush 'em ...

▫ February (1)

Political History for Black History Month

CONTRIBUTORS

Candidate Antoine Members

Rev. Isaac Hayes

From: Leland Chan <[redacted]>
Sent: Tuesday, September 30, 2008 12:41 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Maurine Padden <[redacted]>
Subject: RE: Emergency Economic Stabilization Act of 2008
Attach: short sales.doc

Here you go Jan.

Leland Chan
General Counsel
California Bankers Association
916/438[redacted]
Cell: 415-321[redacted]
lchan[redacted]

This message contains information which may be confidential and
privileged. Unless you are the addressee (or authorized to receive for
the addressee), you may not use, copy or disclose to anyone the message
or any information contained in the message. If you have received the
message in error, please advise the sender by reply e-mail
lchan[redacted] and delete the message.
-----Original Message-----
From: Owen, Jan L. [mailto:jan.owen@wamu.net]
Sent: Tuesday, September 30, 2008 9:37 AM
To: Maurine Padden; Leland Chan
Subject: Re: Emergency Economic Stabilization Act of 2008

Thank you- also please forward the short sale ltr sent a couple of weeks
ago. Thanks, J

----- Original Message -----
From: Maurine Padden <[redacted]>
To: Steven Buster <[redacted]>; Robert McGill <[redacted]>; Tom Beene <[redacted]>; John Hou <[redacted]>; Michael Kimball <[redacted]>; Michael McGuire <[redacted]>; Mike Knudsen <[redacted]>; Anthony Kourounis <[redacted]h>; Owen, Jan L.; Thomas Shaffer <[redacted]>; Curtis Reis <[redacted]n>; Richard Sanborn <[redacted]n>
Cc: Rodney K. Brown <[redacted]n>
Sent: Tue Sep 30 08:45:22 2008
Subject: Emergency Economic Stabilization Act of 2008

Dear Colleagues:

As promised, attached to this email message are the two letters sent to members of Congress. The letter sent to Rep. Pelosi is representative of the letter sent to all California congressional members who supported the Act, while the letter sent to Rep. Sherman was sent to members of the California delegation who voted against the Act. The attached PDF detailing how frozen credit markets impact Main Street was also included with each letter. In addition, I have listed below the vote count for the California delegation which I sent to you also last night by email. Please contact your member of Congress and urge them to support the proposal if they voted "NO" on the bill yesterday. You may use the body of the letter to Rep Sherman if you wish. Feel free to personalize the letter or, if you choose to call your representative, feel free to rely upon it in your conversations. If your member of Congress voted "AYE" on the measure, consider personalizing the letter to Rep. Pelosi and send it to your member or rely upon it if you choose to call. We will be issuing a legislative alert to all of our CBA members today urging them to contact their representatives to urge support for the measure. If you have any questions, please do not hesitate to contact me.

Best regards,

Maurine Padden

YEAS (29: D-19, R-10)

Berman
Baca

Bono Mack
Becerra

Calvert
Bilbray

Campbell
Doolittle

Capps
Filner

Cardoza
Gallegly

Noes (24:
D-15, R-9)

Costa
Hunter

Davis, Susan — Issa

Dreier
Lee

Eshoo
McCarthy

Farr
Napolitano

Harman
Nunes

Herger
Rohrabacher

Honda
Roybal-Allard

Lewis
Royce

Lofgren
Sanchez, Linda

Lungren
Sanchez, Lorretta

Matsui
Schiff

McKeon
Sherman

McNerney — Solis

Miller, Gary
Stark

Miller, George
Thompson

Pelosi
Watson

Radanovich
Woolsey

Richardson

Speier

Tauscher

Waters

Waxman

1303 J Street, Suite 600, Sacramento, CA 95814-2939 T: 916/438-4400 F: 916/441-5756

August 21, 2008

Securities and Exchange Commission
Secretary
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-20-08; Naked Short Sales

Dear Sir/Madam:

The California Bankers Association ("CBA") appreciates this opportunity to submit comments to the SEC regarding the expansion of the naked short sales restriction to all depository financial institutions. CBA is a California non-profit organization established in 1891 and represents most of the depository financial institutions doing business in California. Its members range in size from community-based banks to the largest financial institutions in the nation.

We commend the SEC for initially instituting restrictions on naked short sales of securities of the 19 large financial institutions pursuant to its July 18 order. The order prohibited short sales unless the traded securities are actually arranged to be borrowed prior to the trades. CBA believes that, in this uncertain economic environment, unchecked naked short sales of those institutions' securities could raise unwarranted public concerns about their safety and soundness and even viability. At a time when consumers are nervous about the safety of their deposits, they may react hastily by withdrawing funds whenever a bank's stock price falls.

In California, the failure of IndyMac Bank has caused consumers to be more attentive to the financial condition of their own banks. This sense of anxiety affects all banks, not just the few identified by the SEC and protected by its initial order. In the coming months much attention will be given to how banks perform, and to which banks are deemed to be "in trouble." This kind of speculation, which to some extent is unavoidable, could only exacerbate the popularity of naked short sale activities which, in turn, could unduly distort market perceptions that may lead to disastrous consequences for some banks.

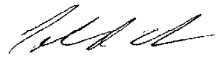
We believe that much of the rationale for applying the naked short sale rule to the initially identified institutions has equal application to all financial institutions that are publicly traded. Moreover, it is patently contrary to principles of fairness for a small number of financial institutions to be covered to the exclusion of all others, most of whom are direct competitors.

JPMC - 003449
CONFIDENTIAL
CSOC.RICH.004942

The SEC simply should not be in the business of favoring some market participants over others. Such a policy not only gives an unfair, government-sponsored advantage to those select institutions, but would also focus the attention of short sellers on the remaining banks and exert downward pressure on banks' share prices when they are most vulnerable.

For these reasons, CBA and its members urge the SEC to expand the positive step it took with regard to the initial group of financial institutions, and issue a rule or order to expand the restriction on naked short sales to apply to all publicly traded depository financial institutions. If you have any questions, please do not hesitate to contact me.

Sincerely,



Leland Chan
General Counsel

From: Maurine Padden <[redacted]>
Sent: Tuesday, September 30, 2008 11:45 AM
To: Steven Buster <[redacted]>; Robert McGill <[redacted]>; Tom Beene <[redacted]>; John Hou <[redacted]h>; Michael Kimball <[redacted]>; Michael McGuire <[redacted]>; Mike Knudsen <[redacted]>; Anthony Kourounis <[redacted]>; Owen, Jan L. <jan.owen@wamu.net>; Thomas Shaffer <[redacted]>; Curtis Reis <[redacted]>; Richard Sanborn <[redacted]m>
Cc: Rodney K. Brown <[redacted]m>
Subject: Emergency Economic Stabilization Act of 2008
Attach: WS rescue plan Sherman ltr.doc;WS rescue plan Pelosi ltr.doc;CreditMarkets_MainStreetBackgrounder_092508.pdf

Dear Colleagues:

As promised, attached to this email message are the two letters sent to members of Congress. The letter sent to Rep. Pelosi is representative of the letter sent to all California congressional members who supported the Act, while the letter sent to Rep. Sherman was sent to members of the California delegation who voted against the Act. The attached PDF detailing how frozen credit markets impact Main Street was also included with each letter. In addition, I have listed below the vote count for the California delegation which I sent to you also last night by email. Please contact your member of Congress and urge them to support the proposal if they voted "NO" on the bill yesterday. You may use the body of the letter to Rep Sherman if you wish. Feel free to personalize the letter or, if you choose to call your representative, feel free to rely upon it in your conversations. If your member of Congress voted "AYE" on the measure, consider personalizing the letter to Rep. Pelosi and send it to your member or rely upon it if you choose to call. We will be issuing a legislative alert to all of our CBA members today urging them to contact their representatives to urge support for the measure. If you have any questions, please do not hesitate to contact me.

Best regards,

Maurine Padden

YEAS (29: D-19, *R-10*)	Noes (24: D-15, *R-9*)
Berman	Baca
Bono Mack	Becerra
Calvert	*Bilbray*
Campbell	*Doolittle*
Capps	Filner
Cardoza	*Gallegly*
Costa	*Hunter*
Davis, Susan	*Issa*
Dreier	Lee
Eshoo	*McCarthy*
Farr	Napolitano
Harman	*Nunes*
Herger	*Rohrabacher*
Honda	Roybal-Allard
Lewis	*Royce*
Lofgren	Sanchez, Linda
Lungren	Sanchez, Lorretta
Matsui	Schiff
McKeon	Sherman

McNerney
Miller, Gary
Miller, George
Pelosi
Radanovich
Richardson
Speier
Tauscher
Waters
Waxman

Solis
Stark
Thompson
Watson
Woolsey

1303 J Street, Suite 600, Sacramento, CA 95814-2939 T: 916/441-7377 F: 916/441-5756

September 29, 2008

The Honorable Brad Sherman
United States House of Representatives
2242 Rayburn House Office Building
Washington, DC 20515-0527

Dear Rep. Sherman:

On behalf of California's banking industry, I am writing to urge you to reconsider your vote and support the Emergency Economic Stabilization Act of 2008. The California Bankers Association continues to support this legislation to help restore confidence to our financial markets and ease the current credit crisis.

What was initially a crisis on Wall Street has now spread to Main Street. As the attached document demonstrates, when the markets are not functioning properly, the impact is broad and widespread. Communities, small businesses and families will continue to be hurt without a legislative solution to stabilize our economy. The significant tightening of credit and dramatic increase in interest rate spreads that have occurred in the past few weeks serve as testimony to the need for comprehensive and dramatic action.

Additionally, we saw the Dow plunge 777 points on the news that Congress failed to act and pass this critical piece of legislation. This translates into a nearly $800 billion dollar loss in market value greatly affecting individual retirement accounts and 401k plans- savings that your constituents are counting on for their retirement. The ramifications of not passing this legislation will continue to grow in scope and impact.

The Emergency Economic Stabilization Act of 2008 would provide a strong underpinning for the financial services industry, allowing credit markets once more to provide funding for American businesses and consumers. It is my understanding that the House of Representatives will revisit this legislation later this week. At that time, I hope the people of California can count on your vote in support of this vitally important piece of legislation.

Sincerely,

Rodney K. Brown

Rodney K. Brown
President & CEO
California Bankers Association

JPMC - 003453
CONFIDENTIAL
CSOC.RICH.004946

1303 J Street, Suite 600, Sacramento, CA 95814-2939 T: 916/441-7377 F: 916/441-5756

JPMC - 003454
CONFIDENTIAL
CSOC.RICH.004947

1303 J Street, Suite 600, Sacramento, CA 95814-2939 T: 916/441-7377 F: 916/441-5756

September 29, 2008

The Honorable Nancy Pelosi
Speaker of the House
235 Cannon House Office Building
Washington, DC 20515-0508

Dear Speaker Pelosi:

On behalf of California's banking industry, I am writing to thank you for your vote supporting the Emergency Economic Stabilization Act of 2008. The California Bankers Association continues to support this legislation, which will help restore confidence to our financial markets and ease the current credit crisis.

What was initially a crisis on Wall Street has now spread to Main Street. As the attached document demonstrates, when the markets are not functioning properly, the impact is broad and widespread. Communities, small businesses and families will continue to be hurt without a legislative solution to stabilize our economy. The significant tightening of credit and dramatic increase in interest rate spreads that have occurred in the past few weeks serve as testimony to the need for comprehensive and definitive action.

Additionally, we saw the Dow plunge 777 points on the news that Congress failed to act and pass this critical piece of legislation. This translates into a nearly $800 billion dollar loss in market value greatly affecting individual retirement accounts and 401k plans - savings that your constituents are counting on for their retirement. The ramifications of not passing this legislation will continue to grow in scope and impact.

The Emergency Economic Stabilization Act of 2008 would provide a strong underpinning for the financial services industry, allowing credit markets once more to provide funding for American businesses and consumers. Thank you again for your vote of support for this vital legislation which, most unfortunately, did not pass today. I hope the people of California can continue to count on your support as this legislation is revisited or a new solution is negotiated.

Sincerely,

Rodney K. Brown

Rodney K. Brown
President & CEO
California Bankers Association

JPMC - 003455
CONFIDENTIAL
CSOC.RICH.004948

1303 J Street, Suite 600, Sacramento, CA 95814-2939 T: 916/441-7377 F: 916/441-5756

JPMC - 003456
CONFIDENTIAL
CSOC.RICH.004949

Why Main Street Should Care

What will happen to people and businesses on Main Street when credit markets freeze? "Frozen credit markets" are too abstract for most of us, let alone the guy on the street. But it will have an impact on everyone. ***What happens when businesses don't have access to short-term credit?***

Businesses of all sizes rely on short-term credit to fund their ***daily*** operations. These short-term loans are used to make payroll, build inventory, and pay suppliers. The biggest companies go directly to investors for short-term funds and smaller companies go to the local bank. Because of the recent events, investors are so nervous that they've stopped lending to the biggest companies. What happens then? If these companies can't get short-term funding, they'll have trouble paying their suppliers. They'll have trouble making payroll. They'll have to slow production and lay off workers.

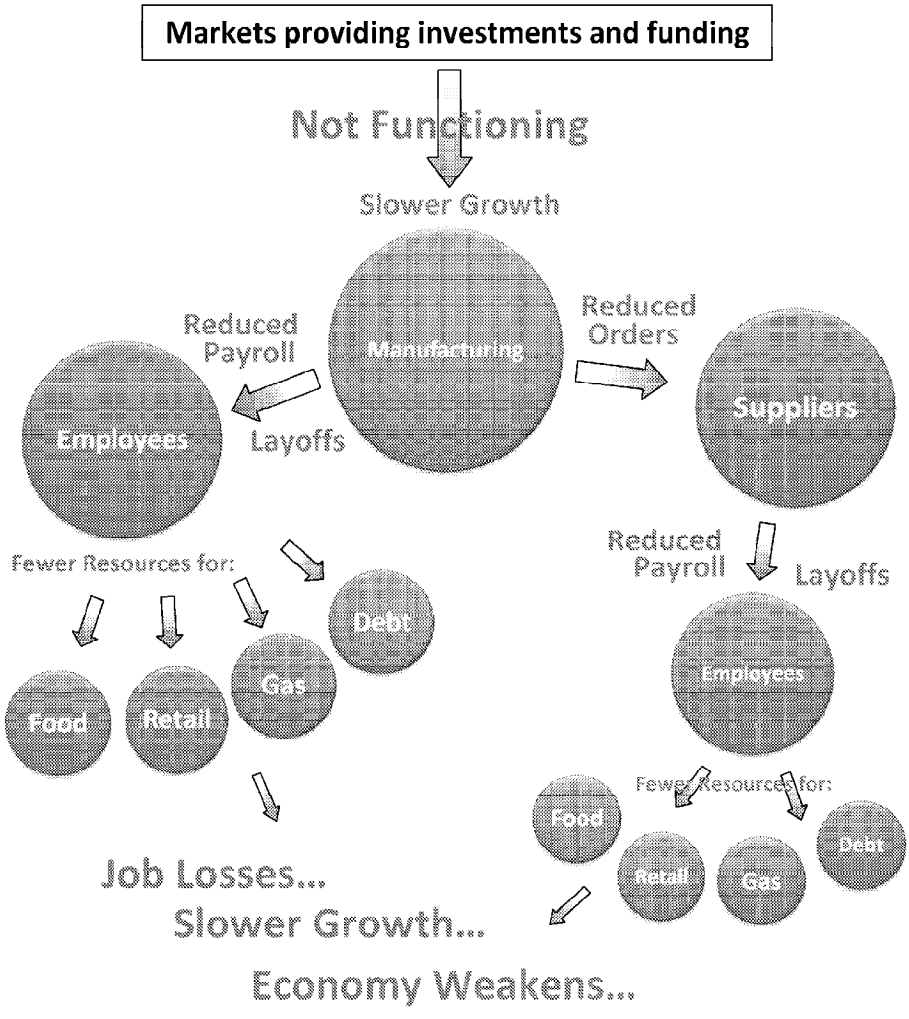
What happens next? Each of the smaller suppliers becomes short on cash. These smaller businesses, in turn, will reduce costs in many areas, cutting back on staff and services used to make the business run. Incomes fall and jobs are lost. Consumer spending falls. People have trouble meeting their obligations, such as making their mortgage payments, car loans, or personal loans.

