

In The Matter Of:

Wood v.

Deutsche Bank National Trust, et al

Ronaldo Reyes

April 29, 2010

Van Pelt, Corbett, Bellows

Court Reporters

401 Second Avenue South, Suite 700

Seattle, Washington 98104

Original File Reyes_Ronaldo4-29-10.txt

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Page 0

1 UNITED STATES BANKRUPTCY COURT
2 WESTERN DISTRICT OF WASHINGTON
3 AT SEATTLE

4 In re)
5 STEVEN C. BATEMAN and VIRGINIA) Case No. 07-13346-KAO
6 T. LEE,)
7 Debtor.)

8 EDMUND J. WOOD, solely in his
9 capacity as Chapter 7 Trustee
10 for the Bankruptcy Estate of
11 Steven C. Bateman and Virginia
12 T. Lee)
13 Plaintiff,)

14 vs.) Adversary Case No. 09-1345-KAO
15 DEUTSCHE BANK NATIONAL TRUST
16 COMPANY as Trustee for Long
17 Beach Mortgage Loan Trust 2006-1;)
18 LONG BEACH MORTGAGE COMPANY;)
19 WASHINGTON MUTUAL BANK, as)
20 successor-in-interest to Long
21 Beach Mortgage Company by)
22 operation of law and/or its)
23 attorney in fact; JP MORGAN)
24 CHASE BANK, N.A.; LENDER'S)
25 PROCESSING SERVICES, INC.;)
PLATINUM HOMES, INC.; NORTHWEST)
TRUSTEE SERVICES, INC.)
Defendants.)

30(b) (6) DEPOSITION UPON ORAL EXAMINATION OF
DEUTSCHE BANK NATIONAL TRUST COMPANY
IN THE PERSON OF
RONALDO REYES

1
2 9:19 a.m.
3 April 29, 2010

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5 705 Second Avenue 1050
6 Seattle, Washington 98104

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8 JACQUELINE L. BELLOWS
9 CCR 2297

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Page 3

1 I N D E X O F E X A M I N A T I O N
2 Page
3 ----
4 Examination
5 By Ms. Huelsman ----- 6
6 By Mr. Burnside ----- 104
7 Re-Examination
8 By Ms. Huelsman ----- 108
9
10
11 I N D E X O F E X H I B I T S
12 No. Description Marked Identified
13 --- -----
14 25 Trustee's Initial Certification, 22 22
15 2-7-06, Bateman 001492 - 1493
16 26 Trustee's Final Certification, 2-1-07, 34 34
17 2-1-07, Bateman 001560 - 1561
18 27 Article II, Conveyance of Mortgage 41 41
19 Loans; Original Issuance of
20 Certificates, Bateman 001289 - 001303
21 28 Corporation Assignment of Deed of 60 60
22 Trust, 12-9-05, Bateman 001796
23 29 E-mail and redacted attachment, 85 86
24 12-1-08, Bateman 001792 - 001795
25 30 Assignment of Deed of Trust, 90 90
12-20-05, Bateman 000050
24 31 Corporation Assignment of Deed of 99 99
25 Trust, 12-9-05, Bateman 000051 - 000055

Page 4

1
2 I N D E X O F E X H I B I T S
3 No. Description Marked Identified
4 --- -----
5 32 WaMu Document, Bateman 000143 101
6 33 Exception report to Final Cert, 107 108
7 redacted, Bateman 0001534
8 34 Exception report to Initial Let, 107 110
9 redacted, Bateman 0001649
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Page 9

1 A I have an economics degree from the University of
2 California, Los Angeles.
3 Q When did you obtain that?
4 A June 1989.
5 Q That's a BS?
6 A BA, actually.
7 Q Oh, is it? Okay. And any other education after that?
8 A No.
9 Q Can you give me your employment history following college.
10 A Yes. I worked for Great Western Bank.
11 Q In what capacity?
12 A Teller, new account functions.
13 Q What years?
14 A From 1989 to 1991.
15 Q Okay. Where did you go after that?
16 A I worked at Security Pacific National Bank.
17 Q This is like a litany of failed banks; right?
18 Go ahead. Security Pacific. Okay.
19 What did you do there? I'm sorry. That was what I was
20 asking you.
21 A My last position at Security Pacific was an operations
22 manager in their mortgage-backed securities unit.
23 Q When did you start at Security Pacific?
24 A 1991 through 1994.
25 Q What position did you hold when you started there?

Page 10

1 A The title was senior clerical specialist.
2 Q Were you working in the market-backed securities department
3 at that point?
4 A Yes.
5 Q So the entire time you were at Security Pacific, that was
6 the unit in which you worked?
7 A Yes.
8 Q Can you describe to me a little bit of your day-to-day job
9 functions.
10 MR BURNSIDE: Are you saying currently? Or at
11 some --
12 MS. HUELSMAN: No, no. At that job. I'm sorry.
13 A My job functions included answering investor inquiries and
14 posting debit and credit transactions to general ledger
15 accounts.
16 Q (By Ms. Huelsman) And can you just tell me in general what
17 that unit did. So, in other words, was that Security
18 Pacific servicing mortgage-backed securities or selling
19 them, originating the loans, or all of the above?
20 A It was Security Pacific National Bank acting as trustee for
21 securitization trusts.
22 Q Okay. Your next employer?
23 A Security Pacific merged into Bank of America in 1994. With
24 Bank of America, I transferred to San Francisco and worked
25 at an employee benefit trust office.

Page 11

1 Q Within Bank of America?
2 A Yes.
3 Q What years did you do this?
4 A From 1994 to 1995.
5 Q And just briefly, what did you do in that department?
6 A My title was senior compliance analyst.
7 Q What did you do?
8 A I performed compliance reviews for employee benefit trust
9 offices in the Western United States.
10 Q All right. Your next job?
11 A From 1995 to 1998, I transferred to Bank of America's
12 internal audit group.
13 Q What was your title there?
14 A Auditor.
15 Q And what was your job function there?
16 A I performed and participated in retail banking audits.
17 Q Okay. And you did that until 1998?
18 A Yes.
19 Q And your next job?
20 A In 1998, I began employment at Bankers Trust Company of
21 California, which later merged into Deutsche Bank. And I
22 have been employed with Deutsche Bank since 1998.
23 Q So -- I'm sorry. You went to Bankers Trust in 1998?
24 A Yes.
25 Q And what reason did you leave Bank of America?

Page 12

1 A At that point, Bank of America had been taken over by
2 Nations Bank, and there were going to be layoffs.
3 Q Smart move. Why don't we start with your first position
4 when you started with Bankers Trust.
5 A I was a trust administrator.
6 Q Can you tell me the years for that position.
7 A From 1998 to 19 -- I'm sorry. From 1998 to 2001.
8 Q And what did you do in that role?
9 A Administer securitization trusts.
10 Q What does that mean in practical terms?
11 A Respond to investor inquiries and ensure that monthly
12 distribution payments are made to certificate holders or
13 bondholders.
14 Q And from whom did those -- from whom were those payments
15 received?
16 A The payments were received from servicers who collected
17 monthly mortgage payments from borrowers whose loans were in
18 securitization pools.
19 Q Then it was -- correct me if I'm wrong -- your job to, on
20 behalf of Bankers Trust, to determine how those payments
21 would then be distributed amongst the parties who were
22 entitled to payment; is that correct?
23 A Yes. I assisted with that function, yeah, from an
24 administration standpoint.
25 Q Can you just explain it to me. Why don't you give me an

Page 13

1 example of how -- what happened in any given month so I can
2 make sure I understand what you're telling me.
3 A Yes.
4 Q Thank you.
5 A As trustee, we provide -- some of the services we provide
6 include trust administration and analytical services. The
7 analytics department would model the cash flows. In my role
8 as an administrator, I would review our monthly statement to
9 certificate holders and ensure that the cash that we
10 received for each trust from the servicer reconciled to the
11 payment that we were -- that our analytics group calculated
12 to make payment to certificate holders.
13 Q Okay. Is that generally the function of a trustee who's
14 administering a securitization pool trust?
15 A Yes. When a trustee is also acting as paying agent, yes.
16 Q Okay. So there are times when a trustee is not acting as a
17 paying agent as well; is that correct?
18 A Yes.
19 Q So when a trustee is not acting as a paying agent, what else
20 does -- instead what does the trustee do in its role as a
21 trustee?
22 A In its role as trustee when it is not paying agent, it may
23 provide other services such as mortgage loan document
24 custody services. And essentially it is a nominal trustee.
25 And day-to-day there, under the agreement, are no actions

Page 14

1 required.
2 Q So it's just kind of sitting there in name only unless and
3 until some action is specifically required of them by some
4 entity that's performing the day-to-day functions?
5 A Yes. Or as required --
6 Q Right.
7 A -- in the applicable Pooling and Servicing Agreement.
8 Q I understand -- I'm sorry. I didn't mean to talk over you.
9 THE COURT REPORTER: Could you repeat the answer.
10 THE WITNESS: Yes. I believe I said something to
11 the effect that a trustee performing nonpaying agent
12 duties could perform other duties such as document
13 custody services and perform its duties as required
14 under the Polling and Servicing Agreement.
15 Q (By Ms. Huelsman) And just to be clear, I understand that
16 the particular requirements or pooling of any particular
17 servicing -- Polling and Servicing Agreement would obviously
18 control the role of the parties. I understand that.
19 But what I'm asking you for is kind of general
20 descriptions. That's really all I'm asking for. So the
21 kind of typical industry standard, there's the trustees that
22 are performing the paying function and then there are
23 trustees that are not. And that's all I was seeking to get
24 was kind of general descriptions. Okay?
25 A [Nods head.]

Page 15

1 Q So do you feel like you answered my question in light of the
2 information that I was seeking?
3 A Yes.
4 Q You've given me general descriptions?
5 A Yes.
6 Q Okay. Great. Thank you.
7 So when you were performing this trust administration
8 function for Bankers Trust, the role you just described to
9 me indicates that Bankers Trust, at least the trust or
10 trusts that you were working with at that time, were
11 performing the paying function; is that correct?
12 A Yes. Most of our trusts we perform the paying agent
13 function.
14 Q Great. So then after 2001, your title or role changed?
15 What was your new job?
16 A Yes. I was promoted to associate, and I became a team
17 leader.
18 Q So your title was just associate? I don't mean that
19 disparagingly. I just meant that your title was associate?
20 A Yes.
21 Q I realized as soon as I said it that sounded disparaging,
22 and that's not how I meant it.
23 I'm sorry. Then you became a unit manager?
24 A Team leader.
25 Q Team leader, I'm sorry.

Page 16

1 Then what years were you in that role?
2 A I have been a team leader since 2001.
3 Q Okay. And -- but you've just gotten other promotions so
4 you've risen above the title of associate to become the vice
5 president, a vice president?
6 A Yes.
7 Q Are you a vice president of a particular section of the
8 company, or is it just vice president?
9 A I'm a vice president in what we refer to as our Structured
10 Finance Group.
11 Q All right. Were your -- was your role as an associate and a
12 team leader separate and distinct functions that you
13 performed both, or was it just one was a title and one was
14 kind of the de facto of what you did?
15 A My team leader responsibilities have largely remained the
16 same.
17 Q Were don't you tell me what those are.
18 A I manage trust administrators who are responsible for
19 administering securitization trusts.
20 Q So does that mean you are essentially supervising the people
21 who actually perform the day-to-day functions of
22 administering the trusts?
23 A Yes.
24 Q And what do those people do in order to administer the
25 trusts?

Page 17

1 A They perform functions such as answering investor inquiries
2 and our primary monthly function of ensuring that payments
3 to certificate holders or bondholders are made.
4 Q And does Deutsche administer trusts that are both the
5 paying -- what was the phrase again? I'm sorry.
6 A Paying agent.
7 Q I'm sorry. I'll make a note of that so I don't forget it.
8 Does Deutsche perform functions as a paying agent as well
9 as -- what would you call the other kind of administration?
10 Passive?
11 A Nominal trustee.
12 Q Nominal trustee? Okay. So does Deutsche currently act as a
13 paying agent and as a nominal trustee for different trusts?
14 A Yes.
15 Q I guess I should be clear: It might perform one role for
16 one trust and another role for another trust; right?
17 A Yes.
18 Q 'Cause they're not going to do -- they're not going to
19 perform both roles for the same trust because that would be
20 a contradiction; right?
21 A Correct.
22 Q Okay. I just want to make sure that you and I are being
23 clear. All right. So Deutsche has both kind of roles. All
24 right.
25 And you supervised the people who actually perform both

Page 18

1 of those roles -- is that correct? -- on behalf of Deutsche?
2 A Yes.
3 Q And you gave me testimony a few minutes ago about what a
4 paying agent does when we were talking about Bankers Trust.
5 Do you recall that?
6 A Yes.
7 Q Do the paying agent trust administrators at Deutsche do the
8 same thing?
9 A Yes.
10 Q So that the job description is the same?
11 A Yes.
12 Q And is it the same for a nominal trustee trust
13 administrator?
14 A Yes.
15 Q And you said that they just kind of maybe have custodial
16 supervision of documents and then pretty much don't do
17 anything else unless something's asked of them. Is that
18 correct?
19 A Correct.
20 Q And just for clarity, even when Deutsche is acting as a
21 nominal trustee, does it still do things like field calls
22 from investors?
23 A Yes.
24 Q It's just not actively, you know, sending out payments or
25 doing anything like that; correct?

Page 19

1 A Yes.
2 Q I'm sorry. Regarding the paying-agent role, you said they
3 send out payments. Is there anything else that a paying
4 agent trustee role would do, beside answering investor
5 calls? I'm sorry.
6 A No, the primary function is to ensure that the monthly
7 distribution as required is sent out to the investors.
8 Q Gets where it's supposed to go?
9 A Yes.
10 Q Great. How many people do you supervise as a team leader?
11 A Currently seven.
12 Q Has that fluctuated a bit over the years, in your role as a
13 team leader, the number of people?
14 A Yes.
15 Q Do you know about how many trusts those employees are
16 managing?
17 A In total, the unit manage -- we are trustee for
18 approximately 2,000 trusts.
19 Q Just in your department?
20 A Yes.
21 Q And can you give me a breakdown of the percentage of those
22 which are paying agent trusts and those which are nominal
23 trusts.
24 A I'd say 90 percent are paying agent, full trustee deals, and
25 10 percent are nominal.

