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07-06-25. First email to Mozilo and Samuels

FIRST EMAIL TO SAMUELS AND MOZILO

Date: Mon, 25 Jun 2007 13:51:34 -0700
To: sandor_samuels@countrywide.com
From: jz12345@earthlink.net
Subject: URGENT: Timed response required - demand for a declaration by a Countrywide Officer.

June 25, 2007

Sandor Samuels
Chief Legal Officer
Countrywide*

URGENT: Timed response required - demand for a declaration by a Countrywide Officer.

Dear Mr Samuels:

Below is a copy of a letter I emailed to Mr Mozilo in his capacity as the Chairman of Countrywide's Internal Audit Committee. In this letter I demand that he immediately take action to mitigate damages to me resulting from the conduct of Maria McLaurin, San Rafael Countrywide Home Loans Wholesale Branch Manager. I also left a similar letter for you on Friday in the offices of Bet Tzedek, where you are President of the Board of Directors.

Phase I - 2004: Typical "Straw Buyer" mortgage fraud compounded with rate/fee discount

As we have uncovered through subpoenas, in 2004 McLaurin was an accomplice to an attempted mortgage fraud against Countrywide - a government backed mortgage lender. Her main collaborator was Jae Arre Lloyd (formerly Timothy Lloyd Morrow), veteran mortgage processor (but not a license holder). In 2004 I had no knowledge of this, although the fraudulent mortgage application was against my Beverly Hills residence, at that time listed for sale. Initially, no harm was done to me either.

It appears that neither McLaurin nor Lloyd were new at it. But as seen through documents obtained from Countrywide, McLaurin and Lloyd were trying to outdo themselves in this case. They were not satisfied with a typical "Straw Buyer" mortgage fraud - issuing loans for about \$1.5m for an entirely unqualified borrower. The borrower, Nivie Samaan, a department store cosmetics saleswoman was represented in 2004 as Lloyd's newly-wed wife, although in 1003 and in Escrow documents she was listed as an Unmarried Woman, and future Sole Owner of the property. Lloyd, the husband himself, was the one who introduced this fraudulent marital status listing. As turned out much later, the person represented as the loan broker (Victor Parks, Lloyd's 1st cousin and business associate) was out of the loop.

This particular mortgage fraud was to be a family affair for the new-wed wife. And the "Straw Buyer" mortgage fraud was to be compounded by fraud against Countrywide per se - by obtaining the 1st lien mortgage at 0.75% discount relative to prevailing rates and/or fees.

Unfortunately, as it turned out, the compound fraud was not as easy to pull off as these two professionals, McLaurin and Lloyd, must have assumed. The local branch senior underwriter - Diane Frazier - repeatedly refused to issue credit determinations for 1003 mortgage applications with major violations of loan program rules. And the Clues Expert System similarly issued a "REFER" determination.

McLaurin indeed tried to bypass the local underwriter and she issued a referral to Division Underwriting Support - Demetrio Gadi - for an Exception Request. But Gadi would not go along with that fraud either. Careful reading of his "approval" communication shows that he in effect did not approve any exception at all. The borrower was to add the 0.75%, as previously determined by Frazier, and the borrower was required to produce new, valid 1003s. Moreover, Gadi reinforced the authority of the local branch underwriter and determined that the branch manager must abide by all conditions and decisions previously stipulated by Diane Frazier. Moreover, he added new conditions that would make it even more difficult, or practically impossible for McLaurin to get that fraudulent application funded. A new Clues Report was to be issued prior to funding, and all documents had to be reviewed by a branch underwriter prior to funding. In addition, Gadi introduced an unusual condition, to ensure that if the loan was ever funded, damage to Countrywide was contained. McLaurin was instructed to issue a non-delegated Mortgage Insurance at cost to branch, and demonstrate a certificate in the file prior to funding.

In fact this "Exception Request Approval" by Gadi, was a sounding vote of no confidence in the integrity and professional judgment of McLaurin. I had no knowledge of any of that in 2004, as the seller in the underlying real estate transaction. But both I and my realtor were getting increasingly alarmed by what appeared as repeated instances of dishonest dealing or worse, and by failure of the buyer to perform. I was also waiting for buyer to remove her contingencies prior to making a large deposit on my next dwelling. But buyer failed to remove the contingencies, and I subsequently lost the dwelling that I had chosen as next for me and my family. By that time, the typical California real estate transaction, with its measured dynamic method of contingencies, intended to equitably distribute the risks and liabilities, was turned upside down. It was clear that the buyer would not be able to close on schedule, but if I waited any longer, she could force me to close at any time in the future, regardless of whether or not I had secured an alternative dwelling. And she could also cancel without a major liability to herself, since she still had not removed her last two contingencies (Loan and Appraisal).

