

NOTICE OF NON-COMPLIANCE UNDER TITLE X

RE: Banks et al

1. BANK OF AMERICA, N.A.,
Individually and as successor by merger
to BAC HOME LOANS SERVICING by
COUNTRYWIDE FINANCIAL
CORPORATION, a Delaware
corporation, dba, BAC HOME LOANS
SERVICING;
2. COUNTRYWIDE HOME LOANS,
INC., a New York corporation;
3. US BANK, NA;
4. HSBC BANK USA NATIONAL
ASSOC.
5. JP MORGAN CHASE
6. ONE WEST BANK
7. .Washington Mutual
8. .Wells Fargo

Servicers through transfers

9. Specialized Loan Servicing
- 10.

**Subsidiaries/ nominee Beneficiaries/
nominee Trustees/**

11. RECONTRUST COMPANY, N.A., A
wholly Owned subsidiary of Bank of
America and a California entity of
unknown status;
12. MORTGAGE ELECTRONIC
REGISTRATION SYSTEM INC;
13. Holders for the Securitized Trusts
outlined in 2nd Memorandum to
Complaint.

CAUSE OF ACTION

1. CIVIL RICO;
2. NEGLIGENCE;
3. BREACH OF CONTRACT;
4. PROMISSORY ESTOPPEL
5. FRAUD
6. VIOLATION OF THE
COVENANT OF GOOD FAITH
AND FAIR DEALING
7. QUIET TITLE
8. VIOLATIONS OF THE FDCA
9. VIOLATIONS OF ARTICLE 9
10. VIOLATIONS OF 4TH
AMMENDMENT
11. VIOLATIONS OF 5TH
AMMENDMENT
12. VIOLATION OF THE
SECURITIES AND EXCHANGE
ACT OF 1934
13. CANCELLATION OF A
VOIDABLE CONTRACT UNDER
REV & TAX CODE §§ 23304.1,
23305A
14. TO VOID OR CANCEL
ASSIGNMENT OF DEED OF
TRUST;
15. CANCELLATION OF A VOID
CONTRACT UNDER CIVIL
CODE §§ 3439
16. SLANDER OF TITLE
17. UNJUST ENRICHMENT
18. CIVIL CONSPIRACY

I, Faith Lynn Brashear, am informed, believe, and thereupon allege upon penalty of perjury, the following for the entire world to witness...

That because these institutions do reside and conduct business in all 50 states across this Nation, which is also where they committed these unlawful acts alleged herein, which affected not only myself, but billions of Americans, it is my DUTY as a proud member of We the People to **DEMAND** the preservation of our Nations.

I, Faith Lynn Brashear, am within my rights to DEMAND the Consumer Financial Protection Bureau to take action pursuant to Article III. Section 1 of the **Constitution of the United States of America** as Venue for the prosecution of CIVIL RICO, Violation of TITLE X, Violation of 12 U.S. Code § 5511 , NEGLIGENCE, BREACH OF CONTRACT, PROMISSORY ESTOPPEL, FRAUD, VIOLATION OF THE COVENANT OF GOOD FAITH AND FAIR DEALING , QUIET TITLE , VIOLATIONS OF THE FDCPA, VIOLATIONS OF ARTICLE 9, VIOLATIONS OF 4TH AMMENDMENT, VIOLATIONS OF 5TH AMMENDMENT, VIOLATION OF THE SECURITIES AND EXCHANGE ACT OF 1934, CANCELLATION OF A VOIDABLE CONTRACT UNDER REV & TAX CODE §§ 23304.1, 23305A , TO VOID OR CANCEL ASSIGNMENT OF DEED OF TRUST, CANCELLATION OF A VOID CONTRACT UNDER CIVIL CODE §§ 3439, SLANDER OF TITLE , UNJUST ENRICHMENT and CIVIL CONSPIRACY as a matter of NATONAL SECURITY on behalf of WE THE PEOPLE and RETURN TO THE PEOPLE THAT WHICH HAS BEEN STOLEN FROM THEM.

You have been presented by my hand documentation of NON-COMPLIANCE via YEAR OLD UNANSWERED COURT ORDERED SUBPEANA'S issued by the Superior Court to the following entities: Bank of America, (BAC) Countrywide Financial Corporation, Countrywide Home Loans Inc., HSBC Bank USA, Recon Trust Company, Ace Securities Inc, the Deutsch Bank Alt "A" Securities Mortgage Loan Trust 2007-OA4, Deutsch Bank Securities Inc, Deutsch Bank Structure Products, Deutsch Bank, Merscorp (Mers), US Bank, and Wells Fargo Bank.

I have presented this agency documentation of NON-COMPLIANCE, OBSTRUCTION OF JUSTICE, THE BREAKING OF THE LAW WHILE IN AN ACTIVE LAW SUIT IN A COURT OF LAW AND NOW DOCUMENTATION SHOWING THAT THE SERVICERS OF THESE LOANS THEMSELVES, CLEARLY LACK THE COMPONENTS OF AN EFFECTIVE OR EVEN LEGITIMATE COMPLIANCE MANAGEMENT SYSTEM ADEQUATE ENOUGH TO HANDLE THIS LEVEL OF PERPETUATED FRAUD.

These banking institutions are continuing to conduct illegal foreclosures in both Judicial and Non-Judicial states because they are authorized or have alleged their authorization to do business in all 50 states either solely and/or as alleged subsidiaries, and/or alleged beneficiary nominees, and/or trustee nominees to and/or of each other; or, am acting as Servicers through transfers or through Conservators in the creations of LLC's to transfer these frauds to specific Banks who are in collaboration to collect insurance benefits attached to these transfers.

These Banking institutions have sufficient minimum contacts with all 50 States and/or otherwise intentionally avail themselves of the markets in all 50 States through promotion and marketing, and the wrongdoings by these banks that are alleged in this consumer

complaint, took place Nationwide. Pursuant to the Covenants of Good Faith and Fair Dealing this would enable the Superior Court to adjudicate (while I continue to illuminate) the wrongful exercise of real property rights, and foreclosure rights with respect to properties located throughout this Nation.

INDRODUCTION

1. This complaint concerns home loans that were originated and/or transferred by these Banking institutions, or their corporate subsidiaries, nominee's or affiliates of either, from in and around 2005 to in and around 2012, as well as the servicing of these loans and/or other corporate servicing's through transfers and/or assignment transferred through Conservators, and or other corporate subsidiaries, affiliates, nominee's, assignments known or unknown of these Banking Institutions.
2. This complaint concerns the fraudulent acts of these Banking Institutions both sue sponte and/or in collaboration and/or in association which, I Faith Lynn Brashear, will allege were (and are) the major contributor to the foreclosure crisis whereby, I Faith Lynn Brashear, as well as on (1) out of every eight (8) home loans in the Nation, are currently in what these Banking Institutions consider a "foreclosure status", when in reality these loans are unenforceable, null and void.
3. The complaint concerns the MORTGAGES and DEEDS OF TRUSTS sold and/or transferred and/or assigned between or amongst and/or elected as nominee representatives of the Deed of Trust and/or Securitized Trust by these Banking Institutions that were predatory in nature and were originated as part of a fraudulent scheme to defraud investors into Securitized Trusts that actually defrauded investors of Residential Mortgage Backed Securities ("RMBS") where the investors were given Certificates as collateral that were attached to the LIBOR index. Arrest of manipulation of LIBOR index took place on December 11, 2012. The term "predatory loans" as used in this complaint describes those loans that are 1) expensive, 2) have multiple risk factors, and 3) are designed to fail. Residential Mortgage Backed Securities describe a type of security whose cash flows come from residential debt such as 1) mortgages, 2) home-equity loans and 3) subprime mortgages by which holders of an RMBS receive interest and principle payments that come from the borrowers holding the residential debt.
4. I, Faith Lynn Brashear, have proximity to these frauds through my privilege of selling these mortgages via **ONLY** my mortgage broker's license without special licensing in violation of California Financial Code 22000 that requires special licensing to sell loans. If these transaction's were in fact legitimate per my contractual wholesale mortgage agreement under section 6.2 (e) *If the Loan is a conventional conforming Loan, ... ("Freddie Mac") for the sale to Fannie Mae or Freddie Mac and inclusion in a Fannie Mae or Freddie Mac mortgage backed securities pool, as applicable.* Then these loans would NOT have been transferred directly into trusts for immediate securitization. This bypassed my licensing abilities, as I am not a licensed securities dealer and this disclosure deals with the selling of these loans to the secondary market. The Mortgage Electronic Registration System bypassed the secondary market through this Securitization scheme as outlined herein.
5. I, Faith Lynn Brashear, have proximity to the defrauded consumers through immediate breach of fiduciary in violation of CA Code section 2923.1 (a) "mortgage

12 U.S. Code § 5511 (b) use of deceptive and abusive acts and practices.

DEMAND FOR COMPLIANCE & EQUITBLE RELIEF

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- brokers” who were breaching their fiduciary to consumers upon inception of these loans. Countrywide, inappropriately granted me the privileged as a tool of the industry to perpetuate illegal activities via the Mortgage Electric Registration System (MER’s in uniform with Fannie Mae and Freddie Mac on every DEED OF TRUST MER’s Corp witnessed) as outline in my wholesale mortgage broker agreement to offer out Mortgage Backed Securities under a Rigged Libor index to investors. Thus making me proximity to these crimes. I unknowingly aided and abetted these Banking institutions for the purpose of unjust enrichment.
6. The complaint arises from a *scheme*, which these Banking Institutions used incentives to entice me into perpetuating illegal activities that I, Faith Lynn Brashear, will allege herein, involving multiple fraudulent acts by which these Banking Institutions not only tricked myself into my own risky loans, put tricked the consumer into loans I believed at the time were legitimate. These Banking institutions immediately sold these risky loans to investors, and retained the right to service the loans so that they could continue to collect fees from, myself Faith Lynn Brashear, my clients and consumers (the defrauded) and the investors of the Residential Mortgage Backed Securities (RMBS), but also breached the wholesale mortgage brokers agreements by offering incentives outside the normal practice of compensation that varied based on the terms of the loan (other than the amount of the principal).
 7. These frauds included but are not limited to allowing the Wholesale mortgage brokers to adjust the margin on negative amortizations loans without properly disclosing the interest rate adjustments or defining what a Margin was on the Note Riders, not making the Wholesale mortgage brokers aware the acting Beneficiaries and or Trustees may or may not have been registered to do business in their State, and the bypassing their mortgage agreements by failing to disclose to the Wholesale mortgage brokers that these loans would bypass the secondary market, thereby going beyond their scope to be legally authorized to sell these loans . Making me unable to properly disclose terms and conditions under the privilege granted by these Banking Institutions for the purpose of perpetuating further frauds.
 8. The complaint arises because, as a part of their fraudulent *scheme*, these Banking Institutions preyed on me, and slandered my good name through violation of fair business practices and the public policies in place across this Nation by 1) incentivizing wholesale mortgage brokers to solicit loans from consumers by misleading me on the under laying intent of these loans 2) giving home loans to myself and my clients when these Banking Institutions knew we were not qualified by traditional underwriting standards, 3) profiting by excessive fees when myself and many of my clients defaulted, 4) continuing to profit by fraudulent abuse of the government loan modification programs designed to mitigate the damages to myself and consumers and 5) enacting or attempting to enact wrongful foreclosures despite my, or many of these consumers, ability to qualify for a loan modification.

- 1) *COUNTRYWIDE* changed its name to Bank of America Home Loans on April 27th,2009
- 2) *See People of the State of California v. COUNTRYWIDE Financial Corporation et as. Stipulated and Injunction, Complaint No. LC083076, Superior Court of the State of California, County of Los Angeles, Northwest District (2008) (“COUNTRYWIDE Stipulated Judgment”)*
- 3) *HAMP is “The Making Homes Affordable Program:*
- 4) *TARP is “The Troubled Asset Relief Program – codified in 12 U.S.C. *5211*

9. The complaint concerns the fraudulent acts of these Banking Institutions during loan origination, including forgery and/or alteration of loan documentations and bank statements, manipulation of consumers assets and income, manipulation of computerized automated underwriting system, destruction of valid client documents, bank, mail and wire fraud which have come to be exposed in the last several years in the form of printing out bar codes used in tracking documents by the post office, as headers or footers on their notices without these documents being delivered, and for which these Banking Institutions Successors in interest and liability through Government Tarp acquisitions and mergers.
10. This complaint concerns the Compliance Management System (CMS) put into place for the purpose of training their employees to advise consumers that they cannot actually help them unless they are in default. Where under these CMS's employees are direct to take actions that are designed to lead the consumer into default by the false representation of "Legal Departments" that have "Tellers" set up to steer the consumers back to departments designed to promote defaults. Where under these CMS's their employees are not qualified for the positions they represent, nor, am they properly trained in mandatory Federal compliances.
11. This complaint concerns the use of MERS to avoid assignments in the County Records so that these Banking Institutions could continue to *pose* as "conventional lenders of money" while *actually* functioning as security brokers and servicers for the securitized trusts that purchased my "alleged" loan and the loans of my clients and consumers. These Banking Institutions fraudulent *securitization scheme* also breached my "alleged" loans, and the loans of consumers statutory protected rights to recorded NOTICES of ASSIGNMENTS of their loan *before* their loans were assigned, with an opportunity to object to said ASSIGNMENTS.
12. This complaint arises from these Banking Institutions questionable standing to foreclose both judicially and non-judicially in that these Banking institutions, and others alleged to have ownership unlawfully ASSIGNED their ownership and security interest in the Promissory NOTE and DEED OF TRUST related to my properties, those of my clients and to consumers properties, in violation of the recording statues both through the pooling and servicing agreements through transfers the note itself to a Structure Product servicer who transferred the loan itself to a Securities Corporation then transferred the note into a "pooled trust" as is this complaint with Bank of America, Countrywide, US Bank, Wells Fargo MERS and HSBC on my first in CA, and Washington Mutual, JP Morgan Chase and US Bank on my property located at 12302 Sunrise Drive, Bainbridge Island WA 98110, the bifurcated DEED OF TRUSTs either abandoned through merger by the original lender then illegally transferred by a nominee for a Beneficiary to these Banking Institutions acting as servicers who transferred the loans into the "pooled trusts" where the new lender is the Holder of the securitized Trust, thus violating the recording statues.
13. This complaint concerns the collaboration of Barclays Bank (who had actual arrests for the manipulation of the LIBOR index) and Deutsch Bank Securities (the ones who actually underwrote these predatory trusts in which my "alleged" loan in CA was place into that t assigning the major banks, JP Morgan Chase, Wells Fargo, US Bank an HSBS (who actually held cartel dealings for money laundering and paid sanctions of 3.9 billion euros) as the Trusts Holder, Trustee for the depositors, Master Servicer, though whom conspired together for the purpose of unjust enrichment.