Page 20

1 Q Has that number stayed pretty consistent, percentagewise,
2 over the last, say, five years?
3 A Yes.
4 Q So you said -- going back to -- I'm sorry -- to what your
5 current job responsibilities are right now, you indicated
6 that you manage the trust administrators who are responsible
7 for actually administering the securitization trusts. What
8 other job duties do you perform?
9 MR. BURSIDE: Aside from depositions, you mean?
10 A I was going to say that I do attend depositions.
11 Q (By Ms. Huelsman) So far only 10. That's not bad.
12 A I've also attended trials and bankruptcy court hearings.
13 Q Okay. What do you do when you attend trials and bankruptcy
14 court hearings?
15 A I meet with counsel, with local counsel.
16 Q Just to be clear, I'm not asking to you discuss anything
17 that would be privileged. I'm just asking you for a general
18 description regarding what role you might perform.
19 A Essentially, I describe the role of Deutsche Bank in the
20 particular transaction in question.
21 Q That's through testimony, you mean, on the stand?
22 A Yes.
23 Q So you assist at trials or bankruptcy court hearings, you
24 provide deposition testimony, then you are -- you have your
25 management responsibilities. Is there anything else you do

Page 21

1 as a regular part of your job duties?
2 A No. I would, I would say that that generally describes my
3 role currently with Deutsche Bank.
4 Q And -- excuse me. For how long have you been actively
5 involved in attending hearings and doing depositions as part
6 of your job function?
7 A As soon as I became team leader.
8 Q So 2001?
9 A Yes.
10 Q Can you tell me what percentage of your time is spent
11 participating at trials or in depositions as compared to
12 actually performing your management functions?
13 A I would say more recently -- I would say 25 percent of my
14 time has been attending depositions and other legal matters.
15 Q That's been in the last couple years that it's gotten to
16 that percentage? Is that what you were saying? I'm not
17 trying to put words in your mouth.
18 A Yes. I would say the last couple years, yes.
19 Q All right. As I indicated, we're going to have to make
20 copies of a bunch of these documents. But I'm going to ask
21 you about a couple of documents about which you might have
22 personal knowledge in the hopes that we can try to get all
23 your personal testimony or at least the majority of it done
24 right now. Then we'll turn to answering questions about
25 Deutsche. Okay?

Page 22

1 But there may be some commingling. But I'm going to
2 try and delineate as much as possible for you. All right?
3 A Yes.
4 MS. HUELSMAN: I think we're going to mark this as
5 [Exhibit 25](#).
6 [Deposition [Exhibit](#) No. 25 marked.]
7 Q (By Ms. Huelsman) Have you ever seen this document before?
8 A Yes.
9 Q When have you seen this document?
10 A When I executed the document and yesterday in preparation
11 for the deposition.
12 Q And obviously I can read the contents of the document
13 itself. But you can describe to me, in your own words,
14 generally, what led to the signing of this document?
15 A Yes.
16 Q Please do so.
17 A Under the Polling and Servicing Agreement for Long Beach
18 Mortgage Loan and Trust 2006-1, there is a requirement that
19 on the closing date, the trustee, as the custodian of the
20 mortgage loans, issue an initial certification.
21 Q Okay. That's it? I just want to make sure you're done.
22 A Yes.
23 Q So I'll try to put it in plain language. Correct me if I'm
24 wrong. The loans are -- have been -- the loans are owned by
25 Long Beach, that's the supposition, at the time that this is

Page 23

1 generated; right?
2 MR BURNSIDE: Object because that calls for legal
3 conclusions.
4 But go ahead.
5 A No. My understanding is that, at the point of closing, on
6 the closing date, right, title, and interest in the mortgage
7 loans is conveyed from the depositor entity.
8 Q (By Ms. Huelsman) Right.
9 A To Deutsche Bank National Trust Company as trustee. And we
10 are required to issue this initial certification.
11 Q Right. But Long Beach, as the depositor, has those loans in
12 order to convey them to Deutsche; correct?
13 A Yes.
14 Q Right. I'm just trying to get to the first step. Okay?
15 So -- and we're going to look briefly to confirm that, as we
16 did the other day, to just confirm that we're talking about
17 the same PSA. So we'll get that and look at it. But I'm
18 not going to enter it as an exhibit 'cause it's 400-some
19 pages long. Okay? I don't think we need to kill more
20 trees. But I am sure your counsel can tell you we're
21 talking about the same PSA so you and I are on the same page
22 on that. Okay?
23 So in essence, Long Beach has these loans; and Deutsche
24 it's going to help facilitate the creation of a
25 securitization trust and have its role as a trustee; is that

Page 24

1 correct?
2 A I would not characterize it as Deutsche Bank helps create
3 the securitization trust. Deutsche Bank is hired on to be
4 the trustee of the securitization trust.
5 Q It does not participate, though, in the creation of legal
6 documentation or any of that?
7 A No. Deutsche Bank will comment to the legal agreements.
8 But issuer hires counsel to draft the governing documents
9 with respect to the trust.
10 Q So if somebody just contacts Deutsche and says, Hey, will
11 you be the trustee of this trust, and Deutsche says, Yeah,
12 subject to our approval, and then makes comments as
13 everybody's drafting legal agreements to make sure that it
14 is comfortable with its role as trustee -- am I summarizing
15 it correctly?
16 A Yes. We bid on trustee appointments.
17 Q Oh, it's a bidding process?
18 A Right.
19 Q Somebody puts it out there and says, Hey, we're looking for
20 a trustee; and everybody submits their bids?
21 A Yes.
22 Q Once an entity has been selected, then you go from there?
23 A Right.
24 Q Okay. So when you signed this document, the Trustee's
25 Initial Certification, what function had you actually

Page 25

1 performed that then led you to have the ability to sign this
2 document? Tell me exactly what you did.
3 A Yes. I reviewed the mortgage loan schedule and the
4 exception report with respect to our review of each mortgage
5 file. And after that review, I executed the initial
6 certification as required.
7 Q So I want to step through that process. Okay? So we have
8 the scenario that we just talked about a minute ago:
9 Deutsche has been selected; it's now going to be the
10 trustee; there is work on creating the PSA agreement; and
11 then Deutsche needs to actually become the trustee. Okay?
12 A Yes.
13 Q Following me so far? So you said that there was a review of
14 the loan files -- is that correct? -- that are going to be
15 in the mortgage schedules?
16 A Yes.
17 Q Who performs that review?
18 A Our Document Custody Group.
19 Q You mean Deutsche Bank's?
20 A Right.
21 Q I just want to make sure we're clear. So Deutsche has a
22 document custody review team that then reviews all the
23 mortgage loan documents; is that correct?
24 A Yes.
25 Q Does it review all of the loans documents for every one of

Page 26

1 the loans that's in the schedule?
2 A Yes. The review is based on the criteria specified in the
3 applicable Polling and Servicing Agreement.
4 Q Can you explain to me what that means.
5 A Yes.
6 Q If you need to look at the PSA, we can wait; and I can get
7 that for you. But if you can describe it to me generally,
8 that's okay, too.
9 A Yes. I will describe it.
10 MR BURNSIDE: I have a copy here, too. It's got
11 highlighting and handwriting.
12 MS. HUELSMAN: If he needs to look at it, that's
13 fine.
14 MR BURNSIDE: Would you like that?
15 THE WITNESS: I can keep it handy.
16 MS. HUELSMAN: Okay.
17 A For example, in this Long Beach Mortgage Loan Trust 2006-1,
18 it specifies that we are to receive certain documents, such
19 as a note endorsed in blank and an assignment of mortgage or
20 Deed of Trust, which may be endorsed in bank, any
21 intervening assignments, and a commitment or title policy.
22 Q (By Ms. Huelsman) So those are the critical documents that
23 Deutsche's review team is going to be looking at?
24 A Yes.
25 Q What about the Deed of Trust?

Page 27

1 A Yes.
2 Q I think you probably meant to include that.
3 A I'm sorry. I thought I had mentioned mortgage or Deed of
4 Trust.
5 Q Maybe you did. Maybe I missed it. Sorry about that.
6 Again they're looking for -- at every single loan
7 that's being included on the mortgage schedule; is that
8 correct?
9 A Yes.
10 Q So when -- because, as you know, a note is a big issue in
11 this case. So lets talk about it. You said the note needed
12 to be endorsed in blank. That means endorsed, in this case
13 from Long Beach, in blank; is that correct?
14 A Yes, from Long Beach.
15 Q Let's just confirm. I want to make sure I've read it
16 properly, that the Pooling and Servicing Agreement that
17 we're all talking about is that which is the Long Beach
18 Securities Corporation, depositor; Long Beach Mortgage
19 Company, seller and master servicer; and Deutsche Bank
20 National Trust Company, trustee; Pooling and Servicing
21 Agreement dated as of February 1st, 2006; Long Beach
22 Mortgage Loan Trust 2006-1; Asset Backed Securities Series
23 2006?
24 MR BURNSIDE: Asset-backed certificates.
25 Q (By Ms. Huelsman) Sorry. Asset Backed Certificates Series

Page 28

1 2006-1. So we're not going to mark this as an exhibit
2 because it's too big. But this is the Polling and Servicing
3 Agreement that we're going to be talking about here today.
4 All right?
5 A Yes.
6 Q Go ahead and keep it handy in case you do need to review it.
7 If the loan was not originated by Long Beach, then the
8 note would need to have an additional endorsement to get it
9 to Long Beach's ownership before Long Beach could endorse it
10 in blank; isn't that correct?
11 A Yes.
12 Q So would it be reasonable to conclude that the document
13 review team should have been looking at whether or not those
14 other endorsements were there on any one of these mortgage
15 notes that they were reviewing in connection with this PSA?
16 A Yes. Our review included noting that there was an allonge.
17 Q And do those -- so the documents that you've just described,
18 they seem to parallel the information that I got
19 yesterday -- excuse me -- Tuesday from the Chase
20 representative that those are the documents that should have
21 been in what she referred to as the "collateral wallet." Is
22 that what you were talking about as well, that Deutsche is
23 reviewing documents in the collateral wallet?
24 A I want to be clear that the terminology "collateral wallet"
25 is used by the servicer. For the trustee, the defined term

Page 29

1 is "mortgage file." And the mortgage file that we reviewed
2 and later released to Washington Mutual only includes the
3 contents that is specified or the contents that are
4 specified into one of the Polling and Servicing Agreements.
5 And that's what we have responsibility for in respect to the
6 review.
7 Q And describe to me how those documents are transferred to
8 Deutsche for review.
9 A We first receive an electronic transmission notifying us
10 that certain mortgage loans will be shipped. Next, the
11 actual mortgage files are shipped.
12 Q I may just interject one second to ask for a point of
13 clarification. When you say the "actual mortgage files," do
14 you only mean those -- as you're defining "mortgage files,"
15 only those documents to which you're referring?
16 A Yes.
17 Q It does not include any other mortgage loan documents?
18 A Yes. For example, we do not receive any servicing or
19 origination files.
20 Q Okay. All right. Thank you. Keep going.
21 A After we receive the mortgage files, our Document Custody
22 Group performs a review.
23 Q Their job is to make sure that all the documents that are
24 supposed to be there are there; correct?
25 A Yes.

Page 30

1 Q They're also supposed to be making sure that they're all
2 completed properly so that there is a clear chain of title
3 from the originating entity through to where it's supposed
4 to be before Deutsche can accept it; is that correct?
5 A No. The document custody's review entails reviewing and
6 reporting their findings. They do not make any
7 determination as far as the adequacy of the chain of title.
8 It's simply --
9 Q Here's what's there.
10 A Yes. It's a review-and-report function.
11 Q So then a report is then transmitted to some other person or
12 group; is that correct?
13 A Yes. That report is then reviewed by the group that I work
14 for.
15 Q The . . .
16 A The Structured Finance Group.
17 Q Thank you. Structured Finance. Okay.
18 And who in your Structured Finance Group then looks at
19 the report and analyzes it?
20 MR BURNSIDE: Are you talking about with respect
21 to this particular pool? Or . . .
22 Q (By Ms. Huelsman) In general. We've been kind of
23 commingling general descriptions with particulars of this
24 particular loan. I'm fine with that as long as, if there is
25 something abnormal or different about this particular pool

Page 31

1 that you need to clarify for me, please indicate that
2 there's something different about this particular pool
3 that's different than general procedures. But other than
4 that, I'm fine with you kind of --
5 MR BURNSIDE: And the reason I was interjecting
6 only because I know we were looking at [Exhibit](#)
7 was signed by Ronaldo. And I understood you to say
8 that we were going to address his personal knowledge
9 first. So that's the only reason I was asking.
10 MS. HUELSMAN: Well, we kind of are. But I'm
11 trying to get an understanding of how he got to this.
12 MR BURNSIDE: I understand.
13 MS. HUELSMAN: So we are kind of going back and
14 forth to Deutsche --
15 MR BURNSIDE: That's fine.
16 MS. HUELSMAN: -- but it's only so I can get to
17 clarity regarding what he did.
18 MR BURNSIDE: Absolutely. I understand.
19 Q (By Ms. Huelsman) Are you following me okay?
20 A Yes.
21 Q My bigger concern is not so much that we have to delineate
22 but that you understand me and that you and I are
23 communicating effectively. Okay? I feel like we're doing
24 that. So as long as you feel good that we are, then we can
25 progress. That's fine. Okay?

Page 32

1 A Yes.
2 Q Good. I just want -- as long as you and I understand each
3 other and we're being productive, that's important.
4 So the Document Custody Group is going to get this
5 report; and they are going to perform a review of it; right?
6 A The -- well, no. The Document Custody Group reviews the
7 mortgage files and produces reports.
8 Q I'm sorry. The Structured Finance Group gets the report and
9 then -- from the Document Custody Group; right?
10 A Yes.
11 Q Then what does the Structured Finance Group do with the
12 report?
13 A In this specific case, for Long Beach 2006-1, I reviewed the
14 mortgage loan schedule. I ensured that the beginning
15 scheduled balance of the pool matched to what is intended,
16 and I reviewed the exception report to ensure that there are
17 not any mortgage note exceptions. And lastly, I reviewed
18 the exceptions that we noted prior to sending out the
19 initial certification.
20 Q And are you able to give me that description based upon
21 actual memory of working on this particular trust, or is it
22 just based on your general knowledge regarding what you
23 normally do and then looking at the documents in this case?
24 A That is what we would normally do when we close a new
25 transaction.