Therefore, I issued a Notice to Buyer to Perform. In response, I received a letter from buyer in which she explicitly refused to remove the last contingency (Appraisal), without any justification. Indeed, she already had in her hand an appraisal that came in at sales price, and her actions in this regard appeared as yet another dishonest dealing, which in retrospect is surely was. I then acted within my absolute right and issued Instruction to Cancel Escrow.

Events in 2004, in and of themselves, caused relatively little harm to seller compared to subsequent events. These events in 2004 may appear to some as solely an attempt at fraud against Countrywide, facilitated by a Countrywide Branch Manager. But in effect, the Purchase Agreement stipulated that buyer "*shall act diligently and in good faith to obtain designated loans*". Therefore, the fraud was also against the seller. Seller had no consumer standing, and for that matter no direct relationship whatsoever with Countrywide. But a Countrywide Branch Manager with no discernable reason, was trying to harm seller by enabling and facilitating fraud by buyer against seller.

Events in 2004 could not have taken place were it not for the willingness of McLaurin to perpetrate mortgage fraud in collaboration with Lloyd and Samaan. It is also difficult to assume that what the underwriter, Frazier, herself described to me was entirely secret - a wholesale branch where fraud was pervasive and underway on a daily basis, intense pressure was applied on the legitimate underwriters to collude, total disregard for laws and regulations was abundant, and the organizational structures and procedures that were put in place in Countrywide to implement mandatory safeguards and comply with the law, appeared all gone. In fact, careful analysis of Gadi's actions suggests that he was aware at least of some of it.

Phase II, 2005 - present: Fraudulent "Lis Pendens Squeeze"

By late 2005 it was clear that real estate values in Beverly Hills had appreciated substantially from 2004, against all experts' predictions. The fraud then entered Phase II. Samaan filed claims for specific performance, based on the failed transaction in Phase I of this fraud, and she placed lis pendens against the title of the property.

This type of fraud is also well known. The owner is left instantly without any control of his own property, or his own finances for that matter, or his own time of day. Owner is not able to sell, not even to enter a long term lease, and surely not even to refinance at a time of concerns over swinging interest rates. Moreover, the litigation, beyond the aggravation, has become exceedingly costly. At present, this case appears as one that can bring this owner to bankruptcy and ruin, in a case that is what Bet Tzedek's mission to prevent.

Strange Bedfellows

The current situation put the owner, buyer, and Countrywide in unanticipated positions: One would have thought that Countrywide, as targeted victim of the Phase I compound fraud would take action against a runaway Branch Manager and take a firm position against the borrower/buyer.

In fact the opposite is the truth. Attorneys for the Legal Department clearly show no interest in the fact that a Branch Manager attempted fraud against the bank. In fact attorneys for the Legal Department have been trying to cover it up by producing partial responses to subpoenas, and at times making deliberately false representations.

The buyer, who in 2004 had a check for \$15,000 deposit bounce twice for NSF, has now spent by some estimates close to \$200,000 on legal fees. And strangely enough, attorneys for the buyer seem particularly interested in protecting the Branch Manager, who is not even their client. In return, the Branch Manager supplied buyer with fraudulent claims, fraudulent bank documents,

and make statements and declarations in court that form the foundation of this malicious prosecution.

Being a relatively senior manager, identifying herself as a Branch Manager, and submitting papers on Countrywide letterhead, Maria McLaurin is clearly perceived in court as representing Countrywide as a whole.

The damage caused to seller by this malicious and illegal conduct of McLaurin is enormous, and is compounded by the day.

Demand for Immediate Action:

I sent an email to Mr Mozilo earlier, in his capacity as Chairman of the Internal Audit Committee, and I also left you a similar letter last week at Bet Tzedek, marked "Urgent", and "Personal". In the letter to you I indicated that I had approached Rabbi Shusterman, Av Bet Din of Los Angeles, and he agreed in principle to host an informal meeting.