- Where Barclays Bank and DeutchBank securities where the two criminal institutions **acting as advisors to the FDIC** for the Indymac seize transfer to One West to position insurance payouts on many of these very illegal trusts. Where I, Faith Lynn Brashear, have produced an altered document on behalf of the FDIC note and deed placed upon an all inclusive note and deed form manually crossed out to read "deed" literally bifurcating an all inclusive form and dissolving the note, for the purpose of collecting insurance under the advisors arrangements with the FDIC. This complaint concerns conspiracy to commit insurance fraud.
14. This complaint also concerns Bank of America- failure to honor a Stipulated Judgment entered in October 2008 between COUNTYWIDE and the Attorney General which is binding on both these Banking Institutions, by means of corporate merger of the two companies in June of 2008. This complaint concerns these specific these Banking Institutions disregard of the Stipulated Judgment by their failure to ameliorate the predatory practices of COUNTRYWIDE with loan modifications.
 15. This complaint also concerns these Banking Institutions failure to comply with an agreement entered into between Bank of America, JP Morgan Chase, and Wells Fargo with the US Treasury signed in, 2009 whereby Bank of America, JP Morgan Chase, agreed to comply with the HAMP requirements and perform loan mortifications and other foreclosure services for borrowers there were qualified. This complaint arises because despite accepting in upwards of fifteen billion dollars (\$15,000,000,000) in 2008 and another (\$10,000,000,000) in 2009 these Banking Institutions continue to deny loan modifications to its borrowers to which they are entitled as part of the governments Trouble Assets Relief Program ("TARP")
 16. This complaint arises by the fraudulent acts of these Banking Institutions to avoid modifying not only my "alleged" loans, but the loans of my clients whom fiduciary was breached and my clients through my advocacy work in uncovering loan frauds, including misleading borrowers as to their eligibility, requiring constant resubmissions of documents, ignoring completed applications, delaying HAMP applications so as to render borrowers ineligible, and continuing to foreclose while claiming to modify.

SECURITIZATION

17. In February 1970, the United States Department of Housing and Urban Development ("HUD") created a transaction using a mortgage using a mortgage-backed security and the Government National Association (GNMA or GINNIE MAE) sold securities backed by a portfolio of mortgage loans. The concepts of mortgage-backed securities grew over the next (20) years and reached a peak of efficiency during the 1990's.
18. As a part of many deregulatory acts passed in the 1980's, two acts were passed that changed the nature of mortgage law; the Depository Institutions Deregulation and Monetary Control Act of 1980 which barred the states from limiting mortgage rates and the Alternative Mortgage Transaction Parity Act of 1982, which made it possible for lenders to offer multiple types of mortgages. As a result of the above legislation, the country saw a propagation of adjustable-rate mortgages (ARM's), Interest Only mortgages, including those with balloon payments that caused principle to increase.

19. The Mortgage Electronic Registration Systems began as a project in October 1993 when FANNIE MAE, FREDDIE MAC, and GINNIE Mae produced a White Paper (with assistance from law firm Covington & Burling) about the need for an electronic mortgage registration system. The MERS acronym was coined soon thereafter.
20. The Mortgage Bankers Association got involved and MERS was incorporated in October 1995. MERS awarded a contract to Electronic Data Systems (EDS) to develop and service the technology systems, and MERS was officially launched in April 1997.
21. In 1999, at the height of the "Deregulation" phase, Citigroup and Travelers merged, a clear violation of Glass-Steagall. But rather than enforce the law, Congress repealed the sections of Glass-Steagall that prohibited insured banks from being affiliated with firms that engaged in underwriting and dealing in securities, with the passage of the 1999 Financial Services Act.
22. The purpose of Securitization and the RMBS was to provide a large supply of money to lenders for originating MORTGAGES and DEEDS OF TRUSTS, and to provide investment to certificate holders which were expected to be relatively safe and a system was set up to effectuate this.
23. Mortgage loans were turned into securities and sold by Wall Street to investors via securitization, which were subject to a series of tax laws known as the Real Estate Investment Conduit (REMIC) Act that protected the RMBS as well as the lenders from bankruptcy. The lenders that pooled loans into Residential Mortgage Backed Securities (RMBS) and sold these RMBS to investors were able to recoup their money within the first few years of the loan.
24. In order to legally achieve the desired "bankruptcy remoteness", two "true sales" of the loans had to occur, in which loans were sold and transferred to the parties of the securitization. In a "True Sale" one party owned the NOTE and they sold it to another party. An offer would be made, accepted and compensation given to the "seller" in return for the NOTE. The NOTES would then be (physically) transferred, and the DEEDS OF TRUST assigned to the buyers of the NOTE with a recorded ASSIGNMENT made every step of the way and each NOTE endorsed to the next party by the previous assignee of record. In order to create the desired "bankruptcy remoteness" the pool assets must be transferred by a "true sale"
25. A "True sale" effecting securitization of borrowers' debt instruments required observance of 1) New York State Law, 2) the express terms of the Pooling and Servicing Agreements (hereafter "PSA"), a Trust Agreement required to be filed by the parties under penalty of perjury with the United States Securities and Exchange Commission ("SEC"), 3) the Mortgage Loan Purchase Agreement ("MLPA") and the Uniform Commercial Code (UCC).

Depending upon the state and other factors, a loan may be secured by either a MORTGAGE or a DEED OF TRUST, the DEED OF TRUST being the customary instrument. The PSA is the contract that governs the relationship between the various parties in the securitization process. The Trustee of a Securitized Trust only has a valid and enforceable claim against a borrower's property if all requirements of the PSA are met. These include: 1) a complete and unbroken chain of endorsements and transfers of the NOTE from and to each party to the securitization transaction and 2) the TRUSTEE of the Securitized Trust had actual physical possession of the NOTE at that point of time, when all endorsements and assignments had been completed. The required endorsements were from (A) Mortgage Originator to (B) Sponsor to (C) Depositor to (D) Trust and all of these endorsements and transfers had to be completed prior to the closing dates of the Trusts. I, Faith Lynn Brashear, am not attempting to enforce the PSA since there are not investors of the securitized trusts, however it must be noted that Page One of the Prospectus to these trusts were used to offer certificates to investors under a rigged LIBOR index on through these Securitized trusts that these perfect chains were never followed.

26. "True sale" also provided the Special Purpose Vehicle ("SPV") with Holder in Due Course ("HIDC") status and protection, but in order to claim HIDC status, the SPV must satisfy the requirements of UCC section 3-302 which defines a Holder in Due Course and the HDIC (the SPV) must take the instrument free from NOTICE that another party has a defense of claim in recoupment.
27. The main benefit of HIDC status is that the holder may enforce the payment rights under the negotiable instrument free from all but a limited number of defenses as outlined in UCC § 3-305. The HIDC takes the note or instrument free from competing claims of ownership by third parties in addition to the benefit of tax exemption and the freedom to operate without the hindrance of banking regulations.

From "Originate to Hold" to "Originate to Securitize"

28. Between 1995 and 2005 the mortgage lending business made a titanic shift from an "Originate to hold" model to an "originate to sell" model in which originators no longer held mortgages loans to maturity, but rather sold them to banks for the sole purpose of securitization. Under this new model the originators funded the loans and immediately sold them, which meant that the originators bore none of the risk of non-payment. This changed the originators role from that of traditional lender (Originate to hold) to "security broker's- lenders" (Originate to securitize) except with none of the fiduciary duty that a traditional broker would have to a borrower. In this new landscape, with profits retained the risk passed to the investors of the securitized trusts, and with a lack of fiduciary duty, it was inevitable that abuse by the originators flourished. This abuse was extended out beyond These Banking institutions through wholesale mortgage broker agreements offered out to Real Estate Brokers through the privilege to sell these loans for the purpose of "(Originate to securitized) which not only extended the privilege beyond the scope of the wholesale brokers licensing agreements, it set wholesale brokers up for immediate breach of fiduciary to consumers upon inception of the loans themselves.
29. Starting about in 2005, Wall Street started bundling mortgages together into investment Bundles. Real Estate Investment conduits were set up to actually bypass the secondary market altogether so that these loans could immediately be broken down into a variety of asset classes for different types of Investment trusts which broke the loans inside of the Investment Bundles into Certificates to Investors.
30. At first, homeowners benefited by securitization which provided a steady stream of mortgage money due to a liquid Investor market for home mortgages and other financial debt instruments which increased the availability of capital to make new loans. Subprime borrowers (those with low credit scores, negative credit histories, and a greater likelihood of default that did not qualify for prime loan rates) benefited since people that were not able to borrow before were now able to, due to the increased capital. Subprime lenders had always created a slightly different profit stream since, unlike traditional mortgage lenders that profited gradually as borrowers repaid the loan, subprime lender made their profit more immediately and dramatically through upfront charges, high interest rates, and usurious terms.
31. At first, investors benefited by a good return for the stock purchases.
32. The lenders benefited most of all from securitization in the following ways: [1] They paid less in financing costs since mortgage loans were available in the capital market at lower interest rates, [2] the shifted risk from themselves (the originators)

- to the investor of the securitized trust, and [3] they increased profit by creating a second and third profit stream for themselves as servicers collecting loan payments for the securitized trusts and reduced prices coupled with insurance payout from the trusts when they were able to foreclose.
33. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that in order to extract greater profit from securitization these Banking Institutions intentionally and exponentially expanded the amount of their subprime loans that the These Banking Institutions wrote. I, Faith Lynn Brashear allege that these types of loans guaranteed a high income stream into the securitized trusts (at first) and a (principle) debt that would stay constant or increase when the subprime borrowers defaulted and their missed payments, penalties, and interest were added to the principal balance of the loan. I, Faith Lynn Brashear allege that the majority of these loans were predatory in nature offering under-disclosed interest rates through incentives to the wholesale mortgage brokers that adjusted the margins of the negative amortization loans without proper definitions of a margin on the Adjustable rate riders. I, Faith Lynn Brashear that without proper definition on the Adjustable rate riders of what a margin is that violations of RESPA occurred on a majority of ARM products offered.
 34. I, Faith Lynn Brashear, am informed, believe and thereupon allege that during the years beginning in 2003 and continuing until 2009 these Banking Institutions sought to fraudulently profit from securitization through a securitization scheme which I, Faith Lynn Brashear will allege in this complain and refer to as the "Securitization Scheme".
 35. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that as a precursor to this scheme that these Banking Institutions created strategic alliances with Wall Street investment bankers that would purchase These Banking institutions' debt instruments for securitization.
 36. I, Faith Lynn Brashear that these Banking Institutions induced Wall Street investors to purchase their debt instruments based upon their prior reputation as "the leading providers of residential mortgages" and that these Banking Institutions continued to portray themselves as a traditional lender in public pronouncements while at the same time they dramatically increased the volume of subprime loans that These Banking Institutions funded through the years 2003 through 2007.
 37. During the years that these Banking Institutions ramped up their Securitization Scheme they also introduced a steady stream of borrowers to rely on their prior reputation by a multitude of television and radio adds that promoted I, Faith Lynn Brashear as a traditional lender. I, Faith Lynn Brashear allege that these Banking Institutions' aggressive depiction of themselves as a traditional lender was an essential element of their fraud against borrowers, myself and investors.

The Merger of Countrywide and Bank of America was effectuated over several years, but officially took place in 2009. The United State Senate PERMANENT SUBCOMMITTEE ON INVESTIGATIONS Committee on Homeland Security and Governmental Affairs was published in the Wall Street Journal April 13,2011.

See People of the State of California v. COUNTRYWIDE Financial Corporations, et al Stipulated Judgment and Injunction Complaint No. LC083076, Superior Court of the State of California, County of Los Angeles, Northwest District (2008) ("COUNTRYWIDE Stipulated Judgment")

The Fact Sheet of the Office of Thrift Supervisions showed Washington Mutual seizure of \$52.9 billion in payment option ARMs, \$16.05 billion in subprime mortgage loans and Home Equity Lines of Credit (HELOCs) of \$53.4 billion. Equate to roughly 65% of loan originations.