Page 33

1 Q So I'm just making sure: You don't have any actual specific
2 memory of working on this particular trust, do you?
3 A No.
4 Q If so, I was going to give you an extraordinary memory
5 award. Okay. All right. We'll go on over the exceptions
6 in a bit.
7 So that's what you -- those are the tasks you would
8 have performed before you then signed this document, the
9 Trustee's Initial Certification; is that correct?
10 A Yes.
11 Q And are you the person who crafts the certification, or is
12 this something that's crafted by somebody else and just
13 given to you for signing?
14 A This initial certification is an exhibit to the Pooling and
15 Servicing Agreement. The Pooling and Servicing Agreement is
16 drafted by the issuer's counsel.
17 Q So you have your tasks that you're supposed to perform.
18 Once you perform them, you simply sign the document that's
19 presented for certification; correct?
20 A Yes.
21 Q And then, what's done with this certification?
22 A It is e-mailed to the parties in the transaction and filed.
23 Q You mean just internally filed?
24 A Yes.
25 Q I'm sorry. Mr. Reyes, did you ever spell your name

Page 34

1 differently? Have you ever used any other variation of
2 spelling of your name?
3 A No.
4 Q Is there any authorization for -- in existence for anybody
5 else to sign your name for you on any documents in
6 connection with your work on behalf of Deutsche?
7 A No.
8 [Deposition [Exhibit](#) No. 26 marked.]
9 Q (By Ms. Huelsman) I'm sorry. This is [Exhibit](#)
10 take a look at it, Mr. Reyes. Have you ever seen this
11 document before?
12 A Yes.
13 Q And can you tell me how or why you've seen it.
14 A Yesterday, in preparation for this deposition.
15 Q Was that the first time you'd ever seen this document?
16 A I can't recall.
17 Q Okay. All right. So excuse me. This is the Trustee's
18 Final Certification; and it's dated February 1st, 2007, so
19 about a year after you signed the initial certification.
20 And it's signed by Norma Catone. Do you know Ms. Catone?
21 A Yes.
22 MS. HUELSMAN: I'm sorry. It's C-A-T-O-N-E.
23 Q (By Ms. Huelsman) Am I saying her name right?
24 A Yes.
25 Q She was a vice president at Deutsche Bank?

Page 35

1 A Yes.
2 Q She's no longer employed there, I understand?
3 A That's correct.
4 Q Are you familiar with what she has to do in order to have
5 the authority to sign this particular kind of document?
6 A Yes.
7 Q Can you -- and I should clarify: How are you familiar with
8 what functions she would have needed to perform?
9 A It is a function required of us under the Pooling and
10 Servicing Agreement to issue a final certification. We have
11 to produce the current certifications at the point -- at
12 that point when we issue the final certification.
13 Q Why don't you just tell me what Ms. Catone would have had to
14 do or have done before she could sign this document.
15 A The, the exception report would have had to have been
16 generated. And she would have reviewed the exception report
17 prior to issuing the final certification.
18 Q So there would have been a new exception report done since
19 the exception report was done in February of '06?
20 A Yes.
21 Q So who performs the function to generate the new exception
22 report?
23 A The Document Custody Group.
24 Q And can you describe to me how that process occurs. I
25 assume it's similar to the other. But why don't you tell

Page 36

1 me.
2 A Yes. We have ticklers in place. And we knew that we had to
3 issue an initial certification. I apologize. We had to
4 issue a final certification for this trust based on our
5 ticklers for this transaction. So we would have produced an
6 exception report and issued it.
7 Q So again, I just want to make sure I understand you. So
8 there was already this exception report which was generated
9 back in '06. And maybe I forgot to ask you this question:
10 Would the exceptions -- let me backtrack a minute.
11 I'm assuming the exception report, it seems to me the
12 implicit understanding that I have of you using that phrase
13 is that the exception report means something's wrong or we
14 think something might be wrong; we need to answer questions
15 about this before we decide this loan package is okay.
16 A No. No.
17 Q Okay. Let's backtrack to that. Let's clarify that.
18 What does the exception report mean?
19 A The exception report is required under the agreement. It is
20 the current status of the contents of the mortgage files.
21 And when it's issued, the parties that receive it, review
22 it; and the parties work to clear up any missing documents
23 that there may be.
24 Q So what was -- I guess I'm trying to understand. That's
25 what I was thought I was saying to you: That something's

Page 37

1 wrong; there's a question needs to be answered which is why
2 there's an exception.
3 A I don't think that there's anything wrong in the sense that
4 there's no determination made as far as the loan's not
5 performing or if the exceptions aren't material. It is
6 simply at that point a review-and-report function.
7 Q So do whatever questions are raised by the exception report
8 have to be answered in some set time frame?
9 A Yes. There are some time frames specified in the Pooling
10 and Servicing Agreement.
11 Q Can you point me to that section of the Pooling and
12 Servicing Agreement? Do you know?
13 A Yes.
14 MS. HUELSMAN: Maybe what we can do is photocopy
15 that section of the PSA since we're specifically
16 referring to it.
17 MR BURNSIDE: If you have the excerpts of the
18 exception report, the initial and final, we can
19 probably walk through this particular, specific.
20 A So the, the agreement specifies that, prior to the first
21 anniversary of this agreement, the trustee shall deliver to
22 the depositor and master servicer a final certification.
23 And it further states that -- actually, in this agreement,
24 from my reading of it, after the issuance of the final
25 certification, there is not a specific deadline as far as

Page 38

1 when documents have to come back; but the, the parties may
2 notify the trustee of any breach of a representation or
3 warranty or of any situation that they believe -- that they
4 believe is material. That's the language, essentially.
5 Q (By Ms. Huelsman) What paragraph are you pointing to?
6 A I am pointing to the last paragraph prior to section 2.03.
7 [Brief off-record discussion.]
8 MS. HUELSMAN: Back on.
9 Q (By Ms. Huelsman) So you were talking about the process?
10 A Yes. Yes.
11 Q So as you said, the paragraph just seems to indicate that
12 the trustee's responsibility is simply to give notice to
13 everybody about the potential for a problem, the question,
14 whatever it is.
15 A [Nods head.]
16 Q Yes?
17 A Yes.
18 Q Okay. All right. Okay. So then, this final certification,
19 though, did come about a year later; right? So there was
20 clearly additional review?
21 A There is a review of any trailing docs that may be received
22 or trailing documents that may be received.
23 Q What do you mean by "trailing documents"?
24 A For example, in this trust, with respect to the Bateman
25 loan, we note at the time of closing that we had the

Page 39

1 certified copy of the Deed of Trust. And then later, we
2 received the original recorded Deed of Trust. So that is
3 what I mean about a trailing document, where, in the course
4 of that year and even beyond final certification, as we
5 receive documents, we do review them and update our document
6 record-keeping system. So the final certification that we
7 issue, along with the exception report, may include these
8 updates across all mortgage loans.
9 Q Okay. When that second review is happening a year later as
10 part of the document custody team's review process, does it
11 also involve trying to identify whether any questions that
12 were raised the previous year have been resolved? Or are
13 they, again, just preparing a report, Here's what we've got,
14 that's it?
15 A They are performing a review-and-report function.
16 MR. BURNSIDE: When you say "they," can you
17 clarify who you're speaking of. Who is the "they" in
18 that sentence?
19 THE WITNESS: The Document Custody Group.
20 MS. HUELSMAN: I had said that in my question.
21 Q (By Ms. Huelsman) So that report, then, gets sent to the
22 structured finance unit again for review; correct?
23 A Yes. We do receive it; and we do review it, yes.
24 Q Before a final certification is prepared then, is the
25 Structured Finance Group supposed to do anything other than

Page 40

1 identify, again, potential exceptions or questions and
2 report them? Or is it required to follow up and make sure
3 that any questions are answered?
4 A No. We have no obligation to take any action under the
5 agreement at that point.
6 Q Okay. And do you know whose responsibility it would be to
7 make certain that all the exception questions are answered?
8 A As stated in the paragraph before section 2.03, we would
9 have to be notified by one of the parties that they believe
10 an exception is material or that there has been a breach of
11 representations and warranties.
12 MR BURNSIDE: Belated objection to the question
13 insofar as it assumes that an exception is a question
14 that needs to be answered.
15 MS. HUELSMAN: Okay. I just want to finish the
16 line of questioning.
17 MR BURNSIDE: Of course.
18 Q (By Ms. Huelsman) So whatever other entity is identified in
19 the PSA has the responsibility for ultimately deciding
20 whether or not some kind of action needs to be taken with
21 regard to any exception reported; is that correct?
22 A With respect to if a determination is made that an exception
23 is material or that there's been a breach of a
24 representation or warranty.
25 Q That's the other party's responsibility to decide that?

Page 41

1 A Yes.
2 Q Then it can, if it wants to, it can instruct Deutsche to
3 take any further action or not. Is that correct?
4 A Yes.
5 Q Just for clarification, on this PSA, can you just tell me --
6 I know it's in the PSA. But can you just tell me whether or
7 not Deutsche was performing a paying agent role or nominal
8 role as a trustee in this particular trust?
9 A We act as paying agent also.
10 Q That's what I thought.
11 MS. HUELSMAN: We can take a break.
12 [A brief recess was taken.]
13 [Deposition Exhibit No. 27 marked.]
14 Q (By Ms. Huelsman) Okay. Mr. Reyes, when we were talking
15 about the paragraph in the PSA that we were referring to
16 that is now included in Exhibit 27 -- and it's on the page
17 that's marked at the bottom as No. 77 of the PSA. It also
18 has down at the bottom "Bateman 1293;" is that correct?
19 A Yes.
20 Q And it's the paragraph that starts "If, in the process of
21 reviewing the mortgage files" ?
22 A Yes.
23 Q So are you familiar with the contents of this PSA?
24 A Yes.
25 Q You understand its terms or its conditions or requirements?

Page 42

1 MR BURNSIDE: Object to the extent that calls for
2 a legal conclusion.
3 But go ahead.
4 A Yes. I would say from a business standpoint --
5 Q (By Ms. Huelsman) Right.
6 A -- not necessarily as an attorney --
7 Q Absolutely.
8 A -- since I'm not one.
9 Q Right. It's better not to tread there when you're not.
10 Do you use PSA's like this one in the course of
11 conducting your business regularly for Chase, whether it's
12 the depositions, trials, or just performing your team
13 leadership role?
14 A I'm sorry. I don't understand. Specifically for Chase
15 service loans?
16 Q I'm sorry. When I said "Chase," I meant Deutsche. Sorry.
17 A Yes.
18 Q Do you regularly have to refer to PSA terms in order to make
19 certain that Deutsche is complying with whatever the
20 requirements of a particular PSA?
21 A Yes. In the course of business, yes.
22 Q Turning to section 2.02, whichever is page 76 . . .
23 A [Complies.]
24 Q I'm just going to go ahead and use which is easier for you,
25 for me to use the actual numbers of the PSA or the Bateman

Page 43

1 number down at the bottom. Which is easier?
2 A The Bateman, please.
3 Q Bateman 1292. So paragraph 2.02, part of which we were
4 looking at a few minutes ago, is entitled "Acceptance of
5 REMIC, R-E-M-I-C, 1 by the trustee." Do you see that?
6 A Yes.
7 Q Can you explain to me, not as a legal conclusion, but what
8 your understanding is of what "REMIC" means?
9 A REMIC is an acronym for Real Estate Mortgage Investment
10 Conduit. It is a securitization tax structure passed into
11 law by congress in the Tax Reform Act of 1986.
12 Q It's intended to be -- to give tax protections in general,
13 bankruptcy or loan protections; correct?
14 MR BURNSIDE: Objection to the extent it calls for
15 a legal conclusion.
16 But if you know, you can answer.
17 A From my general understanding working at the bank, yes.
18 Q (By Ms. Huelsman) So we were talking about the documents
19 coming in and being received for the mortgage file, as
20 Deutsche calls it, in order to -- for Deutsche to complete
21 its review. Is that also required in order for the trust to
22 be finished being created; in other words, the documents
23 have to be received by Deutsche as the trustee before the
24 trust terms become completed? Again your business
25 understanding, not legal conclusions

Page 44

1 A Yes. As a practical matter since we do have to issue the
2 initial certification, on the closing date, yes. The review
3 has to be done prior to the closing date of the mortgage
4 loans.
5 Q That's a necessary component to completing the creation of
6 the trust? Again business understanding, not legal
7 conclusion.
8 A From my business understanding, I wouldn't necessarily,
9 myself, use the term "creation of the trust." But it is, in
10 the course of business when we are attempting to perform our
11 duties under the agreement, knowing that we are about to
12 have a closing, yes, we are aware of which loans are going
13 to make the trust and that we should review them.
14 Q And are all of the trusts over which Deutsche is the
15 trustee, are they all REMIC trusts; or are they different
16 kind of trusts?
17 A Predominantly they are REMIC trusts. However, there are
18 other tax structures.
19 Q And does the fact that it's a REMIC trust have any impact on
20 the way any of the documents are received or processed?
21 A I would answer the question this way: How the documents are
22 received and processed is detailed in the Pooling and
23 Servicing Agreement. I don't know if that's necessarily
24 related to the tax structure.
25 Q All right. Are most of the trusts that -- over which

Page 45

1 Deutsche is a trustee, are they all pretty similar, though,
2 in those kinds of provisions?
3 A Yes.
4 Q When the mortgage files come in, you've explained the
5 process of reviewing them. Once the review is complete by
6 Deutsche, what happens to those documents?
7 A They're immediately placed in our vault.
8 Q Is that physical located there in Santa Ana at Deutsche, or
9 is it another location?
10 A The vault's, Deutsche Bank vault is at Santa Ana.
11 Q At the same building you're in?
12 A Yes.
13 Q So Deutsche is also acting as the custodian for the
14 documents; correct?
15 A Yes.
16 Q When we were talking about that, we were discussing only the
17 mortgage file, which you have defined as being the specific
18 documents that we talked about. So what happens to the rest
19 of the original loan documents? In other words, you know,
20 when people signed a mortgage loan's stack of 50, 75 pages,
21 what happens to all the rest of those?
22 MR BURNSIDE: Object. Lack of foundation.
23 A I don't know.
24 Q (By Ms. Huelsman) So do you have any knowledge regarding how
25 the loan files -- excuse me -- the mortgage file documents

