

## **09-02-27. Request for Corrective Action by BOA's Audit Committee**

February 27, 2009

WILLIAM BARNET, III,  
JOHN T COLLINS,  
General TOMMY R FRANKS,  
WALTER E MASSEY,  
THOMAS J MAY (chair),  
Admiral JOSEPH W FRUEHER  
AUDIT COMMITTEE  
BOA/CFC  
By email and by fax

**RE: Message to the members of BOA Audit Committee;**

**Timely response requested by March 10, 2009, 5:00pm**

Mr Barnet III, Mr Collins, General Franks, Mr Massey, Mr May, Admiral Frueher:

I, victim of alleged frauds by CFC and BOA, am writing to each of you as an individual member of the AUDIT COMMITTEE of CFC/BOA. Below I describe only a small fraction of such frauds in simple lay-person terms. I have notified BOA General Counsel Mr TIMOTHY MAYOPOULOS of such alleged frauds against me several times in the past. I also notified Mr KENNETH LEWIS and others at BOA/CFC. None responded, and the frauds are allowed to continue, even today.

I request that you immediately take corrective actions. Please personally respond, either at my home address: 2415 Saint George, LA CA 90027, or my email address <jz12345@earthlink.net> no later than Monday, March 9, 2009, 5:00pm. At minimum I request acknowledgement of receipt of this communications. Please also include a statement of your intended actions in this regard, specifically regarding the six items below that I identify as keys in CFC now CFC/BOA alleged collusion in fraud in ongoing litigation of Samaan v Zernik at the LA Superior Court.

As described below, I first heard the name COUNTRYWIDE in December 2006. I had no business with the company whatsoever, but I found out that at that time, the company was already involved in alleged fraud against me for over two years! I fast grew to realize, still in December 2006, that what happened to me was not the work of one employee, a bad apple, but a reflection of the Legal Department at Countrywide, headed by SANDOR SAMUELS, that I concluded already then was operating as a corrupt organization. Such allegations appeared radical in January 2007, when I submitted my first complaint to the FBI, but by January 2008 became commonplace, when "recreated letters" were found in Pennsylvania, and in March 2009, when U.S. Judge Jeff Bohm published his opinion on Countrywide's legal practices. He found routine engagement in what must amount upon review by a competent court to frauds against homeowners all across the U.S. - based on a year long study by the United States Trustee, Regardless of his decision no indictments were filed to this date, to the best of my knowledge, against SANDOR SAMUELS, ANGELO MOZILO, or

anybody else at the Legal Department of Countrywide.

Instead, in an urgent attempt to stabilize collapsing financial markets, the Bush administration chaperoned the take over of the CFC by BOA, which was effective July 1, 2008. Obviously, such merger was undertaken by BOA only with substantial inducements by the Bush administration, the scope of which we will never know for sure, simply because much of it was not in enumerated cash, but in provisions that may transform the framework of the U.S. financial world as we know it today. After all, BOA took upon itself the responsibility for a large entity that had large negative financial value, tremendously negative goodwill, and very substantial criminal liabilities.

The tax payer, who will pay for all of this, could expect at least that BOA would ensure that alleged criminal conduct at CFC would cease the moment it became part of BOA. But at least in Los Angeles, California, such conduct is continuing in full force today, in public, without even an attempt to conceal it, under your watch. And the responses I received from the office of the BOA General Counsel appeared not at all as the responses of a concerned corporate citizen, who is now charged with responsibility for a major public hazard. Instead, it appeared as the response of a corporation that holds itself immune to any criminal charges, regardless of the conduct of CFC, its own subsidiary. I would like to believe that such conduct is limited to Los Angeles, where the local compounding factor is the LA Superior Court itself.

Listed below are key records of the alleged fraud by CFC/BOA against JOSEPH ZERNIK in litigation of Samaan v Zernik (SC087400) at the LA Superior Court:

**1) Underwriting Letter misrepresented as a fax transmission of mid-October 2004, from Countrywide, San Rafael to VICTOR PARKS, State of Washington. [1]** Introduced repeatedly in court. Most recently for a motion noticed for November 2008. Alleged key fraud record.

**2) Real Property Purchase Contract misrepresented as a fax transmission of October 25, 2004, 5:03pm from VICTOR PARKS, State of Washington, to Countrywide, San Rafael. [2]** Introduced repeatedly in court. Most recently for a motion noticed for November 2008. Alleged key fraud record.

**3) Set of a letter and declarations by CFC/ MARIA MCLAURIN, Branch Manager, San Rafael, California. [3]** Introduced repeatedly in court. Key fraud record.

**4) Subpoena Production of Countrywide in Samaan v Zernik. [4]** About 400 pages, produced by the Legal Department a total of 5 times from August 2006 to April 2007. Deemed fraud in its entirety - since it included loan files that were recreated after the fact, and records that are the product of wire/fax fraud and bear false and deliberately misleading fax header imprints, when in fact there is nothing in this production that allows to determine where and when such records appeared from. It was part of a concerted effort by SAMAAN, MCLAURIN and the Legal Department of CFC to fabricate false history for SAMAAN's loan applications in 2004,

**5) Records showing CFC and even more recently CFC/BOA appearing in court for almost two years under the party designation of "NON-PARTY", while the court interchangeably designates it "DEFENDANT", "PLAINTIFF", "INTERVENOR", "ROSS-DEFENDANT", "REAL PARTY IN INTEREST", etc. [5]** Such appearances are deemed false and deliberately misleading and have no basis in the law of the U.S. or California, Therefore they place the entire litigation in a real that is outside the law.

**6) July 23, 2007 Protective/Gag Order by Judge JACQUELINE CONNOR [6].** Such purported order led to two judgment of quasi-criminal nature being entered by Judge Terry Friedman against me, both at the request of CFC, The second one - in February 2009, at the requests of CFC/BOA. I have no valid court record of that nature, and the court and CFC/ BOA so far have failed to produce this record either. Below I attached a short review of part of Samaan v Zernik that allows you to place the records above in their context.

You must realize that you have much greater influence in this case than correcting the wrongdoing against me in Samaan v Zernik, because this case happened to travel in time and space that were

prior to it, and afterwards as well, the scene of other much bigger events. Insignificant as the case itself was and is, it provides unique insights into the bigger events that are reflected in it.