**12 U.S. Code § 5511 (b) use of deceptive and abusive acts and practices.
DEMAND FOR COMPLIANCE & EQUITBLE RELIEF**

38. I, Faith Lynn Brashear am informed believe, and thereupon allege that these Banking Institutions made public pronouncements to prospective and existing investors in their securitized trusts that were transmitted by regular mail, email, airwaves, and telephone that were false.
39. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions made false statements by Prospectus Supplements there were publically filed offering documents that were also sent by mail to investors all across the country stating that these Banking Institutions had carefully screened the loans in their RMBS and that these loans had been originated consistent with the underwriting standards of the Sponsors of the securitized trust and were acceptable to the Sponsors. I, Faith Lynn Brashear am informed, believe and thereupon allege that the these Banking Institutions made false representations that their underwriting standards were designed to evaluate the borrower's credit standing and repayment ability and the adequacy of the property as collateral.
40. In the Stipulated Judgment entered into by Countrywide in October 2008 with the California Attorney General, These Banking institutions Countrywide acknowledged that a majority of the loans that it and its affiliates originated between 2003 and 2008 were "subprime" and as such contained "higher risk features. These subprime loans inevitably led to a much higher incident of defaults in which, I Faith Lynn Brashear, allege these Banking Institutions knew were certain to occur. Thus these Banking Institutions originators were set up by the Lenders who set up, myself my clients and consumers for default and foreclosure, because, I Faith Lynn Brashear, was never properly trained to qualify or actually qualified to afford the loan payments over the entire term of the loans offered, in violation of State laws and public policy. I, Faith Lynn Brashear made never made aware of safe qualifying protocols, only that these loans were qualifying upon the start rates as long as these rates were set for one year or longer.
41. I Faith Lynn Brashear, allege that these Banking Institutions also sought to increase the amount of risky subprime loans that they wrote my marketing and selling these loans to borrowers with good credit. Knowing that the risk of default would be absorbed by the by the investors of the securitized trusts, these Banking Institutions

"ARM" is an Adjustable Rate Mortgage. Adjustable Rate Riders were attached to loans to disclose the adjustment of the interest rate attached to the Note.

The Definition of a Margin is "The portion of the interest rate on an adjustable-rate mortgage that is over and above the adjustment-index rate." This portion is retained as profit by the lender.

In Neg-Am-loans the "interest only" payment leaves the principle balance intact creating a balloon payment at the end of the loan and the "minimum payment" is insufficient to cover the interest rate owed so that the shortfall is added to the principle amount. If the balance got large enough in these neg-am loans (due to making the payments) the loan would convert to a affixed rate mortgage, thereby increasing the payment dramatically. These loans are also called "Pick-a-payment" or "Pay option Arm".

Balloon payments made homeownership affordable, but only for a short period of time.

FSL was Countryside's sub-prime division.

The lower the debt-to-value ratio the less likely that a decline in the value of the property will wipe out an owner's equity, and thereby give and owner an incentive to stop making mortgage payments and abandon the property.

The debt-to-value is important to the investor of a RMBS because it predicts the severity of the loss in the default. The lower the debt-to-value ratio, the greater the "equity cushion" and the greater the likelihood that the proceeds of a foreclosure would cover the unpaid balance of the mortgage.

Upon adjustments to higher interest rates on these ARM products these loans forced debt-to-value ratio of up to one hundred percent (100%) on under disclosed interest rates, which is known as predictor of default. The negative amortization loans would place the borrower unable to make the "principle and interest" payments into immediate equity capture default. The majority of homeowners requesting help from the banks upon the adjustments of these products were advised to either refinance back into the predatory loan, or if they were not eligible to refinance they were told the banks could not help them unless they were in default.

sought to induce credit-worthy individuals prepared to put ten percent (10%) of the equity in their house, to unnecessarily encumber themselves with these risky, high-cost loans.

42. I Faith Lynn Brashear, am informed, believe and thereupon allege that in order to increase the amount of sub-prime loans they issued and perpetuated the above-described Securitization Scheme, these Banking Institutions, and these Banking Institutions agents sought to commit multiple predatory practices during loan origination.

Loan Origination Fraud

43. I, Faith Lynn Brashear, am informed, believe and thereupon allege that beginning in 2003 and continuing through at least 2008, these Banking Institutions, its affiliates, successors and assigns, aggressively marketed, originated and sold home loans that were both subprime and predatory in nature. These predatory subprime loans contained many risky features including high variable interest rates that could change significantly from month to month or were fixed for a number of years and then jumped into a higher ARM. I Faith Lynn Brashear, allege that these features would require further refinancing if possible, and default if not possible. In addition, these loans contained at least one of the following "high risk features:"

(i) Negative Amortization ("neg-am") where the borrower could pick their payment amount each month including a minimum payment that actually increased their principle.

(ii) Interest-Only loans which left the borrower with a balloon payment at the end of the loan.

(iii) Pre-payment penalties; and

(iv) Balloon payments

44. I, Faith Lynn Brashear, am aware that Margins were added to these Arms products to increase the capture of the rate when a rate adjusts. For example those who purchased ARM products with a 2% margins and the index did not adjust, the margin is added to the offered rate, $3.5\% + 2\% = 5.5\%$ there for adjusting the rate to 4.5% because even though the index may not have increased, the margin adjustment allows the lender to recap the rate at a later time. Wholesale mortgage brokers were given a rate sheet that outlined the rate and the margin attached to it. The margin was predetermined upon the product offering. The wholesale mortgage brokers and or originators would receive a rebate that was based upon the Interest rate tied to the Note. These rates were tied to a specific index, ie Cost of Funds Index, Libor Index or Treasury Index.

45. I, Faith Lynn Brashear am aware that on a pay option arm, or negative amortization arm these Banking Institutions offered a product tied to an index, ie Cost of Funds Index, Libor Index or Treasury Index as above, with the option for the wholesale mortgage brokers and or originators to modify the offering by making adjustments to the margin for additional profit. This was not within the scope of normal interest rate offering. The margin is the amount that an arm product can adjust to reach a higher interest rate. So for example if a pay option arm is offered, it has a start rate offering below the rate being offered (usually 1%). The rate being offered is tied usually to one of the above listed index thereby taking the interest difference from

- the reduced payment and adding it to the back of the loan. The borrower further is offered an interest only option, a 30-year amortization option, or a 15-year option.
46. As an example if a borrower bought a rate ie 3.5 and decided upon the product (pay option arm), the broker or originator was allowed to choose a margin based upon what they wanted to make. The majority of these products offered an automatic 1% rebate up front, 2% more for raising the margin higher, up to potentially 3% with larger wholesale brokerages firms where they offered the wholesale brokers and or originators additional steering incentive on the margin to solicit these loans from the buyers. The nature of these improperly disclosed loans immediately created under disclosed interest rates to both the Wholesale Mortgage Broker and/or the originator and the borrower. The Wholesale Mortgage Broker and/or the originator never had to disclose the adjustment of the margin, only the rebate offered on the product itself through what was known as a Yield Spread Premium. Thereby creating an immediate breach of fiduciary by the Wholesale Mortgage Broker and/or the originator of the loan and the borrower.
47. The Adjustable Rate Rider that was attached to the Note explains the Interest, it explains the Index and the calculation of the interest rate, but nowhere in the rider is it disclosed to the consumer what a MARGIN actually is and nowhere is it disclosed exactly what that yield spread premium is ACTUALLY paid for. Thereby further concealing the incentives offered out to raise margins that altered the product offering which increased the payments through equity capture to the banks without disclosing the incentive being offered to Wholesale Mortgage Broker and/or originator the borrower.
48. I Faith Lynn Brashear, am informed, believe and thereupon allege that the margins upon Pay Option ARM products whereas by these lending institutions offering out additional steering incentives to Brokers to encourage the increase of the margins attached to these negative Amortization loans for greater financial gain that perpetuated “Under-disclosed finance charges” and “under disclosed interest rates”. These Banking Institutions intentionally issued myself, my clients, and consumer loans, with debt-to-value ratio of up to one hundred percent (100%) on under disclosed interest rates, which are known as predictor of default.
49. I, Faith Lynn Brashear, am informed, believe and thereupon allege that the margin was only made reference to as a calculation added as an adjustment to the loans to

Sec. 3 SECURITIES EXCHANGE ACT OF 1934 (A) ASSET CLASSES.—The regulations prescribed under subsection (b) shall establish asset classes with separate rules for securitizers of different classes of assets, including residential mortgages, commercial mortgages, commercial loans, auto loans, and any other class of assets that the Federal banking agencies and the Commission deem appropriate. (B) CONTENTS.—For each asset class established under subparagraph (A), the regulations prescribed under subsection (b) shall include underwriting standards established by the Federal banking agencies that specify the terms, conditions, and characteristics of a loan within the asset class that indicate a low credit risk with respect to the loan. (C) LIMITATION ON DEFINITION.—The Federal banking agencies, the Commission, the Secretary of Housing and Urban Development, and the Director of the Federal Housing Finance Agency in defining the term “qualified residential mortgage”, as required by subparagraph (B), shall define that term to be no broader than the definition “qualified mortgage” as the term is defined under section 129C(c)(2) [108] of the Truth in Lending Act, as amended by the Consumer Financial Protection Act of 2010, and regulations adopted thereunder.

129C(c)(2) [108] of the Truth in Lending Act. Securities Exchange Act of 1934. Which under “(k) PROHIBITION ON STEERING INCENTIVES of this act—“(1) IN GENERAL.—For any consumer credit transaction secured by real property or a dwelling, no loan originator shall receive from any person and no person shall pay to a loan originator, directly or indirectly, compensation that varies based on the terms of the loan (other than the amount of the principal).

- allow for higher interests rates to be charged above and beyond what was actually disclosed upon origination of the loan and NEVER properly disclosed to the intent of the loan itself or the steering incentives used.
50. I, Faith Lynn Brashear, am informed, believe, brokered to, and thereupon allege that these Banking Institutions Countrywide originated over four-hundred- and- ninety billion dollars (\$490,000,000,000) in mortgage loans in 2005 primarily through “Full spectrum lending” divisions. I, Faith Lynn Brashear, am informed, believe and thereupon allege that Washington Mutual originated over fifty-two billion (\$52,000,000,000) negative amortization loans, over seven billion subordinate debt (\$7,000,000,000) over sixteen billion (\$16,000,000,000) in subprime mortgages and over fifty-three-billion (\$53,000,000) in Home Equity Lines of Credit.
51. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions intentionally issued the loans I brokered, including loans with debt-to-value ratio of up to one hundred percent (100%), which is known as predictor of default. I, Faith Lynn Brashear, allege that this was done with “80/20” loan packages, whereby these Banking Institutions told me as a wholesale mortgage broker, clients could only “qualify” if they split their debt between a (first) DEED OF TRUST and a (second) Home Equity Line of Credit (“HLOC”) or a (second) DEED OF TRUST. I, Faith Lynn Brashear, allege that these “80/20” Loan packages were essential elements of these Banking Institutions *Securitization Scheme* since the (first) DEED OF TRUST would be sold to the securitized trust showing a proper debt-to-income ratio that satisfied investors. I, Faith Lynn Brashear, allege that the (second) DEEDOF TRUST would be held by the lender, or sold as sub-prime, and many times not recorded. I, Faith Lynn Brashear, allege that these “sneaky seconds” had far higher variable interest rates by which the lender made back their profit within the first few years thereby dissipating their residual risk as secondary lien holders.
52. I, Faith Lynn Brashear, am informed, believe and thereupon allege that Countrywide originated over four-hundred- and- ninety billion dollars (\$490,000,000,000) in mortgage loans in 2005 primarily through “Full spectrum lending” divisions. I, Faith Lynn Brashear, am informed, believe and thereupon allege that Washington Mutual originated over fifty-two-billion (\$52,000,000,000) negative amortization loans, over seven-billion subordinate debt (\$7,000,000,000) over sixteen billion (\$16,000,000,000) in subprime mortgages and over fifty-three-billion (\$53,000,000) in Home Equity Lines of Credit.
53. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking institutions and the other Banking Institutions knew, and COUNTRYWIDE admitted in the Stipulated Judgment entered into with the California Attorney General that they were aware that sub-prime, predatory loans were in violation of National laws and public policy and these loans were therefore, illegal and void.
54. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking institutions such as Countrywide and Washington Mutual made such loans to them, and other similarly situated borrowers throughout the Nation, knowing that a large majority of these loans would result in a default upon adjustment as I, Faith Lynn Brashear,, and those similarly situated, were never qualified to pay off their mortgages when they inevitably adjusted to a much higher payment (Income complaints doubling the monthly payments.)

55. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions induced me to sell and to enter into stated income loans and encouraged Wholesale Mortgage Brokers and/or originators to fraudulently inflated their income on their loan applications to far above their actual income. This was done with the instructions, allow them to tell you what they make and we will see if that salary makes sense for their profession.
56. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions, through their agents, created false appraisals and submitted false appraisals through cutting and pasting documents.
57. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions incentivized its wholesaled mortgage brokers and/or originators to promote and extol "Pick-a-Pay" loans as a "great deal" where the borrowers could make a minim payment and to avoid explaining negative amortization or the fact that making such minimum payments increased the borrowers principle balance. This does not mean that all wholesale mortgage brokers implemented these loose instructions, some in fact tried to understand and explain their understandings to consumers, but since the underlying intent was never revealed it made it impossible for a wholesale mortgage broker to properly convey the loans they were incentivesize to promote therefore immediately breaching their fiduciary relationships with their clients or consumers.
58. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions promised borrowers they could refinance again in (1) year or two (2) when they had actually financed the property at one-hundred percent (100%) debt-to-value ratio so that refinance was immediately impossibly and/or highly unlikely.
59. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions promised the availability of refinance to induce myself my clients and consumers, not to rescind the loan or to take any actions to avoid the loan that these Banking Institutions had fraudulently induced them into. I, Faith Lynn Brashear, allege that these Banking Institutions made the promises with the expectation that I, Faith Lynn Brashear, would not so act. When I acted to rescind the loans still within the statue of limitations, it was ignored because they were aware of my ignorance of the laws that govern these requests at that time and was too insolvent at the time to take proper legal action to defend myself.
60. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions told I, Faith Lynn Brashear, that they were "Qualified" to borrow and the amount they "qualified" for knowing that I, Faith Lynn Brashear, gave meaning to these term based on the "originate to hold" model of the past and based on these Banking Institutions past reputation.
61. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions charged myself, my clients and consumers, excessively high closing costs and brokers fees which were anywhere from three thousand dollars (\$3000) to over seventy thousand dollars (\$70,000).