The Main Street community bank that never made a subprime mortgage loan is affected too, as its customers are the local citizens and small businesses – the workers and suppliers of businesses of all kinds. As the ailing small businesses and their employees draw down deposits and have trouble repaying their loans, it is more difficult for banks to renew existing loans and make new ones.

As businesses try to expand or as families look to refinance mortgages or borrow for a car or to send their kids to college, money will be in short supply. Our economy is driven by small businesses and consumer spending; without having credit available to them, how can our economy recover from the current malaise?

Thus, while global capital markets and short-term funding seems a world away from Main Street, no one is insulated from the impact. The tightening of credit in the wider market to larger businesses is just the beginning. Action is needed now to assure that credit flows throughout the economy. If the economic stabilization package is not adopted, it is only a matter of time before businesses and individuals up and down Main Street feel the negative impact of frozen credit markets.

Everyone is Hurt
By Markets Not Functioning!



JPMC - 003458
CONFIDENTIAL
CSOC.RICH.004951

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Monday, September 29, 2008 10:31 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Not all Calif. Dems follow Pelosi on bailout
San Jose Mercury News - CA, USA
Among the California Democrats voting "yes" was newcomer **Laura Richardson** of Carson, who has played her own role in the housing crisis that set off the **...**
See all stories on this topic

The Victoria College announced the scholarship recipients for 2008 **...**
Victoria Advocate - Victoria,TX,USA
... Shea White, Jennifer Hahn, Briana Mack, Galen Smith, Megan Duderstadt, Brooke Woods, Ana Cisneros, Latosha DuBose, Leslie Smith, and Sheri **Richardson**; ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Maurine Padden <[redacted]>
Sent: Monday, September 29, 2008 6:54 PM
To: Steven Buster [redacted]; Robert McGill [redacted]; Owen Onsum [redacted]; Tom Beene [redacted]; John Hou [redacted]; Michael Kimball [redacted]; Michael McGuire [redacted]; Mike Knudsen [redacted]; Anthony Kourounis [redacted]; Owen, Jan L. <jan.owen@wamu.net>; Curtis Reis [redacted]; Thomas Shaffer [redacted]; Richard Sanborn [redacted]
Cc: Rodney K. Brown [redacted]
Subject: FW: Vote of California Delegation on HR 3997

Dear Colleagues:

As we discussed today, listed below is the voting record for the Emergency Economic Stabilization Act of 2008 by our California delegation members.
At this time, we are finalizing our letters to thank those members of the California delegation that voted in favor of the measure and urge their continued support. In addition, we are finalizing a separate letter to those members of Congress who voted against the measure, urging their support for the proposal. I will forward to you copies of our letters as soon as they are completed so that you may use them in your outreach efforts to your member of Congress by phone or by fax.

Thank you, in advance, for any assistance you may render.

Best regards,

Maurine Padden

YEAS (29: D-19, *R-10*)	Noes (24: D-15, *R-9*)
Berman	Baca
Bono Mack	Becerra
Calvert	*Bilbray*
Campbell	*Doolittle*
Capps	Filner
Cardoza	*Gallegly*
Costa	*Hunter*
Davis, Susan	*Issa*
Dreier	Lee
Eshoo	*McCarthy*
Farr	Napolitano
Harman	*Nunes*
Herger	*Rohrabacher*
Honda	Roybal-Allard
Lewis	*Royce*
Lofgren	Sanchez, Linda
Lungren	Sanchez, Lorretta
Matsui	Schiff
McKeon	Sherman
McNerney	Solis
Miller, Gary	Stark
Miller, George	Thompson

Pelosi
Radanovich
Richardson
Speier
Tauscher
Waters
Waxman
Watson
Woolsey

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Monday, September 29, 2008 2:52 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

GOP write-in is latest to challenge **Richardson**
Contra Costa Times - Walnut Creek,CA,USA
Laura Richardson (Carlos Delgado/For the Press-Telegram) The 37th Congressional District is so solidly Democratic that the Republicans did not bother ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, September 27, 2008 2:42 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

OC deputies call Rossmoor plan a bad idea
Long Beach Press-Telegram - Long Beach,CA,USA
Laura Richardson was recently voted into the New Democrat Coalition, a 10-year-old centrist group known for its Clintonian style of politics and economics. ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, September 20, 2008 2:05 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Laura Richardson to chat with Whoopi Goldberg
on ABC's "The View," will serve as a guest panelist with **Richardson** at the Congressional Black Caucus Foundation's annual legislative conference. **Richardson's** discussion, "Image of Blacks in America: Is it Our ...
Inbox Robot: Congressional Black... - http://www.inboxrobot.com/news/cbc-congressional-black-caucus

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, September 20, 2008 12:08 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Web Alert for: **Laura Richardson**

RICHARDSON, **Laura** - Biographical Information
RICHARDSON, **Laura**, a Representative from California; born in Los Angeles, Los Angeles County, Calif., April 14, 1962; B.A., University of California, ...

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, September 20, 2008 3:26 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Candidate: Circled photo a death threat
Daily Breeze - Torrance,CA,USA
Mathews, a perennial candidate who is conducting a write-in campaign against Rep. **Laura Richardson**, D-Long Beach, in November, said he was undeterred. ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, September 20, 2008 3:16 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

The parks of park(ing) day
By thejourneyofadamwade
Laura Richardson is going to chat with Whoopi Goldberg viagra bestellen during a political forum. Press-Telegram. Today is POW/MIA Appreciation Day. Daily Breeze. Yes, you can find purebred dogs waiting for homes in LA's shelters. ...
THE JOURNEY OF ADAM WADE - http://thejourneyofadamwade.apakabar.web.id

---

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, September 20, 2008 2:02 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

NAACP invites public to meet candidates
Long Beach Press-Telegram - Long Beach,CA,USA
Laura Richardson, D-Long Beach; independent Nick Dibs, a teacher; and Democrat Peter Mathews, a Cypress College professor. Democrat Lee Davis, an online ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, September 19, 2008 10:27 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Laura Richardson to chat with Whoopi Goldberg
LONG BEACH - Rep. **Laura Richardson**, D-Long Beach, plans to host a political forum on politics and race with actress Whoopi Goldberg next week in Washington, D. In this article: Lee Davis, William Marshall, Peter Mathews, **Laura Richardson**,
TotalCapitol.com - http://www.totalcapitol.com/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, September 19, 2008 9:07 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Coastal cleanup, Frogtown Artwalk and POW appreciation day -- it's ...
Los Angeles Times - CA,USA
Laura Richardson is going to chat with Whoopi Goldberg during a political forum. Press-Telegram
Today is POW/MIA Appreciation Day. Daily Breeze Yes, you can ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, September 19, 2008 6:32 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Laura Richardson to chat with Whoopi Goldberg
Contra Costa Times - Walnut Creek,CA,USA
Laura Richardson, D-Long Beach, plans to host a political forum on politics and race with actress Whoopi Goldberg next week in Washington, DC Goldberg, ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, September 19, 2008 3:00 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Mathews a target of threat
Long Beach Press-Telegram - Long Beach,CA,USA
Laura Richardson, D-Long Beach, in the Nov. 4 election, along with challengers Lee Davis, a Long Beach Web site publisher, and independent Nick Dibs,
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, September 19, 2008 1:58 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

HCAN and I ask you to call your Congressperson
By gob
Rep **Richardson**, **Laura** [CA-37] - 9/20/2007 Rep Roybal-Allard, Lucille [CA-34] - 1/24/2007 Rep Rush, Bobby L. [IL-1] - 2/6/2007 Rep Ryan, Tim [OH-17] - 5/8/2007 Rep Sanchez, Linda T. [CA-39] - 4/23/2007 **...**
Corrente - http://www.correntewire.com

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Thursday, September 18, 2008 7:59 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Death threat targets Peter Mathews
Long Beach Press-Telegram - Long Beach,CA,USA
Laura Richardson, D-Long Beach, in the Nov. 4 contest along with challengers Lee Davis, a Long Beach Web site publisher, and independent Nick Dibs, ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, September 13, 2008 6:15 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Most corrupt members of Congress
By LeisureGuy
Marsha Blackburn, Vern Buchanan, Vito Fossella, Dan Lipinski, Charlie Rangel, **Laura Richardson** and Mike Turner, and Sens. Mary Landrieu and Norm Coleman. Of this year's list of 24, at least 12 are under investigation: Ken Calvert, **...**
Later On - http://leisureguy.wordpress.com

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, September 12, 2008 3:59 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

hawkfist @ 2008-09-12T08:54:00
By hawkfist(hawkfist)
Rep. Don Young (R-AK) Dishonorable mentions * Rep. Marsha Blackburn (R-TN) * Sen. Norm Coleman (R-MN) * Rep. **Laura Richardson** (D-CA) * Rep. Michael Turner (R-OH) Count - GOP at 17, Dems at 7 Truly, corruption is a bipartisan effort.
The Balding Monkey - http://hawkfist.livejournal.com/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Tuesday, September 9, 2008 10:23 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Home Woes May Not Cost **Richardson** Her House Seat
Compton Bulletin - Compton,CA,USA
By **Laura** E. Davis LONG BEACH – Like many voters in this port city and the gritty urban areas of Rep. **Laura Richardson's** political turf, Johnetta Walker is **...**
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Tuesday, September 9, 2008 10:22 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

More Movement on H.Con.Res. 362
By Patrick Disney
[GU]; Rep **Richardson**, **Laura** [CA-37]. All Congress needs to do is go three more weeks without voting on this bill and it will die in committee. Write your Congressmen today and tell them to oppose this dangerous resolution!
niaclNsight - http://niacblog.wordpress.com

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Wednesday, August 27, 2008 10:50 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Hip Hop Leaders Conference Results
By Voodoo Radio(Voodoo Radio)
... Congresswoman Linda Sanchez, Congresswoman **Laura Richardson**, CA-State Senator Mark Ridley Thomas, Assembly member Warren Furutani, Assembly member Mervin Dymally, Assembly member Mike Davis , Assembly member Elect Isadore Hall, **...**
Voodoo Radio - http://voodooradio.blogspot.com/

Reading Journal: "The Getting of Wisdom"
By Rob Hardy(Rob Hardy)
It's hard to read about an often sullen girl who's going through a prolonged "phase," but **Richardson's** novel is a wonderfully sensitive reminder of the complexities of early adolescent behavior. **Laura** is not willfully bad. **...**
Rough Draft - http://rbhardy3rd.blogspot.com/

Tuesday Slide Show
By Tracie Reed(Tracie Reed)
I got my picture taken with Bob Schieffer, Terry McCauliffe, the Ambassador to the US from Denmark, Congressman Jose Serrano from New York, Congresswoman **Laura Richardson** from California, and of course our Maine Congressmen Tom Allen **...**
- http://tracie4obama.blogspot.com/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Wednesday, August 27, 2008 4:58 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

American aristocracy
Waterbury Republican American - Waterbury,CT,USA
Laura Richardson, D-Calif., had defaulted on her subprime mortgage on a house in a tony Sacramento neighborhood six times in the last eight years. ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Wednesday, August 27, 2008 4:45 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

I Will Fight The 'Good Ole Boys' Til I Die
By Sharon
... Carolyn McCarthy, Betty McCollum, Cathy McMorris, Candice Miller, Gwen Moore, Marilyn Musgrave, Sue Myrick, Grace Napolitano, Eleanor Norton, Nancy Pelosi, Deborah Pryce, **Laura Richardson**, Ileana Ros-Lehtinen, Lucille Roybal-Allard, **...**
Voices For Hillary Clinton --> Home - http://blog.hillary-clintons-voice.com

orange coast college my occ
By beverleeonly15(beverleeonly15)
John Canalis: Can outsider beat **Richardson**? . Nick Dibs suggests discussing his unlikely bid to overturn Congresswoman **Laura Richardson** in the 37th Congressional District in an unlikely place: Community Hospital of Long Beach orange **...**
j prince medidor de speedy video - http://journals.aol.com/beverleeonly15/j-prince-medidor-de-speedy-video/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, August 23, 2008 6:32 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Calif. lawmaker's home woes may not cost her House
Laura Richardson's political turf, Johnetta Walker is disenchanted with the lawmaker whose meteoric rise has been marked with personal financial failures. **Richardson's** ambitious one-year ascent from City Council to state Assembly to **...**
Politics | AP | Huffington Post Wires - http://www.huffingtonpost.com/huff-wires/

Calif. lawmaker's home woes may not cost her House (AP)
Laura Richardson's political turf, Johnetta Walker is disenchanted with the lawmaker whose meteoric rise has been marked with personal financial failures. In this article: Joe Biden, Lee Davis, William Marshall, Peter Mathews, **...**
TotalCapitol.com - http://www.totalcapitol.com/

Calif. lawmaker's home woes may not cost her House
By By LAURA E. DAVIS Associated Press Writer
Like many voters in this port city and the gritty urban areas of Rep. **Laura Richardson's** political turf, Johnetta Walker is disenchanted with the lawmaker whose meteoric rise has been marked with personal financial failures.
My Freeze Feed - http://my.freeze.com

Calif. lawmaker's home woes may not cost her House
Laura Richardson's political turf, Johnetta Walker is disenchanted with the lawmaker whose meteoric rise has been marked with personal financial failures. **Richardson's** ambitious one-y. 21 mins ago from The Seattle Times - PLUS 10 other **...**
Daylife - Topstories - Politics - http://www.daylife.com/topstories/politics

---

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, August 23, 2008 3:49 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Calif. lawmaker's home woes may not cost her House
(AP) -- Like many voters in this port city and the gritty urban areas of Rep. **Laura Richardson's** political turf, Johnetta Walker is disenchanted with the lawmaker whose meteoric rise has been marked with personal financial failures....
Left Of Center - http://www.locnetwork.com

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, August 23, 2008 12:47 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Calif. lawmaker's home woes may not cost her House
San Jose Mercury News - CA, USA
By **LAURA** E. DAVIS AP Writer LONG BEACH, Calif.—Like many voters in this port city and the gritty urban areas of Rep. **Laura Richardson's** political turf, **...**
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, August 22, 2008 8:36 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google News Alert for: **Laura Richardson**

Lawmaker's Financial Woes May Cost Her House Seat
CBS 2 - Los Angeles,CA,USA
Laura Richardson's political turf, Johnetta Walker is disenchanted with the lawmaker whose meteoric rise has been marked with personal financial failures. **...**
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, August 22, 2008 3:19 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Comment on Presidential Point/Counterpoint by Bob S.
By Bob S.
Laura Richardson (born April 14, 1962 in Los Angeles, California) is a Democratic Representative in the United States Congress **Richardson** purchased a home in Sacramento with no money down[3] and a subprime mortgage. **...**
Comments for One Utah - http://oneutah.org

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, August 22, 2008 4:32 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Laura Richardson won't have to pay a $400 property bill
The never-ending story of Rep. **Laura Richardson** grinds on and on. And on. The Long Beach Democrat, best known at this point for her multiple home loan defaults (eight on three homes since 2004), pricey tax payer-funded car lease ($1200. ...
TotalCapitol.com - http://www.totalcapitol.com/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, August 22, 2008 12:36 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Dibs' name to appear on November ballot in challenge to **Richardson**
BY NICK DIAMANTIDES Staff Writer Nick Dibs, who is hoping to replace Congresswoman **Laura Richardson** (D-37th District), has collected enough signatures to have his name on the...
Long Beach, CA News RSS Feed... - http://www.yourstreet.com/long-beach-ca

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Thursday, August 21, 2008 8:28 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Dibs' name to appear on November ballot in challenge to **Richardson**
By admin
Nick Dibs, who is hoping to replace Congresswoman **Laura Richardson** (D-37th District), has collected enough signatures to have his name on the November ballot. Dibs had collected 12637 signatures during his petition drive. ...
Signal Tribune Newspaper - http://www.signaltribunenewspaper.com

laura kightlinger
By Taylor(Taylor)
... **laura** kightlinger up netflix dvd movies norwalk ct distance education c130 hercules cineworld sheffield mcclellan rachael elasticity **laura** kightlinger educational activities pep boys auto parts napa auto parts **laura richardson** have ...
antiquity - http://acctnttdcz.blogspot.com/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Capitol Alert <capitolalert@sacbee.com>
Sent: Saturday, August 16, 2008 1:11 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Capitol Alert: Schwarzenegger injures knee, heads to doctor

To view this email as a web page, click **here.**

The Sacramento Bee
CapitolAlert

Schwarzenegger injures knee, heads to doctor

Gov. Arnold Schwarzenegger will skip plans to attend the Lake Tahoe Summit today and go to a doctor's appointment instead.
Read More

The Latest from Capitol Alert

- **Lobbying money tops $143 million so far in '08**
- **Top 10 lobbying firms**
- **Top 10 lobbying interests**
- **Richardson's Sac home now a 'nuisance'**
- **A budget vote, only 48 days into the fiscal year**

More Capitol Alert headlines...