Given your position in Bet Tzedek, in Adat Ariel, in the Ziegler School of Rabbinical Studies, and statements you make on behalf of Bet Tzedek, and the little that I know about your education, I cannot believe that had you known any of this, you would have let it stand one more minute.

In the letter to Mozilo, as an immediate relief, I requested that an authorized Officer of the Corporation make two statements in a declaration that would be submitted in court. These statements, which I am confident are true, contradict fraudulent statements and assertions repeatedly made by Maria McLaurin and her associates in court since November 2006. These assertions form the core of the litigation. If the true facts in this matter are clearly articulated by Countrywide, and if Maria McLaurin is barred from any further misrepresentation and fraud in court, where she appears as representing Countrywide, this litigation would be over.

I look forward to hearing from you. TIME IS OF THE ESSENCE.

Joseph Zernik
Cell: 310 435 9107

* Countrywide here refers to CFC, Inc, and all its affiliates and subdivision.

Date: Mon, 25 Jun 2007 02:59:02 -0700
To: angelo_mozilo@countrywide.com
From: jz12345@earthlink.net
Subject: URGENT: Timed response required - demand for declaration by Countrywide officer.

Joseph Zernik DMD PhD
320 South Peck Drive, Beverly Hills CA 90212 Tel: (310) 286-9567 Fax: (801)
998-0917 Cell: (310) 435-9107

**URGENT! TIMED RESPONSE REQUIRED! TIME IS OF THE
ESSENCE!
EMAILED TO ANGELO_MOZILO@COUNTRYWIDE.COM AND SENT
VIA CERTIFIED MAIL**

June 23, 2007

Mr Angelo Mozilo, Chairman
Internal Audit Committee
Countrywide*

RE: Samaan v Zernik, Samaan's 1st Lien Loan Application #8137375

Dear Mr Mozilo:

I am approaching you as Chairman of Countrywide's **Internal Audit Committee**, demanding actions to mitigate harm and damages to Zernik by Countrywide, and to prevent further fraud perpetrated by San Rafael Branch Manager Maria McLaurin and her associates.

In 2004 Zernik listed his residence in Beverly Hills for sale. Nivie Samaan made an offer, which was eventually accepted by Zernik. As later uncovered, Samaan was never qualified to purchase the Property. She was a cosmetics saleswoman who fraudulently represented herself to Zernik as a realtor who closed several deals a year, and who fraudulently represented herself in her 1003 (**Attachment #1**) as solely deriving her income as President of a Corporation. Her Prequalification Letter was a product of fraud and an instrument of Fraudulent Inducement to obtain Zernik's consent to the Purchase Agreement.

Maria McLaurin, Branch Manager, buyer Nivie Samaan, buyers husband and McLaurin's friend Jae Arre Lloyd (formerly Timothy Lloyd Morrow), and his cousin and business associate Victor Park, all operating in the field of real estate and mortgages, initiated in 2004, several types of fraud, all related one way or another to the pending sale of my residence. McLaurin and Lloyd were most likely well versed in mortgage fraud, but this fraud scheme did not work on schedule - approval of the 1st Lien Loan #8137375 was considerably delayed, possibly because Lloyd and McLaurin were trying to outdo themselves this time and issue a fraudulent jumbo mortgage, with no documentation, and at reduced interest rate. The latter proved more difficult than anticipated (**Attachment #,2,#3, #4**).

Following Samaan's failure to perform, and the realization, on several accounts, that she was not dealing honestly, Zernik issued Notice to Perform, and later, after Samaan refused to perform, he issued Instructions to Cancel Escrow.

A year later, in 2005, once the price of the Property considerably appreciated, Samaan filed claims for Specific Performance, and placed lis pendens on the Property. Samaan's claims initially appeared unsustainable and

absurd, but false and fraudulent statements and documents (**Attachment #5**) brought or supported by McLaurin kept the case in court for the second year now.

I demand your help in mitigating the damages resulting from unlawful, fraudulent conduct of Maria McLaurin. To mitigate damages, and to help in stemming the ongoing fraud and deceit perpetrated against Zernik, please personally ensure that I am provided by Friday, June 29, 2007, 5:00pm, a declaration by an authorized officer of Countrywide, outlining relevant details shown below (Attachment #6).

Sincerely,

Joseph Zernik

* Countrywide here refers to CFC, Inc and all its subsidiaries and affiliates

PLEASE SEE COMPLETE DOCUMENT IN ATTACHMENT.