

111TH CONGRESS }
1st Session

HOUSE OF REPRESENTATIVES

{ REVIEW NO.
09-4126

**OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF
REPRESENTATIVES**

Report and Findings

Transmitted to the
Committee on Standards of Official Conduct
on August 6, 2009
and released publicly pursuant to H. Res. 895 of the
110th Congress as amended



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WASHINGTON : 2013

OFFICE OF
CONGRESSIONAL ETHICS
BOARD

UNITED STATES HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS

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Bryson Morgan, *Law Clerk*

REPORT

Review No. 09–4126

The Board of the Office of Congressional Ethics (hereafter “Board”), by a vote of no less than four members, on July 24, 2009, adopted the following report and findings and ordered them to be transmitted to the Committee on Standards of Official Conduct of the United States House of Representatives.

SUBJECT: Representative Laura Richardson.

STATEMENT OF THE NATURE OF THE REVIEW: On May 7, 2008, Representative Laura Richardson’s Sacramento home was sold into foreclosure. On May 29, 2008, Washington Mutual, Representative Richardson’s lender, rescinded the foreclosure sale. Immediately following the rescission, James York, the individual who had purchased the home and had begun making improvements to it, publicly accused the Congresswoman of receiving preferential treatment from her lender. Further, Representative Richardson did not disclose her mortgage liability on her 2007 financial disclosure form filed in May 2008, or in two subsequent amendments filed to her financial disclosure form in June 2008.

In the course of its review, the OCE learned that neighbors of Representative Richardson provided professional yard-care services to the Representative’s Sacramento property for which they were not reimbursed.

Representative Richardson’s conduct may have violated gift and financial disclosure rules.

RECOMMENDATION: The Board of the Office of Congressional Ethics recommends that the Committee on Standards of Official Conduct further review the allegation that Representative Richardson violated House Rule 25, clause 5 (gifts) by knowingly receiving preferential treatment from Washington Mutual Bank.

The Board recommends that the Committee dismiss the allegation that Representative Richardson violated House Rule 26 (financial disclosure) by failing to disclose her Sacramento home as an asset and her mortgage liability on her 2007 financial disclosure form filed in May 2008, or in subsequent amendments to her financial disclosure form filed in June 2008. The Board recommends that the Committee dismiss the allegation concerning Representative Richardson’s receipt of professional services from her neighbors because if a violation occurred it would be de minimis.

VOTES IN THE AFFIRMATIVE: 5

VOTES IN THE NEGATIVE: 0

ABSTENTIONS: 1

MEMBER OF THE BOARD OR STAFF DESIGNATED TO
PRESENT THIS REPORT TO THE STANDARDS COMMITTEE:
Leo Wise, Staff Director & Chief Counsel.

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FINDINGS OF FACT AND CITATIONS TO LAW

REVIEW NO. 09-4126

On July 24, 2009, the Board adopted the following findings of fact and accompanying citations to law, regulations, rules and standards of conduct (in *italics*). The Board notes that these findings do not constitute a determination that a violation actually occurred.

I. INTRODUCTION

1. Representative Laura Richardson's Sacramento home was sold in a foreclosure sale on May 7, 2008.¹ On May 29, 2008, Washington Mutual Bank, Representative Richardson's lender, rescinded that sale claiming they had agreed to postpone any foreclosure sale of the home until June 4, 2008.² Immediately following the rescission, James York of Red Rock Mortgage, Inc., the individual who had purchased the home and had begun making improvements to it, publicly accused the Congresswoman of receiving preferential treatment from Washington Mutual Bank.³

2. The Board also investigated whether Representative Richardson's failure to disclose her Sacramento home as an investment property on her 2007 Member's Financial Disclosure Statement filed in May 2008, or in two subsequent amendments filed to her financial disclosure form in June 2008, constituted a violation of House Rule 26 and the Ethics in Government Act. The Board discovered two facts that indicate there is not substantial reason to believe Representative Richardson was required to disclose the Sacramento home. First, the investigation revealed that Representative Richardson occasionally lived in the Sacramento home,⁴ and as a secondary residence, the home was not required to be disclosed.⁵ Second, after the Board opened its review, the Standards Committee, in an Advisory Opinion dated May 14, 2009, advised Congresswoman Richardson that based on her representations to the Committee, she was "under no obligation to disclose [her] ownership interest in the properties [including the Sacramento home] on [her] financial disclosure statement."⁶

¹ Trustee's Deed Upon Sale, Trustee Sale No. 723397CA, May 9, 2008 (Exhibit 1).