**a) Rampart scandal, and continued false imprisonment of 10,000, mostly black and latinos in LA, 10 years after confirmation of their innocence.**

The most notorious example of the malfunction of the LA Superior Court are of course the estimated 10,000 people who are still falsely imprisoned in LA County, mostly black and latinos, victims of wrongdoing by police of the Rampart station. Such wrongdoing was exposed and investigated in detail as part of the Rampart scandal of 1998-2000. In my efforts to understand what was happening in the courtroom in Samaan v Zernik I eventually got involved in studying the Rampart scandal, since Judge JACQUELINE CONNOR was and is the central figure in both, in more ways than officially acknowledged.

In fact, I claim that the two cases are mirror images of each other, one in the criminal courts, the other in the civil courts. In both cases false evidence was routinely entered. In one case - police purportedly "duped" judges like CONNOR, in the other - corporations like CFC. In fact, combined review of the two cases would lead a reasonable person to the inevitable conclusion, that Judge JACQUELINE CONNOR was never "duped" at all. Similarly I claim that what was stated by Judge CONNOR in her December 22, 2000 ruling that reversed jury verdicts of the four police that were first to be prosecuted for their conduct revealed in the scandal, as her own "errors" in jury instructions, and "errors" she routinely allegedly made in Samaan v Zernik, resulting in invalid litigation records, were no errors at all. Instead, I claim that she herself was the central figure, not only as a judge, but also as the one who initiated or coordinated the wrongdoing in both Samaan v Zernik, and on a much bigger scale - in the cases that underlie the Rampart scandal and later in derailing the first Rampart trial, Therefore, she herself is the central figure who is accountable for what we see today - the continued false imprisonments of at least 10,000 people - mostly black and latinos - who were confirmed innocent in the investigations of the Rampart scandal. Such conditions were capably described in the Blue Ribbon Review Panel report of 2006 [7].

My request for an immediate review by the Audit Committee of which you are a member, of the conduct of CFC/BOA in Samaan v Zernik bears directly on the conduct of Judge CONNOR in Samaan v Zernik, and indirectly - on her conduct in the Rampart scandal and the demands for restoring my rights per International Law, and also the rights of the Rampart-FIPs (Falsely Imprisoned Persons).

**b) Sub-prime crisis and bailout**

I am of the opinion that the conduct of the office of the General Counsel of BOA in Samaan v Zernik call for immediate scrutiny by the Audit Committee of the CFC/BOA merger agreement. In particular - any provisions that were explicitly made by the Bush administration, or even insinuated by such officials relative to criminal liabilities related to the conduct of Countrywide prior and also after the merger with BOA. There is no doubt in my mind that true review of the conduct of CFC would lead to the conclusion that it was and is a corrupt organization. You may read small fraction of the evidence below. BOA officers must have recognized that fact as well, and must have taken steps to protect themselves from being drawn into such affair. But as part of the merger-bailout, BOA at minimum must take responsibility to stop any such criminal conduct that is alleged to be ongoing.

I believe that this AUDIT COMMITTEE, listing respectable names, who served this country for many

years, would not have tolerated anything less than an honest General Counsel at BOA. And yet, following the merger the office of Mr MAYOPOULOS has engaged in conduct relative to Samaan v Zernik that has been far from honest. The only explanation for such conduct at BOA that I could come up with, is that U.S. administration officials, in their desperation to avoid total melt-down of financial markets before they leave office, made representations to that office that were taken to mean that conduct of CFC in general, or in LA County, or just in LA Superior Court, or just in Samaan v Zernik were extra-constitutional zones, similar in nature to Guantanamo Bay. Such discrimination is unacceptable. We who live in Los Angeles County are entitled per the International Bill of Human Rights (1976) to Equal Protection under the law, with no regionally-based discrimination by government in the application of the law.

Likewise, when you read the pages below, surely you will find some points where you would contemplate whether ANGELO MOZILO, SANDOR SAMUELS, MARIA McLAURIN, TODD BOOCK, OR SANFORD SHATZ, all CFC people, were engaging in criminal conduct. Most of them are still CFC/BOA employees, and are still engaging in the same conduct through Samaan v Zernik - now - under the BOA name and under your oversight duties.

Obviously, I hold the FBI investigation, running now for a year, as deliberately aimless. And statements made by the FBI and law enforcement regarding investigation of the causes of the sub-prime crisis as deliberate attempts to mislead the public. But all of that does not permit you, as a member of the Audit Committee of BOA/CFC to ignore your duties.

Some officers of the U.S. may consider that they have successfully fooled the public, for example, in responses by Mr KAISER (FBI) and Mr MELSON (USDOJ) to Congressional inquiries by Senator FEINSTEIN and Congresswoman WATSON concerning Samaan v Zernik in August -September 2008. But the true answer to such conduct is coming roaring from financial markets at home and abroad - nobody is fooled! We are yet to see the end of it. Absent renewed confidence in the integrity of U.S. financial institutions and financial markets, and underlying that - the rule of law and integrity of the courts, there will be no way to sustain the interests of your share holders. That is where you have enormous responsibility these days, when others fail their duties.

As described below, one feature that is common to the two affairs - the alleged frauds at the LA Superior Court and the alleged frauds at CFC, - is the misuse of large computer systems: **SUSTAIN** at the court and **EDGE** at CFC. It is my opinion that until BOA undertakes review of the operation of EDGE by CFC, one must assume that the frauds are permitted to continue. With the LA Superior Court and SUSTAIN the wrongdoing is compounded - since in order to enable the alleged frauds in SUSTAIN, the court has been concealing for the past quarter century public records, and denying public access to such records. I hold that it is the denial of public access to public records that is at present the stumbling block in the release of the Rampart-FIPs.

I therefore also started a petition online for the restoration of fair tribunals in LA County, pursuant to International Law, and the Right for Liberty of the estimated 10,000 Rampart-FIPs. Their innocence was established 10 years ago, and after it was confirmed and re-affirmed by several review panels since then. The essence of the petition is a call for reestablishing public access to the public records of the LA Superior Court. That would be necessary and sufficient to bring about speedy release of the FIPs. I would be grateful if you sign the petition, to show your support. Their continued false imprisonment is inexcusable, it is a disgrace of historic proportions as well - and more than 10 times the scope of the Guantanamo Bay detentions.