Page 46

1 get to Deutsche from, say, a Long Beach or what other entity
2 is using Deutsche as a trustee?
3 A From my working knowledge and from working on securitization
4 trust closings, the files, mortgage files, are delivered to
5 us generally containing the contents as required in the
6 upcoming securitization.
7 Q So you're just getting them delivered to you, but you don't
8 necessarily know how they get to you?
9 A They're either shipped to us --
10 Q Right.
11 A -- or dropped off by . . .
12 Q Somebody acting on behalf of someone?
13 A Right. Right. I mean, as a practical matter, they're --
14 they can be dropped off by, depending on the issuers, armed
15 guard, FedEx. There are various means that mortgage files
16 are delivered to us.
17 Q I assume that it's pretty voluminous given that there's
18 thousand of loans in any one PSA; correct?
19 A Yes.
20 Q It's probably going to be a few boxes, at least, of
21 documentation?
22 A Yes.
23 Q And now, you said you don't know what happens to the other
24 parts of the loan file. And I understand that answer. But
25 does Deutsche have access to the scanned images of those

Page 47

1 documents?
2 A No.
3 Q Does it never have reason to go look at those scanned images
4 or access that information?
5 A No.
6 Q Not in its role as the trustee?
7 A Yes.
8 Q So that part of the process is really solely left up to the
9 servicer: Looking at image loan documents or maintaining
10 them or --
11 A Yes.
12 Q -- or anything related to them? Once the trust is created,
13 I guess I should say. Is that correct?
14 A Yes.
15 Q But I want to be clear on one thing to make sure we're in
16 agreement. The owners of these loans are the investors who
17 invest in this trust; correct?
18 A Deutsche Bank National Trust Company as trustee holds right,
19 title, and interest in the mortgage loans for the benefit --
20 Q Benefit, right, right.
21 A -- of the certificate holders.
22 Q So Deutsche doesn't have the ability to do whatever in the
23 world it wants with it because it's holding them, in
24 essence, for all the investors who own interest in the
25 trust; correct?

Page 48

1 MR BURNSIDE: Object to the extent that calls for
2 a legal conclusion.
3 MS. HUELSMAN: Yes.
4 A What we can do is per the Pooling Service Agreement as
5 trustee.
6 Q (By Ms. Huelsman) Right. In other words, some officer at
7 Deutsche couldn't say tomorrow, Hey, I'm going to go sell
8 these loans and do some back-alley deal with them, right?
9 Because Deutsche is supposed to be holding them and
10 administering them for the benefit of the investors of the
11 trust; correct?
12 A Correct.
13 Q I realize the notion of selling mortgages in the back alley
14 is kind of absurd. But I'm just trying to make a simple
15 point. Okay?
16 A [Nods head.]
17 Q Although, frankly, it wouldn't surprise me if we heard a
18 story or two about that happening.
19 MR BURNSIDE: Certainly not with respect to
20 Deutsche Bank.
21 MS. HUELSMAN: I'm not implying Deutsche. I'm
22 saying it wouldn't surprise me.
23 Q (By Ms. Huelsman) Who -- even in this particular PSA, who's
24 the entity that ultimately is responsible for making sure --
25 making the decision about whether or not all endorsements

Page 49

1 and assignments are all ultimately in correct order?
2 MR BURNSIDE: Object to the extent that the term
3 "in correct order" is vague and ambiguous.
4 A In terms of over time receiving trailing -- Deutsche Bank
5 receiving trailing docs, they would receive them from the
6 servicer.
7 Q (By Ms. Huelsman) Right. But who ultimately has the
8 responsibility to make the determination about -- somebody
9 has to ultimately decide, Hey, these look like these are in
10 good shape and everything has been done correctly or not?
11 Who is that person or entity?
12 MR BURNSIDE: Objection. Lack of foundation.
13 Assumes facts not in evidence.
14 A As we noted in the paragraph prior to section 2.03 --
15 MR. BURNSIDE: For the record, that's Bates
16 stamped Bateman 1293.
17 A -- the trustee has to be notified that there is a material
18 defect with a mortgage file or that a representation or
19 warranty has been breached.
20 Q (By Ms. Huelsman) So the trustee has to make that
21 notification?
22 A No. The trustee has to be notified.
23 Q I'm sorry. Okay. But what I'm trying to get at is who is
24 supposed to tell the trustee?
25 A If a -- well, with the current parties in place --

Page 50

1 Q Yeah.
2 A -- if the master servicer were to determine that there was a
3 material defect, then the master servicer would notify the
4 trustee.
5 Q Now, when it comes to -- so say, for example, you have a
6 file regarding a particular mortgage loan and action needs
7 to be taken by the servicer either to foreclose or engage in
8 seeking relief in the bankruptcy court and the lawyers
9 and/or servicer who were involved in that particular
10 mortgage file determine that additional documentation needs
11 to be signed in order to have the correct legal trail to
12 obtain whatever legal relief they need, are they authorized
13 to sign and execute documents or give authorization to
14 others to sign and execute documents to complete that paper
15 trail?
16 MR BURNSIDE: Object, compound question.
17 A Under the Pooling and Servicing Agreement, the servicer has
18 the authority to service the mortgage loans including
19 initiating foreclosure proceedings.
20 Q (By Ms. Huelsman) But does that also include executing
21 documents on behalf of Deutsche Bank as the trustee of the
22 trust?
23 A Yes. There are provisions in the Pooling and Servicing
24 Agreement that grant the servicer power of attorney.
25 Q And is there a requirement that Deutsche be notified

Page 51

1 whenever any of those actions are taken?
2 A No.
3 Q So in essence Deutsche is just trusting that the servicer is
4 going to act in conformity with the requirements of the PSA?
5 A Deutsche Bank is expecting the servicer to service the loans
6 as stated in the Pooling and Servicing Agreement in the best
7 interest of the certificate holders.
8 Q And it has potential, I guess, for liability if it does not
9 under the terms of the Pooling and Servicing Agreement;
10 correct?
11 A Yes.
12 MR BURNSIDE: You mean the servicer?
13 MS. HUELSMAN: Yes.
14 Q (By Ms. Huelsman) And does Deutsche Bank have a separate
15 contractual relationship with Lenders Processing Services?
16 A No.
17 Q Does it have any kind of business relationship with LPS?
18 I'm going to call it "LPS."
19 A Not that I'm aware.
20 Q So there's no agreements with Deutsche giving LPS and/or its
21 employees authority to act on its behalf?
22 A No.
23 MS. HUELSMAN: Off the record.
24 [Brief off-record discussion.]
25 Q (By Ms. Huelsman) What happened when -- with regard to this

Page 52

1 particular PSA when Chase acquired the assets of Washington
2 Mutual from the FDIC?
3 A We were notified by Chase that it had acquired the servicing
4 rights for the trust from the FDIC.
5 Q Did Deutsche have to consent or sign any documents agreeing
6 to that transfer?
7 A Not to my knowledge.
8 Q So in essence, one day Washington Mutual is performing the
9 servicing; the next day Chase is performing that function
10 with regard to this particular PSA?
11 A Yes. There is a merger and consolidation section in the
12 Pooling and Servicing Agreement that contemplates that type
13 of transfer.
14 Q Right. Okay. Why don't you go ahead and take a look at
15 these three [exhibits](#). That's 3, 4, and 5. Unfortunately
16 they are backwards chronologically. So 5 predates 4 and 3.
17 A [Complies.]
18 Q Have you ever seen these documents before?
19 A Yes.
20 Q How did you come to see these documents?
21 A Yesterday in preparing for the deposition.
22 Q That was your first time ever taking a look at them?
23 A Yes.
24 Q So generally, do you understand them to be proofs of claims
25 filed in the Bateman and Lee bankruptcy?

Page 53

1 A Yes.
2 Q They were with regard to the mortgage loan that's the
3 subject of this litigation; correct?
4 A Yes.
5 Q And the proofs of claim were filed by Moss Codilis acting as
6 the agent for Washington Mutual as the servicer. Do you see
7 that down at the bottom of all three of them?
8 A Yes.
9 Q Does Deutsche have any relationship with Moss Codilis?
10 A None that I'm aware of.
11 Q And, I guess is this a correct procedure by Washington
12 Mutual under the terms of the PSA, to file a proof of claim
13 in its -- essentially in its own name as a servicer in a
14 bankruptcy? Is that consistent with its duties under the
15 PSA, calling for a business understanding, not a legal
16 conclusion?
17 MR BURNSIDE: Lodge the formal object that it
18 calls for a legal conclusion.
19 But you can answer.
20 A I cannot speak to whether or not -- I believe you used the
21 term "correct procedure." Deutsche Bank does not perform
22 servicing functions. This determination was made to file
23 the proof of claim by the servicer based on their authority
24 in the Pooling and Servicing Agreement.
25 Q (By Ms. Huelsman) So again, Deutsche is not taking an active

Page 54

1 role in any part of the decision making regarding that
2 process?
3 A Correct.
4 Q It's just the servicer performing its function? Deutsche is
5 just acting as the paying agent, in essence?
6 A Trustee and paying agent.
7 Q Yes. Okay. And if you look at [Exhibit 5](#) -- it's the
8 thicker one. Did you look at all the exhibits that were
9 attached to this yesterday? Take a look. Don't guess.
10 A [Complies.] Yes.
11 Q So had you ever seen, before you reviewed this document, the
12 copies of the different versions of the promissory note?
13 A No.
14 Q I want to be clear. Do you understand what I mean by
15 different copies of the promissory note?
16 A If you can, please --
17 Q Sure. Absolutely. If you turn to the first promissory
18 note -- back, back there.
19 MR BURNSIDE: I can help find this one, Melissa.
20 Q (By Ms. Huelsman) That would be the first version of the
21 promissory note which is copies of the promissory note which
22 is two pages. There's a first and second page, no
23 endorsements, no allonges.
24 A Okay.
25 Q Go ahead. The second version of the promissory note is

Page 55

1 three pages. And it is the first two pages of the note and
2 an allonge signed by Mr. Pittman.
3 A Okay.
4 Q And then there's a third copy, which is the first two pages
5 and a different allonge allegedly signed by Mr. Pittman as
6 well.
7 A Yes.
8 Q So that's what I'm referring to when I say there's three
9 different versions of this note. I'm referring to each
10 version of the note which has a different allonge attached
11 to it, meaning a different version.
12 A Okay.
13 Q The allonge being the difference.
14 A [Nods head.]
15 Q The first two page of the note has remained the same. Do
16 you follow me?
17 A Yes.
18 Q You're looking a little puzzled. I want to make sure you're
19 following me.
20 So do you have any knowledge or does Deutsche regarding
21 the third version of the promissory note?
22 MR BURNSIDE: Do you want to flip to the actual
23 allonge on the last page?
24 MS. HUELSMAN: Yeah, that would be great. Yeah.
25 MR BURNSIDE: This bears a footer of -- it was

Page 56

1 filed case 07-13346-KAO, claim 7-1, part 3, filed
2 8-13-07, DESC, space, note page 8 of 8.
3 MS. HUELSMAN: Actually, to make life easier, I'm
4 just going to refer the -- these right here, 8 of 8 or
5 7 of 8, 'cause that'll make it clearer. Okay?
6 Q (By Ms. Huelsman) So I will represent to you -- and I know
7 your counsel will concur -- that the version of the
8 promissory note, the original signed promissory note, and
9 the one original allonge that is in the vault at Davis
10 Wright Tremaine is this version of the note. It actually
11 doesn't have this stamp here at the bottom, this allonge.
12 Right?
13 MR. BURNSIDE: Yeah. He's seen the original as
14 well.
15 MS. HUELSMAN: I'm just making sure if he doesn't
16 remember --
17 A I'm sorry. May I add that --
18 Q (By Ms. Huelsman) Sure
19 A -- based on my review of the mortgage file that Deutsche
20 Bank released to WaMu that I looked at again yesterday and
21 based on our initial review, the original note had an
22 endorsement in blank from Long Beach Mortgage Company on the
23 back package.
24 Q It's on the back of the second page of the note; right?
25 A Yes.

Page 57

1 Q Yeah. Of the actual -- it's on the back of page 2 of 2,
2 signed by Bateman and Lee?
3 A Yes.
4 Q Correct? And I agree with you that -- that a photocopy of
5 that is not included in any of this. That's the only
6 difference between that note, which is in the vault at Davis
7 Wright, and pages 3 through 5 of 8; correct?
8 A Yes.
9 Q Are we in agreement? Okay. Good. Right.
10 So, so excuse me. For clarity, you said that, before
11 you came here today, you looked at Deutsche's records
12 regarding what it received from Washington Mutual; correct?
13 Is that what you said?
14 A What it had in its mortgage file and what it released, the
15 mortgage file that it released to Washington Mutual which is
16 the same file that I looked at again yesterday in
17 preparation.
18 Q Okay. So you're, when you're talking about that, you're
19 actually talking about looking at original documents?
20 A Yes.
21 Q When you're using the phrase "mortgage file," you're talking
22 originals; right?
23 A Yes. The original note, for example.
24 Q Right. Although that is now in Dave Wright's vault. But
25 everything else original is in -- is it in Deutsche's

Page 58

1 possession still or WaMu's?
2 A No. The entire mortgage file was shipped to WaMu. And I've
3 reviewed it with counsel. So the contents that are the
4 current mortgage file with counsel is what we released to
5 Washington Mutual.
6 Q So it includes the note and the other original documents?
7 A Yes.
8 Q That are -- that you described being the documents in the
9 mortgage file?
10 A Yes.
11 Q All right. Thank you for clarifying.
12 So is the allonge allegedly signed by Mr. Pittman,
13 which is page 8 of 8, is it included in that mortgage file?
14 A No.
15 Q Is there any indication in any of Deutsche's records or
16 exception reports, which we'll get to, making any notes or
17 comments regarding the existence of this allonge?
18 A No.
19 Q If there was two allonges in the documents that were sent
20 over to Deutsche originally for review, would that have been
21 something that would have been included on the exception
22 report?
23 A Yes.
24 Q And did Deutsche have any information in its possession
25 regarding when the endorsement by Long Beach was affixed to

Page 59

1 the promissory note?
2 A When we received the mortgage file, the blank endorsement
3 was there.
4 Q Okay. So that's Deutsche's only record is when it got in it
5 its hands in the document custody department that
6 endorsement was there?
7 A Yes.
8 Q Why don't you hand me those documents so we don't get any
9 confusion.
10 A Let me put them in order here. [Handing.]
11 Q Thank you.
12 I'm showing you [Exhibit 8](#). Have you ever seen that
13 document before?
14 A Yes.
15 Q How did you see that document?
16 A Yesterday in preparation for the deposition.
17 Q Is that the first time you'd ever seen this document?
18 A Yes.
19 Q And can you turn to -- I'm sorry. In this declaration of
20 Ms. Scaffoni --
21 MR BURNSIDE: That's S-B-A-F-F-O-N-I.
22 Q (By Ms. Huelsman) I'm just going to show you that the
23 promissory note which was included by Ms. Scaffoni is the
24 one that everyone contends is not attached to the original.
25 A Yes.