*Hourly updates on California political **news**, **editorials**, and **blogs**.*
*Video and rundowns from **Capitol Television News Service**.*

*Visit **capitolalert.com** for more breaking news.*

Copyright © 2008 The Sacramento Bee. All Rights Reserved.

You have opted in to receive this e-mail newsletter sent by: The Sacramento Bee
2100 Q Street Sacramento, CA 95816 USA

Manage subscriptions / Unsubscribe

This email was sent by: The Sacramento Bee, 2100 Q Street, Sacramento, CA, 95816

Click here to unsubscribe from this newsletter.

From: Capitol Alert <capitolalert@sacbee.com>
Sent: Friday, August 15, 2008 11:01 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: PM Alert: The taxman comeuppance

To view this email as a web page, go **here.**

The Sacramento Bee
CapitolAlert

Advertisement

Advertisement

PM Alert: The taxman comeuppance

In case you missed it: The **business of lobbying is as big as ever** in California -- where special interests have already **poured more than $143 million this year** into efforts to **schmooze, cajole and influence state lawmakers**.

Capitol Alert listed the **top 10 lobbying firms** as well as the **top 10 lobbying interests**.

Dan Walters reports California's **unemployment level has jumped to its highest level in 12 years -- 7.3 percent**. Read **what the governor had to say**.

Steve Wiegand finds the **ironic headline of the day**.

And Rep. **Laura Richardson** is **back in the news** yet again about her **once-foreclosed Sacramento home**.

In tomorrow's Bee: **California taxpayers could be on the hook for a staggering $388 million because of a state tax collection agency's vigorous pursuit of a former California taxpayer.**

Steve Wiegand has the story of the case, which one tax expert called **"completely unprecedented."**

Wiegand also does a Q&A with **Irwin Nowick**.

Rob Hotakainen reports that if Democratic Sen. **Barbara Boxer** gets her way, Congress will vote next month to **designate nearly 800,000 acres of California land** --- an area larger than Rhode Island - **as federally protected wilderness**.

As **President Bush** packs up his bags to leave the White House, The Bee editorial board says, **"Get ready for other midnight surprises."**

The board also says that if the governor and lawmakers don't want more intrusive measures from the prisons medical receiver, **"They should act now. Better late than never."**

Want **The Latest from Capitol Alert** on your mobile device? Check out our **mobile site**.

While you're at it, you can also put The Latest on your Advertisement

*Tomorrow's **calendar**.*

*See rundowns, scripts and video from **Capitol Television News Service**.*

*See **The Latest**.*

*Check out **Weintraub**, **Wiegand**, and **Walters**.*

Shane Goldmacher
Capitol Alert Coordinator

Subscribe to the New Bee today and stay connected.

Copyright © The Sacramento Bee. All Rights Reserved.

You have opted in to receive this e-mail newsletter sent by: The Sacramento Bee
2100 Q Street Sacramento, CA 95816 USA

Manage subscriptions / Unsubscribe

From: Riley, Olivia <olivia.riley@wamu.net>
Sent: Friday, August 15, 2008 5:32 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: SF Chronicle - Calif. congresswoman's house a public nuisance

Just read it. It's too bad they didn't say *why* we "grabbed it and gave it back to her." Oh well. (They didn't call us for comment.)

From: Owen, Jan L.
Sent: Fri 08/15/2008 1:53 PM
To: Riley, Olivia
Subject: Re: SF Chronicle - Calif. congresswoman's house a public nuisance

Yea- did you see the LA times article?

----- Original Message -----
From: Riley, Olivia
To: Owen, Jan L.
Sent: Fri Aug 15 13:05:02 2008
Subject: FW: SF Chronicle - Calif. congresswoman's house a public nuisance

FYI

From: Gordon, Debbie
Sent: Fri 08/15/2008 12:48 PM
To: Riley, Olivia; Baptista, Geri Ann S.; Gaugl, Sara C.
Subject: SF Chronicle - Calif. congresswoman's house a public nuisance

Calif. congresswoman's house a public nuisance

Friday, August 15, 2008

(08-15) 10:40 PDT Sacramento, CA (AP) --

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to $5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home. Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents. Inspectors came after calls to police about a suspicious person there.

Richardson's office did not immediately respond to a request for comment Friday. In a statement her office released to the Los

Angeles Times, she said she had not received any information about the nuisance declaration.

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Friday, August 15, 2008 4:53 PM
To: Riley, Olivia <olivia.riley@wamu.net>
Subject: Re: SF Chronicle - Calif. congresswoman's house a public nuisance

---

Yea- did you see the LA times article?

----- Original Message -----
From: Riley, Olivia
To: Owen, Jan L.
Sent: Fri Aug 15 13:05:02 2008
Subject: FW: SF Chronicle - Calif. congresswoman's house a public nuisance

FYI

From: Gordon, Debbie
Sent: Fri 08/15/2008 12:48 PM
To: Riley, Olivia; Baptista, Geri Ann S.; Gaugl, Sara C.
Subject: SF Chronicle - Calif. congresswoman's house a public nuisance

Calif. congresswoman's house a public nuisance

Friday, August 15, 2008

(08-15) 10:40 PDT Sacramento, CA (AP) --

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to $5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home. Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents. Inspectors came after calls to police about a suspicious person there.

Richardson's office did not immediately respond to a request for comment Friday. In a statement her office released to the Los Angeles Times, she said she had not received any information about the nuisance declaration.

Debbie Gordon
Executive Assistant

Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Riley, Olivia <olivia.riley@wamu.net>
Sent: Friday, August 15, 2008 4:05 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: SF Chronicle - Calif. congresswoman's house a public nuisance

FYI

From: Gordon, Debbie
Sent: Fri 08/15/2008 12:48 PM
To: Riley, Olivia; Baptista, Geri Ann S.; Gaugl, Sara C.
Subject: SF Chronicle - Calif. congresswoman's house a public nuisance

Calif. congresswoman's house a public nuisance

Friday, August 15, 2008

(08-15) 10:40 PDT Sacramento, CA (AP) --

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to $5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home. **Washington Mutual** sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents. Inspectors came after calls to police about a suspicious person there.

Richardson's office did not immediately respond to a request for comment Friday. In a statement her office released to the Los Angeles Times, she said she had not received any information about the nuisance declaration.

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Capitol Alert <capitolalert@sacbee.com>
Sent: Friday, August 15, 2008 4:00 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Capitol Alert: Lobbying money tops $143 million so far in '08

To view this email as a web page, go **here.**

The Sacramento Bee
CapitolAlert

Lobbying money tops $143 million so far in '08

The business of lobbying is as big as ever in California - where special interests have already poured more than $140 million into efforts to schmooze, cajole and influence state lawmakers. **Read more**.

Related stories:

The top 10 lobbying firms

The top 10 lobbying interests

Also on Capitol Alert:

Richardson's Sac home now a 'nuisance'

*Hourly updates on California political **news**, **editorials**, and **blogs**.*
*Video and rundowns from **Capitol Television News Service**.*

*Visit **capitolalert.com** for more breaking news.*

Subscribe to the New Bee today and stay connected.

Copyright © The Sacramento Bee. All Rights Reserved.

You have opted in to receive this e-mail newsletter sent by: The Sacramento Bee
2100 Q Street Sacramento, CA 95816 USA

Manage subscriptions / Unsubscribe

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, August 15, 2008 2:22 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Washington Mutual

Google News Alert for: **Washington Mutual**

CGM's Heebner Sold Monsanto Stake, Shorted **Washington Mutual**
Bloomberg - USA
The $10.4 billion fund also sold short 100 million shares of **Washington Mutual** and 32 million shares of Wachovia, trades that will profit if the stocks fall ...
See all stories on this topic

Calif. congresswoman's house a public nuisance
San Francisco Chronicle - CA, USA
Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice. ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: The Roundup <roundup@capitolbasement.com>
Sent: Friday, August 15, 2008 10:44 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: The Roundup for Friday August 15, 2008

[archives] [printer friendly] [comments and tips]

The Roundup for Friday August 15, 2008

Roll call

Aug 15, 2008

"Assembly Speaker **Karen Bass** said Thursday she plans to force a budget vote Sunday, though lawmakers have no deal to end a stalemate that has lasted nearly seven weeks into the fiscal year," report Kevin Yamamura and Jim Sanders in the Bee.

As consolation, you can watch the Olympics on the hallway monitors.

"Republicans and Democrats remain divided over whether to use new taxes, cuts or borrowing to resolve a $15.2 billion shortfall in a $101 billion general fund budget. If lawmakers convene Sunday, it would mark their first budget floor vote this summer, 48 days into the fiscal year.

"Lawmakers want to register a vote by this weekend to meet a deadline set by Secretary of State **Debra Bowen** for placing measures on the November ballot. At least two components of budget negotiations require voter approval: a long-term change in budgetary policy and a plan to borrow against profits from an expanded California Lottery.

"Many see the deadline as negotiable, however, and believe a Sunday vote may be the first of several floor exercises before a final deal is struck.

"Bass, D-Los Angeles, said lawmakers plan to vote Sunday on a modified version of the Democratic conference committee plan, which relied on tax increases on the wealthy.

"Senate President Pro Tem **Don Perata** said his chamber would hold a vote "probably Sunday," though he grew more tentative about those plans late Thursday."

Dan Walters looks at another state fiscal problem, the Unemployment Insurance Fund, created by the near doubling of benefits in 2001.

"Although revenue from the payroll tax on employers is projected to hit $5.2 billion this year, EDD expects that $6.5 billion in benefits will be paid out, and that will continue in 2009. The EDD report says "the UI Fund could become insolvent if no action is taken" and the difference between solvency and insolvency clearly is the benefit boost enacted in 2001.

"Nobody is getting rich collecting unemployment checks, to be certain, but the politicians who control UI benefits and taxes have a responsibility to be prudent about both. California is already levying a maximum payroll tax, so the state's only alternative may be to borrow again from the feds – thus emulating what the state's been doing to keep its deficit-ridden budget afloat.

"But that's not a penalty-free strategy either.

"Continuing to borrow could result, under federal law, in the state's employers losing tax credits for federal unemployment insurance taxes, effectively increasing their UI tax burden. And the state general fund would have to pay interest on the loan.

"Simply put, it's another fiscal mess created by political expediency that ignores long-term economic reality."

"A federal judge in Sacramento on Thursday ordered that Gov. Arnold Schwarzenegger, his chief of staff and another top aide must answer questions under oath in depositions by lawyers for inmates, in advance of a trial on state prison overcrowding," write Michael Rothfeld in the Times.

"U.S. Magistrate Judge **John F. Moulds** rejected the state's argument that top officials are immune from depositions based on previous court decisions saying that in some cases high-ranking government officials cannot be interviewed about their decision-making processes.

"Moulds said that immunity is not absolute and cited other instances in which top officials had been forced to testify. He said that because Schwarzenegger and his two aides had personally been involved in dealing with prison overcrowding, inmates' lawyers "are entitled to inquire about these matters directly of the governor, his deputy cabinet secretary and his chief of staff."

"Moulds ordered that Schwarzenegger be deposed Sept. 3 for a maximum of four hours. He ruled that Chief of Staff **Susan Kennedy** could be deposed Sept. 2 and Deputy Cabinet Secretary **Robert Gore** on Sept. 4 for a maximum of six hours each."

"Same-sex marriage, parental notification of abortion – California's November ballot is studded with weighty issues, but none is ruffling feathers like Proposition 2, which would effectively ban farms from raising hens in cages.

"The United Egg Producers predicts the measure would triple the cost of eggs, drive the industry out of the state and deprive consumers of fresh, safe California eggs.

"'Californians are already reeling from skyrocketing gas and food prices,' said Julie Buckner, a spokeswoman for the No on Proposition 2 campaign. 'The last thing they need is to go to the supermarket and pay higher prices for a dozen eggs.'

"Supporters, including the Humane Society of the United States, say it would add only about a penny to the cost of an egg – and end the practice of cramming hens into cages so small they can't even turn around."

The LAT's Jeff Gottlieb reports that Congresswoman Laura Richardson's Sacramento house has been declared a nuisance .

"First Rep. **Laura Richardson** was having problems making house payments, defaulting six times over eight years.

"Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

"This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance."

"The city has threatened to fine her as much as $5,000 a month if she doesn't fix it up.

"Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper."

The fight is on between California cities to lure the manufacturer of a fuel-efficient sportscar that has received big tax breaks from the Schwarzenegger administration.

"Among the cities on the list are San Jose, Vacaville and South San Francisco."

But, Sacramento will always be home to Tesla...

"The potential economic impact of such a factory hasn't been calculated yet, said **Paul Krutko**, San Jose's chief development officer. But just building a 600,000-square-foot factory would result in 600 construction jobs and about $40 million in wages, he said. Once it went into operation, perhaps as soon as 2010 or 2011, the plant probably would employ 800 to 1,000 workers who would assemble 20,000 cars a year.

"On Tuesday, the city council will vote on a recommendation to authorize the city manager to negotiate with Tesla. Krutko said informal conversations have been ongoing since Tesla and Gov. Arnold Schwarzenegger announced in June that the company would build its first factory in the Bay Area, not New Mexico, as previously had been planned. The state will provide various incentives, including waiving the sales tax on $100 million worth of equipment, to keep the automaker in California."

And finally, that is Sir Happy Feet to you, peasant.

AP reports, "Nils Olav already has medals for good conduct and long service. He made honorary colonel-in-chief of the elite Norwegian King's Guard in 2005. And on Friday he was knighted. Not bad for a 3-foot tall penguin.

"The knighthood ceremony began Friday morning with speeches and a fanfare before Nils arrived, under escort with the King's Guard Color Detachment. Nils then reviewed the troops lined up outside the penguin enclosure at the zoo, waddling down the row of uniformed soldiers, occasionally stopping to crane his neck and peer inquisitively at their crisp uniforms before being guided forward by his handler.

"Nils was then knighted by British Maj. Gen. Euan Loudon on behalf of Norway's King Harald V. Loudon dropped the king's sword on both sides of Nils's black-and-white frame, and the penguin's colonel-in-chief badge, tied to his flipper, was swapped for one symbolizing his knighthood."

[Permalink] [Contact Us]

Forward this message to a friend » | un-subscribe from this list »

From: Capitol Alert <capitolalert@sacbee.com>
Sent: Monday, July 28, 2008 11:01 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: PM Alert: The show must go on

To view this email as a web page, go **here.**

The Sacramento Bee
CapitolAlert

Advertisement

Advertisement

PM Alert: The show must go on

In case you missed it: Gov. **Arnold Schwarzenegger** now plans to sign an executive order Thursday to reduce pay for **about 200,000 state workers** to the federal minimum wage and lay off 22,000 temporary workers and retired annuitants **until the state has a budget, according to his office**.

Senate leader **Don Perata** scratched plans for a Tuesday floor vote on the state budget today, **saying negotiations were moving forward** and the vote **"would disrupt that progress."**

The **California Republican Party** has released its final list of Republicans attending the national party convention in September. The list is **here**.

Congressional hopeful **Delecia Holt** reported raising more than $200,000 for her campaign. But **none of her reported donors** reached by the *Orange County Register* said they donated to the Aliso Viejo Republican.

San Francisco Mayor **Gavin Newsom** -- a potential 2010 candidate for governor -- was married in Montana over the weekend to 34-year-old **Jennifer Siebel**. The wedding was attended by a who's who of San Francisco politicos and written up by **none other than Wilile Brown**.

"As far as I can tell, however, the best part of the weekend was the rehearsal dinner. It was a rodeo and barn dance thrown Friday evening by the bride-to-be's parents, Ken and Judy Siebel - complete with Gavin on a horse, demonstrating how to cut cattle from a herd," Willie wrote in **his new SF Chronicle column**.