Petition:

<http://www.thepetitionsite.com/1/restore-justice-in-l-a>

Blue Ribbon 2006 Report: <http://inproperinla.com/00-00-00-rampart-blue-ribbon-review-panel-2006-report.pdf>  
Front line, PBS, one source of estimates: [http://inproperinla.com/01-05-01-pbs-frontline\\_rampart-false-imprisonments-s.pdf](http://inproperinla.com/01-05-01-pbs-frontline_rampart-false-imprisonments-s.pdf)

I similarly demand restoration of my own full rights pursuant to the International Bill of Human Rights (1976) which incorporated the Universal Declaration of Human Rights (1948). I hold that it would be sufficient to allow me full access to my litigation records of Samaan v Zernik in the SUSTAIN file, to demonstrate unequivocally, and in great detail, that which is already evident - that the litigation as a whole is based on false and deliberately misleading conduct by the court. But the court would not allow me access to the file even in the fourth year of litigation, in disregard of the U.S. Constitution, U.S. Law, California Constitution, California Law, California Rules of Court, etc. All of this is meant to convey the concept - CFC is alleged to have been involved in crimes that were beyond financial recklessness, it was a major participant in the corruption of the courts in LA, and the victims were all 10 millions who live in LA County. We ask that you take corrective actions, and we believe that BOA has the power to effect correction that is far beyond Samaan v Zernik, for example - by making the court allow me access to my own litigation file in SUSTAIN, in compliance with the International Law, and access to the comparable records of the criminal courts, which would allow the speedy release of the Rampart-FIPs. The effect of the restoration of such simple basic civil rights would be tremendous.



Joseph Zernik

[1]

<http://inproperinla.com/04-10-26-countrywide-fraudulent-underwriting-letter-s.pdf>  
<http://inproperinla.com/04-10-26-doc-44-countrywide-fraud-underwriting-letter.pdf>  
<http://inproperinla.com/04-10-26-opinion-letter-countrywide-underwriting-letter-oct-26-s.pdf>

[2]

<http://inproperinla.com/04-10-25-doc-45-countrywide-fraud-contract-record.pdf>

[3]

<http://inproperinla.com/06-11-09-doc-38-1-countrywide-mclaurin-false-declarations.pdf>  
<http://inproperinla.com/06-11-09-doc-38-2-countrywide-mclaurin-false-declarations.pdf>

[4]

<http://inproperinla.com/07-02-08-countrywide-fraudulent-subpoena-production-c-s.pdf>

[5]

<http://inproperinla.com/09-01-13-cw-motion-sanctions-osc-contempt-S.pdf>  
<http://inproperinla.com/09-01-13-moldawsky-notice-of-motion-sanctions-contempt.pdf>  
<http://inproperinla.com/09-01-13-document-1.pdf>  
<http://inproperinla.com/09-02-17-document-1.pdf>  
<http://inproperinla.com/09-02-17-document-2.pdf>  
<http://inproperinla.com/09-02-17-document-3.pdf>

[6]

I have no such record. I expect CFC/BOA to produce the record.

[7]

<http://inproperinla.com/00-00-00-rampart-blue-ribbon-review-panel-2006-report.pdf>

[8]

<http://inproperinla.com/07-12-17-wedick.memo.notarized.deeds.zernik.2009.02.05-s.pdf>

<http://inproperinla.com/07-12-17-grant-deeds-wedick-s-opinion-s.pdf>

**Attached:**

- 1) Review of frauds directly related to CFC - in this message.
- 2) Request for Congressional, SEC, and CFC/BOA Audit Committee review - in a separate message.

This letter and its attachments are also copied to the SEC, as supplement for my new complaint. They are also copied to Prof Joseph Grundfest, Stanford Law and Business Center, former Chair, SEC, to Prof Erwin Chemerinsky, Dean of Irvine Law School, University of California, to various congressional committees, and to U.S. NGOs concerned with integrity in government operations, It is also copied to NGOs concerned with the rights of homeowners, being looted in courts around the country today, in a process of historic proportions that is undermining any sense of social contract, which was carefully built in the U.S. over almost a century following the Great Depression. It is also copied to international Human Rights organizations, with the request that they monitor human rights conditions in LA County - a human rights disaster area, not the least, as seen in this case as a result of corruption in both CFC and at the LA Superior Court.

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**REVIEW OF ALLEGED FRAUDS DIRECTLY RELATED TO CFC  
IN SAMAAAN V ZERNIK**

In Samaan v Zernik (SC087400), starting with the filing of the complaint in October 2005, or even earlier, judge(s) of the Los Angeles Superior Court are alleged to have colluded with CFC and NIVIE SAMAAAN in fraud in the courtroom against me and against the people. However, prior to that, starting September 2004, Countrywide colluded with SAMAAAN in fraud that was related to her attempt to purchase my residence, but where in fact the U.S. government and CFC Share Holders were the primary targets. Had that fraud succeeded, I would have never even known about the whole affair, since I had no business with CFC. Only after the fraud against the U.S. Government and CFC Share Holders failed, did CFC and SAMAAAN target the fraud against me.

**1. Fraud in 2004 against U.S. Government and CFC Share Holders in a failed real estate transaction**

In September 2004 I had my Beverly Hills Residence listed for sale. SAMAAAN made an offer, representing herself as a realtor "closing a few properties a year". I refused to review the offer prior to receipt of a third party, arm's length prequalification. A few days later, she indeed produced a Prequalification letter. In 2007 I realized it was fraud, and later it was examined and found the same by a fraud expert. Under such fraud and others I was induced to assent to contract in 2004.

In the contract, SAMAAAN was required "to act diligently and honestly to obtain designated loans". However, she never removed the loan contingencies on time. Neither did she remove the appraisal

contingency, albeit she had an appraisal that came at sales price in her possession. She did not explain why she never obtained loan approval, and I did not even know that she was dealing with CFC. She did not ask for extension either, although it was getting close to escrow closing day. At the advice of my realtor I then gave her a notice to buyer to perform. She refused to complete the removal of contingencies, and also refused to cancel escrow, and claimed that my realtor and she, also a realtor, had some verbal understandings that she was not bound by the time frames stipulated in the contract.