Page 60

1 Q Now, there is a corporation assignment attached as Exhibit C
2 to Ms. Scaffoni's declaration. Do you see that document?
3 A Yes.
4 Q Other than when you looked at this copy in preparation for
5 your deposition testimony today, had you ever seen this
6 document before?
7 A No.
8 Q Now, this is a Corporation Assignment of Deed of Trust that
9 purportedly is by Mr. Pittman on behalf of Platinum Homes.
10 You see that; correct?
11 A Yes.
12 Q So is this an assignment which should have been in the
13 mortgage file when it was transferred over to Deutsche?
14 A Yes. And it is -- the difference is, when I reviewed the
15 mortgage file yesterday, the Corporation Assignment of Deed
16 of Trust has a stamp that --
17 Q This one?
18 A Yes.
19 MS. HUELSMAN: Okay. We'll mark this as
20 [Exhibit 28](#).
21 Q (By Ms. Huelsman) This was sent over by your counsel to me
22 yesterday.
23 [Deposition [Exhibit No. 28](#) marked.]
24 Q (By Ms. Huelsman) Okay. So [Exhibit 28](#) is the version of
25 this that you saw yesterday?

Page 61

1 A Yes. And it is the version that we noted when we performed
2 our initial review.
3 Q I'm sorry. We're going to get to those. When Deutsche did
4 its initial review by the document custody review and
5 indicated that there was an assignment there, this
6 [Exhibit 28](#) is the version or document that is noted as
7 existing?
8 A Yes.
9 Q Okay. Is this document with an original signature, is it
10 currently in the mortgage file?
11 MR BURNSIDE: Object as compound. And ask you
12 define what you mean by "original signature."
13 MS. HUELSMAN: The purported signature of
14 Mr. Pittman and/or the notary.
15 A The signature is not original. The original signature is
16 the signature by Long Beach Mortgage Company that this is a
17 true and correct copy.
18 Q (By Ms. Huelsman) Okay. That's what I'm trying to clarify.
19 So what Deutsche has in its original mortgage file is a
20 photocopy of this assignment which has a stamp on it from
21 Long Beach Mortgage, somebody from Long Beach Mortgage
22 signing off and saying, This is a true and correct copy of
23 an original document that we, Long Beach Mortgage, have sent
24 out for recording?
25 A Yes. And Long Beach's signature is an original signature.

Page 62

1 Q An okay. And so -- but there is no recorded version of this
2 document that ever came back to Deutsche; is that correct?
3 A Correct.
4 Q Okay. And have you -- do you have any knowledge of whether
5 or not this, this mortgage assignment was ever recorded in
6 the records in King County?
7 A I don't know now only because I saw so many --
8 Q Sure.
9 A -- assignments yesterday.
10 Q I'll just tell you: I've checked lots of times, and it's
11 not. There's other stuff in here that indicates that as
12 well. But I personally have searched, and it's not there.
13 All right. And I got -- like I said, I got this document
14 yesterday from your counsel. He may be able to explain to
15 me. But I just need to ask you: Do you have any
16 explanation as to why this was only discovered and sent over
17 to me yesterday?
18 A In the course of review, I pointed out that this Corporation
19 Assignment of Deed of Trust is stamped by Long Beach
20 Mortgage Company and that it is an original signature. I
21 pointed it out in the review yesterday.
22 Q And is this kind of normal, a normal -- in the course of the
23 documentation that gets sent over to you, that the company
24 is sending over documents would send over copies of
25 documents with certifications that this or that other

Page 63

1 document has been sent out for recording?
2 A Yes.
3 Q And I assume it's probably pretty common with these trusts,
4 especially?
5 A Yes.
6 Q I think we're done with this one.
7 A [Handing.]
8 MS. HUELSMAN: And actually, what I'm going to do
9 on break, in order to avoid confusion, I'm going to
10 make just a separate copy of this that's not attached
11 to Sbaffoni's declaration.
12 MR BURNSIDE: Okay.
13 MS. HUELSMAN: So we can refer to it easily in
14 exhibits for --
15 MR BURNSIDE: Whatever's easiest for you.
16 MS. HUELSMAN: Well, I'm just saying if we're
17 going to talk about it in connection with deposition
18 testimony, I think it's easier to point the Court to an
19 exhibit to the deposition rather than Exhibit C of
20 Exhibit whatever.
21 MR BURNSIDE: I think that makes a lot of sense, a
22 lot easier for us and the court reporter most
23 importantly.
24 MS. HUELSMAN: And the Court for future briefing.
25 Q (By Ms. Huelsman) I'm going to show you [Exhibit](#)

Page 64

1 get that back from you?
2 A Sure.
3 Q Have you ever seen this document before?
4 A Yes.
5 Q Okay. Can you tell me what that document is.
6 A This document is a printout from our mortgage loan document
7 record-keeping system, from Deutsche Bank's mortgage loan
8 document record-keeping system.
9 Q So this printout, these two pages, actually came from
10 Deutsche's computers; correct?
11 A Correct.
12 Q So it has its own internal software record-keeping system
13 for which it maintains records regarding each one of the
14 allonges that are part of the trust that it acts as the
15 trustee for?
16 A Yes.
17 Q So the loan file withdrawal information that's kind of at
18 the top there . . .
19 A Yes.
20 Q So can you explain to me the information that's contained in
21 that portion of the document.
22 A Yes. Our system records each time the loan file is
23 withdrawn from the vault. And according to this record, we
24 withdraw the file and shipped it on December 2nd, 2008, to
25 Washington Mutual, to the address and employee's attention

Page 65

1 as noted.

2 Q The reason for it was because of a foreclosure proceeding?

3 A Yes. Under the agreement, the servicer may request a

4 mortgage loan file.

5 Q Okay. Whenever it's going to take foreclosure or motion for

6 relief action; is that correct?

7 A Or when it deems it necessary in course of its duties.

8 Q So, again, kind of standard operating procedure, Washington

9 Mutual makes the request; Deutsche sends it out?

10 A Yes.

11 Q It looks like it was transmitted on December 2nd, 2008, to

12 Washington Mutual there on Bayberry Road in Jacksonville;

13 correct?

14 A Yes.

15 Q And the alternate loan numbers section, do you see that,

16 next section down?

17 A Yes.

18 Q Then it has delivery company, Washington Mutual Bank, and

19 the loan delivery date of December 19th, 2005. Do you see

20 that?

21 A Yes.

22 Q Can you explain to me that entry.

23 A In my earlier testimony, this is what I was referring to

24 when we receive an electronic record of what we're about to

25 receive.

Page 66

1 Q This is delivery of the electronic information?

2 A Correct.

3 Q Then the "Classification Attribute Changes" section, can you

4 describe to me what all of those entries are for.

5 A Yes. These are maintenance changes done by the document

6 custody administrator with respect to this mortgage file.

7 Q Can you just give me an example of what one of those changes

8 might be.

9 A Sure. Yes, the 12-19-2005 maintenance changes signify that

10 we are going to receive or that we received an electronic

11 notification that we are about to receive a file. The

12 December 21, 2005, entries, which is also noted below, if I

13 may add, under "loan file transactions" when we actually

14 performed the initial review of the file, we are noting that

15 it is placed in an agreement or warehouse line for which at

16 that point we act only as custodian.

17 Next, the February 7, 2006, entries represent

18 maintenance changes with respect to the Long Beach 2006-1

19 trust closing. So the loan, for record-keeping purposes, is

20 now moved from the warehouse line to the securitization

21 trust.

22 Q It's those kind of notations?

23 A Yes.

24 Q Okay. All right. I'm just trying to understand it. By the

25 way, just out of curiosity, what's with the "wet" and "dry"?

Page 67

1 Is it you can have liquor in one or not?

2 A "Wet" meaning that -- my understanding is that we don't

3 necessarily have the file. The document is just being

4 signed. By the time it's dry, we see it. We have that

5 note, you know, executed.

6 Q So the "Loan Inventory History," can you explain those

7 notations to me.

8 A Yes. These are what I was referring to earlier as trailing

9 document entries. For example, the first entry refers to

10 the deed or --

11 Q Mortgage.

12 A -- or mortgage, which initially, when we received it, was a

13 copy certified by the servicer or seller. And, on 8-2-2006,

14 we note that we received the original recorded deed.

15 Q Okay. And what does the "current attribute status" refer

16 to?

17 A Meaning that we have the original deed now.

18 Q Then the entry below that is the title. Does that mean the

19 title report?

20 A Yes. It means that we initially had a title commitment only

21 and that later we received a photocopy of the title policy.

22 The 'P' stands for photocopy under current attribute status.

23 Q That came in '06 also, or is that '08?

24 A Yes 8-22-08.

25 Q The loan file transaction, can you explain those entries to

Page 68

1 me.

2 A Yes. The first entry is the initial loan review. That is

3 when we first reviewed the mortgage file on 12-21-2005. And

4 the next two entries are the trailing doc entries that are

5 noted above in the loan file inventory history.

6 Q Then the one below that is the withdrawal of the file for

7 servicing on 12-2-06 which we just talked about a little bit

8 ago?

9 A Yes.

10 Q Okay. And does this constitute the entirety of the Deutsche

11 Bank's computerized records regarding this particular loan?

12 A There are multiple screens in this system. And during the

13 course of the review yesterday, I pointed out to counsel

14 that there's -- that there was another screen.

15 MR BURNSIDE: This is what we produced yesterday.

16 Q (By Ms. Huelsman) Okay. But this one has been in existence

17 since loan inception; correct? This screen that we're

18 looking at?

19 A Oh, yes. It would show any changes that we have made, yes.

20 This is the record of the Bateman loan in the Long Beach

21 2006-1 Trust.

22 Q Do you know why it wasn't produced to me until about a month

23 ago?

24 MR BURNSIDE: For the record, I'm going to say it

25 wasn't requested but go ahead.

Page 69

1 A In the course of --
2 MR BURNSIDE: If this is going to reveal any
3 attorney-client privileged communications, don't answer
4 that question.
5 Q (By Ms. Huelsman) If you just know and you can tell me
6 without revealing any privileged communications, tell me.
7 If not --
8 MR. BURNSIDE: I think it speaks to discovery
9 issues of which the witness would have no knowledge.
10 A Then all I can say is I'm the one who produced this to
11 counsel.
12 Q (By Ms. Huelsman) Okay. Thank you. I'm sorry. When did
13 you produce it?
14 A I don't know the exact date. But I would say within the
15 past month, month and a half.
16 Q Okay. Thank you. And I'm going to show -- let me take that
17 back.
18 A Sure.
19 Q [Handing.] [Exhibit 7](#). Have you seen this document before?
20 A I don't believe I have. And I don't recall, at least at
21 this moment, seeing it even yesterday.
22 Q Just so you know, counsel for Chase indicated that was a
23 screen from Washington Mutual's system. But I didn't know
24 if you -- that's what she surmised. And I didn't know if
25 you might be familiar with it also.

Page 70

1 MR. BURNSIDE: The witness for Chase, not counsel.
2 MS. HUELSMAN: That's what I meant. Okay.
3 A [Handing.]
4 Q (By Ms. Huelsman) Thank you. [Exhibit](#) No. 9 [handing]. Have
5 you ever seen this document before?
6 A Yes.
7 Q And when did you first see this document?
8 A Yesterday.
9 Q And was that your first time seeing this document?
10 A Yes.
11 Q And is Peter Read an employee of Deutsche Bank?
12 A Yes.
13 Q Do you know and only if you know if he's an employee of
14 Washington Mutual? Or I guess I should say was an employee
15 of Washington Mutual.
16 A From my understanding, Peter Read had signing authority for
17 Washington Mutual.
18 Q And who gave him that authority if you know?
19 A Washington Mutual.
20 Q Okay. And this document assigns the interest in the Deed of
21 Trust to the pooled trust that's the subject of this
22 litigation. Do you see that?
23 A Yes.
24 Q And this was done on July 11th, 2007? Do you see that?
25 A Yes.

Page 71

1 Q It wasn't recorded until April 29th, 2009. Do you see that
2 recording stamp at the top?
3 A Yes.
4 Q Excuse me. Did Deutsche provide any authorization, other
5 than just relying on the contents of the PSA, did it provide
6 any direct authorization to Washington Mutual to assign the
7 interest in the Bateman and Lee Deed of Trust to Deutsche's
8 pooled trust?
9 MR BURNSIDE: Could you repeat that question.
10 MS. HUELSMAN: Read it back.
11 [Requested material read.]
12 Q (By Ms. Huelsman) In other words, did it actually give a
13 direction to Washington Mutual?
14 A No.
15 Q Again, this would just be part of Washington Mutual and then
16 just kind of performing its role as a servicer without
17 getting direct instructions to do any particular thing from
18 Deutsche?
19 A Yes.
20 Q Before I forget, there's one very quick question I forgot to
21 ask. When we were looking at [Exhibit 8](#) and [Exhibit C](#) to
22 [Exhibit 8](#) which was the version of the assignment, do you
23 see this bar code up here --
24 A Yes.
25 Q -- in the upper left-hand corner? Would that be something

Page 72

1 that Deutsche would affix to a copy of a document?
2 A To my knowledge, no.
3 Q Did -- again, your business understanding not a legal
4 conclusion. But did Deutsche treat this loan as if it had a
5 beneficial interest in the Deed of Trust beginning in 2006?
6 MR BURNSIDE: Object to the extent it calls for a
7 legal conclusion.
8 Q (By Ms. Huelsman) In other words, this Assignment of Deed of
9 Trust is dated July 11th, 2007. And it's at that time that
10 Washington Mutual is supposedly assigning the Deed of Trust
11 to Deutsche. Would Deutsche have -- was Deutsche operating
12 under the belief that it had that beneficial interest, it
13 just hadn't yet been assigned?
14 MR BURNSIDE: Object as compound.
15 A Yes. Effective the closing date of Long Beach 2006-1,
16 Deutsche Bank's position is that has the right, title, and
17 interest in the mortgage loans including the Bateman loan.
18 Q (By Ms. Huelsman) So we talked a few minutes ago about the
19 Corporation Assignment of Deed of Trust that supposedly
20 Mr. Pittman signed from Platinum Homes to Long Beach; right?
21 A Yes.
22 Q And that document or a copy of that document -- I'm sorry --
23 with certification from Long Beach indicating that it had
24 been sent for recording was actually in the mortgage file
25 sent to Deutsche; right?