Unrecorded second mortgages are known in the mortgage industry as "sneaky seconds" Subordinated mortgages loans originally considered in the first lien position on the Deed of Trust but allowed to have another loan take priority position. Loans that were subordinated would often exceed the fair market value of the home when the loans against the property were combined. For underwriting purposes, subordinated loans would be treated as part of the back end ratio when qualifying a new first against a Deed of Trust.

62. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions called borrowers again and again to tell them they had equity in their property and to encourage them to borrow more and more money.
63. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions induced myself, my clients and consumers to take out interest-only loans with balloon payments by laying claims that “prices are going up” and that they would be able to refinance within a year or two with a “better” loan.
64. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions push to generate more risky loan products, these Banking Institutions pressed their sales agents, and their wholesale mortgage brokers and/or originators to sell products and rewarded them disproportionately for doing so. I, Faith Lynn Brashear, allege that these Banking Institutions did this because these risky loans carried higher fees, bolstering profits and therefore the compensation of executives based on status as a “*depository* institution”.
65. I, Faith Lynn Brashear, am informed, believe and aware of, and thereupon allege that these Banking Institutions sought to increase the sales of risky loans by fraudulent activities including

- (i) conducting training whereby they taught mortgage brokers how to circumvent traditional underwriting standards,
- (ii) ignoring their own due diligence procedures in regards to their own underwriting standards when thou found discrepancies in loan applications.
- (iii) promoting and protecting those mortgage brokers that cooperated in the fraud, and
- (iv) firing and ostracizing those mortgage brokers and other employees that reported the fraud.

66. I, Faith Lynn Brashear, am informed, believe and thereupon allege that Banking Institutions such as Countrywide and Bank of America promoted a culture where whistleblowers were ostracized and/or fired in contravention of federal and state law. I, Faith Lynn Brashear, believe that this is what happened to Eileen Foster (“Foster”) who was employed by Countrywide in the Calabasas California Headquarters as Executive Vice President of the Fraud Risk Management Division (“FRM”) and was fired for “unprofessional conduct” after reporting fraud to her superiors despite a stellar employment record with these Banking institutions up until that point.

67. I, Faith Lynn Brashear, am informed, believe and thereupon allege that in the summer of 2007, a team led by Foster intercepted documents from Countrywide Financial Corp’s mortgage shops in and around Boston that were about to be shredded and uncovered evidence that branch employees had used scissors, tape

Countrywide originally hired Foster on September 28th 2005 as First Vice President Consumer Care, Office of the President. Foster was promoted on July 16, 2006 to Senior Vice President, Consumer Care Operations, Office of the President. Foster was promoted again on March 7th, 2007 to Executive Vice President of FRM. On September 8th, 2008 Foster was fired by two executives from Bank of America. Whistleblower Eileen Foster, the recipient of the 2012 Ridenhour Prize for Truth-Telling, exposed systemic fraud at the nation’s largest mortgage provider, Countrywide Financial.

In the complaint of one Boston senior manager, Countrywide’s Employee Relations Department did the interview and then let the manager’s boss vet the transcript before it was provided to Foster.

and White-Out to create fake bank statements, inflated property appraisals and other phony paperwork including mock-ups that indicated that workers had, as a matter of routine, cut and pasted the address for one home onto an appraisal for a completely different piece of property.

68. I, Faith Lynn Brashear, am informed, believe and thereupon allege that fraud that Foster uncovered was taking place not just in Boston but throughout the Nation including in California where Countrywide had their main office and the majority of its customers. When Foster tried to pursue her investigations she was not allowed to interview senior management and she discovered that many of Countrywide's executives in the chain of command were actively covering up the fraud.
69. I, Faith Lynn Brashear, am informed, believe and thereupon allege that Foster found evidence of loan manipulation, the knowing submissions of false documents, and conspiracy with outside business partners to obtain loans for such business and that employees of these Banking institutions routinely committed mail fraud, wire fraud, and bank fraud including the following fraudulent activities:
- (i) forging loan documents
 - (ii) altering and manipulating borrowers' assets and income,
 - (iii) manipulating these Banking Institutions Countrywide's automated underwriting system,
 - (iv) destroying valid client documents
 - (v) e-mailing blank templates for bank statements back and forth among loan officers in various branches to be used to falsify borrowers bank balances.
 - (vi) document forgery
 - (vii) document alteration
 - (viii) destruction of genuine income documents

70. I, Faith Lynn Brashear prior to being a wholesale mortgage broker, worked as a loan officer for Wells Fargo. Upon moving to Washington State from California in and around 2006/2007, I was hired on to Countrywide. I was then, transferred to BAC Financing and then transferred to Bank of America. I, Faith Lynn Brashear, am informed, am aware, believe and thereupon allege that I was approached by and IRS Special Investigator on behalf of the California Department of Justice to ask if I would become a volunteer witness. My volunteer Federal Witness status pertained to investigations of loan fraud within the Inland Empire which included the investigation's of manipulation, the submissions of false documents, and conspiracy with outside business partners to obtain loans for such business where these Banking institutions routinely were involved in bank fraud including the following fraudulent activities:

- (ii) altering and manipulating borrowers' assets and income,
- (iii) manipulating Countrywide's automated underwriting system,
- (iv) destroying valid client documents
- (vi) document forgery
- (vii) document alteration
- (viii) destruction of genuine income documents

71. I, Faith Lynn Brashear, am informed, believe and thereupon allege that after being fired by Bank of America for “unprofessional conduct” Foster lodged a complaint with the U.S. Department of Labor and won reinstatement, back pay, and a settlement from Bank of America. After investigation of the Secretary of the Department of Labor’s found by a preponderance of the evidence that Forster had uncovered *widespread and pervasive fraud conducted through the use of wires and mail*. The Secretary found that Bank of America fired Foster in retaliation for their “protected activity” as a whistleblower.
72. I, Faith Lynn Brashear, am informed, believe and thereupon allege that Foster’s multiple accounts of fraud are echoed by other former employees claiming to be fired for being whistleblowers against these Banking institutions that filed multiple lawsuits against these banking institutions throughout the country including Enid Thompson (“Thompson”) a former loan-underwriting manager in Northern California that was fired after she sent an email to CEO Angelo Mozilo about questionable lending practices in 2007. Thompson claimed that within twelve (12) hours of sending the email she began to suffer retaliation including 1) her duties being reduced, 2) her staff being transferred, 3) her desk ransacked, 4) her computer broken, and 5) her personal things missing.
73. I, Faith Lynn Brashear, am informed, believe and thereupon allege another employee of these Banking institutions Countrywide Lupe Manegded (“Manegdeg”), a loan specialist in these Banking Institutions Glendale California branch was fired after she reported fraud to her supervisors. Among the fraud that Manegded reported was loan officers 1) forging signatures on documents, and 2) lying about the types of loans that borrowers were getting.
74. I, Faith Lynn Brashear, am informed, believe and thereupon allege that I, Faith Brashear was fired a few weeks after conveying to my manager at Bank of America, that I was volunteering as a Federal Witness in an ongoing criminal investigation in the Inland Empire. I, Faith Lynn Brashear, began suffering retaliation shortly afterwards with a 1) client leads being reduced to zero 2) transfer to a different office where she was given a “shared desk” where she could not conduct business 3) her files removed from her desk and 4) never issued keys to the office to allow her a meeting place with clients to work after hours, or on weekends (Prime origination times). Because of my husband’s inoperable cancer (now in full remission), and my Fathers hospice decision at the time, I was not in a state of mind to press charges. I, Faith Lynn Brashear further allege that the Bank of America manager took advantage of my state of mind at the time to take down a Federal witness. I, Faith Lynn Brashear allege that I was continuously denied work, or was let go at other employers after a few weeks for no apparent reason. Upon my return to Real Estate, my trade was further restricted through denials of short-sales through Bank of America, and ostracizing remarks and actions from industry business professionals. It is my belief that additional questionable unconscionable

USC § 1513 - Retaliating against a witness, victim, or an informant (e) Whoever knowingly, with the intent to retaliate, takes any action harmful to any person, including interference with the lawful employment or livelihood of any person, for providing to a law enforcement officer any truthful information relating to the commission or possible commission of any Federal Offense.

15-1-222 Taxpayer bill of rights (2) the taxpayer has the right to hire a representative of the taxpayer’s choice to represent the taxpayer’s interest before the department or any tax appeal board.

- circumstances of an IRS audit which continues to disallow me representation to the audit itself, and the raid by the CFPB a few weeks after referenced herein are connected and a part of continued retaliation efforts from sources unknown to prevent me from bringing this information forward the information contained in this complaint would run the risk of crashing the system with the heightened awareness of the consumer. I, Faith Lynn Brashear, am informed, believe and thereupon allege that violations of my 4th and 5th Amendment rights have been violated by Government agencies. I further allege that my Taxpayer Bill of Rights has been violated.
75. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions also coerced the credit rating agencies into providing favorable credit ratings, including by threatening to withhold future business and targeting analysts who did not give these Banking Institutions' debt instruments a high enough rating.
76. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking Institutions sub-prime loan business decreased between 2005 and 2007 going from four-hundred-ninety billion (\$490,000,000,000) in mortgage loans in 2005 to four-hundred-fifty billion dollars (\$450,000,000,000) in 2006 and four-hundred-and-eight billion dollars (\$408,000,000,000) in 2007 at the same time as the default rates on these Banking Institutions loans began to rise dramatically
77. I, Faith Lynn Brashear, am informed, believe and thereupon allege that in August 2007, in reaction to these market changes, these Banking Institutions developed implemented a variant of their *securitization scheme* called the "High Speed Swim Lane" ("the HUSTLE"). I, Faith Lynn Brashear, allege that the purpose of the HUSTLE was to push through riskier loans backed by the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") collectively known as government-sponsored enterprises ("GSE's").
78. I, Faith Lynn Brashear, allege that implementation of the HUSTLE consisted of a two-part plan whereby these Banking Institutions (1) shifted the focus of their FSL Department to originating prime conforming loans that qualified for sale the GSEs and (2) reduce the amount of time spent processing and underwriting conventional loans thereby boosting loan volume and revenue.
79. I, Faith Lynn Brashear, allege that among the underwriting procedures for their prime conforming loans that these Banking Institutions Countrywide eliminated or reassigned as part of the HUSTLE were:

- (i) Banking institutions eliminated underwriter review from many high risk loans,

A whistleblower (whistle-blower or whistle blower) is a person who exposes misconduct, alleged dishonest or illegal activity occurring in an organization.

<http://www.publicintegrity.org/2011/09/22/6687/countrywide-protected-fraudsters-silencing-whistleblowers-say-former-employees>

<http://www.documentcloud.org/documents/250794-cwd-thompson-v-countrywide.html>

<http://www.documentcloud.org/documents/250792-cwd-manegdeg-v-cwd.html>

<http://betterquest.com/Faith/Exhibits42/files/page31-2nd-ammend041.pdf>

- (ii) Banking institutions assigned critical underwriting tasks to loan processors that were previously considered unqualified even to answer borrower questions.
- (iii) Banking Institutions eliminated previously mandatory checklists (or “job aids”) that provided instructions on how to perform these underwriting tasks.
- (iv) Banking Institutions eliminated the position of compliance specialist, and individual previously responsible for conducting a final, independent check on a loan to ensure that all conditions on the loan’s approval were satisfied prior to funding.
- (v) Banking institutions changed the compensation structure for those involved in loan origination, basing performance bonuses *solely* on volume whereas before bonuses had been based on a combination of quality *and* volume of loans originated.

80. I, Faith Lynn Brashear, am informed, believe and thereupon allege that the HUSLE was never disclosed to the GSEs although the vast majority of its resulting loans were funneled to the GSE’s with the knowing misrepresentation that they were investment quality loans that complied with GSE requirements. I, Faith Lynn Brashear, am informed, believe and thereupon allege that this Banking Institutions scheme was not know and could not have been fully known by myself, known my clients or the consumers they defrauded, until investigative expose, whistleblower stories and government reports were actually published. Additional knowledge of these Banking Institutions scheme came from the following government sources.

- a. The Financial Crisis Inquiry Report (the “FCIC Report”), submitted by the Financial Crisis Inquiry Commission (“FCIC”) published January 2011.
- b. The U.S. Senate Permanent Subcommittee on Investigations published its report titled, *Wall Street and the Financial Crisis: Anatomy of a Financial Collapse* (the “Senate Investigations Report”) on April 13, 2011.

81. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking Institutions’ *securitization scheme* involved these Banking institutions *direct participation* in origination of loans by third-party originators such as Quicken Loans Inc. that received a line of credit from these Banking institutions. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking Institutions, especially COUNTRYWIDE and BOA, regularly engaged in “warehouse financing” whereby they extending a line of credit to originators who would then appear on the consumers DEEDS OF TRUST and MORTGAGES as “lenders” even though **they were actually only brokers** and the money for the loans actually came through these Banking Institutions especially COUNTRYWIDE or Bank of America was in fraudulent violation of the National recording statutes.

Gary Witt, former manager director at Moody’s Investor Service, Inc (“Moody’s”) testified before the National Commission on the Causes of the Financial and Economic Crisis in the United States (the “Financial Crisis Inquiry Commissions” or “FCIC”) that investment banks like these Banking Institutions threatened to withdraw their business if they did not get their desired rating. U.S. ex rel. O’Donnell vs Bank of America Cort, et al, U.S. District Court, Southern District of New York, No 12-01422

82. I, Faith Lynn Brashear, am informed, believe and thereupon allege that these Banking institutions COUNTRYWIDE'S fraudulent acts in perpetration of their *securitization scheme* created a culture of fraud that has been well documented over the last several years.

Use of MERS to disguise the Securitization Scheme

83. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that Mortgage Electronic Systems (hereafter "MERS") is a privately held American corporation that was created and **is owned by lenders** (including several of these Banking Institutions) to track servicing rights and the ownership of mortgages thereby facilitating securitization. I, Faith Lynn Brashear, allege that MERS' charter limits its powers and duties to functioning as an electronic registry of (certain types of) securities, but that MERS is being fraudulently used to frustrate the county-by-country system of recording MORTGAGES and DEEDS OF TRUST secured by real property. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that MERS has been utilized by these Banking institutions to

- (1) violate NOTICE and recording statutes by avoiding their duty to record,
- (2) hide when a securitized trust is the purported beneficiary of a mortgage,
- (3) and hide their *securitization scheme* in general from public scrutiny.

84. I, Faith Lynn Brashear, am informed, believe, and further allege that MERS is either the named "beneficiary" or the "nominee" for the lender on the majority of borrowers' DEEDS OF TRUST so as to enable these Banking Institutions to conveniently bundle loans together to be sold into securitized trusts. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that MERS lacks the authority to ASSIGN an interest to a securitized mortgage because MERS's corporate charter limits its powers and duties to functioning as an electronic registry. I, Faith Lynn Brashear, allege that MERS, as an electronic registry, *cannot* physically transfer or ASSIGN a secured debt into a securitized trust, was never *granted* the authority to transfer or ASSIGN a secured debt into a securitized trust, and by doing so is in violation of my rights, my client's rights and consumer rights to statutory NOTICE and due process under the each of the Nations State Constitutions.

85. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that MERS makes it impossible for consumers to know who holds their NOTE without hiring a professional loan auditor and that this is a violation of their right to statutory NOTICE. I, Faith Lynn Brashear, allege that **the use of MERS puts at issue whether any party holds their NOTE at all.**

86. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that pursuant to California law, and subsequent laws across the states, to perfect the transfer of mortgage paper as collateral, the owner should physically deliver the NOTE to the

Quicken Loans Inc. is the nation's largest online retail mortgage lender and the fourth largest overall retail home lender in the U.S. that closed a record \$30 billion in home loan volume in 2011. Recent reports allege that Quicken is a third party originator that appears as lender on receives a line of Credit from these Banking institutions especially Bank of America.

This was termed "warehouse financing" by the New York Attorney General Eric T. Schneiderman in a complaint filed October 1, 2012 against CHASE BANK, N.A. among other Banking Institutions in New York City.

transferee. Without physical transfer, the sale of the NOTE is invalid as a fraudulent conveyance, or as unperfected. Plaintiffs allege that MERS cannot hold a NOTE, cannot transfer a NOTE, and cannot endorse a NOTE.

- 87.**I, Faith Lynn Brashear, am informed, believe, and thereupon allege that pursuant to California laws and subsequent laws across the states, MERS is not an owner of my NOTE, my clients NOTE's, or consumer NOTE's **and therefore any attempt to transfer the beneficial interest of a DEED OF TRUST without actual ownership of the underlying NOTE is void.** I, Faith Lynn Brashear, allege that MERS does not own their NOTE, cannot receive their NOTE, cannot transfer or ASSIGN an interest in their NOTE, and cannot recover anything from myself, my clients or consumers through legal action. Which means the foreclosure enacted upon my property at 12302 Sunrise Drive was in fact wrongful and I was in fact harmed. This further means that JP Morgan Chase and US Bank received an fraudulent insurance payout of over \$700,000 and received \$400,000 on an wrongful foreclosure for a total of over \$1,100,000 of insurance fraud while in I, Faith Lynn Brashear was an open law suit in the State of California defending against dual tracking in the State of California, where HSBC willingly and deliberately retained council to have my Bankruptcy restructure thrown out. I, Faith Lynn Brashear allege that US Bank (The trustee for the depositor on the Deutsch Bank trust in California) gave authorization for this foreclosure and collaborated with HSBC (The creditor and holder for same trust) to deliberately commit this act.
- 88.**I, Faith Lynn Brashear, am informed, believe, and further allege that MERS cannot be an agent of these Banking Institutions in transferring mine, my clients, and consumer NOTES or DEEDS OF TRUST into a securitized trust since agency principles require that the principle be responsible for the acts of their agents and this requires that principles be *identified*. These Banking Institutions used MERS as Beneficiary in order to eliminate the need for a principle and to generate an ASSIGNMENT that made it impossible for myself, my clients or consumers to know who the principle was that was directing MERS and who owned their loan. I, Faith Lynn Brashear, allege that this deception is what caused myself, my clients and consumers to waste years trying to negotiate a loan modification with a servicer with no authority (or intention) to grant them such a modification. I, Faith Lynn Brashear, allege that the above-mentioned series of transactions is a systematic practice of these Banking Institutions to promote the type of fraud that occurred in complaints across this Nation.
- 89.**I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the HIDC of their NOTE must have actual possession or be the endorsed payee since the NOTE is a negotiable instrument. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that neither COUNTRYWIDE, Bank of America, these Banking institutions, nor the investors of the securitized trust are HIDCs, or endorsed payees, of my NOTE, my clients NOTE's or the consumers NOTE's due to failure to comply with the UCC and Nationwide recording statutes.
- 90.**Pursuant to California Civil Code §2932.5, an ASSIGNMENT of a DEED OF TRUST must be in proper written format and recorded to provide NOTICE of the ASSIGNMENT to the borrower.

California Civil Code §2932.5 reads in relevant part:

“Where a power to sell real property is given to a mortgagee, or other

encumbrancer, in an instrument intended to secure the payment of money, the power is part of the security and vests in any person who by assignment becomes entitled to payment of the money secured by the instrument. The power of sale may be exercised by the assignee if the assignment is duly acknowledged and recorded [emphasis added]”

91. According to RESPA 12 USC §2605, subtitled “SERVICING OF MORTGAGE LOANS AND ADMINISTRATION OF ESCROW ACCOUNTS; whenever a loan is assigned to a new assignee borrowers must be given written notice of that transfer fifteen (15) days before the effective date of the transfer.

12 USC §2605 (c) (2)(A) states in relevant part:

“Except as provided in subparagraphs (B) and (C), the notice required under paragraph (1) shall be made to the borrower not more than 15 days after the effective date of the transfer of the mortgage loan (with respect to which such notice is made).”

92. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the statutory rules under which the Nation operates depends on recorded NOTICE as the borrowers’ sole protection against the summary nature of non-judicial foreclosure. I, Faith Lynn Brashear, allege that in California and in other states across the Nation, these Banking Institutions have falsified recorded documents, and, in their rush to feed the pipeline of real property debt to the RMBS investors, have failed to record ASSIGNMENTS of I my “alleged” loans, my clients loans and consumer loans into the securitized trusts until years after the closing date of the trust, and only then in an attempt to create a proper chain of ASSIGNMENTS after I, Faith Lynn Brashear, default and in anticipation of foreclosure. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the failure to record an ASSIGNMENT of I, Faith Lynn Brashear, loans into the securitized trust before the closing date was a violation of the trust’s PSA and also called into question whether the ASSIGNEE (the trust) took the debt “without notice that any party has a defense or claim in recoupment” pursuant to UCC§3-305(a)(3). I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the new beneficiary, the trust, cannot claim that they took the debt free from notice of my “alleged” loan, my clients loans or consumer loans defense since the ASSIGNMENTS often occur simultaneously with a NOTICE OF DEFAULT against myself, my clients and consumers.

93. I, Faith Lynn Brashear, am qualified to recognize these frauds as the CFPB can attest to my presence of a fraud investigation agency upon which, I Faith Lynn Brashear, believe the CFPB did not have Specific Facts Under The Federal Rules of Civil Procedure Rule 65 (b) (A), only “probable cause to investigate” which shut down a line of defense for the consumer insinuating in court only the suspicion of US Muslim Citizen, Case SACV12-02088 AG (ANx) which was poetically deemed “much a’do about nothing” by the Judge. I, Faith Lynn Brashear, witnessed the seizure of multiple audits outlining these consumer frauds as an independent contractor retained against the court order. I can only trust they will do a better job with this highly detailed complaint that painfully outlines these historical “allegations” in an easily convertible legal format where they can actually use both this complaint, my website and my book as published testimony in a court of law, as

- they have the authority to SHUT DOWN the banks ability to foreclosures activities that retain outside legal services, utilize conservator's LLC's or use their own subsidiaries and actually re-instate Glass-Steagall as I am one step away from bringing forth additional CIVIL enlightenment and they should be mindful of their experience with NACA as they are also aware I, Faith Lynn Brashear, am an active Advocate for HUMAN RIGHTS and consider these Banking institutions actions CRIMES AGAINST HUMANITY. I am giving the CFPB the ability to rectify their actions, obtain sanctions for damages on my behalf and on behalf of the American People, for my time energy and effort invested through the form of local penal codes, violations of the Homeowners Bill of Rights, treble damages for my time, including quite title back to my current name and utilize these funds to establish and create a Fraud investigation division with penalties as outlined in my book, through the direction of myself and through the direction of Operation Restoration.
94. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the use of MERS has led to I, Faith Lynn Brashear, claims of a "Property or possessory right in the instrument or its proceeds including a claim to rescind" pursuant to UCC §3-306. As further proof of the unlawful business practices that have resulted from the use of MERS, other state legislatures have taken steps to make the process more transparent (see Arizona State Senate Bill 1259, requiring non-originating foreclosure lenders to produce a full chain of title to verify ownership).
95. Other states have taken the lead to voiding foreclosure sales by parties that lack standing. *See, e.g., U.S. Bank Nat. Ass'n v. Ibanez (2011) 941 N.E.2d 40.* An Alabama circuit recognized the legal ramifications regarding the failure of banks and their trustees to properly transfer NOTES and DEEDS OF TRUST. In *Phyllis Horace v. La Salle Bank National Association, Et Al, 57-cv-2008-00362.00*, the Alabama Circuit Court not only sided with the homeowner on this exact issue, but the court issued an order permanently enjoining the these Banking institutions trust, LaSalle Bank National Association, from foreclosing on the plaintiff's house because LaSalle failed under New York law and its own PSA to properly transfer that plaintiff's mortgage NOTE on that plaintiff's homes. (2013) Bank of America Corp was found liable for fraud on Wednesday over defective mortgages sold by its Countrywide unit, a major win for the U.S. government in one of the few trials stemming from the financial crisis. The case is U.S. ex rel. O'Donnell v. Bank of America Corp et al, U.S. District Court, Southern District of New York, No. 12-01422. *Bradburn v. Bank of America N.A., Recon Trust, et al.* 2/11/14 Superior Court judge George Bowden ruled that Bank of America's actions had been "unfair and deceptive" and voided the foreclosure. More to the point 1/31/14 Mortgage Electronic Registration Systems (MERS) v DANIEL AND DARLA ROBINSON, UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA where the court was troubled by the fact the MER's themselves are NOTHING MORE THAN A NOMINEE of the actual beneficiary. In Paragraph 47 of the Complaint, MER's acknowledges that the true beneficiary of a Deed of Trust is equivalent to the Mortgagee – the entity that lends money to the borrower for the purpose of purchasing a piece of property, yet nowhere in in this complaint did they allege that MER's funded the loan, or even that they purchased that loan from a prior beneficiary or that they ever made a single mortgage payment. Where (8/2013) under in the Wash. Supreme Court *Bain v. METROPOLITAN MORTGAGE GROUP INC.*, Dist. Court, WD Washington, Seattle proved this through this defendants own depositions they were not a legal

beneficiary, This case ruled that if MERS does not hold the note, it is not a lawful beneficiary, therefore it cannot assign a promissory note, appoint a substitution of trustee or assign a Deed of Trust”.