On October 18, 2004, at the time that my realtor faxed the Notice to Perform, he realized that the fax machine was automatically forwarding his fax, and instead of going to SAMAAN's loan broker, as dialed, it was going to SAMAAN. To make a long story short - SAMAAN was impersonating her loan broker in communications with me and in communications with CFC all along. As far as CFC is concerned, it is likely or almost certain that such arrangement was in full agreement with the Branch Manager, MARIA MCLAURIN, who the records show was involved in the frauds all along. My realtor then sent a request for explanation to SAMAAN and to loan broker PARKS. Neither would answer regarding what must be deemed upon review as wire/fax fraud - a serious federal offense and also a predicated act for RICO.

I then issue instruction to cancel escrow.

A few days later, Samaan sent notice to my realtor that she had removed the contingencies, and that the loans were fully approved by October 25, 2004. She demanded to close escrow. I refused to deal with her.

## **2. Frauds from 2005 to the present - under the guise of litigation at the LA Superior Court**

### **a. October 2005: Initiation of an invalid litigation**

A year later, in October 2005, Samaan filed complaint against me in the Los Angeles Superior court. In January 2009 I realized that she never paid her filing fees, her check were NSF, just like her checks for the escrow deposit. By law, the complaint must be dismissed at the end of 30 days. Not this one. I also wrote to the clerk of the court, but as usual, received no response. Similarly, in late 2008, I realized that all payments in Samaan v Zernik similar to all payments in another "Enterprise Track" case - Galdjie v Darwish, are listed as "Journal Entries", whereas payments in "True Court Track" cases are listed as "Filing Fees", "Motion Setting Fees", "Stipulations Fees", etc.

The original complaint was based on the claim of "oral modification" of a real estate contract, and the complaint did not include any contract at all, and did not provide a good explanation why. My attorney filed a Demurrer per statute of frauds. In her first appearance in proceedings in this case, Judge JACQUELINE CONNOR, in open court Overruled the Demurrer, without asking SAMAAN even to amend the complaint by including a contract. In late 2007, when I deciphered slowly the frauds in Sustain -the court's computer systems, I realized that she deliberately left invalid records of the Demurrer - it was simultaneously "Overruled", "Granted", and "Disposed". The Initial Case Conference that was purportedly conducted on that day, had no true record at all. Likewise - I later found out - all key proceedings in Samaan v Zernik were invalid - a key feature of the Enterprise Track of the Court.

**b. November 2006: SAMAAN's original claims seemed to evaporate - new false claims were fabricated - in collusion with CFC**

In July 2006 SAMAAN provided deposition which was very damaging to her. She admitted that PARKS, the loan broker never had anything to do with the loan application to CFC, that she and her husband, JAE ARRE LLOYD, who then we learnt, was a "Business Partner" of CFC as a "Loan Originator" produced all the records. Eventually I also found out that he was a convicted felon, on financial crime against SKYLINE FUNDING, but had his identity change (formerly - TIMOTHY LLOYD MORROW). Indeed, fraud expert examination of the CFC loan applications, confirmed fraud, on account of false verification. Separately the loan applications must also be deemed fraud on false employment data, income, marital status, and other data.

In November 2006, I asked my attorney to run a motion to expunge lis pendens. In fact, my main interest was "to test the armies", since the whole litigation was baseless from the start, and it was incomprehensible why it was not yet dismissed. The motion to expunge lis pendens was expected to work like a general rehearsal for a trial - forcing the parties to show their cards. Then, SAMAAN switched attorneys, to SHEPPARD MULLIN, the new attorney, MOHAMMAD KESHAVARZI asked to continue the hearing. Evidence I obtained much later showed a last minute, rush, three-way correspondence between KESHAVARZI, LLOYD, and McLAURIN, in which entirely new false claims were fabricated on November 3-6, 2006. The litigation was no longer based on the "oral modification" claims, but instead, on the fabulous claims that I prevented SAMAAN from obtaining her loans in a timely fashion from CFC. Accordingly, a letter was produced by CFC - through McLAURIN to authenticate a fraudulent entirely new Underwriting Letter[1], which was never produced in discovery before. McLAURIN's letter also fraudulently misrepresented SAMAAN's loan underwriting history.

Such letter was far less than a declaration, as requested by KESHAVARZI. In fact, the letter was inadequate for either authenticating the Underwriting Letter or to introduce new statements of facts. Therefore, the fraudulent CFC Underwriting Letter should never have been admitted as evidence in a competent court, since it was not verified, and also since it had inadequate authentication. My attorney did file his objections, but Judge JACQUELINE CONNOR nevertheless allowed such inadmissible evidence to be admitted in an ex parte sur reply proceeding - an entirely unreasonable due process practice. But as was her habit throughout the litigation - she did not leave explicit evidentiary rulings. She later based her ruling on such fraud, and denied the Motion to Expunge Lis Pendens.

Therefore, the Motion to Expunge Lis Pendens in November 2006 indeed forced SAMAAN to show her cards- unlimited source of false records and declarations in CFC, and a similarly unlimited source of deliberately false rulings by Judge CONNOR. A reasonable person upon review of the case would conclude that such understandings were set up prior to the filing of the complaint. Much later, I figured out that both the Motion to Expunge Lis Pendens, and also the Trial Setting Conference that was purportedly conducted that day were never registered in a valid way.

**c. December 2006: Already in my initial review of discovery records I realized that fraud by CFC was involved**

About a month later, in mid-December 2006, I started reviewing the discovery records of the litigation for the first time. Within 15 minutes so, it was clear to me that discovery records included many that were fraudulent, that my counsel never advised me of. In particular, I then saw for the first time the subpoena production from CFC [2]. Although I had no background in law, in banking, in baking regulation, or in real estate, it was obviously fraud. But again - my attorney never advised me of that, and never filed a cross complaint for fraud and deceit against CFC or SAMAAN. When he asked me for my opinion of the records, I told him that I thought that there were numerous frauds in them. He claimed that I was "clueless" (which I was). I then took some key records, and went to FBI and California DEPT of REAL ESTATE. I was then lucky (neither I, nor my counterparts knew then that judges were involved) and I got honest advise - that I was right, and that my attorney was negligent for not filing counterclaims. particularly I was advised that the Fraudulent Inducement was sufficient to make the contract void, and with it , also the litigation in its entirety.