Page 73

1 A Yes.

2 Q Was there an Assignment of Deed of Trust actually signed by
3 someone at Long Beach, assigning the Deed of Trust to
4 Deutsche, included in the mortgage file?

5 A Yes.

6 Q And where is that document?

7 A It's in the original mortgage file.

8 Q Okay. So was that an original signature on that document?
9 By the signer, I should clarify.

10 A Yes, I believe so.

11 Q And only if you know, is there a reason why that -- excuse
12 me -- assignment wasn't sent for recording instead of having
13 another one signed by Mr. Pittman or -- excuse me -- by
14 Mr. Read?

15 A Under the terms of the Pooling and Servicing Agreement and
16 the Mortgage Loan Purchase Agreement, it is typical in
17 securitization trusts that the assignment need not be
18 recorded because it may be provided in blank or endorsed to
19 Deutsche Bank. But there is not a requirement that it be
20 necessarily recorded.

21 Q At the time that it's coming into the mortgage file
22 belonging -- that's given to Deutsche; right? Is that what
23 you're referring to?

24 A Yes. Typically the assignment is done if a foreclosure
25 action is taken.

Page 74

1 Q So unless a foreclosure action is taken, it typically just
2 sits in the file?

3 A Yes.

4 Q The actual question I was asking is do you know why that
5 original assignment signed by somebody at Long Beach was not
6 just recorded instead of going out and creating a new one
7 signed by Mr. Read if you know?

8 A I don't know.

9 Q Do you know if that's, if that's standard operating
10 procedure, to have a new one created and not to record the
11 original?

12 MR BURNSIDE: Object to the extent it goes beyond
13 the scope of the deposition notice or anything Deutsche
14 Bank did.

15 A I don't know. It's a servicing function.

16 Q (By Ms. Huelsman) All right. Turning to [Exhibit](#)
17 [handing], have you ever seen this document before?

18 A Yes.

19 Q And when did you first see this document?

20 A I first saw this document in connection with an affidavit
21 that I executed with respect to this matter. I don't recall
22 the exact date.

23 Q Sure. Okay. And I think -- we'll go over that. I don't
24 think I have it with me right now. I do just want to talk
25 to you about this particular affidavit. Sorry. I lost my

Page 75

1 place for a sec. Where did it go?

2 So you've read the contents of this document. And
3 obviously I'm not expecting you to testify as to what
4 Ms. Boulton knew because you wouldn't know that. But I
5 would like to ask you some questions regarding her ability
6 to know information that's asserted herein.

7 So, first of all, was Ms. Boulton an authorized
8 signatory on behalf of Deutsche Bank as trustee for this
9 pooled trust?

10 MR. BURNSIDE: I'm going to object. This calls
11 for legal conclusion. Which exhibit number is this?

12 MS. HUELSMAN: 10.

13 A Ms. Boulton is a Washington Mutual employee and had the
14 authority to -- and had the authority to execute this
15 document based on the power of attorney in the Pooling and
16 Servicing Agreement and an actual power of attorney that we
17 provided.

18 Q (By Ms. Huelsman) Okay. Right. Now, Ms. Boulton testifies
19 in affidavit, kind of about the middle of the page. The
20 paragraph starts out: "I'm a duly authorized signatory."
21 Do you see that paragraph?

22 A Yes.

23 Q The last sentence in that paragraph says: "I have made" --
24 although it's spelled "mad" -- "such reasonable
25 investigation of the King County records so as to enable

Page 76

1 this affidavit to be truthfully given." Do you see that?

2 A Yes.

3 Q And then she goes on to say that "both through clerical
4 error and oversight, the assignment from Platinum Homes,
5 Inc., was never recorded in the records of the county and
6 the original document was lost subsequently thereafter." Do
7 you see that -- end quote?

8 A Yes.

9 Q And do you know how Ms. Boulton could have investigated
10 where this -- the location of this affidavit?

11 A No. I don't know what Ms. Boulton did.

12 Q Could she have contacted Deutsche to ask Deutsche if this
13 document was in its mortgage file?

14 MR BURNSIDE: And object. Clarifying question --
15 did she or did she have the capacity to?

16 MS. HUELSMAN: I asked if she had the capacity to.

17 A I can't speak to Ms. Boulton's decision-making process.

18 Q (By Ms. Huelsman) Sure. I understand. I'm asking if she
19 had the capacity to, not mentally, you know, but through a
20 process or a system.

21 A Yes, I mean I will -- yes, if she requested the mortgage
22 file, as the servicer has the right to do, the servicer may
23 have requested the mortgage file.

24 Q And we've looked at the record regarding actions that were
25 taken regarding this particular loan. There's no indication

Page 77

1 that Washington Mutual asked for the mortgage file in 2007;
2 is that correct?
3 A Correct.
4 Q It was not requested until December '08 in connection with
5 the foreclosure; right?
6 A Yes.
7 Q And Ms. Boulton goes on to assert that Deutsche is in
8 possession of the promissory note. Do you see that, a
9 little bit further down? It's in the indented paragraph 1.
10 A Yes.
11 Q Would Ms. Boulton have had to the ability to verify
12 Deutsche's possession of the original note?
13 MR. BURNSIDE: Object to the extent it calls him
14 to testify about what Ms. Boulton did or didn't know.
15 But you can answer. Go ahead.
16 A Can you repeat the question, please.
17 Q (By Ms. Huelsman) Sure. What I'm asking is, again, was
18 there a system in place by which Ms. Boulton could have
19 ascertained whether or not Deutsche had physical possession
20 of the note?
21 A A servicer may request the mortgage file.
22 Q Okay. I was going to ask essentially the same question
23 regarding 1 through 3. But based upon your answer, I'm
24 going to assume that your answer is going to be the same,
25 which is, Ms. Boulton had the ability, on behalf of

Page 78

1 Washington Mutual, to ascertain that information from
2 Deutsche but it would have been done by requesting the
3 mortgage file. Is that correct?
4 A Except for No. 2.
5 Q What's the difference in No. 2?
6 A She states that Deutsche Bank, as the trustee for the Long
7 Beach 2006-1, paid valuable consideration to Platinum Homes
8 to obtain possession of the note.
9 Q You're saying she wouldn't have had the ability to know that
10 or that the statement is incorrect or both?
11 A I'm saying that, by requesting the mortgage file, that that
12 information is not in the mortgage file. Again, I cannot
13 speak to --
14 Q Absolutely.
15 A -- Ms. Boulton's decision making or knowledge of
16 securitizations.
17 Q Right.
18 A However -- that's really all that I can say. I don't know
19 how she came to that conclusion.
20 Q It's an incorrect conclusion; right? Did Deutsche pay
21 Platinum Homes for the note?
22 A No.
23 Q It went through the whole -- it went to Long Beach. Then it
24 went through the whole PSA process; right?
25 A Yes.

Page 79

1 Q All right. The last sentence on the first page indicates
2 that Deutsche is indemnifying Fidelity National Default
3 Solutions. Do you see that?
4 A Yes.
5 Q Do you know what Fidelity National Default Solutions is?
6 A From my understanding, it is a vendor that provides services
7 in connection, for example, with foreclosure proceedings.
8 Q Did Deutsche agree to indemnify Fidelity National Solutions
9 in any capacity in connection with this mortgage loan?
10 MR BURNSIDE: Object. It calls for legal
11 conclusion.
12 A An officer of Deutsche Bank did not execute this loss
13 assignment affidavit by beneficiary directly. The master
14 servicer did, and the master servicer is subject to
15 provisions in the PSA that if it acts with . . .
16 Q (By Ms. Huelsman) In conformity with the PSA --
17 A Right.
18 Q -- then it's going to be okay?
19 A Right.
20 MR BURNSIDE: It's the shorthand. I like that.
21 MS. HUELSMAN: We're at about noon. I assume
22 we're ready for a break?
23 MR. BURNSIDE: Off the record.
24 [Lunch recess.]
25 Q (By Ms. Huelsman) Take a look at [Exhibit 11](#) [handing].

Page 80

1 A Sure.
2 Q This is the appointment of successor trustee document. Have
3 you ever seen this document before?
4 A Yes.
5 Q Where did you first see this document?
6 A Yesterday.
7 Q This document was signed by Ms. Weis, W-E-I-S, who
8 identifies herself as an assistant vice president of
9 Washington Mutual Bank. Do you know if Ms. Weis is an
10 assistant vice president of Washington Mutual Bank?
11 A From my understanding, Ms. Weis has signing authority
12 granted to her by Washington Mutual Bank but that she is an
13 LPS employee.
14 Q That's my understanding, too, after taking her deposition.
15 But -- so she is not an employee of Deutsche Bank; correct?
16 A Correct.
17 Q So she is apparently signing the document on behalf of
18 Deutsche through authority granted to Washington Mutual
19 which then was transferred to Chase who then gave LPS
20 authority to sign; is that correct?
21 MR BURNSIDE: Object. Compound, misstates the
22 document.
23 A As I stated earlier with the other LPS signer, I believe
24 Read, Mr. Read . . .
25 Q (By Ms. Huelsman) Yes.

Page 81

1 A A Deutsche Bank officer did not directly execute this
2 appointment of successor trustee. The master servicer,
3 under the Polling and Servicing Agreement, engaged and
4 granted signing authority to Ms. Weis.
5 Q Who is it that determined the identity of the successor
6 trustee; in other words, who should be the successor
7 trustee?
8 MR BURNSIDE: Objection, lack of foundation.
9 You can answer if you know.
10 A It is a servicing function that is determined by the
11 servicer.
12 Q (By Ms. Huelsman) Okay. Again, turning back to what we kind
13 of started off this morning, Deutsche is not actually
14 involved in that decision-making process; it leaves it up to
15 the servicer; correct?
16 A Yes. Under the Pooling and Servicing Agreement, the
17 servicer has that authority.
18 Q Who is ultimately responsible for the decisions that are
19 made to appoint a successor trustee and the like?
20 A The servicer.
21 Q Even though it's being done on behalf of Deutsche, the
22 servicer is still responsible?
23 A Under the agreement, the servicer has the responsibility and
24 authority to manage foreclosure proceedings.
25 Q Why don't you give me that.

Page 82

1 A Sure. [Handing.]
2 Q Turning to [Exhibit 13](#) [handing], have you ever seen this
3 document before?
4 A Yes.
5 Q When did you first see it?
6 A Yesterday.
7 Q And that was in connection with your preparation for today's
8 testimony?
9 A Yes.
10 Q And so was Deutsche actively involved in making the decision
11 to bring a motion for relief of stay in the Bateman and Lee
12 bankruptcy?
13 A No. It is a servicing function.
14 Q When a foreclosure or a motion for relief of stay is
15 initiated, does Deutsche provide any information to anyone
16 regarding amounts owed or balance owed on the mortgage? Or
17 is that left solely up to the servicer?
18 A With respect to the amounts owed and balances, it is up to
19 the servicer since they are servicing the mortgage loan.
20 Q Is there any information, other than if there's a request
21 for the mortgage file, that Deutsche would give to the
22 servicer in connection with the foreclosure or motion for
23 relief of stay?
24 A No. Other than if the mortgage file were requested.
25 Q We're done with that one.

Page 83

1 A [Handing.]
2 Q [Exhibit 14](#) [handing]. Have you seen this document before?
3 A Yes.
4 Q When did you first see it?
5 A Yesterday.
6 Q In connection with your preparations for your deposition
7 testimony today?
8 A Yes.
9 Q Have you -- based upon your business knowledge not any kind
10 of legal conclusion, does Ms. Hindman's testimony regarding
11 Chase's role in servicing this loan -- is it consistent with
12 your understanding of its obligations to Deutsche under the
13 PSA?
14 MR BURNSIDE: Is there a particular paragraph you
15 have in mind?
16 MS. HUELSMAN: Well, to the extent that she's
17 providing testimony, essentially, on behalf of
18 Deutsche, I just want him to review it 'cause she's
19 making a grand statement regarding . . .
20 A May I read it again?
21 Q (By Ms. Huelsman) Oh, absolutely. I do not want you to
22 guess.
23 THE WITNESS: May I have the question read,
24 please.
25 [Requested material read.]

Page 84

1 A I cannot address or speak to Ms. Hindman's statements with
2 respect to practices and procedures within Chase. However,
3 I do believe that, in paragraph 4, her statement is
4 consistent with my review of the original mortgage file
5 yesterday, that there is an original note with an Allonge
6 and that there is a blank endorsement from Long Beach
7 Mortgage Company on the back of the second page of the note.
8 Q (By Ms. Huelsman) When she refers to the "collateral
9 wallet," I believe you testified earlier that would be a
10 servicer's phrasing for the file that you refer to as the
11 "mortgage file"; correct?
12 A Yes.
13 MR BURNSIDE: Off record for one second.
14 [Brief off-record discussion.]
15 MR BURNSIDE: Back on.
16 Q (By Ms. Huelsman) [Handing.] [Exhibit 20](#). We're on
17 [Exhibit 20](#); right?
18 MR BURNSIDE: Yup.
19 Q (By Ms. Huelsman) So on the signature page on this document,
20 which is the second page, did Deutsche Bank directly give
21 Northwest Trustee Services an agency agreement to act on its
22 behalf?
23 A No.
24 Q And again, would this apparent authority have come through
25 Washington Mutual and/or Chase and the PSA?