² Notice of Rescission of Trustee's Deed Upon Sale, Trustee Sale No. 723397CA, May 29, 2008 (Exhibit 2 at 09-4126-000005).

³ Gene Maddaus, Broker Alleges Loan Favoritism, PRESS-TELEGRAM, June 9, 2008 (Exhibit 3 at 09-4126-000008).

⁴ Memorandum of Interview of Neighbor A of Representative Laura Richardson, July 9, 2009 (Exhibit 4 at 09-4126-000011) and Memorandum of Interview of Neighbor C of Representative Laura Richardson, July 22, 2009 (Exhibit 5 at 09-4126-000014).

⁵ 5 U.S.C. app. 4 102(a)(4)(A).

⁶ Advisory Opinion from the Committee on Standards of Official Conduct to Representative Laura Richardson, May 14, 2009 (Exhibit 6 at 09-4126-000017).

3. In addition, the Board learned in the course of conducting this review that neighbors provided various yard-care services to the Congresswoman's property in 2007 and 2008.⁷

4. The Board notes at the outset that Representative Richardson refused to cooperate with the OCE investigation. Counsel for Representative Richardson represented to the OCE that the Congresswoman had asked the Standards Committee in July 2008 for a "written opinion" related to the issues under review by the OCE. However, as of the date the OCE opened a preliminary review, the Standards Committee had not provided any such opinion. In the course of the OCE's review, the Standards Committee provided a written opinion to the Representative on the issue of whether she had to disclose her mortgage on the Sacramento property on her financial disclosure form.⁸ However, counsel for Representative Richardson also asserted that the Standards Committee has not addressed the issue of whether the Representative had received preferential treatment from Washington Mutual Bank and JP Morgan Chase (which purchased Washington Mutual following the events under review) and JP Morgan Chase told the OCE that the Standards Committee has not contacted them. Further, the Standards Committee never asked the OCE to cease its review. Counsel for JP Morgan Chase stated they would cooperate with the OCE's investigation if they were subpoenaed or if Representative Richardson authorized them to provide information to the OCE.⁹ The OCE requested such authorization from Representative Richardson and she refused. Pursuant to H. Res 895 § 1(c)(2)(C)(i)(II)(bb) and Rule 6 of the Office of Congressional Ethics Rules for the Conduct of Investigations, the Board draws a negative inference from Representative Richardson's refusal to cooperate with the OCE's investigation.¹⁰

A. SUMMARY OF ALLEGATIONS

5. There is substantial reason to believe that Representative Richardson violated House Rule 25, clause 5(1)(A)(i) and clause 5(3)(R)(v) by knowingly receiving preferential treatment from Washington Mutual Bank in the form of the postponement and/or rescission of the foreclosure sale of her home.¹¹

6. There is not substantial reason to believe Representative Richardson violated House Rule 26 (financial disclosure) by failing to

⁷Memorandum of Interview of Neighbor A of Representative Laura Richardson, July 9, 2009 (Exhibit 4); Memorandum of Interview of Neighbor B of Representative Laura Richardson, July 15, 2009 (Exhibit 7); Memorandum of Interview of Neighbor C of Representative Laura Richardson, July 22, 2009 (Exhibit 5); and Jeff Gottlieb, Congresswoman's abandoned house angers neighbors, L.A. TIMES, June 12, 2009 (Exhibit 8).

⁸Advisory Opinion from the Committee on Standards of Official Conduct to Representative Laura Richardson, May 14, 2009 (Exhibit 6 at 09-4126-000017).