My attorney then offered me \$25,000 in fee waiver to leave his office (without signing any release).

In January 2007 I started searching for a counsel who would file counter claims for fraud and deceit. I could find none.

In January 2007 I also filed with CFC a new subpoena for documents, and in the instructions I explicitly wrote that the previous production was deemed to include fraudulent records, and I requested that the new one would be free of such records.

In January 2007 I also filed my first complaint with FBI against CFC and others, noting the fraud against U.S. Gov, against me,. against share holders, and against the people.

**d. December 2006- February 2007: Attempts to obtain from CFC authentic records through repeated subpoena failed - CFC repeatedly produced false records.**

By February 2007 CFC repeated the Subpoena 3 more time, with all the same fraudulent records as before. I believe that the production of such records in itself includes more than sufficient predicated acts to indict the two attorneys involved in the Legal Department - TODD BOOCK, and SANFORD SHATZ, and well as ANGELO MOZILO and SANDOR SAMUELS. SAMUELS - was directly in charge of the Legal Department, and both of these officers received from me direct requests, similar to the one you are receiving here - to authenticate or repudiate specific fraudulent records, on a number of occasions. They routinely refused to respond, and initiated a campaign of harassment against me, that continues even today.

The fraud in the subpoena production was clear, but the Legal Department insisted on repeating it again and again, including in Meet and Confer in March 2007:

**i) The double date received stamps on the loan applications, and insistence on denial of the true date of receipt of the loan applications.**

Such adulterations are also in complete disregard for Regulation B and Fair Housing Fair Credit laws, which are all based on pipe line reports, which in turn are based on date of filing of the loan application. Even in meet and confer, Att SHATZ and BOOCK insisted that the applications arrived only once, and that the date of receipt was October 12, 2004. They had no explanation at all for the defaced stamps. They denied any imaging report, any pipeline report, any security report, any integral audit report, any external audit report existed regarding such "ugly" banking records.

There is a group of records in the subpoena file with fax header imprint of October 6 or 7, 2004. If we are to accept the fax header as indicative of date of arrival - these records contradict the date of arrival of October 14, 2004. These records, like others that are part of the fax/wire fraud come from an anonymous machine, in

obvious violation of UETA, of "**sound banking principles**", and also in contradiction of CFC's own policy and procedure manual on fax machines operations.

In fact - the application were received the first time on or about October 4, 2004. By October 6, 2007, DIANE FRAZIER - the senior underwriter in San Rafael detected the fraud in employment data, and noted it, as can be seen in evidence in the subpoenas themselves . FRAZIER was also unable to complete the disclosures, which are by law required within 3 days, since SAMAAAN falsely listed \$0.00 as loan fees, where 0.75% was due (over \$10,000) . . Finally - there was no contract at all with the application, and most other support documentation was missing. It was not a reasonable application.

FRAZIER then issued the first underwriting letter, which was omitted from the subpoena production, although CFC denied that all along. It demanded, just like the one from October 14, 2004, that Samaan provide new loan applications (1003), and correct the employment data, or provide a reasonable explanation. It also demanded listing of correct loan fees of 0.75%, and also a copy of the signed contract, since no contract at all was included with the application.

McLAURIN insisted that there was no need for new applications, and that there was no need for the 0.75% loan fees in this case. At the end, to spite FRAZIER, she defaced the date received stamps on the old applications, stamped them again, on October 12, 2004, as if they were new, and passed them through imaging, then presented them to FRAZIER as new applications. FRAZIER in response issued the underwriting letter of October 14, 2004, which repeated the previous conditions, but now also listed a 10 day suspension, within which SAMAAAN was required to provide the new records, or else the applications would be terminated. She included also condition of corporate underwriting approval (Mr DEMETERIO GADI)

ii) Loan application records are missing authentication data, and in fact represent retroactive fabrication of the loan file.

As mentioned above - the records include many that carry fax header that does not match the official time frames, and also came from an anonymous machine. I claims that such records came from SAMAAAN's HP fax/printer which she operated in two modes. One - "**Spellbound**" ID -as seen in a defective copy of the contract that she faxed on Friday, October 22, 2004. That record had the fax cover sheet omitted - probably to hide the fact that SAMAAAN was faxing directly to CFC, which she was prohibited from doing, and CFC was prohibited from receiving records from her either. Two = "**Anonymous**" which was used when she was impersonating PARKS. This ID had no name and no phone numbers. Accepting such records by CFC was obviously in violation of law and regulations. But from time to time, SAMAAAN mixed them up, and also in litigation she filed the fax log itself, assuming that nobody would figure it out, and the HP laser jet lists in one log the transmissions of the two IDs. In fact, as SAMAAAN admitted in her deposition -- PARKS had nothing to do with the loan applications. That is in fact evident, since of all the hand signatures of PARKS in this loan file - all are forged. Not a single one is an authentic PARKS signature, although they can be divided into two categories - the Southern California forgery (probably by LLOYD) and the Northern California forgery (probably by Becky Cusera). The single signature, that is essential for the validity of the loan file as a whole, is missing - the signature on the record titled "**Broker's Certification of Records**".

Most of the record arrived most likely by email attachments to McLAURIN. When - we have no way of knowing from the loan application file. But as far as I can tell, they were inserted into the loan file after October 24, 2004, regardless of the dates in the fax header imprint. CFC never produced the emails. In fact, that is how I knew already in December 2006 that the Legal Department was a corrupt organization. When I first reviewed the subpoena, it included "**Conversation Logs**", which were clearly some blank forms from an entirely different era than the rest of the records. There were various places where it was obvious that all communications were by then by email - with GADI, with ORTON, etc. I then simply called MARIA McLAURIN, and she picked up the phone, and I asked her why the emails were not included. She was possibly confused, and to defend herself explained that subpoenas were prepared through joint work by her and the Legal Department, and that the legal Department determined the subpoenas do not pertain to email, and therefore they included the blank conversation logs instead.