The influential ballot summary of the **initiative to ban gay marriage** in California has been rewritten, and **opponents of Proposition 8 are calling the new version "good news."**

The summary now says the initiative would **"eliminate right of same-sex couples to marry"** instead of **"provide that only marriage between a man and a woman is valid or recognized in California,"** as well as describe the fiscal impact of the halted marriages.

The saga continues: the Sacramento man who bought Rep. **Laura Richardson**'s foreclosed home

has **dropped a lawsuit against her and her bank**, after the bank sought to rescind the sale.

Dan Walters' blog: Democrats say California **should raise taxes** to close the state budget deficit and bolster education and other vital spending while Republicans contend that the state has a "spending problem" and **should forgo new taxes**.

From the new **State Worker blog**:

Many people, from Dane Cook to Pepperdine University associate professor Michael Shires, criticize state bureaucracy's inefficiency. **Here is the article**.

The new "**Stop Arnold**" campaign will present a petition with 26,000 signatures to the **governor**, asking him not to sign his executive order, **according to a media release**.

In tomorrow's Bee: As the budget trudges through **Day 29**, it still has a way to go before it hits the record for late budgets. Check out Steve Wiegand's chart tomorrow on the **Top 5 latest budgets**.

In Dan Walters' column: Though Gov. **Arnold Schwarzenegger** is slashing wages and laying off workers, "He'd better keep a few lawyers around because he may find himself in an epic legal battle."

Aurelio Rojas reports that supporters of **Proposition 8** will sue to overturn the new ballot summary Attorney General **Jerry Brown** wrote for the same sex marriage ban.

Want **The Latest from Capitol Alert** on your mobile device? Check out our **mobile site**.

While you're at it, you can also put The Latest on your **Google** or **Yahoo** home page.

Advertisement

*Tomorrow's **calendar**.*

*See rundowns, scripts and video from **Capitol Television News Service**.*

*See **The Latest**.*

*Check out **Weintraub**, **Wiegand**, and **Walters**.*

Shane Goldmacher
Capitol Alert Coordinator

Copyright © The Sacramento Bee. All Rights Reserved.

You have opted in to receive this e-mail newsletter sent by: The Sacramento Bee
2100 Q Street Sacramento, CA 95816 USA

Manage subscriptions / Unsubscribe

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Monday, July 28, 2008 2:36 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Washington Mutual

Google Blogs Alert for: **Washington Mutual**

Washington Mutual Stock of the week
By noreply@blogger.com (HPT)
Surely, **Washington Mutual**(WM) will be the stock to watch next week, if not for the next 3 months as we all wait and see if WaMu can survive the current mortgage crisis. WaMu: Liquidity Options Running Low- Mr. ...
High Probability Trading - http://highprobability.blogspot.com/

Washington Mutual Credit Cards - Loan sharking
I currently have two WAMU accounts. The first was originally a Providian account with a low interest rate. WAMU bought Providian about two years ago. After years of paying on time, my payment was two days late (my fault)...
Complaints Board - Latest Cheaters - http://www.complaintsboard.com

LAURA RICHARDSON GETS HER HOUSE BACK; ACRES STILL CLOSING
By Theo Douglas
It's the house she defaulted on (one of three houses she defaulted on actually; the other two are in Long Beach and San Pedro); the house that the lender–**Washington Mutual**–took back and resold it at auction earlier this year to a real ...
The District Weekly » District Daily - http://thedistrictweekly.com

---

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Sunday, July 27, 2008 10:31 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Washington Mutual

Google Blogs Alert for: **Washington Mutual**

Washington Mutual Inc (WM) is a SELL
By derave
SELL rating on **Washington Mutual** Inc (WM) Start Price: $3.84 Start Date: 07/27/2008.
SocialPicks.com: Recent Picks - http://www.socialpicks.com

Why Did **Washington Mutual** Rescind Congresswoman Richardson?s ...
By blogdig.net
You have to wonder about the machinations that went into **Washington Mutual** unwinding the foreclosure sale of Congresswoman Laura Richardson?s Sacramento home.The Congresswoman lost her home to foreclosure and it was sold to James York ...
AppraiseThis: The Best Real Estate... - http://realestate.blogdig.net/

Evidence of the US Banking System Teetering on the Brink of Collapse
By Pillar Of Autumn(Pillar Of Autumn)
Washington Mutual (WM), another troubled bank, refused to honor Indymac cashier's checks. The irony is it makes no sense for customers to pull insured deposits out of Indymac after it went into receivership. The second irony is the last ...
Sound Of Cannons - http://soundofcannons.blogspot.com/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Sunday, July 27, 2008 7:22 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Washington Mutual

Google News Alert for: **Washington Mutual**

Bank deal gives Laura Richardson back her Sacramento house
Los Angeles Times - CA,USA
In a statement, Richardson's lender, **Washington Mutual**, said the litigation had been "resolved," but that the terms are confidential. ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Sunday, July 27, 2008 4:24 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Washington Mutual

Google Blogs Alert for: **Washington Mutual**

Why Did **Washington Mutual** Recind Congresswoman Richardson's ...
By Tom Royce
But I would love to be a fly on the wall to see the pressure that was brought upon **Washington Mutual** by the powers that be, and then the negotiations with York to bury this story. **Washington Mutual** Inc., who was Rep. **...**
The Real Estate Bloggers - http://www.therealestatebloggers.com

Washington Mutual Inc (WM) is a BUY
By mathmeister
BUY rating on **Washington Mutual** Inc (WM) Start Price: $3.84 Start Date: 07/27/2008.
SocialPicks.com: Recent Picks - http://www.socialpicks.com

Why Did **Washington Mutual** Recind Congresswoman Richardson?s **...**
By blogdig.net
You have to wonder about the machinations that went into **Washington Mutual** unwinding the foreclosure sale of Congresswoman Laura Richardson's Sacramento home.The Congresswoman lost her home to foreclosure and it was sold to James York **...**
AppraiseThis: The Best Real Estate... - http://realestate.blogdig.net/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Sunday, July 27, 2008 2:23 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Washington Mutual

Google Blogs Alert for: **Washington Mutual**

Washington Mutual Inc (WM) is a BUY
By netstack@gmail.com
BUY rating on **Washington Mutual** Inc (WM) Start Price: $3.84 Start Date: 07/27/2008.
SocialPicks.com: Recent Picks - http://www.socialpicks.com

Manager - Health Promotion Programs - **Washington Mutual** - Seattle, WA
Manager - Health Promotion Programs - Seattle, WA - 462111 Job Description Apply Online Description At WaMu, our core values inspire and guide our talented team... (From **Washington Mutual**). View Detail.
US Job Listing - http://www.usjoblisting.info

Lawsuit dropped over Calif. congresswoman's home
Washington Mutual Inc., who was Rep. Laura Richardson's lender, announced Friday that James York's suit against her and the bank had been resolved, the Torrance Daily Breeze reported. The details were confidential, the bank said in its ...
Politics | AP | Huffington Post Wires - http://www.huffingtonpost.com/huff-wires/

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Sunday, July 27, 2008 2:14 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Washington Mutual

Google News Alert for: **Washington Mutual**

Lawsuit dropped over Calif. congresswoman's home
The Associated Press -
Washington Mutual Inc., who was Rep. Laura Richardson's lender, announced Friday that James York's suit against her and the bank had been resolved, **...**
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Sunday, July 27, 2008 1:41 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Washington Mutual Bank

Google News Alert for: **Washington Mutual Bank**

US closes down two more **banks**
Xinhua - China
The two **banks** were sold to **Mutual** of Omaha **Bank** which will pay 200 million US dollars for assets of the two **banks** in addition to taking over their deposits. ...
See all stories on this topic

Lawsuit dropped over SoCal congresswoman's home
The Associated Press -
Washington Mutual Inc., who was Rep. Laura Richardson's lender, announced Friday that James York's suit against her and the **bank** had been resolved, ...
See all stories on this topic

Public Records
Bradenton Herald - FL, United States
Maria Nasyezda Vega et al, $227793.70, **Washington Mutual Bank**, 2007-CA-008217. Cynthia Fobbs McMillan, $7294.97, Fiddlers Bend Condominium Association Inc., ...
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, July 26, 2008 10:03 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Washington Mutual

Google News Alert for: **Washington Mutual**

Lawsuit dropped over SoCal congresswoman's home
San Jose Mercury News - CA, USA
Washington Mutual Inc., who was Richardson's lender, announced Friday that James York's suit against the congresswoman and the bank had been resolved, **...**
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Saturday, July 26, 2008 11:25 AM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Fw: Google Alert - Washington Mutual Bank

----- Original Message -----
From: Google Alerts <googlealerts-noreply@google.com>
To: Owen, Jan L.
Sent: Sat Jul 26 00:02:07 2008
Subject: Google Alert - Washington Mutual Bank

Google News Alert for: Washington Mutual Bank

Rep. Richardson can get Sacramento house back <http://www.presstelegram.com/news/ci_10002817>
Long Beach Press-Telegram - Long Beach,CA,USA
York had filed suit on June 12 after Washington Mutual rescinded the foreclosure. At the time, York was livid at the bank, which he accused of affording ...

See all stories on this topic <http://news.google.com/news?hl=en&nel=http://www.presstelegram.com/news/ci_10002817>

This as-it-happens Google Alert is brought to you by Google.

Remove <http://www.google.com/alerts/remove?s=EAAAAKY8fm_pe5lAmhMpI3d-6avw&hl=en&gl=> this alert.
Create <http://www.google.com/alerts?hl=en&gl=> another alert.
Manage <http://www.google.com/alerts/manage?hl=en&gl=> your alerts.

From: Google Alerts <googlealerts-noreply@google.com>
Sent: Saturday, July 26, 2008 3:02 AM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Google Alert - Washington Mutual Bank

Google News Alert for: **Washington Mutual Bank**

Rep. Richardson can get Sacramento house back
Long Beach Press-Telegram - Long Beach,CA,USA
York had filed suit on June 12 after **Washington Mutual** rescinded the foreclosure. At the time, York was livid at the **bank**, which he accused of affording **...**
See all stories on this topic

This as-it-happens Google Alert is brought to you by Google.

Remove this alert.
Create another alert.
Manage your alerts.

From: Capitol Alert <capitolalert@sacbee.com>
Sent: Monday, June 30, 2008 11:01 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: PM Alert: 'So what's new?'

To view this email as a web page, go **here.**

The Sacramento Bee
CapitolAlert

Advertisement

Advertisement

June 30, 2008

PM Alert: 'So what's new?'

In case you missed it: Rep. **Laura Richardson** is driving the **most expensive car** of any member of the House of Representatives -- at taxpayers' expense.

Gov. **Arnold Schwarzenegger** wants people living in fire-prone areas to be **"a little less selfish"** and not buy fireworks this year.

On Sunday, the governor appeared on NBC's **"Meet the Press."** Capitol Alert has posted **video and a transcript**.

Meanwhile, on the last day of the fiscal year, Assembly GOP leader **Mike Villines** sounded dour about the Legislature's chances for passing a state budget anytime soon.

"We're doing meetings, but we're not making a ton of progress," Villines said in an hour-long meeting at The Bee Capitol Bureau. Check out the **highlights from his visit**.

Also on Capitol Alert: **Steve Geissinger** joins the growing ranks of laid-off Capitol reporters. **Fiona Ma** has a new squeeze and **Cindy McCain** owes property taxes in California.

In tomorrow's Bee: Kevin Yamamura profiles the four legislative leaders and governor trying to balance the state's budget. They are **"one of the least experienced groups ever."**

Once again, the fiscal year will begin without a budget. Dan Walters asks, "**So what's new?"**

M.S. Enkoji reports the California Commission on the Fair Administration of Justice issued **a report calling capital punishment in California is too flawed to be effective**.

Judy Lin reports Gov. Arnold Schwarzenegger's fellow Republicans **will not support his lottery proposal to bridge the state's budget deficit this year,** leaving him without the centerpiece of his proposal as the state's fiscal year begins today.

Aurelio Rojas reports Democratic presidential candidate **Barack Obama**, who has said the issue of gay marriage should be left up to each state, **has announced his opposition to the California ballot measure that would ban gay marriage**.

In his column, Peter Schrag writes about **growing pot and the recent wildfires**.

The Bee editorial board says that after the collapse of a proposed health overhaul, **the governor and "state lawmakers are about to violate a basic tenet of the health care profession: 'Do no harm.'"**

Want **The Latest from Capitol Alert** on your mobile device? Check out our **mobile site**.

While you're at it, you can also put The Latest on your **Google** or **Yahoo** home page.

Advertisement

*Tomorrow's **calendar**.*

*See rundowns, scripts and video from **Capitol Television News Service**.*

*See **The Latest**.*

*Check out **Weintraub**, **Wiegand**, and **Walters**.*

Shane Goldmacher
Capitol Alert Coordinator

Copyright © The Sacramento Bee. All Rights Reserved.

You have opted in to receive this e-mail newsletter sent by: The Sacramento Bee
2100 Q Street Sacramento, CA 95816 USA

Manage subscriptions / Unsubscribe

From: Owen, Jan L.
Sent: Monday, June 30, 2008 6:10:56 PM
To: Baptista, Geri Ann S.
Subject: Latest media coverage on Richardson

Rep's got expensive wheels
By Gene Maddaus, Staff Writer
Article Launched: 06/29/2008

Taxpayers pay for Rep. Laura Richardson's car lease.

When she arrived in Congress last fall, Rep. Laura Richardson sought out a vehicle that would match her newfound status.

She settled on a 2007 Lincoln Town Car - the choice of many representatives who lease their vehicles at taxpayers' expense. But hers was distinct: at $1,300 a month, it was the most expensive car in the House of Representatives.

Richardson, a Democrat who represents Carson, has since become known for defaulting on two home loans and losing a third house - in an upscale neighborhood in Sacramento - at a foreclosure auction.

But her history with vehicles has been similarly fraught. When she was a councilwoman in Long Beach, she crashed her BMW, abandoned it at a body shop, failed to pay a prior repair bill, and then racked up 30,000 miles on a city-owned hybrid in one year - apparently violating a policy against personal use of city cars.

In her brief stint in the Assembly, she leased a 2002 Lincoln LS for $304 a month - all but $36 of it paid for by the state. So Richardson was already well versed in the use of government vehicles when she got to Washington.

A protege of Rep. Maxine Waters - she calls Waters "Big Mama" and herself "Little Mama" - Richardson has worked to cultivate an image of success since arriving in Congress last fall. That effort evidently included a major upgrade of her publicly funded car.

About 130 representatives leased cars last year, according to a report compiled earlier this year by Taxpayers for Common Sense. Most were in the range of $400 to $800 per month.

Richardson's 2007 lease costs show up on a more recent congressional spending report, because she did not pay the bill until February. According to the report, her first bill was for $1,299, and covered a one-month period from mid-October to mid-November. She then paid a prorated amount of $2,035 for the 45-day period from mid-November to the end of the year.

That makes her lease $300 more expensive than the costliest car in the Taxpayers for Common Sense report. As of last winter, the newest member of Congress had far and away the most expensive car in the House of Representatives.

"A $1,300 lease is a gold-plated lease," said Keith Ashdown, chief investigator for the watchdog group. "Because it's federal money and not their personal money, they're not looking for the best value."

Rep. Diane Watson, D-Los Angeles, also leases a 2007 Lincoln Town Car, but she pays only $686 per month for it.

According to a former staff member, Richardson insisted that her Lincoln be specially customized, which may explain the high cost.

Richardson's spokesman, William Marshall, initially stated that Richardson is paying only $940 per month for her Town Car, but gave no documentation of that. After he was presented with the expense report showing the $1,300 lease amount, he declined to answer further questions.

"No comment," he said.

Richardson got the car from a local Enterprise Rent-a-Car office for her use when she needed to travel around her congressional district. The cost would not have been affected by her personal credit history, because it was paid for by the federal government. The price tag also did not include insurance, which Richardson agreed to pay for on her own.

At 8:30 p.m. April 3, a staff member was driving the car on the San Diego (405) Freeway, when he got into a crash. According to a California Highway Patrol report, the staffer, Henry Rogers, reported being struck in the rear by a white sport utility vehicle. The impact caused him to spin out and hit the center median and left major damage to the left rear of the Town Car.