The Damage That Resulted

96. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking institutions 's scheme sent real property prices falsely soaring beginning in 2004 as these Banking institutions over-appraised borrowers' properties and overstated income in order to loan borrowers as much as possible.
97. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the inflated property values that were a part of institutions securitization scheme affected thousands of Federal Housing Administration loans backed by the Federal Government thereby defrauding the federal government and U.S. taxpayers
98. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking Institutions have fraudulently claimed the benefits bestowed by the securitization process while at the same time claiming the loans still exist as mortgages, which is known as “double dipping.” Because of tax benefits accrued by securitization, the Internal Revenue Code §860D(b)(1) states that once an entity elects to be treated as a REMIC it retains that status permanently. “Double Dipping” has further clogged the civil and federal courts with litigation.
99. Because the RMBS were subject to Federal regulations that were, for the most part, not observed by these Banking Institutions, most sales to the RMBS were not valid and enforceable “true sales”, and the RMBS did not retain a perfected security interest in the subject property. As servicers and investors try to foreclose it is argued that the “holder” of the NOTE cannot be the beneficiary of the DEED OF TRUST since the “holder” does not have title or a perfected security interest and therefore cannot direct their agents for foreclose. This also has resulted in massive litigation in the civil and bankruptcy courts to resolve the issue of “standing” to foreclose.
100. The securitization process converts HDIC into owners of the right to collect contract payments without holding any legal or equitable interest in the securitized instruments. These stockholders are insured against default and therefore have not realized any loss or damages resulting from a purported default. Because the structure of securitization provided insurance to pay the monthly cash flow to the investor in the event of a default, there is no investor or HDIC that can claim damage by a particular mortgage that is in default. Also because there is no perfected security interest, the alleged beneficiary is not the real party in interest with regard to any action against the subject property. The securitization process severed the authority of the HDIC to take steps to avoid loss and preserve the right of foreclosure. These Banking Institutions, and all of them, now function as servicers attempting to foreclose as an agent of the beneficiary, but a non-beneficiary cannot (lawfully) direct a servicer to foreclose.
101. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that MERS was designed to get around the recording statutes (to simplify securitization) and obfuscate ownership, but this is a problem now when the lenders must rely on those very same recording statutes to claim ownership.
102. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that another result of the havoc caused by MERS is a reduction in county recording revenues

from real estate transfers while these Banking Institutions avoid millions of dollars in recording fees and the average citizen now must pay (in some places) over twenty dollars (\$20) per page to record a document with the county recorder.

103. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that MERS has also been utilized in a widespread, fraudulent, practice of denying proper legal NOTICE to borrowers by providing unreliable, incomplete, fraudulent, and false information through recorded documents, so that statutory NOTICE was not given for important NOTICE documents including, but not limited to, DEEDS OF TRUSTS, MORTGAGES, Assignments of DEEDS OF TRUST and MORTGAGES, Substitutions of Trustee, NOTICES OF DEFAULT, and NOTICES OF TRUSTEE SALE.

PREDATORY LOAN MODIFICATION
The Stipulated Judgment, Ignoring Remedial Obligations

104. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the Stipulated Judgment entered into between COUNTRYWIDE and the California Attorney General contains an admission by COUNTRYWIDE that the loan products Countrywide originated were illegal and in need of reformation. Among the loans that COUNTRYWIDE **impliedly admitted were illegal** and in need of reformation are the following loans, as set forth in the Stipulation:

- (a) Subprime 2,3,5,7 and 10 (yrs.) Hybrid ARMs,
- (b) Pay option ARMs (otherwise known as “pick-a-pay” loans).
- (c) Subprime First Mortgage Loans (other than Hybrid 2,3,5,7 and 10 ARMs), including Interest-only loans.

105. I, Faith Lynn Brashear as outlined in am informed, believe, and thereupon allege that the Stipulated Judgment between COUNTRYWIDE and the California Attorney General required these Banking institutions COUNTRYWIDE to reform these illegal loans and remove the predatory terms through loan modification wherever possible.

106. I, Faith Lynn Brashear as outlined am informed, believe and thereupon allege that we were in fact “eligible borrowers” pursuant to the Stipulated Agreement because my “alleged” loans were originated on or before December 31, 2007 and are (a) secured by an owner-occupied 1-4 unit residential property and (b) serviced by one of these Banking institutions COUNTRYWIDE’S servicers, and because , I Faith Lynn Brashear was in financial distress.

107. I, Faith Lynn Brashear as outlined am informed, believe, and thereupon allege that I had “qualifying mortgages” pursuant to the Stipulated Agreement because they have loans that fit one of the three (3) categories named in the agreement.

108. I, Faith Lynn Brashear am informed, believe, and thereupon allege that THESE BANKING INSTITUTIONS willfully and deliberately refused reformation of predatory loans for the purpose of unjust enrichment.

Fraudulent Misuse of Tarp Funds

109. Congress passed the Emergency Economic Stabilization Act of 2008 on October 3, 2008 and amended it with the American Recovery and Reinvestment Act of 2009 on

12 U.S. Code § 5511 (b) use of deceptive and abusive acts and practices.

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DEMAND FOR COMPLIANCE & EQUITBLE RELIEF

February 17, 2009 (together the “Act”). The purpose of the Act was to grant the Secretary of the Treasury the authority to restore liquidity and stability to the financial system and ensure that authority is used in a manner that “protects home values” and “preserves home ownership. This Act is codified as 12 U.S.C. § 5201 *et seq.* (2009)

110. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that, despite the twenty-five billion dollars (\$25,000,000,000) in TARP funds that these Banking institutions BOA has received from the federal government to assist borrowers with loan modifications, and despite Bank of America’s residual liability under the Stipulated Judgment that COUNTRYWIDE entered into with the California Attorney General, that Bank of America continues to aggressively pursue foreclosure whenever possible and to fraudulently deny eligible borrowers a loan modification despite their eligibility under TARP.
111. I, Faith Lynn Brashear, am informed, believe, have witness, and thereupon allege that, Bank of America, when forced to re-structure these loans through advocacy agencies such as NACA, they would retain the loan until they were able to sell the loan though transfers to agencies such as Nationstar and Specialized Loan Servicing who were not contracted with NACA at the time of these transfers, where the new servicers would engage in deceitful collection practices for the purpose of enacting a wrongful foreclosure.
112. I, Faith Lynn Brashear, am informed, believe, have witnessed, and thereupon allege that if these Banking institutions were unable to enact a wrongful foreclosure via myself, my clients or consumers who were fighting back, they would sell loans in dispute through transfers to agencies such as Nationstar and Specialized loan servicing, where the new servicers would engage in deceitful collection practices for the purpose of enacting a wrongful foreclosure.
113. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the Federal Government incentivizes servicers to make modification under HAMP by paying \$1000 for each HAMP Modification, but that this incentive is countered by a number of financial factors that make it more profitable for these Banking institutions to keep a mortgage in default or push a borrower towards foreclosure especially since these Banking institutions are merely a *servicer* for investors with little incentive to modify my “alleged” loans, my client loans or consumer loans. I, Faith Lynn Brashear allege, Bank of America has been committed various fraudulent and predatory practices to avoid modifying my “alleged” loan, the loans of my clients and consumer loans.
114. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking institutions have to repurchase a loan from the investors in a securitized trust when it permanently modifies a loan and this is a cost these Banking institutions seeks to avoid.
115. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking institutions get continued revenue by keeping a loan in a temporary state of modification and lingering default which include 1) the fees it collects as the servicer, 2) the late fees and “process management fees” it charges to the borrowers and tacks onto their principle, and 3) the partial HAMP payment it receives for a temporary or trial modification if a permanent modification is not granted.
116. I, Faith Lynn Brashear, am informed, believe, and thereupon further allege that the fees that these Banking institutions collect from investors as a servicer, are

- calculated as a percentage of the unpaid principle balance which further incentivizes these Banking institutions not to modify a principle balance, but rather to continue charging late fees which increase the balance of the loan and thus their servicing fee.
117. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking institutions are better able to recover advances paid to the investor with a non-performing loan than with one that has been modified.
118. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking institutions seek to avoid the overhead costs involved in allocating resources to properly effectuate modification of my “alleged” loans, my clients loans and consumer loans.
119. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that as a condition of the contract they signed with the U.S. Treasury on April 17, 2009 Banking Institutions were required to comply with the HAMP requirements and to perform loan modification and other foreclosure prevention services described in the program guidelines. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that as a condition of these Banking Institutions’ acceptance of these funds they are required to follow the detailed guidelines issued by the Treasury Department which requires these Banking institutions, acting through its servicer to:
- (i). Identify loans that are subject to modification under HAMP program, both through its own review and in response to requests for modification from individual homeowners;
 - (ii). Collect financial and other personal information from the homeowners to evaluate whether the homeowner is eligible for a loan modification under HAMP;
 - (iii.) Institute a modified loan with a reduced payment amount as per a mandated formula, that is effective for a three (3) month trial period for borrowers that are eligible for a modification; and
 - (iv.) Provide a permanently modified loan to those homeowners who comply with the requirements during the trial period.
 - (v). Whether or not a homeowner qualifies for a modification, providing written notices to every borrower that has been evaluated for a modification.
120. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these *predatory loan modification* practices include, but are not limited to
- i. Requiring borrowers to be in arrears on their mortgage before they would be considered for a loan modification even when they had the ability to pay thereby inducing them to diminish their own credit when they otherwise had maintained a good credit score.
 - ii. Offering temporary or trial modifications that were terminated without notice and without any explanation as to why a permanent modification was not offered.
 - iii. Refusing to give loan modifications to holders of “jumbo” loans even though such borrowers had also been subject to predatory practices.
 - iv. Informing holders of “jumbo” mortgages that they were not eligible for a loan modification only after they had been induced to stop paying their mortgages when it was known at all times to the lender that such borrowers would not be

considered.

- v. Steering HAMP eligible borrowers away from HAMP modifications and instead offering them these Banking Institutions' own proprietary loan modifications that contained predatory terms in that they adjusted gradually upwards in interest rate so that they mimicked the initial ARM mortgages that borrowers were seeking to modify.
- vi. Offering proprietary loan modifications that simply added missed mortgage payments to the loan amount as principle and/or extended the lifetime of the loan from thirty (30) years to thirty-five (35) or forty (40) years thereby reaping exorbitant profits via increased servicing fees for these Banking institutions.

121. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking Institutions have engaged in "Dual-Tracking" whereby these Banking Institutions have induced borrowers into reliance on the loan modification process as an alternative to foreclosure when these Banking institutions were actually aggressively pursuing foreclosure via NOTICES OF DEFAULT and NOTICES OF TRUSTEES SALE as well as recording alerts against borrowers' credit. In furtherance of this practice these Banking Institutions have accepted trial modification payments from borrowers or committed other fraudulent delaying tactics.
122. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that HAMP funds come with the condition that certain conduct is prohibited such as 1) demanding up-front payments for modification, 2) instituting or continuing foreclosure while a borrower is being evaluated for a loan modification (dual tracking), and 3) restricting the way these Banking institutions may report a borrower to credit reporting agencies.
123. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that Dual Tracking has been prohibited by ORDER of the Comptroller of the Currency, a U.S. Treasury Division and The Office of Thrift Supervision (now merged), as well as the Federal Reserve and the Federal Deposit Insurance Corp and the California legislature with the *Homeowner Bill of Rights*
124. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that despite the restrictions on dual tracking these Banking Institutions have aggressively continued the practice.
125. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking institutions entered into an "ASSURANCE" dated December, 2010 with the California Attorney General through Edmund G. Brown Jr. with the following Parties: Wells Fargo Bank, NA, Golden West Financial Corporation, World Savings Bank FSB, World Mortgage Company, World Savings Bank SSB, World Loan Company and Home Loan Experts, Wachovia Corporation, AmNet Mortgage, American Mortgage Network, Wachovia Mortgage, Wachovia Bank, with Wells Fargo assigned the party responsible for the assurance they would in fact offer distressed Pick-a-Payment affordable loan modifications including **significant principle forgiveness**?
126. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that Wells Fargo was assigned as the master Servicer to the majority of securitized trusts that my "alleged" loans my clients loans and consumer loans were placed into. I, Faith Lynn Brashear further allege that these securitized trust under Wells Fargo's as the Master Servicer were used to offer certificates to investors tied to the rigged LIBOR index where arrests were made December 2012 for the manipulation of the LIBOR index.
127. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the joint federal-state group USDOJ and the State Attorney Generals *entered into* the \$25

Billion (\$25,000,000,000) agreement with the JPMorgan Chase & Co., *Wells Fargo & Company*, Citigroup Inc. and Ally Financial Inc. (formerly GMAC). That Provides Homeowner Relief & New Protections to Stop Foreclosure Abuse. I, Faith Lynn Brashear allege, believe, and thereupon are informed that the Attorney Generals gave assurances to myself, my clients and consumers that myself, my clients and consumers, would be protected and treated fairly.

128. I, Faith Lynn Brashear, am informed, believe, have witnessed, and thereupon allege that despite the restrictions on dual tracking these Banking Institutions have aggressively continued the practice.
129. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking Institutions have further engaged in abusive and predatory loan modification by forcing borrowers to speak to a different person each time they called, by transferring and disconnecting borrowers when they telephone, by not retaining borrowers' documents including highly sensitive personal financial information, and by outsourcing the work of modification to poorly trained, non-salaried employees.
130. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that in order to continue collecting TARP money while at the same time avoiding the cost to these Banking institutions of modification, that these Banking institutions have committed and continue to commit the following fraudulent acts in order to "string borrows along" and lead them inevitably to foreclosure:
 - i. Banking institutions commonly requires borrowers to resubmit financial information each time the customer calls to inquire about their modification, thereby restarting the application process under the pretext of changed information.
 - ii. Banking institution commonly misleads homeowners that call to inquire about their loan modification application by telling them that documents were not received, or were not received on time when in fact they were received on time.
 - iii. Banking institutions mislead homeowners by telling them applications were sent on a particular date when they were not sent.
 - iv. Banking institution regularly ignores completed loan modifications by not properly reflecting the modifications in their computer system so that they continue to treat the loan as delinquent by 1) sending delinquency notices to borrowers, 2) reporting the borrowers as delinquent to credit reporting agencies, and 3) proceeding with foreclosure.
 - v. Banking institution regularly treated borrowers that are making trial payments as delinquent and fails to credit the borrower with payments made under a trial payment plan by applying the borrowers' payments to late fees or foreclosure fees, deeming a payment made under the payment plan insufficient, and placing borrowers' payments into a "suspense account" or "partial payment balance account" thereby not crediting it to their mortgage account.
 - vi. Banking institution routinely manipulates borrowers' financial records

http://ag.ca.gov/cms_attachments/press/pdfs/n2014_document_7.pdf

Wells Fargo Assurances

- in their computers to the borrowers' detriment.
- vii. Banking institution continues to report borrowers applying for a modification or in a trial payment plan as delinquent, thereby further damaging their credit.
- viii. Banking institutions routinely assigns loan modification files to employees that are on vacation or that have been fired.
- ix. Banking institution routinely tells borrowers that their files are still being reviewed when they were actually incomplete.
- x. Banking institution routinely delays borrowers HAMP application so as to render the borrower ineligible because of time in default.

131. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that in January 2010, the U.S. Treasury reported that these Banking institutions had completed loan modifications for only a little over one percent (1%) of the eligible pool of borrowers. These Banking institutions non-compliance with the TARP Trial Payment Plan was represented by the following statistics.

- i. Bank of America had one-million-sixty-six-thousand-twenty-five (1,066,025) HAMP-eligible loans in its portfolio
- ii. Bank of America had started trial periods on only two-hundred-and-thirty-seven-thousand-seven-hundred-sixty-six (237,766) loans.
- iii. Bank of America had completed only twelve-thousand-seven hundred-sixty-one (12,761) permanent modifications.

132. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the vast majority of borrowers that seek a HAMP modification with these Banking institutions are delayed indefinitely and do not receive a modification.

133. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the following Attorney Generals & Government Agencies in both the UK and the US, have sued the banks for breach of their agreements, assurances, settlements, Manipulation of World Index, and Money Laundering. (feel free to add more, these are just the highlights)

- i December 11th, 2013 The Office of Vermont Attorney General William H. Sorrell has filed suit against Bank of America for violating Vermont's foreclosure mediation statute and Consumer Protection Act in foreclosure actions brought by the Bank against local homeowners.
- ii. May 6th 2013 NEW YORK - Attorney General Eric T. Schneiderman announced that he is suing a Bank of America and Wells Fargo so that a federal judge will compel the bank to honor its commitments under the 2012 National Mortgage Settlement.
- iii February 3, 2012 NEW YORK - Eric Schneiderman Sues BofA, Wells Fargo, and JPMorgan Chase Over Electronic Mortgage Fraud.
- vi. December 2nd 2011 Massachusetts Attorney General Martha Coakley sued Bank of America Corp., Wells Fargo & Co., JPMorgan Chase & Co., Citigroup Inc., GMAC, a subsidiary of Ally Financial Inc and Mortgage Electronic Registration System Inc. for allegedly seizing properties unlawfully and failing to help struggling borrowers keep their homes by lowering

- mortgage payments.
- v. December 11th, 2012 HSBC paid \$1.9 billion U.S. fine in money-laundering complaint.
- vi. December 11th, 2012 U.K. Fraud Agency Makes First Arrests Over Libor-Rigging . (July 2012, the *Financial Times* published an article by a former trader which stated that Libor manipulation had been common since at least 1991.)
- vii. February 4th, 2014 The Department of Justice announced that JPMorgan Chase (JPMC) will pay \$614 million for violating the False Claims Act by knowingly originating and underwriting non-compliant mortgage loans submitted for insurance coverage and guarantees by the Department of Housing and Urban Development's (HUD) Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA).
- viii Deutsche Bank Settles in December to pay \$1.9 billion to settle claims that it had defrauded Fannie Mae and Freddie Mac in the sale of mortgage-backed securities before the United States real estate market collapsed.
- x August 2013 U.S. investigators uncovered evidence that banks reaped millions of dollars in trading profits at the expense of companies and pension funds by manipulating a benchmark for interest-rate derivatives. At present, ISDAFIX provides rates for euro (EUR), British pound (GBP), Swiss franc (CHF) and U.S. dollar (USD). In addition, ISDAFIX provides USD swap spreads. According to the ISDA, the banks still contributing to ISDAfix are Bank of America, Barclays, BNP Paribas SA, Citigroup Inc., Credit Suisse Group, Deusch Bank Goldman Sachs, JP Morgan Chase Morgan Stanly, Normura Holdings, Royal Bank of Scotland, UBS and Wells Fargo.

134. I, Faith Lynn Brashear, am informed, believe, and thereon allege that at all times material hereto, all these Banking Institutions operated through a common plan and scheme designed to conceal the material facts set forth upon myself, my clients and consumers, from the California public and from regulators, either directly or as successors-in-interest or affiliates of other Banking institutions. I, Faith Lynn Brashear, allege that the concealment was completed, ratified and/or confirmed by each of these Banking institutions herein, directly or as successor, agent, assignee or affiliate to another these Banking institutions. I, Faith Lynn Brashear, allege that each these Banking institutions were perpetrators of the tortious acts set forth herein for its own monetary gain and as a part of a common plan developed and carried out with the other Banking Institutions, or were successor-in-interest to a Banking institutions that did the foregoing

135. Upon information and belief, I, Faith Lynn Brashear, allege that the agents and co-conspirators through which the all these Banking Institutions operated included, without limitation, financial institutions and other firms that originated loans on behalf of, or in affiliation with, COUNTRYWIDE. These institutions acted at the behest and direction of COUNTRYWIDE Institutions, or agreed to participate – knowingly or unknowingly – in the fraudulent scheme described herein.

136. I, Faith Lynn Brashear am informed, believe, and thereupon allege that those firms originating or servicing loans that knowingly participated in the scheme are

jointly and severally liable with COUNTRYWIDE for their acts in devising, directing, knowingly benefitting from and ratifying the wrongful acts of the knowing participants. Upon learning the true names of such knowing participants, I, Faith Lynn Brashear shall seek leave to amend this Complaint to identify such knowing participants of these Banking Institutions.

- 1) At all material times hereto, COUNTRYWIDE FINANCIAL CORPORATION (“COUNTRYWIDE”) was a Delaware corporation, or a division or subsidiary of BOA, with its principal place of business in the City of Calabasas, California, doing business in the State of California as a residential lender and servicer.
- (2) COUNTRYWIDE also does business as BAC HOME LOANS SERVICING (“BAC”). At all material times hereto, BANK OF AMERICA, N.A. (“BOA”) was and is a Delaware corporation with its principal place of business in the State of North Carolina, doing business in the State of California as a residential lender. At all material times hereto, COUNTRYWIDE HOME LOANS, INC., (hereinafter, “COUNTRYWIDE HOME”) was and is a New York corporation, and a division or subsidiary of BOA, doing business in the State of California as a residential lender. COUNTRYWIDE HOME also conducted business as COUNTRYWIDE BANK, FSB.
- (3) At all material times hereto, RECONTRUST COMPANY, N.A. (“RECONTRUST”) was and is a National Banking Association organized under the laws of the State of Texas, doing business in the State of California as one of BOA’s agents. Upon information and belief, I, Faith Lynn Brashear allege that RECONTRUST was a wholly owned subsidiary of BOA that acts as TRUSTEE under the DEEDS OF TRUST, securing real estate loans so as to foreclose on property securing the real estate loans held or serviced by BOA. Although RECONTRUST’s powers are purportedly limited to performing as a trust company, these Banking institutions BOA and the other bank’s have regularly used RECONTRUST to foreclose, as TRUSTEE with power of sale, TRUST DEEDS on California realty and realty in other states. I, Faith Lynn Brashear, herein, and also entail the assertion in certain instances of claims for the deficiency between amounts asserted to be owed and the sale prices.
- (4) RECONTRUST has also intentionally and maliciously concealed the true names of entities to which I, Faith Lynn Brashear, home loans were transferred by other Banking Institutions. The foregoing is part of a scheme by which these Banking Institutions concealed the transferees of loans and deeds of trust, *inter alia*, in violation of California Civil Code § 2923.5.

137. I, Faith Lynn Brashear would expose all these Banking Institutions herein to liability for sale of mortgages of California citizens and citizen’s though-out this Nation for whom the CFPB hold under review from the files confiscated through their raid as referenced herein and the files submitted by NACA’s peaceful protest which surrounded their building for blocks– for more than the actual value of the mortgage loans. The sale, and particularly the undisclosed sale, of mortgage loans in excess of actual value violates California Civil Code §§ 1709 and 1710, California Business and Professions Code § 17200 et seq., and other applicable laws NATION WIDE.

(1) As used herein, Bank of America, N.A., COUNTRYWIDE Home Loans, Inc.,

COUNTRYWIDE Financial Corporation, and Banking Institutions to be discovered and named later shall be known as the "Banking institutions originators." The Banking institutions originators marketed the mortgage loans at issue to myself, my clients and consumers, caused myself, my clients and consumers, to agree to buy these loans, "negotiated" and drafted the terms of the loans, and soon after closing, sold the loans, as part of a bundle of loans via the MERS system, to securities investors.

(2) As used herein, BAC Home Loans Servicing; COUNTRYWIDE Financial Corporation, RECONTRUST COMPANY, N.A., and Banking Institutions to be discovered and named later, am the "Banking institutions services." All Banking institutions servicers are subsidiaries, assigns, agents or affiliates of the these Banking institutions originators. Once the loan originators above securitized their home loans, they granted to the servicers the right to collect mortgage payments and fees, and the purported authority to place the borrowers in default status and foreclose upon them.

(3) As used herein, COUNTRYWIDE, CW HOME, BOA, BAC, RECONTRUST, and Banking Institutions to be discovered and named later, am the "COUNTRYWIDE."

138. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that myself, my clients and consumers (as borrowers) were an integral part of the series of transactions that made up these Banking institutions *Securitization Scheme*. I, Faith Lynn Brashear, allege that the essential element of these Banking institutions *scheme* was that these Banking institutions were not functioning in the conventional lender, under a "loan to hold" model, but was functioning as a broker/lender under a "loan to securitize" model. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that as a non-traditional "loan to securitize" lender these Banking Institutions created a new profit stream that brought them beyond the role of traditional lender to that of a broker with a duty of care to put myself, my clients and consumers, well being before their own. I, Faith Lynn Brashear, allege that as such these Banking institutions' s owed I, Faith Lynn Brashear, a fiduciary duty of care not only as a wholesale mortgage broker, but as a consumer. The elements of a negligence cause of action under California law are (1) the existence of a duty to exercise due care, (2) breach of that duty, (3) causation, and (4) damages. *Paz v. California*, 22 Cal. 4th 550, 93 Cal. Rptr. 2d 703, 994 P.2d 975, 980-81 (Cal. 2001). *Ruiz v. Gap, Inc.*, 380 Fed. Appx. 689, 691 (9th Cir. Cal. 2010)." The elements of negligent misrepresentation consist of (1) a misrepresentation of a past or existing material fact, (2) without reasonable grounds for believing it to be true, (3) with intent to induce another's reliance on the fact misrepresented, (4) ignorance of the truth and justifiable reliance thereon by the party to whom the misrepresentation was directed, and (5) damages." *Fox v. Pollack* (1986) 181 Cal.App.3d 954, 962.

139. I, Faith Lynn Brashear, am informed, believe, and thereupon allege, as more fully set forth herein above, that Banking institutions originators and their affiliates were acting in the capacity of loan brokers and selling agents that stood to make the profit that an agent makes from their client and therefore owed the same duty of care to myself, my clients and consumers. I, Faith Lynn Brashear, allege that these Banking Institutions each owed myself, my clients and consumers, an affirmative duty to use care in the performance of their respective contractual duties, including the duty to disclose and explain all material terms of the loans I brokered to Countrywide, my

- “alleged” loans, my clients loans, and consumers loans, including, but not limited to, 1) mine, my clients and consumers, qualification for the loan, 2) an explanation of loan features such as interest only payments, pre-payment penalties, balloon payments, 3) the effect of negative amortization, 4) THE DEFINITION OF A MARGIN on the Adjustable Rate Riders and 5) the borrower’s (increased) financial obligations after the “Change Date,” and the fact that I, Faith Lynn Brashear, was being intentionally loaned and given “privilege” to loan, as much as possible as part of these Banking Institutions’ *securitization scheme*.
- 140.** I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these affirmative duties of these Banking Institutions also prohibited the these Banking institutions originators from making any misrepresentations regarding the terms of the loan or misrepresentations regarding mine, my clients or consumers qualification for the loan such as were made to myself, my clients and consumers in order to fraudulently induce myself, my clients and consumers into their loans.
- 141.** I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking Institutions breached those duties by fraudulently inflating appraisals, by falsifying loan documents and bank statements, and by forging documents. I, Faith Lynn Brashear, am informed, believe, and thereupon allege these misrepresentations caused myself, my clients and consumers to agree to loans they did not qualify for, loans which became unaffordable for myself, my clients and consumers, when the interest rate reset, and loans which prevented myself, my clients or consumers from refinancing. I, Faith Lynn Brashear, allege that when they sought to refinance they found an unfavorable debt-to-value ratio that resulted from the initial inflated appraisal of their property by the lender combined with (in some complaints) a history of minimum payments resulting in a substantial increase in principle.
- 142.** I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the agents of these Banking institutions held themselves out as agents with a fiduciary duty to put mine, my clients and consumers needs before their own, and therefore induced myself, my clients and consumers to rely on them to be truthful with myself my clients and consumers, and to fully disclose all material facts to myself, my clients and consumers. I, Faith Lynn Brashear, allege that these Banking Institutions’ agents claimed to possess greater expertise regarding mortgage loans and that I, Faith Lynn Brashear, reasonably and justifiably relied on these representations of these Banking Institutions in the context of this fiduciary duty to convey to my clients.
- 143.** I, Faith Lynn Brashear, am informed, believe, and thereupon allege that their reliance upon the representations of loan officers, underwriters, and other agents of these Banking Institutions, and their belief that this was the full disclosure of all material facts and facts potentially adverse to myself, my clients and consumers was reasonable given these Banking Institutions’ public pronouncement, given the complex nature of DEEDS OF TRUST, and given I, Faith Lynn Brashear, lacked the sophistication and experience at that time with regarding said DEEDS OF TRUST. I, Faith Lynn Brashear, allege that as a proximate result of my reasonable reliance on these Banking Institutions’ advice and greater knowledge, I, Faith Lynn Brashear, sustained damages, my clients sustained damaged, and consumers sustained damage according to proof at trial. I, Faith Lynn Brashear am proximity to these *Scheme* via my wholesale mortgage brokers agreement which granted me “privilege” to solicit loans from consumers, therefore any consumers that myself, my

clients, my advocacy work, or my website would have touched would be subject to these damages prior to my discovery of these frauds in December 2012.

144. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that at the time of loan modification these Banking institutions Servicers owed the same fiduciary duty of agents, having acted in the capacity of financial advisors to myself, my clients and consumers, when they were in default and were attempting to avoid foreclosure through modification. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that I reasonably and justifiably relied on these Banking institutions servicers during the loan modifications process to tell myself, my clients or consumers, whether they qualified for loan modification, not to lie to myself, my clients and consumers, and not to offer myself, my clients or consumers loan modifications that were just as predatory as their original loans, designed to lead to default just as my original loans had been. In most complaints, these Banking Institutions did not fully disclose all the options available to myself, my clients or consumers who were in default, but negligently and fraudulently misrepresented a very limited number of modification options to myself, my clients and consumers that were proprietary to these Banking institutions, that benefitted only these Banking institutions, and which were financially out of reach to myself, my clients and consumers, when these Banking Institutions had no intention of actually assisting myself, my clients or consumers with modification.

THESE BANKING INSTITUTIONS 'S DUTY OF CARE: The Nymark Factors

145. The Court has held that as a *general* rule a financial institution owes no duty of care to a borrower when the institution's involvement in the loan transaction does not exceed the scope of its conventional role as a mere lender of money. *Nymark v. Heart Fed. Savings & Loan Assn.*, 231 Cal. App. 3d 1089, 1096 (Cal. App. 3d Dist. 1991). However the Nymark court established a test for determining when this general rule did not apply which involved "the balancing of various factors." *Id.* at 1089. The six (6) factors that the Nymark Court ruled should be balanced were "[1] the extent to which the transaction was intended to affect myself, my clients and consumers [2] the foreseeability of harm to him, [3] the degree of certainty that the myself, my clients and consumers suffered injury, [4] the closeness of the connection between the these Banking Institutions' conduct and the injury suffered, [5] the moral blame attached to the these Banking institutions 's conduct, and [6] the policy of preventing future harm."

146. I, Faith Lynn Brashear, am informed and believe that as lender/brokers that created a new profit stream by way of *their Securitization Scheme* which I, Faith Lynn Brashear, have alleged herein, as well as by their acceptance of government funds to modify eligible borrowers' loans, and their acceptance of temporary modification payments from myself, my clients and consumers, that these Banking Institutions *have* stepped outside their "conventional role" as a "mere lender of money." I, Faith Lynn Brashear, am informed, believe, and thereupon allege that this has occurred both at the time of origination *and* at the time of modification.

A) In applying the Nymark factors to loan modification the Court has held that when a lender requests supporting documents from a borrower in order to effectuate a loan modification, the factors do weigh in the

borrowers favor and the lender *does* owe a duty to exercise ordinary care in carrying out the task whether or not moral blame attaches to the mistake. *Garicia v Owen Loan Services, LLC*, 2010 U.S. Dist. LEXIS 45375, 10-11 (N.D. Cal. May 6, 2010) also *Nymark supra* at 1096. By extension, when these Banking institutions accepted trial modifications payments from myself, my clients and consumers, these Banking institutions did owe a duty to permanently modify their loans if myself, my clients or consumers qualified.

B) The court has also held that when the validity of an ASSIGNMENT is at issue, the general rule shielding actual lenders from liability would not apply. *Johnson v HSBC USA et at*, 3:11-cv-2091-JM-WVG decided on **March 19, 2012**. I, Faith Lynn Brashear, contend that these Banking Institutions are not the current Holders In Due Course of the NOTE.

[1] The extent to which the transaction was intended to affect myself, my clients and consumers.

- 147.** I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking Institutions promoted a false image of themselves as a lender that “loaned to hold” and profited over the long term by false pronouncements on the public airwaves (radio and television) with the jingle “*Countrywide is on your side*” I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these pronouncements were directed at myself, my clients and consumers to induce myself, my clients and consumers to rely on these Banking Institutions’ false misrepresentation of them as still maintaining their conventional role as “a mere lender of money”. I, Faith Lynn Brashear, allege that myself, my clients and consumers, were unaware of securitization or the fact that these Banking institutions were no longer functioning in the conventional role of lender. I, Faith Lynn Brashear, my clients and consumers, were unaware that these Banking institutions had gone from a lender that “loaned to hold” to a broker that “loaned to securitize” or that I, Faith Lynn Brashear, my clients and consumers were being loaned up to one-hundred-percent (100%) debt-to-value ratio as part of a *scheme* to loan them as much as possible so as to profit from securitization. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that COUNTRYWIDE trained and rewarded their sales staff to mislead and defraud myself, my clients and consumers, and that this was clearly intended to affect myself, my clients and consumers. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the fraudulent acts of forgery, and document manipulation, as well as wire, bank, and mail fraud were intended specifically to benefit these Banking Institutions at the expense of myself, my clients and consumers. I, Faith Lynn Brashear, allege that they put down their equity deposits of ten percent (10%), twenty percent (20%), or more based on the false pronouncements and fraudulent acts of these Banking Institutions. I, Faith Lynn Brashear, allege that these Banking Institutions induced I, Faith Lynn Brashear, to invest I, Faith Lynn Brashear, money while at the same time negligently encumbering s with unnecessary risk.
- 148.** I, Faith Lynn Brashear, are informed, believe, and thereupon allege that during the modification process these Banking institutions took Federal TARP money that was intended to benefit myself, my clients and consumers, with knowledge that they

- would not use this money to help myself, my clients and consumers, but would continue to profit from myself, my clients and consumers, through predatory practices that fit into their *securitization scheme*.
149. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking institutions 's fraudulent acts of falsifying loan applications, appraisals, and bank statements, as well as destroying those documents that actually were true documents submitted by myself, my clients and consumers was designed to affect myself, my clients and consumers for willful intentional harm.
150. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking Institutions continuously told myself, my clients and consumers, that they would help myself, my clients and consumers save their homes through the avenue of loan modification. I, Faith Lynn Brashear, allege that these Banking Institutions encouraged myself, my clients and consumers to repose their trust in these Banking Institutions by acting as agents and fiduciaries, when their intent was to push myself, my clients and consumers, towards foreclosure.
151. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking Institutions made these representations with the intention of inducing I myself, my clients and consumers to act in reliance on these representations in the manner alleged, or with the expectation that myself, my clients and consumers would so act.

[2] *The foreseeability of harm to myself, my clients and consumers*

152. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking institutions knew at all times that their *securitization scheme* would harm borrowers in that they would put down their earnest deposit money of up to twenty percent (20%) or more of the purchase price of their property and would then lose this deposit when they ultimately defaulted.
153. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking institutions knew at all times that myself, my clients and consumers, would be harmed when these Banking institutions allowed myself, my clients and consumers, to submit loan modification applications, accepted trial payments from myself, my clients and consumers, and then denied them a permanent modifications despite the fact that myself, my clients and consumers, was qualified to receive one.

[3] *The degree of certainty that the myself, my clients and consumers suffered*

154. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking institutions knew at all times that their *securitization scheme* would cause myself, my clients and consumers, harm, and that myself, my clients and consumers harm was an integral element of this scheme without which it couldn't succeed.
155. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking institutions knew that I, Faith Lynn Brashear would be injured when these Banking Institutions directed their agents working in loan modification to intentionally mislead myself, my clients and consumers, to restart their applications each time myself, my clients and consumers, called these Banking institutions under the pretext of "changed information," to tell myself, my clients and consumers, that documents weren't received when they were, to tell myself, my clients and

consumers, applications were sent when they weren't, to intentionally "misplace" myself, my clients and consumers, applications by assigning them to workers that were on vacation or fired, to delay HAMP modifications until myself, my clients and consumers ineligible, to ignore completed modifications, to report borrowers delinquent when they weren't, and to otherwise harm borrowers credit.

[4] *The closeness of the connection between the these Banking institutions 's conduct and the injury suffered*

156. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the internal communications of these Banking Institutions executives show that they were aware that many of their loan originators were selling defective loans but continued to buy and securitize those loans. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that *but for* these Banking Institutions' fraudulent *Securitization Scheme* I, Faith Lynn Brashear would not have been induced to sell or incur, and would not have incurred DEEDS OF TRUST and MORTGAGES with these Banking Institutions. I, Faith Lynn Brashear, am informed, believe and thereupon allege that *but for* their damages there would be no *securitization scheme*.

[5] *The moral blame attached to these Banking Institutions' conduct*

157. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the fraudulent acts of these Banking Institutions in providing false and inflated appraisals have caused property owners nationwide to suffer. The ripple effect of these inflated appraisals caused property values to rise nationwide in a way that skewed the housing market and affected all residential borrowers. The entire residential real estate market has been affected and billions of consumers have been harmed.

158. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that the fraudulent acts of these Banking institutions in denying myself, my clients and consumers, loan modifications has prolonged and worsened the foreclosure crisis that the government TARP money was intended to ameliorate and this is in contravention of the public policy to preserve home ownership and help homeowners.

159. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that these Banking Institutions committed negligence and fraud in their rush to securitize I, Faith Lynn Brashear, my clients and consumers (and other) loans through their *Securitization Scheme*. In their rush, these Banking Institutions routinely and negligently failed to obtain ASSIGNMENTS from the originators to the trusts that resulted in a dearth of documents available to prove the proper chain of title. The fraud came later as these Banking Institutions sought to recreate these documents or "outsource" the recreation of these documents to companies like Lender Processing Services to produce the needed assignments through a fraudulent practice known as "robo-signing." "Robo-signing" was admitted by deposed bank executives such as GMAC's Jeffrey Stephen that admitted in sworn deposition testimony to signing more than five-hundred (500) documents a day and up to ten thousand (10,000) documents a month related to foreclosures without reviewing them.

160. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that it is in the best interest of all citizens to preserve and maintain the country's county-by-county recording system which is a transparent system that benefits all citizens and maintains an orderly recording of public records. I, Faith Lynn Brashear, am informed, believe, and thereupon allege that it is not in the public's interest to replace an open and transparent system, and one that provides revenue that are used to maintain the system, with a private electronic registry (MERS) that is closed to the public, with no oversight for accuracy, and which facilitates corporate fraud at the expense of the public.

161. I, Faith Lynn Brashear am informed, believe, and thereupon allege that the State Attorney Generals, the US COMPROLLER and the CFPB are fully aware of these issues and have failed to fully protect consumers against foreclosure abuse as a result these banking institutions fraudulent and illegal activities. THIS COMPLAINT IS A DEMAND TO PRESERVE OUR CONSTITUTIONAL RIGHTS AND SHUT DOWN SELF REGULATING BANKS FORCLOSURE S WHO HAVE PROVEN THEY ARE UNABLE TO REGULATE THEMSELVES.

YOU WILL REMOVE THESE TRESSPASSERS FROM MY TITLE THROUGH THE UCC -3 FORM I HAVE SUBMITTED THAT TERMINATE ANY AND ALL SECURITIZED INTEREST IN MY PROPERTY AND YOU WILL RELEASE THE DEED OF TRUST PER MY AUTHROIZED RELEASE AS THE LAST AND ONLY REMAINING TRUE PARTY OF INTEREST. YOU WILL FURTHER CEASE AND DESIST YOUR ABUSE OF GOVERNMENT INPOSED AUDITS WITHOUT THE ABILITY TO DEFEND AGAINST THEM AND YOU WILL IMPOSE SETTLEMENTS FOR THE DAMAGE DONE TO ME ON THE WRONGFUL FORECLOSURE OF MY PROPTIES, THE BREAKING OF THE LAW UNDER THE HOME OWNERS BILL OF RIGHTS, THE TIME AND PERSONAL EXPENSE FOR MY COOPERATION WITH GOVERNMENT AGENCIES, AND THE OUTRIGHT RETALIATION OF A FEDERAL WITNESS WHO'S ONLY CRIME WAS BEING IN THE LIONS DEN AT BOTH ENDS.

THIS IS A DEMAND FOR JUSTICE BROUGHT FORTH THOUGH FAITH! YOU WILL HEAD THESE DEMANDS AND RESTORE WHAT RIGHTFULLY BELONGS TO THE PEOPLE OF THE UNITED STATES OF AMERICA.