In short - the false records were not the product of negligence by a custodian of records and lack of attention by any more senior manager. On the contrary, a group of senior employees - MARIA was probably even an officer, decided to get CFC in this litigation, which it was not party to, and do so in order to obstruct and pervert justice, thought the staff of the Legal Department. Obviously, it would not be the first time ever - I never thought I was that special. Similar results were confirmed by March 2008 by the Decision of U.S. Judge JEFF BOHM in Texas,

based on a year long study of the practices of CFC in courts around the country, and the fraud in a Pennsylvania Court in January 2008 is what caused the final decision on take over by BOA. Furthermore, as I later found out, the coordination of such frauds continued all the way to the Presidential Suit - when Office of Thrift Supervision is sending an email and receiving back a false statement, intended to obstruct and pervert justice. And then the Office of Thrift Supervision parrots it in an official letter of the agency, as if it were the outcome of an **"investigation"**.

iii) The loan applications were never approved on October 25, 2004, as claimed by Samaan and CFC, neither were they approved at any other time.

Neither by October 25, 2004, nor by Jan 27, 2005, the date of denial by Countrywide Bank, did Samaan ever complete even the most basic condition - providing loan application with correct loan fees on her loan applications, and signing the disclosures as required by law.

Furthermore, even the representation of the loan applications as live and well after October 25, 2004 is entirely fraudulent. By that day they were officially dead. But McLAURIN operated, and for all we know still operates today a special "Zombie-applications/ Regulation B-Exempt Track" in parallel to the official "Regulation B-nonexempt Track".

On October 25, 2004, when the 10 day suspension was over, and the applications officially were dead, **"EDGE"** CFC's underwriting monitoring system was supposed to kill the applications. Moreover, any reasonable system like that must not allow a non underwriter access to underwriting of loan applications. Obviously all security and auditing controls were dismantled in San Rafael, and for all we know the branch is still managed the same way today. Because the final outcome was and still is that the underwriter was terminated, and is living in fear, monitored at home years after dismissal, and the Branch Manger, who engaged in multiple frauds, is still in the same position.

McLAURIN inserted herself as underwriter, in violation of law and regulations, and started efforts to fund the applications in disregard of conditions set by FRAZIER, the duly assigned underwriter, and also in disregard of conditions set by Mr GADI in his Oct 29, 2004 response to the October 25, 2004 Exception Request filed by McLAURIN. On October 25, 2004, McLAURIN filed a fraudulent Exception Request with Mr GADI, she inflated SAMAAN's fraudulent income from \$400,000 to \$4,000,000. She also omitted the required **"CLUES"** report from the request - since it would have been derogatory. Neither would she file a contract, since the contract would cause SAMAAN's applications to be denied immediately.

Beyond that, the fact that the system allowed a loan application that was purportedly filed on October 12, 2004 to be presented for funding in January 27, 2005, with no underwriting decision along the way, indicates complete breakdown of compliance with time frames and Regulation-B at San Rafael, and any pipeline report - the key report in regulation of such government-backed operation from that branch should be considered suspect. Otherwise stated - without being a bank regulator, I cannot believe that any internal or external audit was in place in San Rafael, or for that matter is now in place in the San Rafael branch of Countrywide Home Loans, Inc, and for that matter in any of the wholesale branches. The overall nature of the conduct points out to total disregard for the law.

iv) The true reason that SAMAAN never filed a contract with her applications was that it included a fatal violation

SAMAAN was never qualified for the purchase contract she signed, and she never had sufficient cash for the down payment, even in the conditions that prevailed then. Therefore, she wrote into the contract that her commission as broker for self would be counted as part as the down payment. Such transaction is explicitly prohibited. Had SAMAAN filed the contract anytime during the period that FRAZIER was in charge of underwriting, the applications would have been immediately denied. Therefore, the contract was faxed only AFTER FRAZIER was no longer involved - i.e. after the applications were purportedly terminated on October 25, 2004.

Therefore, after October 25, 2004, the applications were both fatally flawed, and also dead on account of failure to correct the conditions of suspension prior to October 25, 2004. Regardless, McLAURIN continued her efforts, operating a fraud on the U.S. government and on share holders, and tried to get the applications funded only to be denied by Countrywide Bank at the end.

Some questions linger: Wasn't Mr GADI supposed to be online on EDGE? Couldn't he see that these were Zombie/Regulation-B Exempt Track applications? I believe that he had to be online on the

system, and that top management knew of the Zombie/Regulation-B Exempt Track, but it was just one more way to "**streamline**" underwriting. It does not make sense any other way to have corporate underwriting support if that orifice is not live on the system.

***e. March 2007: Locating FRAZIER, establishing an estimate of U.S. liabilities, and a death threat***

In March 2007, I also located DIANE FRAZIER. It was clear that she had a conflict with McLAURIN, and that she would know the true details. We discussed the subject in great detail by phone. She was obviously intimidated, even 2 years after her termination, and she remembered any of the smallest details of SAMAAN's applications, the one that cost her the job after 19 years with CFC. She repeatedly warned me "**You don't know who you are dealing with**", and also "**Nobody can touch MARIA McLAURIN**".

That conversation was also sufficient for me to produce estimates of the liabilities anticipated to U.S. government and the U.S. tax payer that now seems to surprise some observers. It was not that difficult at all. I consider the significance in the formulating of the question. I by then had already had discussions with research analysts in Federal Reserve regarding the state of calculating the Savings and Loans losses, which I figured out was the only reasonable precedent. The take home lesson from that discussion was that we will never know the true cost of such losses, since it is a moving target with currently fluctuations etc. Therefore, I figured out that a very rough estimate was all that was needed. Based on several figures from San Rafael, and the number of branches in COUNTRYWIDE HOME LOANS, INC, I estimated the total loss. With that there is the implied assumption that the WHOLESALE DIVISION was the hot bed of frauds, and that the other parts of CFC were negligible in comparison relative to fraudulent loans. The whole business model appeared unreasonable.

The next time I tried to call DIANE FRAZIER, I got a man by phone, and he explained to me angrily that FRAZIER was not allowed to talk with me in the first place, because CFC did not allow it, and "If you call this number again, I will come down to LA and gun you down". When I tried to have her served for subpoena deposition, a man answered the door, and claimed she no longer lived there, and my service people observed the house 24 hours a day for a few days, she was never seen.