The CHP report gives no information about the insurance on the car, other than to say that it was a "rental." But Richardson's subsequent actions suggest that Rogers may not have been listed as an eligible driver on her insurance policy.

According to the former staffer, after the crash Richardson required her district employees to buy additional insurance so they could legally drive the Lincoln. The former staff member did not want to be identified out of fear of jeopardizing future

employment prospects.

Another former staffer said Rogers was not forced to pay for the damage to the car, but did not know how the issue was resolved.

Rogers referred questions about the crash to Richardson's spokesman, who did not return a call about the crash on Friday.

Richardson did not report the crash to Enterprise, but it is not clear that she was required to, given that she was self-insured.

Records also indicate that Richardson owes $83 for illegally parking the Town Car in Long Beach. The ticket was issued Jan. 23, in the amount of $40, but has since doubled because it was not paid on time.

Richardson also owes $9,000 in property taxes on the Sacramento home, which she is trying to get back. The new owner of the home has sued her and her lender, Washington Mutual, after the bank moved to rescind the foreclosure sale.

"She's got bigger problems than what she's leasing," said Ashdown of the Taxpayers for Common Sense.

From: Capitol Alert <capitolalert@sacbee.com>
Sent: Monday, June 30, 2008 4:48 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Capitol Alert: Villines says lawmakers 'not making a ton of progress' on budget

---

To view this email as a web page, go **here.**

The Sacramento Bee
CapitolAlert

Villines says lawmakers 'not making a ton of progress' on budget

Assembly Republican leader Mike Villines visited with The Bee's Capitol Bureau on Monday morning and sounded dour about the Legislature's chances for passing a state budget anytime soon. **Read more**.

Also on Capitol Alert:

Richardson's ride is costliest in House

A Monday roundup

Video and transcript: Governor on 'Meet the Press'

*Hourly updates on California political **news**, **editorials**, and **blogs**.*
*Video and rundowns from **Capitol Television News Service**.*

*Visit **capitolalert.com** for more breaking news.*

Copyright © The Sacramento Bee. All Rights Reserved.

You have opted in to receive this e-mail newsletter sent by: The Sacramento Bee
2100 Q Street Sacramento, CA 95816 USA

Manage subscriptions / Unsubscribe

From: Owen, Jan L.
Sent: Monday, June 30, 2008 1:46:02 PM
To: Gaspard, Scott; Strom, Erik E.; Watson, Alison
Subject: FW: Latest media coverage on Richardson

FYI- it just get's bigger. J

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

FYI, only. Gene Maddaus is at it again.

Rep's got expensive wheels
By Gene Maddaus, Staff Writer
Article Launched: 06/29/2008

Taxpayers pay for Rep. Laura Richardson's car lease.

When she arrived in Congress last fall, Rep. Laura Richardson sought out a vehicle that would match her newfound status.

She settled on a 2007 Lincoln Town Car - the choice of many representatives who lease their vehicles at taxpayers' expense. But hers was distinct: at $1,300 a month, it was the most expensive car in the House of Representatives.

Richardson, a Democrat who represents Carson, has since become known for defaulting on two home loans and losing a third house - in an upscale neighborhood in Sacramento - at a foreclosure auction.

But her history with vehicles has been similarly fraught. When she was a councilwoman in Long Beach, she crashed her BMW, abandoned it at a body shop, failed to pay a prior repair bill, and then racked up 30,000 miles on a city-owned hybrid in one year - apparently violating a policy against personal use of city cars.

In her brief stint in the Assembly, she leased a 2002 Lincoln LS for $304 a month - all but $36 of it paid for by the state. So Richardson was already well versed in the use of government vehicles when she got to Washington.

A protege of Rep. Maxine Waters - she calls Waters "Big Mama" and herself "Little Mama" - Richardson has worked to cultivate an image of success since arriving in Congress last fall. That effort evidently included a major upgrade of her publicly funded car.

About 130 representatives leased cars last year, according to a report compiled earlier this year by Taxpayers for Common Sense. Most were in the range of $400 to $800 per month.

Richardson's 2007 lease costs show up on a more recent congressional spending report, because she did not pay the bill until February. According to the report, her first bill was for $1,299, and covered a one-month period from mid-October to mid-November. She then paid a prorated amount of $2,035 for the 45-day period from mid-November to the end of the year.

That makes her lease $300 more expensive than the costliest car in the Taxpayers for Common Sense report. As of last winter, the newest member of Congress had far and away the most expensive car in the House of Representatives.

"A $1,300 lease is a gold-plated lease," said Keith Ashdown, chief investigator for the watchdog group. "Because it's federal money and not their personal money, they're not looking for the best value."

Rep. Diane Watson, D-Los Angeles, also leases a 2007 Lincoln Town Car, but she pays only $686 per month for it.

According to a former staff member, Richardson insisted that her Lincoln be specially customized, which may explain the high cost.

Richardson's spokesman, William Marshall, initially stated that Richardson is paying only $940 per month for her Town Car, but gave no documentation of that. After he was presented with the expense report showing the $1,300 lease amount, he declined to answer further questions.

"No comment," he said.

Richardson got the car from a local Enterprise Rent-a-Car office for her use when she needed to travel around her congressional district. The cost would not have been affected by her personal credit history, because it was paid for by the federal government. The price tag also did not include insurance, which Richardson agreed to pay for on her own.

At 8:30 p.m. April 3, a staff member was driving the car on the San Diego (405) Freeway, when he got into a crash. According to a California Highway Patrol report, the staffer, Henry Rogers, reported being struck in the rear by a white sport utility vehicle. The impact caused him to spin out and hit the center median and left major damage to the left rear of the Town Car.

The CHP report gives no information about the insurance on the car, other than to say that it was a "rental." But Richardson's subsequent actions suggest that Rogers may not have been listed as an eligible driver on her insurance policy.

According to the former staffer, after the crash Richardson required her district employees to buy additional insurance so they could legally drive the Lincoln. The former staff member did not want to be identified out of fear of jeopardizing future employment prospects.

Another former staffer said Rogers was not forced to pay for the damage to the car, but did not know how the issue was resolved.

Rogers referred questions about the crash to Richardson's spokesman, who did not return a call about the crash on Friday.

Richardson did not report the crash to Enterprise, but it is not clear that she was required to, given that she was self-insured.

Records also indicate that Richardson owes $83 for illegally parking the Town Car in Long Beach. The ticket was issued Jan. 23, in the amount of $40, but has since doubled because it was not paid on time.

Richardson also owes $9,000 in property taxes on the Sacramento home, which she is trying to get back. The new owner of the home has sued her and her lender, Washington Mutual, after the bank moved to rescind the foreclosure sale.

"She's got bigger problems than what she's leasing," said Ashdown of the Taxpayers for Common Sense.

From: Gaugl, Sara C.
Sent: Wednesday, June 25, 2008 6:46:01 PM
To: Owen, Jan L.
Subject: http://thedistrictweekly.com/daily/staff-infection/briefing/laura-richardson-shakin-her-moneymaker/

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228.[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Tuesday, June 24, 2008 6:02 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: Associated Press - House leader raising money for Richardson

Did you see this?

House leader raising money for Richardson
By ERICA WERNER
24 June 2008
Associated Press Newswires

WASHINGTON (AP) - The majority leader of the House of Representatives is co-hosting a fundraiser for Long Beach Democratic Rep. Laura Richardson despite recent reports about Richardson's history of defaulting on home loans and failing to pay off debts.

The event Wednesday evening on Capitol Hill was scheduled many weeks ago, according to a spokeswoman for Majority Leader Steny Hoyer, D-Md.

In an interview, Hoyer expressed no concerns about helping Richardson, who has about $330,000 in campaign debt. That includes some of the $77,500 she loaned herself for a special election last year even while falling behind on payments on a Sacramento house that was eventually sold into foreclosure.

Since then Richardson has paid herself back about $18,000.

Richardson's lender, **Washington Mutual** Inc., rescinded the home sale last month after news of it became public, prompting the buyer to sue Richardson and the bank.

"She defaulted on a mortgage and it would've been nice if she hadn't done that, but it's my understanding from her that she's resolved those with the lending institution," Hoyer said.

"We have an awful lot of people who have defaulted on mortgages around the country, unfortunately, recently," he said.

The group Citizens for Responsibility and Ethics in Washington has called for an investigation by the House Ethics Committee, alleging that the rescinded sale may have amounted to an improper gift to Richardson from **Washington Mutual**. The group also says she may not have properly disclosed her circumstances on her House financial disclosure forms .

Richardson's office has denied that, contending that an Ethics Committee attorney has assured her that her forms are in compliance.

"I understand she's contacted the Ethics Committee to resolve that, which I think is appropriate," Hoyer said.

A spokesman for Richardson did not immediately respond to a message Tuesday seeking comment.

The buyer of the Sacramento home, James York, has said Richardson received special treatment from **Washington Mutual** because she's a congresswoman. Richardson has denied that, saying the 1,600-square-foot home she bought for $535,500 in January 2007 was sold into foreclosure without her knowledge and contrary to an agreement with **Washington Mutual**.

She had not paid the mortgage or property taxes on the house when it was sold in May.

Richardson also had two other homes in her Southern California district that have fallen into default six times.

The Long Beach Press-Telegram has reported that Richardson also has left car repair bills unpaid and failed to disclose certain financial details -- including a loan from a strip club owner -- when she served on the Long Beach City Council.

Richardson won a special election to Congress last summer to replace the late Juanita Millender-McDonald and is running unopposed for a full term in November.

The Hoyer fundraiser was first reported Tuesday by The Washington Post.

Meanwhile Tuesday, Sens. Barbara Boxer, D-Calif., and John Cornyn, R-Texas, chair and vice chair of the Senate Ethics Committee, announced plans to try to add an amendment to a housing bill on the Senate floor to require members of the House and Senate to disclose residential mortgages as a liability on their financial disclosure forms. That's not currently required.

It wasn't clear as of late afternoon Tuesday whether or when the Senate would take up the amendment.

From: Watson, Alison <alison.watson@wamu.net>
Sent: Tuesday, June 24, 2008 2:43 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Gaspard, Scott <scott.gaspard@wamu.net>; Strom, Erik E. <erik.strom@wamu.net>; Parker, Gary L. <gary.parker@wamu.net>; Hutchison, Paula J. <paula.hutchison@wamu.net>
Subject: FW: Democrat Dirty Laundry: Foreclosure Fallout

FYI – NRCC propaganda.

-----Original Message-----
From: NRCC-Communications [mailto:mail@nrcc.org]
Sent: Tuesday, June 24, 2008 10:35 AM
To: Watson, Alison
Subject: Democrat Dirty Laundry: Foreclosure Fallout

Foreclosure Fallout:
Will Newly-Minted Ethics Commission Investigate Dem Rep's Repeat Defaults?

SPIN CYCLE:
Pelosi Promises Members Must Meet "Highest Ethical Standards"

"House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that 'every member of Congress is responsible for living up to the highest ethical standards.'" *(Associated Press, 6/12/08)*

RINSE CYCLE:
Calls for Ethical Investigations into Richardson's Repeated Defaults Intensify

Click here to view CNN's coverage of Rep. Laura Richardson's Mortgage Meltdown: http://www.youtube.com/watch?v=G58A--1Ut_I

"Richardson's house in Sacramento was sold in foreclosure last month, and she has gone into default on homes in San Pedro and in her district in Long Beach. Just two months before her trip to Las Vegas, Richardson received a notice of default on her San Pedro house saying she owed $12,410.71. A little more than a month before her trip, Richardson received a notice saying she owed $15,101.87 on her Long Beach house."

"There is no word whether in an attempt to find the money to get up to speed on her payments, Richardson put down some heavy bets at the roulette table. What we do know is that two months later she once again received a notice of default, this one saying she owed $11,053.04 on the San Pedro house.

"Richardson has faced default on her homes seven times -- five of those in the last 13 months. Will the Ethics Commission investigate?" *(LA Times, LA Now Blog, 6/20/08)*

###

Paid for by National Republican Congressional Committee.
Not Authorized by Any Candidate or Candidate's Committee.
www.nrcc.org

From: Baptista, Geri Ann S.
Sent: Tuesday, June 24, 2008 12:05:14 PM
To: Gaugl, Sara C.; Owen, Jan L.
Subject: Richardson

FYI Re: A fundraiser for Richardson.
Any update on the loan matter?

Geri Ann

A House Seat Won, a House Lost, and a House Leader Divided

By Jeffrey H. Birnbaum
Tuesday, June 24, 2008; A15

http://www.washingtonpost.com/wp-dyn/content/article/2008/06/23/AR2008062301797_pf.html?nav=rss_opinion/columns

Every once in a while, events move fast in the nation's capital.

Last week, House Majority Leader *Steny H. Hoyer*, through a spokeswoman, said it might be a good idea for the ethics committee to look into some financial missteps by Rep. *Laura Richardson* (D-Calif.) that have been highlighted in the press.

This week -- tomorrow, in fact -- Hoyer is scheduled to host a fundraising reception for Richardson to help pay her campaign's substantial debt.

Whoa!

Richardson was elected to the House last August in a special election to replace the late Democratic Rep. *Juanita Millender-McDonald*.

Subsequently, Richardson lost her Sacramento home to foreclosure after failing to make payments. She also reportedly owed Sacramento County about $9,000 in property taxes and defaulted on loans six times on two other California homes.

On top of that, according to the Long Beach Press-Telegram, Richardson failed to pay an auto mechanic for hundreds of dollars' worth of car repairs and then abandoned the car at another body shop.

None of this was detailed -- as some of it probably should have been, according to critics -- on Richardson's legally mandated financial disclosure forms.

The liberal watchdog group Citizens for Responsibility and Ethics in Washington (CREW) dubbed Richardson a "deadbeat congresswoman" and filed a complaint. Both Hoyer and House Minority Leader *John A. Boehner* (R-Ohio) said that Richardson's woes might merit an ethics inquiry.

"Mr. Hoyer has always said the ethics committee should look at anything that's raised in the public sphere," Hoyer spokeswoman *Stacey Farnen Bernards* said last week. "That gives people the confidence that the House is policing itself."

But Hoyer's policy didn't deter him from going ahead with the fundraiser to help his beleaguered colleague pay off the $330,000 she owed as of last month. The event is scheduled from 5:30 to 7 tomorrow evening, in rented space at a private residence on Capitol Hill.

Hoyer's invitation seeks contributions of between $1,000 and $5,000 from political action committees, which are pools of money filled by individuals and used by corporations, industries and labor unions to donate to the coffers of lawmakers they wish to assist.

Probably a lot of PACs will pay up. Pleasing the House's majority leader is something political action committees are usually eager to do.

But help for Richardson?

CREW's executive director, *Melanie Sloan*, thinks Hoyer's effort takes him in the wrong direction. "I'd prefer to see a member file an ethics complaint against Richardson rather than help retire her campaign debt," Sloan said in an e-mail.

Richardson's office did not return a telephone call seeking comment. Hoyer is not deterred and defends his decision to help Richardson. "There is no allegation of wrongdoing," Bernards said. "Mr. Hoyer feels comfortable supporting Representative Richardson as a fellow House Democrat."

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Dustin Hobbs

Sent: Friday, June 20, 2008 6:43 PM

To: 'Robert Satnick'; scalder; tdudley; 'Chris George'; 'Don Curtis'; 'Drew Collins'; Owen, Jan L. <jan.owen@wamu.net>; 'Jon Koskoff'; 'Laura Pephens'; 'Lloyd San'; MPfeifel; 'Paul Schroeder'; 'Richard Gale'; 'S. A. Ibrahim'; 'Scott Whittle'; rslatt; 'Steven Hops'; 'Tup Fisher'

Cc: 'Susan DeMars'

Subject: Media/LA Times article

Attach: SacBeeEditorial6-18.doc;CMBA Article Round Up 6.20.08.doc

---

CMBA Board of Directors,

With all the activity in the last week in both the Legislature and subsequent media coverage, I wanted to give you an update on our progress (on the political/PR front). As you know by now, we have had tremendous success in the Legislature fending off a number of potentially harmful bills. We have also had success in our mission to educate members of the media and begin taking a leading role in driving coverage. In fact, our media strategy has absolutely had a positive and tangible effect on how the hearing proceeded earlier this week, which I'll explain below.