⁹Letter from Kathleen G. O'Connor, Senior Vice-President and Assistant General Counsel, Chase Home Lending, to Elizabeth Horton, Investigative Counsel, Office of Congressional Ethics, and Leo Wise, Staff Director and Chief Counsel, Office of Congressional Ethics, from, July 16, 2009 (Exhibit 9 at 0909-4126-000026).

¹⁰According to H. Res 895, 110th Cong. 1(c)(2)(C)(i)(II)(bb) (2008) (as amended) and Rule 6 of the OFFICE OF CONGRESSIONAL ETHICS, RULES FOR THE CONDUCT OF INVESTIGATIONS 11 (2009), the Board may draw a negative inference from any refusal to cooperate and may include a statement to that effect in any referral to the Committee on Standards of Official Conduct.

¹¹According to Rule 9(A) of the OFFICE OF CONGRESSIONAL ETHICS, RULES FOR THE CONDUCT OF INVESTIGATIONS 16 (2009), "[t]he Board shall refer a matter to the Standard[s] Committee for further review if it determines there is a substantial reason to believe the allegations based on all the information then known to the Board."

disclose her Sacramento home as an asset and her mortgage liability on her financial disclosure forms.

7. There is not substantial reason to believe that Representative Richardson violated House Rule 25, clause 5(1)(A)(i) and clause 5(3)(R)(v) by knowingly receiving professional yard care services from her neighbors. Further, even if a violation occurred it would be de minimis.

B. JURISDICTIONAL STATEMENT

8. The allegations that are the subject of this review concern Representative Laura Richardson, a Member of the United States House of Representatives from California. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics directs that, “[n]o review shall be undertaken . . . by the board of any alleged violation that occurred before the date of adoption of this resolution.”¹² The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred or relates to actions taken after March 11, 2008, review by the Office of Congressional Ethics is in accordance with the Resolution.

C. PROCEDURAL HISTORY

9. A preliminary review in this matter commenced on April 2, 2009, following a written request by at least two members of the OCE Board made on March 26, 2009.

10. At least three members of the Board voted to initiate a second phase review in this matter on April 24, 2009. The second phase review commenced on May 1, 2009.

11. The Board voted to extend the 45-day second phase review by an additional 14 days, as provided for under H. Res 895, on June 12, 2009.¹³

12. The second phase review ended on June 30, 2009.¹⁴

13. Representative Richardson presented a statement to the Board, under Rule 9(B) of the Congressional Ethics’ Rules for the Conduct of Investigations, on July 24, 2009.

14. The Board voted to refer the matter to the Committee on Standards of Official Conduct for further review and adopted these findings on July 24, 2009.

15. This report and findings were transmitted to the Committee on Standards of Official Conduct on August 6, 2009.

D. SUMMARY OF INVESTIGATIVE ACTIVITY

16. The OCE requested documents from and interviews with:

- (1) Representative Laura Richardson;
- (2) JP Morgan Chase;
- (4) Mr. James York;
- (5) California Reconveyance Company;
- (6) Individuals living near Representative Richardson’s Sacramento home;
- (7) The Sacramento County Clerk; and
- (8) The City of Sacramento;

¹² H. Res 895, 110th Cong. § 1(e) (2008) (as amended, Mar. 11, 2008).

¹³ H. Res. 895, 110th Cong. § 1(c)(2)(A)(ii) (2008) (as amended, Mar. 11, 2008).

¹⁴ Some documents and interviews were requested by the OCE staff prior to June 30, 2009, but not provided to the OCE until after this date.

II. WASHINGTON MUTUAL BANK POSTPONED AND THEN RESCINDED THE FORECLOSURE SALE OF REPRESENTATIVE RICHARDSON'S HOME

17. There is substantial reason to believe that Representative Richardson received preferential treatment from Washington Mutual Bank in the form of the postponement and/or rescission of the foreclosure sale of her home.¹⁵ Because “gifts” are defined to include “a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value,”¹⁶ if Washington Mutual Bank rescinded the foreclosure sale of Representative Richardson’s home and/or renegotiated her mortgage on terms that differed from the terms the bank offered to other similarly situated individuals in default on their mortgages, Representative Richardson may have received an improper gift in violation of House Rule 25, clause 5.