During these months of January - June, 2007 I also sent several messages to SANDOR Samuels and ANGELO MOZILO directly, since they advertised that they were personally fighting frauds. I asked them to authenticate or repudiate the key records. They never responded.

***f. July 2007: Harassment, retaliation, and intimidation against a witness, victim, and informant started in full force***

In late June I then left a sealed envelope for SANDOR SAMUELS at BET TZEDEK, HOUSE OF JUSTICE, where he served as president, and where he advertised on the web his personal campaign against fraud. It was a copy of the usual request. The next day, the whole web site of HOUSE OF JUSTICE was down, and it remained down for about a week. When it came back up, it was a two year older version, with no mention of SAMUELS or his campaign against frauds.

A week later, on July 6, 2007 CFC appeared in court as "**NON-PARTY**" at a time that the court was "**dark**", for an ex parte application for what they call "**Protective Order**" - while such discovery motions were no longer allowed. By its nature and timing, I consider it "**Gag Order**" it sought to prohibit me from talking to almost anybody who Countrywide wanted me not to talk with. I was to

be prohibited from talking with FRAZIER, RABBI BERNHARDT, retired JUDGE SCHOETTLER.

CFC's moving papers are now missing from court file, although my paper in opposition did appear there last time I checked. Likewise, there is no minute order for that proceeding. And yet, CFC used a fictitious order that persuadably was the progeny of this hearing, as the basis for fraudulent sanctions and Contempt hearing against me, under Judge TERRY FRIEDMAN in both February March 2008, and February 2009.

**g. Searching for attorney, and leave to file compulsory counterclaims for fraud and deceit is denied**

Only in July 2007 I found the reason why I could not find an attorney to file for me the fraud and deceit counterclaims. It came from Att LARRY ROTHSTEIN - that attorneys in LA were intimidated by Judge JACQUELINE CONNOR. Any experienced real estate attorney would know that she would not rule in favor of a fraud and deceit argument. Yet worse - she would retaliate against the counsel who filed it.

Eventually I filed the motion for leave to amend answer for the counterclaims in pro per. Judge JACQUELINE CONNOR then without any reason continued the hearing by several weeks, then denied the right to file such counterclaims, which are considered "**compulsory**".

**h. August 2007: Summary Judgment in August 2007 and the second key record from CFC - real property purchase contract**

In motion for summary judgment in August 2007, Judge CONNOR allowed SAMAAAN's counsel, KESHAVARZI to enter the contract that was the subject of the litigation, in Reply brief, in violation of due process.[3] That was a fraudulent record from countrywide. With that, the statute of frauds fraud, which defined the first 2 years of the litigation was concluded, and on the same day the second overarching fraud was initiated - the entry of judgment fraud, which would define the remainder of the litigation. At the summary judgment hearing, I spent the whole time allowed for me in oral arguments on demonstrating the various frauds evident in that CFC record. The main fraud in it was the Fax/Wire Fraud. It came with a fax cover sheet that purported to be of PARKS, and the fax transmission was purported to have arrived at San Rafael on October 25, 2004, 5:03 pm, by fax from Washington State, from PARKS - SAMAAAN's loan broker. Based on such fax, it was purported that SAMAAAN's loan applications were approved - albeit - much earlier in the day. And VICTOR PARKS in fact dated such fax in his declaration of November 2006 to Friday, October 22, 2004 - since the fraudulent claims were fabricated as you go, there were such inherent fatal inconsistencies. Moreover, already in the hearing in August 2007 I showed that the imprint of October 25, 2004, 5:03pm was from a transmission from SAMAAAN to LLOYD, as part of the wire/fax fraud, and not at all a transmission from PARKS to SAN RAFAEL.

We have no knowledge when and how the record arrived at CFC, like most other records in the fraudulent subpoena production, since they arrived as part the fax/wire fraud. Most likely - as attachments to email from LLOYD TO McLAURIN, at a time that was later than the time of the transmission from SAMAAAN to LLOYD, but is otherwise undefined.

Again, although the record was inadequately entered as evidence, and never adequately authenticated, and overruling objections, but refusing to issue explicit evidentiary rulings, Judge JACQUELINE CONNOR admitted it as evidence, and based the "judgment" on it. Furthermore, the fraudulent Inducement, which was clearly evidenced, was simply ruled by her "RED HERRING".

A new attorney I hired then, EDWARD HOFFMAN, agreed to help me write a motion for reconsideration. On August 21, 2007, after working overnight with Att HOFFMAN to complete the motion in time, I filed the motion for reconsideration signed by him, at his insistence, while he appeared for me in a short hearing with Judge JACQUELINE CONNOR. When we met, shortly afterwards, he was visibly shaken. He eventually admitted that Judge JACQUELINE CONNOR intimidated him with threats of action against his license. He insisted on withdrawing any paper bearing his name, and with that his representation came to an end. I also missed the deadline for that critical motion.

*i. >July 1, 2008: Fraud by CFC/BOA continues*

In the period after August 2007 and until January 2008, I was subjected to some of the worst abuse. But that part did not directly involve CFC. It had already done its share. Suffice is to say that I was forced to abandon my home under pure threat of force, with no legal foundation. Att. DAVID PASTERNAK a friend of both SANDOR SAMUELS and Judge FRIEDMAN forcibly entered the property, "**took possession**", purported to sell it to SAMAAN, kept the funds to himself, and filed a fraudulent grant deed on the property, as opined by veteran decorated FBI agent, JAMES WEDICK: Accordingly, based on above observations MR. .WEDICK opines an immediate investigation should be instituted in an effort to ascertain the circumstances behind any fraud being committed so that appropriate local, state, and federal authorities can be notified, including the appropriate court. [8] I never received a penny from the purported sale of the property. By law, if any of the matter was conducted under the law, I was to receive the proceeds within 30 days.

In January 2008 CFC renewed its harassment campaign, and in proceedings by Judge FRIEDMAN, who like all judges before him never held an Assignment Order, and was acting with no valid authority at all, sanctions were set on me for over \$22,000, at the request of CFC, based on proceedings and evidence that were all false and deliberately misleading.