I've attached several articles that have done a good job of getting our message out in a positive way. To this point we have not used incendiary language in the press, while several consumer groups have ratcheted up their use of hysterical messaging in recent days. While we have given the legislators tangible reasons to accept or at least consider our point of view, the consumer groups have attempted to box the legislators in and force their hand. This was clear in the editorial that ran in the Sacramento Bee on the day of the hearing (attached). The outcome of the hearing was due in no small part to the committee reacting to the consumer groups' demanding tone. In politics, there is a axiom that if an opponent is trying to 'hang themselves' your best bet is to back off and give them as much rope as needed. This has been our strategy in dealing with them. We have not returned fire directly, and have stuck to our positive and reasonable messaging.

Instead of a 'tit-for-tat' response, we have been placing opinion-editorials in local newspapers across the state, meeting directly with reporters, and we have assembled a working group of some the leading business organizations in the state to better coordinate our messaging. These groups include: California Chamber of Commerce, California Bankers Association, California REALTORS Association, California Mortgage Association, California Building Industry Association, and the Securities Industry and Financial Markets Association. This group is focused solely on ensuring that industry send a clear and effective message to the media – policymakers need to make sure that they don't make the situation we are currently in (credit/liquidity crisis) worse by cutting off access to affordable credit for consumers. We've backed this up with stats from Freddie Mac, MBA, and other sources. We've also emphasized, in concert with Jon and Pat's messaging directly to legislators, that any changes California makes must take into account any federal efforts currently underway. We don't want a 'California-Only' set of rules that will further discourage capital from returning to the state.

Even in some of the stories that haven't been necessarily positive, you can see that our message is getting through. In the LA Times recap of the hearing, which was not going to be a positive story to begin with ('consumer-friendly' bills get killed), our messaging was echoed by the committee chairman in the third paragraph:

Sen. Michael Machado (D-Linden), chairman of the Senate Banking, Finance and Insurance Committee, opposed most of the bills, saying they would **subject the mortgage industry to contradictory federal and state regulations.**

Machado worried that cracking down on mortgage bankers and brokers could dry up credit and "**restrict the accessibility to home loans for the very people**" lawmakers were trying to help.

The bottom line is that the success we are having in the legislature is indicative of the success we are having in the media. We are the responsible and reasonable voice that has been willing to compromise and accept reforms, and the consumer groups have come off as alternatively demanding and complaining.

We've got a lot of wheels turning right now in our PR strategy, so feel free to call or e-mail me to get an update at any point. Our folks at KP will be at the Board meeting in July to give a full update on the progress we've made.

Look forward to seeing you all then. Thanks,

Dustin

Dustin Hobbs
California Mortgage Bankers Association
(916) 446-[illegible] VOICE
(916) 446-[illegible] FAX
(916) 704-[illegible] MOBILE
www.cmba.com

CMBA Career Center – THE place for employment connections in the California mortgage banking industry!

This story is taken from Sacbee / Opinion.

Editorial: Wake up and smell the foreclosures, senator

Banking committee members dither as their districts suffer mortgage meltdown

-

Published 12:00 am PDT Wednesday, June 18, 2008

Somebody needs to light a fire under the California Senate banking committee. Don't its members know there's a 9.0 magnitude foreclosure disaster happening, with California at the epicenter? Don't they know while some lenders of the high-cost, high-risk loans driving the crisis are overseen by the federal government, 60 percent are regulated by the state?

While the Assembly understands that and has passed a package of bills, senators on the banking committee have been overly cautious. They seem to think that the federal government can take care of California's mess.

Yet as the Office of the U.S. Comptroller of the Currency noted in a March 6 letter to the Washington Post, "The overwhelming majority of the subprime loans causing so many problems today, including the most predatory loans, were originated by state-regulated mortgage brokers and lenders." The federal government, he continued, "doesn't regulate those brokers and lenders; that's the job of the states." Are senators listening?

The Senate banking committee not only needs to pass the Assembly package of bills (Assembly Bills 69, 512, 529, 1830 and 2359) today, it needs to strengthen them. And it should steadfastly resist the temptation to further water down these bills.

The big problem is unregulated lending practices in California that, as many have observed, are unsound at best and abusive at worst. These bills attempt to prevent a repeat of the current disaster in the future. For example, AB 1830 would require lenders to assess the ability of borrowers to repay their loans and to pay their property taxes and insurance. It also would limit incentives for brokers to push borrowers into higher-cost loans. Other bills shine a light on industry practices through disclosure.

Above all, senators should avoid repeating the mistakes of 2001, when the Senate banking committee so watered down predatory lending bills that they become meaningless – leaving lenders free to engage in questionable and unethical practices, including ones that contributed to the current mortgage meltdown.

The members of the Senate banking committee need look no further than their own districts to see the disastrous effect of foreclosures.

Here's a snapshot of these districts for the six-month period from October to March. Banking committee Chairman Mike Machado's district, which includes Stockton, had 5,118 foreclosures and 5,753 notices of default. Vice Chairman George Runner's district in Los Angeles had 5,645 foreclosures and 7,915 notices of default. These districts rank No. 2 and No. 3 in California in numbers of foreclosures.

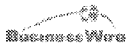
Here are the foreclosures and notices of default for the rest of the committee: Lou Correa (1,500 foreclosures and 2,552 default notices); Dave Cox (2,679 and 3,064); Dean Florez (1,470 and 2,106); Dennis Hollingsworth (3,448 and 4,778); Christine Kehoe (1,477 and 2,329); Alan Lowenthal (882 and 1,667); Bob Margett (1,017 and 1,961); Jack Scott (717 and 1,248) and Patricia Wiggins (1,798 and 2,375).

Regulation of home lending is a job for both federal and state agencies. But, as the U.S. comptroller notes, the urgent need is for states "to effectively regulate the institutions that caused most of the problems." California needs bold action from the Senate banking committee, not timidity and kowtowing to the lending industry.

Go to: Sacbee / Back to story

This article is protected by copyright and should not be printed or distributed for anything except personal use.
The Sacramento Bee, 2100 Q St., P.O. Box 15779, Sacramento, CA 95852
Phone: (916) 321-1000

Copyright © The Sacramento Bee



California Mortgage Bankers Applauds Senate Action

Calls Rejection of 'California-Only' Proposals a "Prudent" Decision

SACRAMENTO, Calif.--(BUSINESS WIRE)--The California Mortgage Bankers Association (CMBA) released the following statement this morning, in reaction to the state Senate Banking, Finance & Insurance hearing held Wednesday, June 18, 2008:

"Yesterday, the State Senate Banking, Finance & Insurance Committee heard a package of bills that proposed drastic changes in the way mortgage loans are handled in California.

None of the bills considered yesterday would stop any of the foreclosures currently under way in the market. The California Mortgage Bankers Association did reach agreement on a comprehensive measure, SB 1137 by Senator Don Perata that is designed to provide additional protections for borrowers facing foreclosure.

All the measures would go into effect next year and focus on removing certain loans from the market and adding penalties to other loan products. The net result would have severely impacted the flow of capital to California's mortgage market.

The California Mortgage Bankers Association opposed many of these measures because they further restrict credit to borrowers and perpetuate the liquidity crisis that is stalling the movement of homes for sale throughout the state.

It was also important to make sure that California efforts to reform the mortgage market are consistent with the current federal efforts to regulate subprime loans. New federal rules have been proposed and will likely become effective this summer. These rules will apply to all lenders, whether they are organized under state or federal law. Any laws passed in California that conflict with federal law would only serve to promote litigation and drive lending prices in California much higher than they are today.

While consumer groups are complaining about the Senate's rejection of their proposals, we believe that the Senate acted prudently to ensure the continual availability of loan products to consumers with less than perfect credit.

If the package of bills had all passed as they were introduced, the state would have faced a drastic reduction in the loan products available to working families, further postponing their hopes of becoming homeowners in California's pricey market.

As lenders, we believe that reforms are needed and several bills that are still moving forward will help reform the market without impairing market liquidity. Those bills include:

Senator Machado's package of bills to ensure regulatory oversight and improve market liquidity, including:

- SB 1053 – broker regulation
- SB 1054 – broker fraud protection
- SB 1055 – tax credits for borrowers

SB 1137 (Perata) – The recent amendments develop new processes to reach out to homeowners prior to foreclosures to provide them with additional information on the process and continue efforts to avoid foreclosure where possible. It also provides additional notices to tenants of foreclosed properties and creates new requirements for the maintenance of foreclosed properties to protected impacted neighborhoods.

A.J.R. No. 45 (Coto) - This measure would memorialize the President and the Congress of the United States to permanently increase the federal conforming mortgage loan limit to 125% of the area median price in high-cost areas of California, but in no case to exceed $729,750."

The California Mortgage Bankers Association is the leading statewide organization representing the residential and commercial real estate finance industry.

The McClatchy Sites of The Sacramento Bee

Crackdown on mortgage lenders loses steam in California Legislature

By John Hill - jhill@sacbee.com

Published 5:38 am PDT Friday, June 20, 2008
Story appeared in MAIN NEWS section, Page A4

For consumer advocates, the silver lining of the subprime mortgage meltdown was an unprecedented chance to toughen state regulation of a troubled industry.

But much of that agenda is in jeopardy or dead, leaving consumer advocates and some Democratic lawmakers to wonder what it would take to prod the Legislature to action.

"There continues to be a lack of a sense of outrage or urgency," said Paul Leonard, director of the California office of the Center for Responsible Lending, a research and policy nonprofit group. "It didn't seem to register with them."

The backers of a package of bills to overhaul subprime lending regulations pointed to a deepening crisis that has put one of every 242 California homes into foreclosure in February, the second highest rate in the nation.

Opponents, though, said the bills would have created a confusing mosaic of state and federal regulation that threatened to dry up mortgage capital. They said it made no sense to approve laws just for the sake of appearing to address the crisis.

"It's like we must act on these bills or we have done nothing," state Sen. George Runner, R-Lancaster, said during a committee hearing Wednesday.

Runner pointed out that an important federal regulation on subprime mortgages will be issued in coming weeks.

"It's not that nothing is being done," he said.

The package of subprime bills had been approved by the Assembly. But it hit rough waters Wednesday in the Senate banking committee, chaired by Sen. Mike Machado, D-Linden.

Machado has dealt with mortgage issues for years. His district is one of the national epicenters for foreclosures. But Machado is seen by some consumer advocates as overly sympathetic to the industry.

"The arguments he makes are certainly quite similar to those made by the industry folks we are negotiating with, and in many cases don't seem to put the protection of consumers at the forefront," Leonard said.

Machado says those consumers will be better served by an industry that operates under clear rules and that has enough money to make home loans.

On Wednesday, his committee killed some legislation outright, such as Assembly Bill 2359 by Sacramento Democrat Dave Jones. The bill, according to Jones, would have stopped lenders from forcing homeowners to waive their legal rights as part of the terms of the loan.

Others were approved, although consumer advocates said they had been watered down so much that they no longer did much.

The most important part of the package was Assembly Bill 1830 by Assemblyman Ted Lieu, D-Torrance. AB 1830 contained new regulations on mortgage prepayment penalties and banned certain practices, such as making mortgages that cause the debt to grow instead of shrink.

After it became clear that the committee would not pass his bill, Lieu agreed to an amendment that would gut all provisions in favor of wording to give authority to state agencies that license lenders to enforce federal regulations.

The Federal Reserve is expected to release a new subprime mortgage regulation in the next few weeks. But consumer advocates say it is unlikely to include the kinds of protections included in Lieu's bill.

Machado and lender associations argued that in light of the pending regulations, it made little sense for California to strike out on its own.

"You will have a regulatory nightmare," said Mike Belote, a lobbyist for the California Mortgage Association. "You will dry up credit."

Consumer advocates called that argument overblown. An industry offering complicated mortgages could keep track of federal and state rules, they said.

The issue, they said, is not drying up credit but making sure that people who get mortgages can afford to pay them back.

"It's not about more credit," said Norma Garcia, a lobbyist for Consumers Union, publisher of Consumer Reports magazine. "More credit is not better. Better credit is better."

Garcia said many of the arguments over this package of bills sounded very much like those made seven years ago as the Legislature was considering a bill to crack down on "predatory lending." The bill passed, but only after it had been narrowed so much that it covered very few loans.

What's different this time around, Garcia said, is that lawmakers have now seen dramatic evidence of what can happen in the mortgage market.

"Knowing what we know now, it's not only negligent," she said. "It's a travesty."

MercuryNews.com

Critics see little relief for subprime borrowers

SENATE PANEL VOTES TO AVOID OVERLAP WITH FEDERAL RULES

By Edwin Garcia
Mercury News Sacramento Bureau
Article Launched: 06/20/2008 01:34:54 AM PDT

SACRAMENTO - Homeowner advocates seeking to prevent another foreclosure crisis criticized a Senate committee Thursday for rejecting legislation intended to protect borrowers of subprime loans.

Only two of the seven most far-reaching mortgage-reform bills passed the Senate Committee on Banking, Finance and Insurance in a meeting that stretched into Wednesday evening. The panel's chairman insisted the measures were not in the best interest of consumers.

One measure - to give homeowners longer advance notice before their monthly payments increase - was approved intact. But another bill was so severely modified to satisfy committee Chairman Mike Machado, D-Stockton, that consumer groups turned their support into opposition.

That bill - AB 1830, by Assemblyman Ted Lieu, D-El Segundo - was the most comprehensive: It sought to cap prepayment penalties, prohibit loans based on stated income and ban loans that resulted in negative amortization. Those provisions were removed as a condition of passage.

Machado said the original bill would have overlapped with pending federal regulations that contain similarities. But a coalition of advocacy organizations, including the California Public Interest Research Group, or CALPIRG, said the federal rules are much weaker than the Lieu bill.

More than 84,000 foreclosures were reported in California last year - a 566 percent increase from the year before. Lenders last month sent 43,011 notices of default to homeowners, according to ForeclosureRadar.

"The Legislature had an opportunity yesterday to pass a bill that would keep this from ever happening again," CALPIRG spokesman Pedro Morillas said, "and instead they decided to wait and see what the federal government was going to do."

Machado defended the committee's action.

"I don't take any exception to what the consumer groups are trying to do," he said. "There's a lot of good intention, but the good intention I think was in a tunnel vision and not reflective of what the complications are today."

Lieu's bill, which now essentially states that California will adopt the federal regulations effective Jan. 1, 2009, heads to the Senate Judiciary Committee.

The other successful bill, AB 529 by Assemblyman Alberto Torrico, D-Fremont, goes to the full Senate for consideration. It requires lenders to send notices to homeowners 90 to 120 days before their adjustable loans are scheduled to trigger higher monthly payments. The current timetable is at least 25 days.

CAPITOL WEEKLY
THE NEWSPAPER OF CALIFORNIA GOVERNANCE AND POLITICS

Piercing some myths on the foreclosure crisis

By Capitol Weekly Staff *(published Thursday, June 19, 2008)*

California is one of the states hardest hit by the crisis in the mortgage market. As real estate values fall and home sales decline, experts have offered suggestions to strapped homeowners struggling to deal with the problem. What follows are some of the myths surrounding the mortgage meltdown, courtesy of the state's Consumer Home Mortgage Information page. The information was provided by the Homeowners Help Hotline (888-995-HOPE).

MYTH: My mortgage company would rather foreclose on my home than keep me in it.
REALITY: The mortgage company sustains an average loss of about $58,000 when foreclosure occurs (TowerGroup study). They are in the business of providing mortgages - not owning or selling homes - and would always prefer to keep you in your home.

MYTH: Foreclosure is an uncommon problem – I'm all alone in this.
REALITY:Foreclosure is a challenge faced by millions of Americans every year from all walks of life. Rich, poor, young, old - the list is as diverse as society itself.

MYTH: I've only missed one payment – I can likely catch up.
REALITY: The most important thing to remember when playing catch-up with your mortgage is you owe any delinquent payments plus the current month's payment. So, if you're a month behind, you actually owe two payments - last month's and this month's.

MYTH: I've missed too many payments to get help.
REALITY: There's always time to get help. We can't work miracles, but we can always give expert advice for any situation. That being said, the help we're able to offer is far more constrained if you're eight payments behind than if you're one or two behind. The sooner we can get involved, the better chance you have of avoiding foreclosure.