A. APPLICABLE LAWS, RULES AND STANDARDS OF CONDUCT

18. *Gifts*

*5 U.S.C. § 7353 prohibits Members from “soliciting or accepting anything of value except, as provided in rules and regulations issued by their supervising ethics office.”*¹⁷

Under House Rule 25, clause 5(a)(1)(A)(i), “a Member, Delegate, Resident Commissioner, officer, or employee of the House may not knowingly accept a gift except as provided in this clause.”

*The Rules define “gift” to mean “a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, training, transportation, lodging and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.”*¹⁸

¹⁵The Board notes that Representative Richardson may, at the time of receipt, have been unaware that she was receiving preferential treatment from Washington Mutual Bank. Ignorance at the time of receipt of a gift, however, is not a complete defense. If Representative Richardson was not aware that she had received preferential treatment, she had an obligation to discover whether she had received preferential treatment and take the appropriate steps to remedy such receipt once press reports suggested that she had received preferential treatment.



¹⁶H.R. Rules of the United States House of Representatives, Rule 25, clause 5 (a)(2)(A).

¹⁷COMM. ON STANDARDS OF OFFICIAL CONDUCT, 110TH CONG., HOUSE ETHICS MANUAL 25 (2008).

¹⁸H.R. Rules of the United States House of Representatives, Rule 25, clause 5 (a)(2)(A).


B. REPRESENTATIVE RICHARDSON FAILED TO PAY MORTGAGE PAYMENTS, UTILITY BILLS AND PROPERTY TAXES ON HER HOME.

19. On January 4, 2007, Representative Richardson purchased a residential property in Sacramento, California for \$535,000.¹⁹

Stewart Title of Sacramento AND WHEN RECORDED MAIL TO AND UNLESS OTHERWISE SHOWN BELOW, MAIL TAX STATEMENTS TO: <u>Laura Richardson</u> <u>3622 West Curtis Dr</u> <u>Sacramento, CA 95818</u>		 Sacramento County Recording Craig A Kramer, Clerk/Recorder BOOK 20070110 PAGE 1817 Check Number 4286 Wednesday, JAN 10, 2007 2:59:33 PM Ttl Pd \$7.00 Nbr-0004634359 006-Sacramento Cy DTT PAID REB/51/1-1	
Title Order No.:		Escrow No.: AL-17003957-ND	
GRANT DEED			
THE UNDERSIGNED GRANTOR(S) DECLARE(S) DOCUMENTARY TRANSFER TAX is \$589.05 <input checked="" type="checkbox"/> computed on full value of property conveyed, or <input type="checkbox"/> computed on full value less value of liens or encumbrances remaining at time of sale. <input type="checkbox"/> Unincorporated area <input checked="" type="checkbox"/> City of Sacramento AND			
FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Mark S. Helmar and Sharon L. Helmar, trustees of the Helmar Family Revocable Trust			
hereby GRANT(s) to: LAURA RICHARDSON, an Unmarried Woman			
the real property in the City of Sacramento, County of Sacramento, State of California, described as: Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18. Also Known as: 3622 West Curtis Drive, Sacramento, CA 95818 AP# 013-0363-001			
DATED December 13, 2006 STATE OF CALIFORNIA COUNTY OF Sacramento On <u>December 14, 2006</u> Before me, <u>Nikki Davis</u> A Notary Public in and for said State, personally appeared <u>Mark S. Helmar and Sharon L. Helmar</u>		Helmar Family Revocable Trust BY: <u>Mark S. Helmar</u> Mark S. Helmar, Trustee BY: <u>Sharon L. Helmar</u> Sharon L. Helmar, Trustee	
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. WITNESS my hand and official seal.			
Signature <u>[Signature]</u>			
(This area for official notarial seal)			

¹⁹ Grant Deed, Jan. 4, 2007 (Exhibit 9 at 09-4126-000028).