Page 85

1 A Yes. The Pooling and Servicing Agreement has provisions
2 that allow the servicer to hire vendors.
3 Q And it's acceptable for the vendors to act as an agent for
4 Deutsche Bank?
5 A Yes, as engaged by the master servicer.
6 Q [Exhibit](#) 21, [handing]. Go ahead and look at the signature
7 page. It's basically going to be the same question
8 regarding Northwest Trustee's authority to execute this
9 agreement. Strike that.
10 Northwest Trustee became the trustee pursuant to the
11 Appointment of Successor Trustee document that was executed
12 by LPS on behalf of Washington Mutual who had the authority
13 to do so on behalf of Chase through the PSA; correct? That
14 was a yes?
15 A Yes. As engaged by the master servicer. But what I do want
16 to emphasize is that my understanding is that in the
17 signature block, when Northwest Trustee Services, Inc.,
18 signs as trustees, that that is as a foreclosure trustee and
19 not a trustee as Deutsche Bank National Trust Company is
20 trustee for the Long Beach 2006-1 trust.
21 Q It's a different definition of "trustee;" right?
22 A Yes.
23 MS. HUELSMAN: We're going to mark this as, I
24 think, 29.
25 [Deposition [Exhibit](#) No. 29 marked.]

Page 86

1 Q (By Ms. Huelsman) Have you ever seen these documents before?
2 A Yes.
3 MR BURNSIDE: I can represent that the third page
4 is -- I understand I produced them all on the same day.
5 But the third page isn't -- well, I can explain if you
6 need. The first -- the third page does not come from
7 Deutsche Bank. The third page is a Washington -- a
8 Chase document. But the other two pages are Deutsche
9 Bank documents.
10 Q (By Ms. Huelsman) So why don't we go through them; and you
11 can tell me, Mr. Reyes, what the first page of [Exhibit](#)
12 is.
13 A The first page of [Exhibit](#) 29 is a redacted attachment to the
14 e-mail sent from Sanja Donlic to Deutsche Bank on 12-1-08.
15 Q Is that the next page?
16 A Yes.
17 Q So that would be page 2 of [Exhibit](#) 29, Bates 1793?
18 A Yes.
19 Q So 1792 and 1793 go together?
20 A Yes.
21 Q So 1792 is that -- where does that come from?
22 A This comes from Washington Mutual. It is an attachment
23 provided by Sanja Donlic requesting several mortgage loan
24 files to be sent to Washington Mutual. She's sending it to
25 Deutsche Bank's custody group in Santa Ana.

Page 87

1 Q So you're unfamiliar with the larger document, I guess, from
2 which page 1 of [Exhibit](#) 29 comes from? 'Cause it looks
3 like the same formatting as the attachments to the PSA with
4 the loan document identification information.
5 A I have viewed the allonge attachment. And I know the
6 attachment to be redacted to only include the Bateman loan.
7 Q Right.
8 A Right. To indicate that on 12-1-2008, Sanja Donlic
9 requested from Deutsche Bank the original mortgage file for
10 the Bateman loan along with other loans.
11 Q Page 3 of [Exhibit](#) 29, I believe your lawyer just said that
12 this came from Washington Mutual not from Deutsche Bank. Is
13 that correct?
14 A Yes, that is correct.
15 Q So these process notes would not have been sent or
16 communicated to Deutsche Bank; is that correct?
17 A No. This screen printout is not at all in connection with
18 Sanja Donlic's request.
19 Q It's not from a system that Deutsche has access to; is that
20 correct?
21 A Correct.
22 Q Now, turning to page 4 of [Exhibit](#) 29, can you tell me what
23 that document is.
24 A Yes. This document is a loan inventory report with respect
25 to the Bateman loan.

Page 88

1 Q Okay.
2 A This is -- this is one of the documents I was referring to
3 in my testimony earlier that, in preparation for the
4 deposition, I pointed out to counsel that when we performed
5 an initial review, for example, a little bit more than
6 halfway down, we did note that the note received was an
7 original.
8 Q That's what the 'O' is for?
9 A Yes. And that, right under that, there is an endorsement
10 item. And that the -- under item status "BLK" stands for
11 blank. And that with respect to the -- for example, the
12 Assignment of Mortgage.
13 Q I'm sorry. We can get to in a second.
14 A All right.
15 Q I want to talk about the intervening endorsement. And has
16 an 'O' next to it. So that means original?
17 A Yes. Meaning that that is the -- what we mean by "the
18 original," is that it is on the Corporation Assignment of
19 Deed of Trust, that the endorsement is an original
20 endorsement from Long Beach Mortgage Company, and that it is
21 from Long Beach Mortgage Company.
22 Q You're talking about the endorsement in blank? Do you see
23 there's a line that says "endorsement"? You said "BLK"
24 means blank. Right beneath it, there's an intervening
25 endorsement that has an 'O' next to it.

Page 89

1 A Correct. That intervening endorsement is referring to what
2 we refer to as the intervening assignment, which is the
3 Corporation Assignment of Deed of Trust.
4 Q I'm sorry. I'm not trying to confuse you. But I'm talking
5 about an intervening endorsement, not an assignment.
6 MR BURNSIDE: She's referring to this one, rather
7 than this one.
8 THE WITNESS: Right here.
9 A Correct. Where it said 'O' for original, the intervening
10 endorsement?
11 Q (By Ms. Huelsman) Right. What does that refer to?
12 A Right. That one is referring to the -- this is what I mean
13 about it is referring to the intervening assignment which is
14 the corporation -- I'm looking at that exhibit right there,
15 this one right here. Sorry.
16 Q And that's what this one is if you want to look at it.
17 A Oh, sorry.
18 MR BURNSIDE: For the record, he's referring to
19 [Exhibit](#) No. 28.
20 A Right. So what we're referring to is that the intervening
21 endorsement is an original, meaning that it was executed --
22 it was -- I believe it was in blue ink by Long Beach
23 Mortgage Company and that it certified that we had received
24 a true and correct copy.
25 Q (By Ms. Huelsman) Oh, you mean you're talking about the

Page 90

1 assignment from Long Beach to Deutsche that was never
2 recorded? I forgot to bring that one. Is that the one
3 you're talking about?
4 MS. HUELSMAN: Why don't we take a break.
5 [A brief recess was taken.]
6 [Deposition [Exhibit](#) No. 30 marked.]
7 MS. HUELSMAN: Back on the record.
8 Q (By Ms. Huelsman) So I've shown you what we're now marking
9 as [Exhibit](#) 30. Is that the assignment you're talking about
10 from Long Beach to Deutsche?
11 MR BURNSIDE: When you're saying that, you're
12 referring back to [Exhibit](#) 29? Yeah, page 4 of 29.
13 MS. HUELSMAN: Yes.
14 A So yes, [Exhibit](#) 30 is the assignment from Long Beach
15 Mortgage Company to Deutsche Bank National Trust Company.
16 However, I do have to clarify my reading of the loan
17 inventory report from earlier.
18 The note refers to the original note. The endorsement
19 right below that, under "Item status BLK," means that we
20 have a -- that we noted an endorsement to blank on the back
21 of the note. And with respect to the intervening
22 endorsement, that is referring to the allonge that we have
23 in the mortgage file.
24 Q (By Ms. Huelsman) Is there any way to tell from this which
25 allonge, which version of the allonge that document is

Page 91

1 referring to?
2 A The version, not solely based on looking at this report.
3 However, upon my review of the mortgage file yesterday, I
4 noted that the only version of the allonge was the original
5 blue-ink allonge that we have in the mortgage file. We did
6 not have -- Deutsche Bank did not have copies of the two
7 other allonges.
8 Q There's only one other one.
9 A I'm sorry.
10 Q That's all right.
11 A Of the one other allonge shown to me today.
12 Q But there is no way for you to know whether or not that --
13 the other -- we'll call it "the other" original allonge was
14 attached to the promissory note at one time; right?
15 A As I stated earlier, based on Deutsche Bank's review when we
16 received the mortgage file in 2005, the contents of that, of
17 the file, were as is. And it included the allonge that I
18 was referring to --
19 Q That's currently now affixed?
20 A Yes.
21 Q How do you know that?
22 A Because we did not note in our review that there were any
23 other additional allonges. We noted that we had an original
24 allonge. And when we released the file to Washington
25 Mutual, based on our records, there was only that allonge.

Page 92

1 Q I understand, once you sent it on to Washington Mutual, that
2 there was only an indication that there was one allonge.
3 But what document can you point me to that shows
4 definitively what exactly Deutsche Bank received when it
5 received the file? In other words, how do we know that
6 somebody at Deutsche did not take the extra allonge and toss
7 it?
8 A Well, my expectation is that we would not do something like
9 that. A document custody administrator is reviewing many
10 loans. Within the scope of their job function, they have a
11 review task to perform. They do not have any reason to toss
12 out a document. They're supposed to review and report the
13 documents that are within a mortgage file that they're
14 reviewing.
15 Q Okay. When that person was reviewing those documents, were
16 the -- was the note and the allonge stapled together?
17 A I don't know if it was stapled together. I know that, based
18 on our system of record, that we noted that there was an
19 original allonge.
20 Q Does Deutsche do any of his own scanning of those mortgage
21 files when they come into their custody?
22 A To my knowledge, no.
23 Q So the only record Deutsche is going to have regarding what
24 is in that file is what's in it when you open it up and look
25 in it?

Page 93

1 A Yes.
2 Q I realize a log. But, in other words, there's no
3 photocopies of what's in that file that Deutsche separately
4 creates and produces?
5 A No.
6 Q So turning back, though, to this Assignment Deed of Trust on
7 [Exhibit 30](#) that we were talking about . . .
8 A Yes.
9 Q Well, I guess, actually we should go back to [Exhibit](#)
10 And then we'll go on to 30 again. We have -- you went
11 through the note, the endorsement, the intervening
12 endorsement. I see two other lines for intervening
13 endorsements. And that has "NA" next to it which I assume
14 means not applicable?
15 A Correct.
16 Q Next entry regarding assignment, you said "BLK" means blank;
17 is that correct?
18 A Correct.
19 Q So what document is that entry referring to?
20 A That document -- sorry.
21 Q Sure.
22 A This document is referring to [Exhibit](#) No. 30, the assignment
23 from Long Beach Mortgage Company.
24 Q Well, doesn't it say in blank? 'Cause [Exhibit](#) 30 does not
25 appear to be blanked.

Page 94

1 A That is correct. We note that it was in blank.
2 Q So on your report, it was in blank. But in the file
3 that's -- in the copy that's been produced to me, it is not
4 blank.
5 A Yes.
6 Q How is it that it got filled in?
7 A I do not know. I do know that that the Polling and
8 Servicing Agreement allows for this assignment to be in
9 blank or to be endorsed as is handwritten here: "Deutsche
10 Bank National Trust Company as trustee for Long Beach
11 Mortgage Loan Trust 2006-1."
12 Q Do you know the source of the photocopy of this document
13 that was produced to me?
14 A This is from the original mortgage file as far as I'm aware.
15 Q So do a little connect the dots, 'cause I'm trying to
16 understand. Okay? You told me that, when Deutsche obtains
17 documents from Long Beach or whoever in order to act as a
18 trustee, it receives only those documents you described as
19 contained in the mortgage file; right?
20 A Yes.
21 Q So, you know, the note, the Deed of Trust, assignments;
22 correct?
23 A Correct.
24 Q Okay. And those are originals that are sent to you or
25 they're photocopies of the originals with indications that

Page 95

1 they've been sent out for recording, the originals have been
2 sent out for recording; correct?
3 A Correct.
4 Q But Deutsche does not keep copies of all the rest of the
5 documents in the mortgage loan -- in the loan origination
6 file; right?
7 A That's correct. We only receive the documents that are
8 required under the Pooling and Servicing Agreement.
9 Q So like I said, you have those documents that you're
10 required to get under the PSA. And either have originals,
11 or you have copies that were sent out to be recorded; right?
12 A Yes. But, as I stated earlier, this Assignment of Deed of
13 Trust does not necessarily have to be recorded.
14 Q I understand that. I'm trying to figure out how a document
15 which, according to Deutsche Bank's records, when it came to
16 it, it was blank and then got filed in later and became
17 included in an original, you know, an original loan file
18 photocopy that was not in Deutsche's possession; in other
19 words, this came to me as part of, you know, the whole big
20 stack. Okay? Following me?
21 A Yes.
22 Q I want to make sure you're following me. So I'm trying to
23 figure out how a document that arrived in Deutsche in blank
24 came to be included in the middle of a copy of numerous
25 other documents regarding loan origination.

Page 96

1 A I don't know. The file has not been in our physical -- in
2 Deutsche Bank's physical possession since the release date.
3 Q But that would only have been the mortgage file.
4 A No, no. The entire mortgage file, as I stated earlier.
5 When I looked at the mortgage file --
6 Q No, no. I'm sorry. I am talking about the mortgage file.
7 A I'm sorry.
8 Q You didn't let me finish.
9 A I'm sorry.
10 Q I started to say file and you -- so is this a copy of what's
11 in the mortgage file? In other words, does it look like
12 this?
13 A Yes.
14 Q So you don't -- but it's not blank; right? I mean am I
15 wrong? Is this considered blank?
16 A No. The assignee is written in.
17 Q Right. Okay. So that's what "blank" is referring to, an
18 assignee is filled in; right?
19 A Correct.
20 Q So it could only be -- if this is correct, if this page 4 of
21 [Exhibit 29](#) is correct, Bateman 1795, this document arrived
22 at the Deutsche blank; correct?
23 A That's what our records indicate.
24 Q Somebody later filled in the assignee; correct?
25 A It appears that way, yes.