MYTH: I'm getting many offers of "help" from a variety of different people. Are they all scams?
REALITY: Because of the public nature of foreclosures, anyone is able to access foreclosure listings on a daily basis. These include the owner's name and address at the very least, and in some states, they could include other sensitive information. Armed with this data, scammers can take advantage of a desperate owner. Here's what to look for to avoid foreclosure scams:
1. Your home's ownership changes hands. A common scam is where a party buys your home, then lets you rent it back. It sounds good at first, but you're losing your property, and your new landlord can now legally kick you out of your home with little to no notice.
2. You're asked to pay something up-front and/or you're asked to stop making mortgage payments. Usually, these scams involve paying large sums of money to some sort of "foreclosure prevention service." These services offer to do what our

counselors do: counseling, a budget and approaching the mortgage company to consider a payment plan. But the services don't do always do this work thoroughly, or follow through at all. The most important thing to remember when it comes to any foreclosure service is this: Foreclosure advice and direction should always be free.
3. You're under pressure to act immediately. Some will prey on the stress and anxiety surrounding the foreclosure process by convincing owners to sign things they don't understand. Don't sign anything without either first talking to an attorney, your mortgage company or a nonprofit foreclosure prevention organization like the Homeownership Preservation Foundation.

MYTH: It's impossible to stay in my house after foreclosure proceedings begin.
REALITY: Contrary to what you might think, there are still options available to you after the foreclosure process has started. The sooner you call us, the more tools we'll have to help you fix your situation.

Good time for buying a home

By Ryan Chalk
Article Launched: 06/19/2008 07:16:41 AM PDT

Although Bay Area home sales weakened last month to a 20-year low, sales of foreclosed homes rose in the East Bay and Solano County, causing some local Realtors to hail it as a boon for investors and first-time home buyers.

Sales in Solano County of foreclosed properties made up 57.6 percent of the resale market, according to a report issued Wednesday by DataQuick Information Systems Inc.

A lot of first-time buyers are taking advantage of the market with the belief that home prices have hit bottom, explained John Wilkerson, a Realtor with Gateway Realty in Vacaville who has seen the majority of his sales come from foreclosures and "short sales" where the buyer sells the property below value.

Homeowners with equity in their property are also finding this to be a great time to move up to a larger home, despite not fetching the home price they would have several years ago, added Wilkerson

"These communities have been attracting first-time buyers, first-time move-up buyers and investors. Prices are getting more in line with incomes and some people feel they're getting a good, or at least a much better, deal," said DataQuick analyst Andrew LePage.

"It's unbelievable," said Jim Porter of Solano Mortgage, who agrees that foreclosure sales are a large part of the current market. "First-time home buyers are coming out of the woodwork."

In Bay Area neighborhoods that posted year-over-year gains in existing single-family house sales last month, more than two-thirds were in relatively affordable stretches of Contra Costa, Solano and Sonoma counties, according to the report.

A total of 6,216 new and resale houses and condos closed escrow in the nine-county Bay Area in May, down 1.5 percent from 6,310 in April.

In Solano County, the median home price sank 31 percent to $300,000, compared to the same period last year.

Last summer's credit squeeze made jumbo mortgages - those more than $417,000 - more expensive and harder to get. In May, jumbo mortgages in

the Bay Area rose to 30.6 percent, up from 28.8 percent in April. That was still less than half the level - 63.5 percent - seen a year ago.

"Being a home buyer right now is like being a kid in a candy shop," said Kathleen Ramos, a Realtor with Kappel & Kappel in Vacaville.

Home buyers need to be educated and work with a Realtor, cautioned Ramos, adding that the foreclosure market can be disheartening to a first-time buyer.

"We're coming off of 18 months of the worst market in 20 years, and now it's starting to click," added Porter.

With a stack of approved clients' paperwork sitting on his desk at the moment, Porter said, "It's kinda nice to be able to have affordable housing right now."

Inside Bay Area's Barbara E. Hernandez and AP Business Writer Alex Veiga contributed to this story.

Los Angeles Times

MORTGAGES

Push for new sub-prime mortgage regulations loses steam

A Senate committee kills or weakens a series of consumer-oriented bills aimed at reversing the foreclosure flood.

By Marc Lifsher, Los Angeles Times Staff Writer
June 19, 2008

SACRAMENTO -- A key Senate committee Wednesday killed or greatly watered down a series of Assembly bills that would have imposed new regulations on sub-prime mortgages in an attempt to curb the worst wave of foreclosures since the Great Depression.

The measures, part of a package launched with fanfare last winter by the Assembly leadership, sought to protect Californians from getting stuck with loans they couldn't afford and didn't understand.

Sen. Michael Machado (D-Linden), chairman of the Senate Banking, Finance and Insurance Committee, opposed most of the bills, saying they would subject the mortgage industry to contradictory federal and state regulations.

Machado worried that cracking down on mortgage bankers and brokers could dry up credit and "restrict the accessibility to home loans for the very people" lawmakers were trying to help.

Consumer advocates were outraged.

"The system does not work in favor of the consumer," said Kevin Stein of the California Reinvestment Coalition, a group that promotes economic development in low-income communities. "The lobbyists for the industry outnumber the consumer groups. They seem to have greater access [to lawmakers] and give more money."

During more than five hours of hearings, both Republicans and Democrats on the committee supported only one measure that had been high on consumer groups' agenda, a bill by Assemblyman Alberto Torrico (D-Newark), AB 529, that would require lenders to give homeowners more advance notice when their sub-prime adjustable-rate mortgages were about to reset to a higher interest rate.

An Assembly centerpiece proposal by Assemblyman Ted Lieu (D-Torrance) to ban so-called stated-income loans died, as did a prohibition on less-than-interest-only loans, whose principal actually increases with each monthly payment.

With stated-income loans, borrowers are not required to provide proof that they earn enough to

meet payments.

The committee opposed another part of Lieu's bill that would have limited the collection of penalties from borrowers who want to pay off a loan early, before its monthly payment amount soars.

"My bill was completely gutted," said Lieu, noting that he felt forced to accept amendments that rewrote his measure, AB 1830, so that it would do nothing more than conform with expected federal regulations. "I believe the prohibitions and regulations in my bill were very commonsense, and I was sort of stunned that even those modest efforts at reform wouldn't get the votes."

A related bill, AB 2740, by Assemblywoman Julia Brownley (D-Santa Monica), drew no support from committee members. It would have regulated mortgage loan servicers to ensure they properly posted payments and correctly handled mortgage escrow funds.

marc.lifsher@latimes.com

Sacramento region home sales continue to climb

By Jim Wasserman - jwasserman@sacbee.com
Published 12:30 pm PDT Wednesday, June 18, 2008

For the second straight month, the Sacramento region showed year-over-year gains in home sales as falling sales prices and growing numbers of discounted bank-owned homes prodded bargain hunters off the fence.

DataQuick Information Systems reported that 3,420 closed escrows for new and existing homes closed during May in Amador, El Dorado, Nevada, Placer, Sacramento, Sutter, Yolo and Yuba counties.

It was the highest sales number in 20 months.

May's closings rose from 3,163 in April and up from 3,211 in May 2007.

Sacramento County, the largest player in the region's real estate market, propelled most of the area's gains. Sacramento County had 62 percent of closings and showed a 30.8 percent gain in sales over the same time last year. It was the county's strongest year-over-year performance in more than three years, according to DataQuick statistics.

But those gains cost sellers dearly.

Sacramento County's median sales price of $225,000 is almost 35 percent less than the same time last year. The median sales price - where half cost more and half cost less - hasn't been so low since January 2003.

Sales have risen and prices have plunged due to a pileup of heavily-discounted foreclosed homes now owned by banks that dominate the sales market. The Sacramento County Association of Realtors reported that 65 percent of existing homes sales in the county and the city of West Sacramento during May were for homes repossessed by banks.

Placer County, the second biggest sector of the region's real estate market, is behaving altogether differently.

May sales of new and existing homes combined were 30.7 percent below the same time last year. Placer County has far fewer foreclosures than Sacramento County and prices haven't fallen as rapidly.

Placer County's May median sales price of $339,750 is more than $100,000 higher than in Sacramento County -- and fell only 20 percent from the same time last year.

The Placer County Association of Realtors reported that only 9.5 percent of May sales were for homes priced below $250,000. In Sacramento County and West

Sacramento, 56 percent of sales were for homes priced below $250,000, according to the Sacramento Association of Realtors.

Other statistics:

• The number of for-sale signs continued to fall in May across El Dorado, Placer, Sacramento and Yolo counties. TrendGraphix reported 12,366 homes for sale, lowest in 14 months as more would-be sellers wait for the market to improve.

• Even as buyers are scooping up large numbers of bank repossessions, foreclosures are still rising and threatening a steady future supply of bank-owned listings. Another 2,370 homeowners in the eight-county region surrendered their keys to lenders in May, according to Fair Oaks-based Foreclosures.com., a Web site for real estate investors.

Go to: Sacbee / Back to story

Los Angeles Times

Assembly bills to help homeowners

Today's vote in Sacramento could prevent future mortgage crises.
June 18, 2008

Astate Senate panel is scheduled to vote today on a spate of bills prompted by the sub-prime mortgage meltdown. The measures before the Banking, Finance and Insurance Committee would have an indirect effect at best on the rising tide of foreclosures -- none of them would bail out troubled borrowers or force write-downs of delinquent debt. Instead, most would try to gird the state against future housing bubbles by curbing abusive lending practices. There are good ideas in some of the bills, and lawmakers shouldn't miss the opportunity to advance them.

The fiasco in the sub-prime market can be blamed partly on borrowers who took on too much risk in a volatile environment. Lawmakers shouldn't try to stop people from taking chances with their money, but they can help the public avoid unnecessary risks. One of the problems revealed by the housing market collapse was the degree to which mortgage brokers steered unsophisticated borrowers into loans with above-market interest rates and unreasonable terms. That's why it makes sense to try to reduce the incentives that drove predatory loans and to make it easier for consumers to understand the choices they face.

In particular, the committee should support a bill — AB 1830 by Assemblyman Ted Lieu (D-Torrance) -- that would regulate sub-prime loans in at least three valuable ways. First, it would limit prepayment penalties, which can deter borrowers with bad loans from refinancing into better ones, and eliminate a financial incentive for brokers to steer borrowers into loans with higher interest rates. In doing so, it would require borrowers to be given a clear choice between loans with and without penalties, and between higher rates or higher upfront fees. Second, Lieu's bill would stiffen the state requirement that lenders not provide larger loans than sub-prime borrowers can reasonably be expected to repay. And third, it would prohibit lenders from refinancing loans unless there's a real benefit to the borrower.

The balance the measure strikes between preserving choice and protecting borrowers against abuse isn't perfect, but it's reasonable. And although it would apply only to state-licensed brokers and lenders, it would set an example for federal regulators to follow. After all, California has the dubious distinction of leading the nation in foreclosure filings, so lawmakers shouldn't be afraid to lead with their response.

INTERNATIONAL
Herald Tribune

Foreclosure-driven price declines heat up California sales

The Associated Press
Wednesday, June 18, 2008

LOS ANGELES: Foreclosures helped fuel the sharpest decline in California housing prices in at least 20 years last month, and that's attracting an influx of first-time buyers who had been priced out of the market or were waiting for prices to bottom out.

The median home price in California plunged 30 percent in May, the steepest decline for any month going back to 1988, when DataQuick Information Systems began keeping records.

Homebuyers are now seeing median prices they haven't seen since February 2004, when it was $322,500, the firm said Wednesday. The statewide median home price peaked at $484,000 in May 2007.

"All of a sudden, (homes) are in our price range," said Elizabeth Trezza, a paralegal in Oakland, Calif.

Trezza has been on the hunt for a foreclosed property and placed offers on at least six in recent weeks.

The 24-year-old made an offer Tuesday on a two-bedroom, two-bath bank-owned home in Oakland listed at $234,000 — just below her max spending limit: $250,000.

"Right now our mortgage would be relatively close to what we pay for in rent," she said.

For California, epicenter of the nation's housing boom and bust, the drop in home prices has sparked a home-buying rally that's beginning to reverse more than two years of monthly year-over-year sales declines.

While observers are cautious to peg the surge in foreclosure sales a bellwether for a wider turnaround, it suggests some buyers are feeling less skittish about diving back into the market.

"Inland markets hit hardest by foreclosures and falling prices are now the most likely to post higher sales than last year," said Andrew LePage, a DataQuick analyst. "These communities have been attracting first-time buyers, first-time move-up buyers and investors."

Prices in those markets are now more in line with family incomes, and some buyers feel they are getting better deals, LePage added.

Sue Ansel, chief operating officer of Gables Residential, a luxury apartment rentals operator, says she seen an uptick this year in renters moving out to become homeowners.

DataQuick said a total of 33,024 homes were sold statewide in May, down nearly 11 percent from a year earlier. About 38 percent of the resold homes in May were foreclosed properties.

Some foreclosure hunters are finding themselves having to bid against rival buyers on properties, said Richard Cosner, president of Prudential California Realty.

"Homes that are $200,000-$250,000 today were $400,000 18 months ago," Cosner said. "For the first-time homebuyers and for that bottom tier of homes, we've found what the bottom of the pricing is."

Homes priced below $400,000 drove the surge in sales. Many were financed with loans backed by the Federal Housing Administration, mortgage brokers say.

"FHA financing has really skyrocketed," said Dustin Hobbs, a spokesman for the California Mortgage Bankers Association.

Sales, on the other hand, were weakest in many higher-end coastal markets, where there are fewer foreclosed homes and sellers are more reluctant to cut their prices.

In San Francisco County, for example, foreclosures made up only 5.8 percent of resold homes. The median home price there slipped 5.4 percent to $790,000 last month.

In contrast, more than half of all resold homes last month in nearby Solano County were foreclosed properties, DataQuick said.

That helped drive the median home price down by about 30 percent to $300,000 compared with May last year.

"This uptick in sales volumes is an encouraging first sign of (the) market starting to find its new equilibrium," Ryan Ratcliff, an economist at the University of California, Los Angeles, wrote in an economic forecast released Wednesday.

Still, Ratcliff and other economists expect foreclosures to continue to rise and be a drag on home prices in general.

And that's not good news for sellers like Romaldo Quesada.

He's been trying to sell his four-bedroom, three-bath custom-built home in a neighborhood in Riverside with several foreclosed properties on the market.

He listed the house in April at $429,000, but has since dropped his asking price to $389,000.

"It's kind of scary because the prices seem to be dropping real hard right now in the price range where I'm at," said Quesada. "The sooner I lower it enough for somebody to give us an offer, basically it stops the bleeding and I'm not losing equity anymore."

SFGate.com

Rush to pass foreclosure crisis bills

Carolyn Said, Chronicle Staff Writer
Friday, May 30, 2008

California's efforts to address the foreclosure crisis advanced in fits and starts as lawmakers rushed to beat a deadline today for state Assembly and Senate bills to be approved by their house of origin.

Consumer advocates said overall they were disappointed that many bills appeared to have been diluted, while banking industry representatives said they fear that too much legislation could harm the market.

"There was a very strong and ambitious package of reform that was introduced that was commensurate to the scope of the problem," said Paul Leonard, director of the California office of the Center for Responsible Lending. "Now it's going through a weakening legislative process."

But Dustin Hobbs, a spokesman for the California Mortgage Bankers Association, said: "Our message to the Legislature has been that the market is going through struggles right now and we need to make sure we don't make things worse than they are by creating burdensome new regulations that restrict lending and the flow of new capital."

Here is an update on California bills that seek to help struggling homeowners and to prevent future lending debacles. All bills that passed their house of origin next go to the other house, usually starting in the banking committee.

-- SB1137, state Sen. Don Perata, D-Oakland. This bill, which has the most direct impact on struggling homeowners, passed the Senate earlier this year, passed the Assembly Banking Committee and next will be heard by the Assembly Appropriations Committee. As an urgency measure, it would take effect immediately if passed.

It requires lenders to contact homeowners earlier in the foreclosure process, give 60 days' notice to renters in foreclosed properties, and maintain foreclosed homes to prevent blight.

-- AB1830, Assemblyman Ted Lieu, D-Torrance (Los Angeles County). On Thursday, the Assembly passed this bill, which tightens underwriting standards for future subprime mortgages.

It eliminates "yield spread premiums," the bonuses mortgage brokers get for steering customers into high-risk loans; requires lenders to look at a borrower's ability to repay over the life of a loan; and bans prepayment penalties. The bill was narrowed during the legislative process to apply only to subprime loans, defined as the highest-cost loans.