20. According to Sacramento County records, after Representative Richardson failed to make \$18,356.40 in mortgage payments on the property in 2007, Washington Mutual Bank and California Reconveyance Company (acting as agent of Washington Mutual) placed Representative Richardson's home in foreclosure.²⁰

RECORDING REQUESTED BY CALIFORNIA RECONVEYANCE COMPANY AND WHEN RECORDED MAIL TO CALIFORNIA RECONVEYANCE COMPANY 9200 Oakdale Avenue Mail Stop: N 11 06 12 Chatsworth, CA 91311 800 892-8902 (818)775-2258 (Fax)	 Sacramento County Recording Craig A Kramer, Clerk/Recorder BOOK 20071214 PAGE 0358 Check Number 9166 Friday, DEC 14, 2007 5:41:18 AM Ttl Pd \$12.00 Nbr-0065192112 TTH/74/1-2
Space above this line for recorder's use only	
Trustee Sale No. 723397CA Loan No. 0729942433 Title Order No. M721884	
IMPORTANT NOTICE NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST	
<p><u>IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS. IT MAY BE SOLD WITHOUT ANY COURT ACTION,</u> and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).</p>	
<p>This amount is \$18,356.40 as of December 13, 2007 and will increase until your account becomes current.</p>	

²⁰Notice of Default and Election to Sell Under Deed of Trust, Trustee Sale No. 723397CA, Dec. 13, 2007 (Exhibit 11).

21. On March 17, 2008, California Reconveyance Company filed a Notice of Trustee's Sale with Sacramento County, stating that Representative Richardson had an unpaid balance of \$578,384.52 and that the property would be sold at public auction on April 7, 2008.²¹

RECORDING REQUESTED BY CALIFORNIA RECONVEYANCE COMPANY AND WHEN RECORDED MAIL TO CALIFORNIA RECONVEYANCE COMPANY 9200 Oakdale Avenue Mail Stop: N 11 06 12 Chatsworth, CA 91311	 Sacramento County Recording Craig A Kramer, Clerk/Recorder BOOK 20080319 PAGE 0358 Check Number 2872 Wednesday, MAR 19, 2008 9:07:55 AM Tel Pd \$11.00 Nbr-000531112 JLM/14/1-1
Trustee Sale No. 723397CA Loan No. 0728942433 Title Order No. M721864	

Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

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

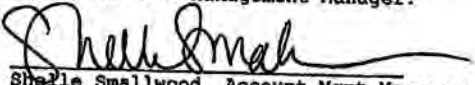
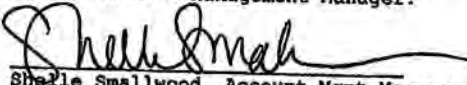
On 04/07/2008 at 01:30 PM, CALIFORNIA RECONVEYANCE COMPANY as the duly appointed Trustee under and pursuant to Deed of Trust Recorded 01/10/2007, Book 20070110, Page 1818, Instrument _____ of official records in the Office of the Recorder of SACRAMENTO County, California, executed by: LAURA RICHARDSON,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

Place of Sale: AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA
 Legal Description: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18
 Amount of unpaid balance and other charges: \$578,384.52 (estimated)
 Street address and other common designation of the real property: 3622 WEST CURTIS DRIVE
 SACRAMENTO, CA 95818
 APN Number: 013-0363-001-0000

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. The property heretofore described is being sold "as is".

²¹Notice of Trustee's Sale, Trustee Sale No. 723397CA, Mar. 17, 2008 (Exhibit 12).

22. Representative Richardson also failed to pay \$154.03 in utility charges, and on June 7, 2007, the City of Sacramento Department of Utilities requested that a lien be placed on her property.²²