Page 97

1 Q Who would have done that at Deutsche?
2 A Deutsche would not have done that.
3 Q Okay. It could be -- let's see if I'm understanding. It
4 could have left in the mortgage file still being blank;
5 right?
6 A Yes.
7 Q And then had somebody else later, at either WaMu or Chase,
8 fill this in?
9 A Yes.
10 Q Then stuck it back into to the original mortgage files so
11 that it sits there today?
12 A Yes.
13 Q But you just don't know?
14 A I don't know.
15 Q So let's go on back to [Exhibit](#) 29, page 4. We were just
16 talking about the assignment. I'm now going to go down to
17 the first entry for intervening assignment, which has a "CS"
18 next to it.
19 A Yes. That, that intervening assignment with an item status
20 of "CS" signifies [Exhibit](#) No. 28.
21 Q So it's talking about [Exhibit](#) 28?
22 A Yes. That we received a copy certified by the servicer or
23 seller and that the assignment was from Platinum Homes,
24 Inc., to Long Beach Mortgage Company.
25 Q Because the notes out to the side, when we have the

Page 98

1 assignment "BLK," it has an entry Long Beach Mortgage Comp
2 blank, next to which coincides with the blank that we were
3 talking about a minute ago; right?
4 A Yes.
5 Q The then we have the CS on the intervening assignment which
6 you're saying indicates the certified copy -- the notation
7 there's Platinum Homes to Long Beach Mortgage Company; is
8 that correct?
9 A That's correct.
10 Q Then again, we have "NA," not in this case applicable?
11 A Yes.
12 Q And the title policy?
13 A Is 'P' stands for photocopy.
14 Q And we did look earlier at the entry saying that eventually
15 the original showed up; right?
16 A No. I'm sorry. That was with respect to the next entry,
17 with respect to the Deed of Trust.
18 Q Oh, I thought it was also a title policy and it showed up.
19 A It did. However, it was only a photocopy. We noted that at
20 closing we had the commitment. And the agreement does allow
21 for either title commitment or the title policy itself. But
22 we were just noting. As I stated earlier, since we have
23 this review-and-report function, we're just reporting what
24 we received; and it was a photocopy of the title policy.
25 Q And the notation regarding loan No. CMP?

Page 99

1 A That is referring to it being complete. In section 2, there
2 are data elements that we review versus the mortgage loan
3 schedule. And the CMP entries indicate that we completed
4 that comparison.
5 MS. HUELSMAN: Okay. I want to mark this as
6 [Exhibit](#) 31.
7 [Deposition [Exhibit](#) No. 31 marked.]
8 Q (By Ms. Huelsman) Have you seen any of these documents
9 before? I want you to look. There's -- we were talking
10 earlier about these -- oh, actually, take off the last page.
11 I didn't mean to include that one --
12 A [Complies.]
13 Q -- the allonge. Thank you.
14 We were talking about the corporation's Deed of Trust
15 assignment. And you remember we were looking at the one
16 that was included as an attachment to the other exhibit. So
17 I indicated I was just going to mark it as an exhibit, a
18 separate copy.
19 A Yes.
20 Q Does this look like a photocopy of the same one that we've
21 looked at?
22 A Yes.
23 Q The reason why I attached the other two versions that were
24 in the full loan file is 'cause I just want to ask if you
25 have any idea. As you can see, each one has different

Page 100

1 notations at the top. One has a circle here and a loan
2 number and a bar code. The next one only has a bar code.
3 The next one doesn't have anything.
4 Do you know why there are multiple versions of this
5 document in the loan file or copies of it?
6 MR BURNSIDE: To be clear, you're speaking of not
7 the original loan file --
8 MS. HUELSMAN: Right.
9 MR BURNSIDE: -- that they have but the image
10 record?
11 Q (By Ms. Huelsman) Yes. If you have any knowledge regarding
12 the image record.
13 A I do not know.
14 Q You don't? Again, the bar codes are not Deutsche's?
15 A No.
16 Q Deutsche's not the person's writing, making the handwriting
17 notations on these copies?
18 A No. Based on my review of the original mortgage file, we
19 have --
20 Q The one that is --
21 A We have only number 28.
22 Q -- [exhibit](#) 28, right? Which has none of the notations, none
23 of the bar codes, and only the stamp regarding Long Beach.
24 A Yes.
25 Q Right. Let me ask you a similar question. Exhibits 15 and

Page 101

1 16, and 17 are just, again, photocopies of the Deed of
2 Trust. And I believe you testified earlier that the version
3 you have is the one that's been recorded. And it has the
4 recording number at the top?
5 A Yes.
6 Q In the mortgage file; right?
7 A Yes.
8 Q Okay. So again, based upon what you told me previously, you
9 don't have any idea who affixed the bar codes and did the
10 handwritten notations on these documents?
11 A That's correct.
12 Q Do you know who it would be who would have affixed the
13 certification of originality stamps on these copies?
14 A I do not know.
15 Q Does Deutsche do that kind of certification --
16 A No.
17 Q -- on the documents it possesses?
18 A No.
19 MS. HUELSMAN: 32.
20 [Deposition [Exhibit](#) No. 32 marked.]
21 Q (By Ms. Huelsman) Have you ever seen this document?
22 A No.
23 Q Would this have been a document that Deutsche would have
24 received in connection with any of the documents it
25 received?

Page 102

1 A Not to my knowledge.
2 Q This ship date that's up here, that doesn't refer to any
3 ship date to Deutsche that you're aware of?
4 A I don't know. I've never seen this document before.
5 Q Regarding the way that funds are paid from the loans to
6 Deutsche as the trustee . . .
7 A [Nods head.]
8 Q When borrowers make their payments to Washington Mutual or
9 now Chase under this particular PSA, how are those payments
10 transmitted to Deutsche for distribution?
11 A The payments are sent by the servicer via wire in a bulk
12 wire.
13 Q Is it done once a month? Once every three months?
14 A It is typically wired one business day prior to the
15 distribution date.
16 Q How often is that? I don't have the PSA handy.
17 A Once a month.
18 Q That's what I thought but didn't have it handy. Okay.
19 Is the servicer responsible for paying itself out of
20 the funds it holds? Or does Deutsche collect all the money
21 and then pay investors and then, as well, pay the servicer?
22 A The remittance wire sent to us for distribution is net of
23 any fees or expenses the servicer takes.
24 Q All that's as defined in the PSA. But I just wanted to make
25 sure.

Page 103

1 A Yes, as defined in the PSA.
2 MS. HUELSMAN: I want to take a minute to review
3 my notes and double-check that there isn't anything
4 else. You can have another five-minute break or so.
5 THE WITNESS: Okay.
6 [A brief recess was taken.]
7 Q (By Ms. Huelsman) And other than the PSA, does Deutsche Bank
8 have any policy and procedures which govern the manner in
9 which it conducts its trustee business?
10 A Deutsche Bank conducts its trustee business largely on the
11 basis of each Pooling and Servicing Agreement since each
12 Pooling and Servicing Agreement is negotiated. And while
13 the terms from agreement to agreement may be similar, the
14 terms are specific to each agreement as far as obligations
15 that have to be fulfilled.
16 Q So that's really solely what dictates Deutsche's business
17 practices in its role as a trustee rather than some kind of
18 larger, general policies and procedures?
19 A Correct. The Pooling and Servicing Agreement is the
20 governing document.
21 MS. HUELSMAN: I believe that's all my questions.
22 MR. BURNSIDE: I have a couple very brief
23 follow-up questions.
24
25

Page 104

E X A M I N A T I O N

1 BY MR BURNSIDE:
2 Q Mr. Reyes, I want to follow-up on a couple of points that
3 Ms. Huelsman asked you during your deposition here earlier
4 today. You testified earlier, as I recall, that you had
5 seven people working -- that you were supervising seven
6 people below you; is that right?
7 A Yes.
8 Q You also testified that Deutsche Bank manages or I guess it
9 administrates 2,000 trusts; is that right?
10 A Yes.
11 Q Roughly?
12 A [Nods head.]
13 Q But those seven people aren't administering all 2,000
14 trusts?
15 A No. My answer meant that was department wide.
16 Q Okay. How many trusts are those seven people managing or --
17 I'm sorry -- administering, approximately?
18 A Approximately 700 trusts.
19 Q I want to get back briefly to the exception report that you
20 guys discussed earlier. Ms. Huelsman asked you a series of
21 questions about the exception report. And she said
22 something to the effect that the exception report must
23 indicate there's something wrong or that there was a
24 question that had to be answered. Do you recall that
25

Page 105

1 testimony?
2 A Yes.
3 Q And what is your understanding of the purpose of the
4 exception report?
5 A The purpose of the exception report is to signal to the
6 parties in the agreement that we are still waiting on
7 certain documents.
8 Q But if a -- and you testified earlier that the PSA dictates
9 the documents that are required to be received for that loan
10 to be in the pool; correct?
11 A Yes.
12 Q And if an essential document, for example the note, were
13 simply missing and there was no lost note affidavit or
14 something to that effect for a particular file, would that
15 file or that note be in the pool?
16 A No. Because we would not want to close the deal without an
17 original note or LNA.
18 MS. HUELSMAN: I'm just going to interrupt. You
19 need to turn around so she can hear you.
20 THE WITNESS: I'm sorry.
21 Q (By Mr Burnside) So the items in the exception report don't
22 necessarily mean that there is something wrong with a
23 particular loan such that it shouldn't be in the pool; is
24 that right?
25 A Correct.

Page 106

1 Q You testified earlier about the vault that Deutsche Bank
2 has. Do you recall that?
3 A Yes.
4 Q And can you describe for me how many files that the vault
5 can hold?
6 A The vault that we have at our Santa Ana location currently
7 holds over 3 million files. It has the capacity to hold
8 5 million files. It is approximately 45,000 square feet in
9 size, and it is a two-hour fire-rated vault with security
10 cameras and 24/7 security guards with limited card reader
11 access.
12 Q So do you have access to those records, personally? Could
13 you walk in and access any loan file?
14 A No, I do not have direct access with my, with my ID.
15 Q And you said "two-hour fire-rated." Can you explain to me
16 what that means.
17 A From my understanding, the walls are built such that, if
18 there was a fire external to the vault, the walls would hold
19 up for two hours.
20 MR BURNSIDE: That's all I have.
21 MS. HUELSMAN: That actually reminds me. The
22 exception report, was that produced to me, 'cause I
23 didn't see it?
24 MR BURNSIDE: Yes.
25 MS. HUELSMAN: Do you have the Bates number on

Page 107

1 that?
2 MR BURNSIDE: I do. It was produced at the same
3 time as the two -- with the two letters, you know, the
4 ones we looked at.
5 MS. HUELSMAN: The trustee letters?
6 MR BURNSIDE: The initial certification and the
7 final certification. It would have all but the -- all
8 but Bateman's loan information redacted from it.
9 MS. HUELSMAN: So it's one of those printouts?
10 MR BURNSIDE: Yes. If you want to go off the
11 record, I can call Stephanie.
12 MS. HUELSMAN: I have that stack in my office. If
13 I can just identify the number. I didn't know that it
14 looked like that which is why I was looking for
15 something that looked more like an exception report,
16 which why I was confused. And those printouts are
17 extremely small.
18 [A brief recess was taken.]
19 [Deposition [Exhibit](#) No. 33 & 34 marked.]
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Page 108

E X A M I N A T I O N

1 BY MS. HUELSMAN:
2 Q Looking at [Exhibit](#) 33 . . .
3 A Okay.
4 Q Can you tell me what this document is.
5 A Yes. This is the exception report that was attached to the
6 final certification. And it's redacted.
7 Q Let's see if we can make out what the thing says.
8 A Sure.
9 Q So the first column is the numbers which appear to be, I
10 guess, the loan number; is that correct?
11 A Yes, that's correct.
12 Q And the name of one of the borrowers which is Mr. Bateman?
13 A Correct.
14 Q Then we have another column "LB" --
15 A "0601." So next two columns, LB 0601 and the TR -- I'm
16 sorry -- TR 020706, those are internal ID's for this trust.
17 Then the next -- 'cause this redacted sheet does not have
18 the column headers.
19 MR. BURNSIDE: It's on the first page.
20 MS. HUELSMAN: Right.
21 MR BURNSIDE: The first page of the actual
22 document.
23 A The next column represents that, that we reviewed this item,
24 the item is an intervening assignment, that is, that is the
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Page 109

1 short name for an assign. The next column is the
2 intervening assignment. We note that our code is CS, which
3 means we received a copy certified by servicer or seller and
4 that it was -- it just is in that loan inventory report. We
5 note that it was from Platinum Homes to --
6 Q (By Ms. Huelsman) To Long Beach.
7 A -- to Long Beach.
8 Q And it's on this report because of that stamp we saw, the
9 one in your file, that indicates it was out for recording?
10 A Yes.
11 Q So presumably, because the Deed of Trust was not on here, it
12 had already been recorded and returned; right?
13 A Yes.
14 Q All right. Then we have similar entries for the title
15 report corresponding to what we talked about earlier on the
16 other document; right?
17 A Yes.
18 Q There was only a commitment, and it was a copy?
19 A Right. Well, see, later the, the trailing doc entry on the
20 system of record report that we discussed earlier, that was
21 subsequent to the final certification when we received the
22 actual photocopy of the title policy. At this point in
23 time, we only have the commitment to the title policy, not
24 the title policy itself.
25 Q Right. Okay. So let's turn to [Exhibit 34](#).

Page 110

1 A [Exhibit 34](#) is the report that would have been attached to
2 initial certification at closing.
3 Q Okay. With the same information, it appears.
4 A Yes.
5 MS. HUELSMAN: No, no, you're right. Giving it to
6 me is right. Okay. You're out of here before 3:00
7 o'clock. Thank you.
8 [Signature reserved.]
9 [Deposition concluded at 2:40 p.m.]
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Page 111

C E R T I F I C A T E

1
2 STATE OF WASHINGTON)
3 COUNTY OF KING) SS

4 I, Jacqueline L. Bellows, a Notary Public in and for
5 the State of Washington, do hereby certify:
6 That the foregoing deposition was taken before me at
7 the time and place therein set forth;
8 That the witness was by me first duly sworn to
9 testify to the truth, the whole truth, and nothing but the
10 truth; and that the testimony of the witness and all objections
11 made at the time of the examination were recorded
12 stenographically by me, and thereafter transcribed under my
13 direction;
14 That the foregoing transcript is a true record of
15 the testimony given by the witness and of all objections made at
16 the time of the examination, to the best of my ability.
17 I further certify that I am in no way related to any
18 party to this matter nor to any of counsel, nor do I have any
19 interest in the matter.
20 Witness my hand and seal this 8th day of May 2010.
21
22 Jacqueline L. Bellows, Notary
23 Public in and for the State
24 of Washington, residing at
25 Arlington. Commission
expires October 19, 2010.