-- AB2359, Assemblyman Dave Jones, D-Sacramento. On Thursday the Assembly passed this bill, which prohibits a mandatory arbitration clause in mortgage contracts. The bill no longer contains a provision that would have assigned liability to investors who buy shoddy mortgages after they are packaged as securities.

-- AB2586, Assemblyman Alberto Torrico, D-Fremont. On Thursday, the Assembly approved this bill, which gives renters in foreclosed properties 60 days to find new housing instead of the current 30 days.

-- AB2740, Assemblywoman Julia Brownley, D-Santa Monica. On Tuesday, the Assembly passed this bill, which sets up ground rules for how loan servicers deal with borrowers. It is modeled on a similar bill enacted in North Carolina last year.

-- AB69, Lieu. This bill passed the Assembly earlier this year. It originally required lender-specific reporting on loan modifications, something that consumer advocates say is necessary to check which lenders are actually helping homeowners facing foreclosures. Instead it now says the Department of Corporations should collect aggregate data from lenders, as it is already doing.

-- AB2880, Assemblywoman Lois Wolk, D-Davis. This bill, designed to regulate mortgage brokers' fiduciary duty toward borrowers, died in committee. Parts of it are being incorporated into AB1830, however.

E-mail Carolyn Said at csaid@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/05/30/BUKI110648.DTL

*This article appeared on page **C - 1** of the San Francisco Chronicle*

CAPITOL WEEKLY
THE NEWSPAPER OF CALIFORNIA GOVERNMENT AND POLITICS

Flood of mortgage bills make it to the next house
By Malcolm Maclachlan *(published Thursday, June 05, 2008)*

The mortgage crisis hasn't just led to a rising tide of high-profile foreclosures, such as California Congresswoman Laura Richardson's Sacramento home. It has also resulted in a near-flood of mortgage industry-related bills making their way through the Legislature.

Beating the deadline for bills to emerge from their house of origin, a trio of Senate bills supported by the California Mortgage Bankers Association (CMBA) had made it out of the Senate. Several other bills the group opposed either died or were amended.
Sen. Mike Machado, D-Stockton, is the author of three major mortgage-related bills: SB 1053, SB 1054 and SB 1055. Machado managed to get both the mortgage industry and its critics onboard with the legislation, which will increase the disclosure requirements for lenders and protections afforded to borrowers.

But both sides admit that large-scale reform must come from Washington, D.C.—and that will probably have to wait for a new presidential administration.

"There is virtually nothing that the state can do that will go far enough because of federal preemption and the fact that it's a national problem," said Robert Gnaizda, policy director and general counsel for the watchdog group the Greenlining Institute. "The greatest focus has to be on Congress and the Federal Reserve."

Meanwhile, the CMBA has moved closer to a compromise with the author of one of the main bills they still oppose, AB 1830. This bill from Assemblyman Ted Lieu, D-Torrance, would place significant new restrictions on lenders who offer subprime loans. This includes limits on penalties that can be levied against subprime borrowers—including a prohibition against prepayment penalties—and enacts new penalties on lenders who knowingly offer these loans to people they know can't pay them.

Dustin Hobbs, communications director for the CMBA, said the bill as written would make it difficult for anyone to offer subprime loans in California and would bar many people from homeownership. He added that the subprime crisis has been somewhat overblown in the media, given that 78 percent of Californians who got subprime loans in 2005 and 2006 are still in their homes.
"We don't want to go back to the days when you had to put 20 percent down," Hobbs said.

Reached on Tuesday, Lieu said that his staff was still in talks with the CMBA and other groups, but had taken several amendments in order to make it more like an industry-supported bill passed in North Carolina last year. This includes language limiting the new rules to subprime loans and not other "non-standard" loan types.

The bill also picked up some penalties on dishonest and negligent brokers from AB 2880, a Lois Wolk bill that stalled in the Assembly Appropriations Committee. Wolk is now a co-author of AB 1830.

"We're putting in a whole section on broker duties and responsibilities that industry does not have objecting to," Lieu said, adding that he thinks "we're getting closer" to have a bill that would be palatable to both sides.

Because most of the rules covering lenders are administered by the federal government – thus preempting state control over them—the pending legislation in California governs aspects of the industry where the state does have some control. This limited scope actually made it easier for the industry and its critics to agree on some needed reforms, Gnaizda said. None of Machado's three bills faces serious institutional opposition.

"We're absolutely for clarity in the industry," Hobbs said. "I don't even understand all of my mortgage documents."
The trio of Machado bills each focus on a different aspect of the lender/borrower relationship. SB 1053 would greatly increase the tracking and disclosure requirements on mortgage brokers as a way of cutting down on fraud. SB 1054 would bar professionals who violate real estate laws from working in the field for three years, and also address several potential conflicts of interest. SB 1055 would offer tax relief to borrowers who've had debt forgiven by lenders, as a means of helping these borrowers afford to stay in their homes.

Machado said these bills came out of two years of talks and hearings, which started well before the mortgage crisis was in the daily news. He added that these reforms reflect the fact that the mortgage industry is now tied into a much larger international market for mortgage-backed securities.

"You have to make sure that what you do is not viewed as being capricious and arbitrary by the secondary market," Machado said. He added that if the new regulations failed to do so, "the cost of liquidity is going to go up."

The CMBA's Hobbs also praised AB 1137 by Senate Leader Don Perata, D-Oakland, calling it "the right way to do disclosure." This bill calls for new steps and communication between lenders and borrowers when the borrower is in danger of going into foreclosure.

But the real action is likely to come in Washington after the fall elections, Gnaizda said.

The Greenlining Institute will be meeting with Fed chair Ben Bernanke, the Federal Deposit Insurance Administration and several other agencies on Nov. 17 and 18. These meetings and other will hopefully lead to changes at the national level. In the meantime, Gnaizda said, he's happy with what's been happening in the California Legislature this year, even if his group didn't get everything they wanted.

"Machado and Lieu have done the best they can," Gnaizda said. "It may not be worth an all-out effort when the real fight is elsewhere."

SignOnSanDiego.com
THE SAN DIEGO UNION-TRIBUNE

Foreclosure forecast grim

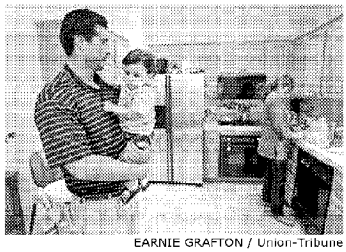
Recent hiccups in prices are not a sign of recovery

By Emmet Pierce
UNION-TRIBUNE STAFF WRITER
May 22, 2008

Nearly 50 San Diego County dwellings per day were lost to foreclosure in April, as the tally of mortgage failures rose 169 percent above last year, DataQuick Information Systems reported yesterday.

Buckling under the weight of risky adjustable-rate loans, many borrowers are giving up on ever bringing their debt current.

"Some of the people have lost their jobs and they can't afford their payments, but a lot of them just don't want the home anymore," said Linda Ring, a real estate agent who specializes in foreclosures. "They don't want to ride out the storm."



EARNIE GRAFTON / Union-Tribune
Serafina Jahries and her husband, Chris (holding their son Hudson) want to buy a foreclosed home. Most of the prospects they've seen need extensive repairs.

April was the county's 37th consecutive month of year-over-year increases in foreclosures and notices of default, the start of the foreclosure process, the DataQuick research firm reported. There were 1,413 residential foreclosures countywide, a 35 percent increase from March but a rise of nearly 170 percent over April 2007.

April notices of default reached 3,297, an increase of nearly 14 percent from March and a rise of 145 percent from a year ago.

The surge in loan failures underscored that it's too soon to expect an end to the region's housing problems, despite recent upticks in home sales and prices. DataQuick previously reported that the county's median home price rose $5,000 in April to $400,000 after falling for nine months in a row.

Still, the foreclosure report came as no surprise to Gabe del Rio, president of the nonprofit Housing Opportunities Collaborative.

"Month over month, we continue to see an increase in callers for foreclosure prevention counseling," he said. "We anticipate that this will continue through the next six to 12 months."

Rick Sharga, vice president of marketing for the research firm RealtyTrac, says the situation will get worse before it improves.

"We still have extremely high numbers of subprime adjustable-rate loans resetting," Sharga said. "Unless something extraordinary happens, we'll see a higher level of properties going into foreclosures in the third and fourth quarters."

All of the county's communities have been affected, but not equally, DataQuick analyst Andrew LePage said.

"Foreclosures continue to be mainly a problem for places in South County, East County and the inland north, but the whole region pays a price when foreclosures keep marching up," he said.

On the national scene, RealtyTrac has reported that foreclosure filings – default notices, auction sale notices and bank repossessions – were recorded for 243,353 properties nationwide during April, a 4 percent increase from the previous month and an increase of nearly 65 percent from April 2007.

April was the highest monthly total RealtyTrac has recorded since it began issuing its report in January 2005. While only about 2 percent of households nationwide are in foreclosure, they put downward pressure on overall home values. Areas of California, Florida, Nevada and Arizona continue to be especially hard hit.

Consumer advocates say the solution is for lenders to do more loan modifications with homeowners who have fallen behind in their mortgage payments. But loan servicing companies have been slow to respond to requests from distressed borrowers, del Rio said.

"It is an uphill battle," he said. "It requires a lot of negotiating and convincing the servicer they will lose more if they don't do this."

Dustin Hobbs, spokesman for the California Mortgage Bankers Association, said lenders want to avoid foreclosure as badly as borrowers.

"Lenders are working" to do loan modifications, he said. "Certainly there is no silver bullet (but) there is hope out there. Homeowners should stick with it. Individual lenders are certainly willing to keep people in homes. It's in everybody's interest."

The good news about increased foreclosures is that they are restoring a degree of affordability, said Alexis McGee, president of the Foreclosures.com investment advisory firm. Even so, homeownership remains unattainable for many.

Serafina Jahries has been searching unsuccessfully for a foreclosure home for six months. The 38-year-old stay-at-home mom said she and her husband Chris are renting a home in Encinitas and shopping for bargains among foreclosure homes.

The couple owned a townhome in nearby Santaluz, but sold it near the peak of the recent housing boom. Their goal was to wait until prices dropped, then invest their $100,000 profit in a house.

The problem is they can't find North County foreclosure home in their $400,000 price range that doesn't need extensive repairs, Jahries said. In the meantime, she feels like she is wasting the $2,300 per month she is spending to rent a single-family home.

"Here we are just throwing our money away," she said.

Jahries acknowledged that she could increase her chances of finding a home by broadening her search to other parts of the county, "but we would be buying someplace that we know nothing about."

While bargains exist among foreclosures, buyers sometimes have unrealistic expectations, said real estate agent Ray Brown, co-author of the "Home Buying for Dummies" primer.

Prices are down, but lenders aren't giving homes away. If consumers can't find a foreclosure property in their price range, they're either looking in the wrong neighborhood or they aren't willing to pay what the market demands, he said.

The rise in April foreclosures reported by DataQuick occurred despite an increase in sales and a rise in home prices. The market rebounded with sales up 33.3 percent from March and the median price hitting $400,000.

While the market is destined to improve, there is no quick fix, said University of San Diego economist Alan Gin. Factors contributing to the real estate slump are higher prices for food and gasoline and "the fact that job growth is not strong" in the San Diego region, he said.

Another problem is tightening credit standards.

"We've lot a lot of jobs in real estate-related areas," Gin said. "But the big problem is mortgages resetting to higher interest levels and people not being able to refinance."

SFGate.com
Back to Article

Rush to pass foreclosure crisis bills

Carolyn Said, Chronicle Staff Writer
Friday, May 30, 2008

California's efforts to address the foreclosure crisis advanced in fits and starts as lawmakers rushed to beat a deadline today for state Assembly and Senate bills to be approved by their house of origin.

Consumer advocates said overall they were disappointed that many bills appeared to have been diluted, while banking industry representatives said they fear that too much legislation could harm the market.

"There was a very strong and ambitious package of reform that was introduced that was commensurate to the scope of the problem," said Paul Leonard, director of the California office of the Center for Responsible Lending. "Now it's going through a weakening legislative process."

But Dustin Hobbs, a spokesman for the California Mortgage Bankers Association, said: "Our message to the Legislature has been that the market is going through struggles right now and we need to make sure we don't make things worse than they are by creating burdensome new regulations that restrict lending and the flow of new capital."

Here is an update on California bills that seek to help struggling homeowners and to prevent future lending debacles. All bills that passed their house of origin next go to the other house, usually starting in the banking committee.

-- SB1137, state Sen. Don Perata, D-Oakland. This bill, which has the most direct impact on struggling homeowners, passed the Senate earlier this year, passed the Assembly Banking Committee and next will be heard by the Assembly Appropriations Committee. As an urgency measure, it would take effect immediately if passed.

It requires lenders to contact homeowners earlier in the foreclosure process, give 60 days' notice to renters in foreclosed properties, and maintain foreclosed homes to prevent blight.

-- AB1830, Assemblyman Ted Lieu, D-Torrance (Los Angeles County). On Thursday, the Assembly passed this bill, which tightens underwriting standards for future subprime mortgages.

It eliminates "yield spread premiums," the bonuses mortgage brokers get for steering customers into high-risk loans; requires lenders to look at a borrower's ability to repay over the life of a loan; and bans prepayment penalties. The bill was narrowed during the legislative process to apply only to subprime loans, defined as the highest-cost loans.

-- AB2359, Assemblyman Dave Jones, D-Sacramento. On Thursday the Assembly passed this bill, which prohibits a mandatory arbitration clause in mortgage contracts. The bill no longer contains a provision that would have assigned liability to investors who buy shoddy mortgages after they are packaged as securities.

-- AB2586, Assemblyman Alberto Torrico, D-Fremont. On Thursday, the Assembly approved this bill, which gives renters in foreclosed properties 60 days to find new housing instead of the current 30 days.

-- AB2740, Assemblywoman Julia Brownley, D-Santa Monica. On Tuesday, the Assembly passed this bill, which sets up ground rules for how loan servicers deal with borrowers. It is modeled on a similar bill enacted in North Carolina last year.

-- AB69, Lieu. This bill passed the Assembly earlier this year. It originally required lender-specific reporting on loan modifications, something that consumer advocates say is necessary to check which lenders are actually helping homeowners facing foreclosures. Instead it now says the Department of Corporations should collect aggregate data from lenders, as it is already doing.

-- AB2880, Assemblywoman Lois Wolk, D-Davis. This bill, designed to regulate mortgage brokers' fiduciary duty toward borrowers, died in committee. Parts of it are being incorporated into AB1830, however.

E-mail Carolyn Said at csaid@sfchronicle.com.

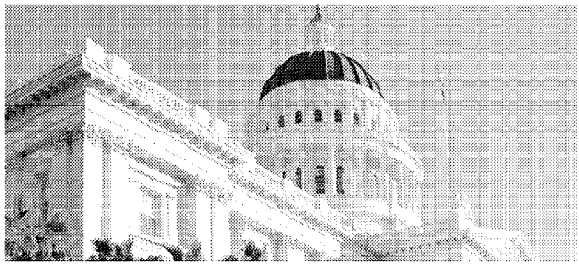
http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/05/30/BUKI110648.DTL

Home Front
Real Estate Blog | Jim Wasserman

News, insight and some thoughts about the Sacramento-area real estate market

April 08, 2008

The high-stakes politics of mortgage banking



These are times to test the fortitude of mortgage bankers. Their loans are going bad, the financial system is scared to death to let them make more and the knives are out in Congress and state capitals.
Lawmakers everywhere are dreaming up a thousand new ways to increase regulations and tighten the grip on their business.

I just had a short interview with Dustin Hobbs, spokesman for the California Mortgage Bankers Association. The Capitol is awash in bills and amendments to those bills to change the landscape of mortgage lending.

There are bills to make them try harder to avoid foreclosing on their borrowers and bills to ban them from steering borrowers to loans that get bigger instead of smaller. The bills, as their supporters say, are about bringing back common sense to lending and restoring accountability for bad loans throughout the global financial system.

As always in politics, no one is opposed to that. It is the details that worry mortgage bankers. In a nutshell, they are arguing that too much regulation can make the current credit crunch even worse by making the investors even more reluctant to provide capital.

Hobbs argues that this could make it even harder for people to get home loans and prolong the housing slump.

House Report 111-523
Continued in Book 4