After July 1, 2008 when CFC became a subsidiary of BOA, I expected that all such actions will cease. I have sent notifications to officers of BOA starting February 2008, and I even received a response from the office of Mr Kenneth Lewis in February 2008, indicating receipt of my notice. When BRYAN CAVE, LLP, continued the purported representation of CFC after the merger, I asked for information about corporate disclosure and nature of their engagement. They never provided adequate responses.

I therefore contacted in November-December the Offices of Mr TIMOTHY MAYOPOULOS, and spoke with several senior staff members there, and also left a couple of messages on Mr MAYOPOULOS' extension. All those I spoke with, without exception, were unanimous: BRYAN CAVE, LLP was **NOT** authorized to appear in court for CFC/BOA. However, although a couple of those I spoke with promised to follow up with a written statement to the same effect, I could never obtain such statement, and in fact, the records show that the office of Mr MAYOPOULOS colludes with BRYAN CAVE, LLP in their alleged fraudulent appearances in court in LA.

Such conduct is surely in contradiction with the principles guiding the conduct of the General Counsel, as detailed BOA manual: External Counsel Procedures. The most plausible explanation for such deceitful conduct is that it is intended to bypass compliance with Sarbanes-Oxley Act, Section 307.

In proceedings on January 13, 2009, and February 17, 2009 Judge FRIEDMAN again found me in contempt and again set sanctions for thousands of dollars. This time the claim by BRYAN CAVE,

LLP was that my phone calls to the office of General Counsel of BOA, where I uncovered their fraud in court - appearing for BOA without authorization, constituted violation of a court order from July 23, 2007. Not only is that court order yet to be discovered, it could not possibly refer to anything related to BOA. No need to get into all the additional ways in which the whole spectacle is an insult to any notion of justice system under a regime that represents itself as compliant with International Law.

***j. Computer systems: Represent compliance, but underlie alleged frauds at both CFC and LA Superior Court***

Upon review of the case as a whole, one fact of interest is that the basic tools enabling the frauds at San Rafael and in Los Angeles are the same - Computer system that were installed to convey the impression of better compliance and scrutiny, but in fact are used for the opposite purpose - for circumventing the law. At San Rafael it is the mode of operation in EDGE, at the court it is the mode of operation of SUSTAIN.

***k. Denial of access to public records: Conditions of justice in LA County are medieval in nature.***

In reviewing the case as a whole, one cannot avoid noticing that the case was defined by courtroom frauds that were typical of much older eras - as far back as the medieval era - the statute of frauds fraud, and the entry of judgment fraud. I would add to that the opinion that the continued imprisonment of the estimated 10,000 Rampart victims is also of the same nature - a medieval fraud of the court. And the reason that in the early 21st century we find in Los Angeles County medieval frauds of the court is that conditions in Los Angeles County Superior Court are in some respects of late medieval nature. The right to access judicial records to inspect and to copy, which was affirmed by the U.S. Supreme Court as part of Nixon v. Warner Communications, Inc., 435 U.S. 589 (1978) is denied in LA County since 1985 - the time computers were introduced in that court in what must be deemed fraud on the people.

I hold that it is the lack of access to Books of Court that is preventing us from engaging in Habeas Corpus writs to free the Rampart victims... Since although the Habeas Corpus was granted in the earlier middle ages, I am confident that there studies out there showing its ineffectiveness until a later period, when the concept of Books of Court and public records became common place.

For example, to this date I am not permitted by this court to inspect and to copy my own litigation records in Samaan v Zernik. It is exactly that - the denial of public access to public records that are the records of the court that enables this range of medieval frauds - from Statute of Frauds Fraud, to Entry of Judgment Fraud, to the continued False Imprisonment of the Rampart victims - thousands of innocent citizens.

***l. Los Angeles Superior Court is in violation of International Law***

The Los Angeles County Superior Court of California has operated in the past quarter century in a manner that upon review by a competent international court of jurisdiction, is likely to be deemed as an ongoing violation of the Universal Declaration of Human Rights. I hold that in my case, the following articles were violated:

**Article 2** says:

"Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the country or territory

to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty. "

**Article 7** says:

"All are equal before the law and are entitled without any discrimination to equal protection of the law."

**Article 8** says:

Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

**Article 10** says:

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

**Article 11** says:

Everyone charged with a penal offence has the right to be presumed innocent until proved guilty according to law in a public trial at which he has had all the guarantees necessary for his defense.

No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.

**Article 12** says:

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honor and reputation. Everyone has the right to the protection of the law against such interference or attacks.

And Judge JACQUELINE CONNOR is intimately involved in all of these frauds, in more ways than one.

I fully support the opinion that came to me in an anonymous letter from a person who credibly described himself as an experienced criminal defense attorney:

"The troubles that you have with Jacqueline Connor, however, sound very familiar.....a former deputy prosecutor from the L.A. County District Attorney Office, is a "Rampart Judge" from way back....while on criminal court bench, Connor would confer with the D.A. behind the backs of defense attorneys in order to find out ways to convict Defendants. She would intimidate witnesses in her courtroom ... in order to convict people she disliked. Thus, I imagine that she coordinated her activities with opposing counsel in your case. Connor was inappropriately assigned to hear the first case against the Ramparts officers., It does not take an Einstein to see that Connor was protecting herself and the other Rampart judges from disclosure."

And:

" My opinion is that she belongs in prison and not on the bench."

**m. Requested: Support by the Audit Committee of BOA for efforts to restore the access to public records of LA Superior Court.**

Beyond corrective actions involving conduct of BOA itself, I hope that the Audit Committee would find ways, as a committee or as individuals, to exert influence and support efforts to restore human rights in Los Angeles, in compliance with International Law. My goal is to effect the minimal correction of conditions at the LA Superior Court that involve the operation of fraudulent computer

systems and hiding the records of such systems from the public, where by law they are public records. Under current conditions, the Audit Committee of Bank of America Corporation has the potential to effect such changes. I hope that you would make decisions that would reflect your concern for the rule of the law across the U.S. and the preservation of civil rights that were achieved after many generations and are on decline or gone in LA.

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**Please support our petition:**

Calling upon the President Obama:

**Open the Books of LA Superior Court - to Free the 10,000 Rampart-FIPs.**

**<http://www.thepetitionsite.com/1/restore-justice-in-la>**

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**Joseph Zernik, DMD PhD**