AFTER RECORDING MAIL TO: CITY OF SACRAMENTO DEPARTMENT OF UTILITIES Business Services Division Customer Service Center 1395 35 th Avenue SACRAMENTO, CA 95822	 Sacramento County Recording Craig A Kraemer, Clerk/Recorder BOOK 20070508 PAGE 0404 Friday, JUN 08, 2007 8:08:32 AM TLL Pd \$0.00 Net-6884828784 DHB/58/1-18															
<small>SPACE ABOVE THIS LINE RESERVED FOR MULTIPLE USE</small>																
<p>Sacramento County Recorder Sacramento, California</p> <p style="text-align: right;">Date <u>06/07/07</u></p> <p>Subject: NOTICE OF DELINQUENT UTILITY CHARGES</p> <p>In accordance with City of Sacramento Code Chapter 13 and Sacramento Regional Sanitation District Ordinance No. SRDS-3, please place a lien against the parcel and amount as indicated below plus additional accrual until date of payment:</p> <p style="text-align: center;">SEE ATTACHED</p> <p>This is a NO FEE document recorded for the benefit of the City of Sacramento, Department of Utilities, Business Services Division, by Shelle Smallwood, Account Management Manager.</p> <div style="text-align: right; margin-top: 10px;">  Shelle Smallwood, Account Mgmt Manager Business Services Division Customer Service Center </div>																
<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;"><small>PARCEL NUMBER</small></td> <td style="width: 30%;"><small>LIEN AMOUNT</small></td> <td style="width: 40%;"></td> </tr> <tr> <td>013-0363-001-0000</td> <td>154.03</td> <td></td> </tr> <tr> <td><small>SITUS ADDRESS</small></td> <td><small>OWNER NAME</small></td> <td><small>DATE OF ACTION</small></td> </tr> <tr> <td>1622 W CURTIS DR</td> <td>RICHARDSON, LAURA</td> <td>06/07/07</td> </tr> <tr> <td></td> <td></td> <td>95818</td> </tr> </table>		<small>PARCEL NUMBER</small>	<small>LIEN AMOUNT</small>		013-0363-001-0000	154.03		<small>SITUS ADDRESS</small>	<small>OWNER NAME</small>	<small>DATE OF ACTION</small>	1622 W CURTIS DR	RICHARDSON, LAURA	06/07/07			95818
<small>PARCEL NUMBER</small>	<small>LIEN AMOUNT</small>															
013-0363-001-0000	154.03															
<small>SITUS ADDRESS</small>	<small>OWNER NAME</small>	<small>DATE OF ACTION</small>														
1622 W CURTIS DR	RICHARDSON, LAURA	06/07/07														
		95818														

²² Notice of Delinquent Utility Charges, June 7, 2007 (Exhibit 13).


23. Sacramento County records indicate that the lien placed on Representative Richardson's property was removed on or about June 16, 2008.²³

<p>*NO FEE DOCUMENT - ERRONEOUS ASSESSMENT* PER GOVERNMENT CODE 6103</p> <p>AFTER RECORDING MAIL TO:</p> <p>RED ROCK MORTGAGE INC 3600 AMERICAN RIVER DR #135 SACRAMENTO CA 95864</p> <p>Escrow #:</p>	<p>Sacramento County Recorder Frederick B. Garcia, Clerk/Recorder Book 20080620 Page 0621 Friday, JUN 20, 2008 11:23:22 AM Ttl Pd \$0.00 Nbr-0005445880 REB/5/1-1</p>
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SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

**TERMINATION OF LIEN OF DELINQUENT
SACRAMENTO CITY UTILITY CHARGES**

I hereby certify that the lien of delinquent City of Sacramento Utility charges recorded on June 08, 2007, in Book 070608 Page 0404, in the office of the County Recorder, is no longer in force and effect.

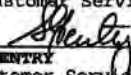
Said notice was filed  as follows:

OWNER : RICHARDSON, LAURA

PARCEL NO: 013-0363-001-0000

**ADDRESS : 3622 W CURTIS DR
SACRAMENTO CA 95818**

This document is recorded for the benefit of the City of Sacramento, Department of Utilities by S GENTRY, Customer Service Supervisor.


S GENTRY
Customer Service Supervisor

²³Termination of Lien of Delinquent Sacramento City Utility Charges, June 16, 2008 (Exhibit 14).

24. According to Sacramento County records, Representative Richardson also failed to pay \$9,087.43 in property taxes and default penalties on her Sacramento residence for fiscal years 2007 and 2008.²⁴

Page: 1 Document Name: Counter 2												
07/14/09			SECURED REDEMPTIONS DEFAULTED BILL SUMMARY							TIME: 11:2		
THIS ACCOUNT IS NOT OPEN												
PARCEL NBR: 013-0363-001-0000			DEFAULT DT: 08/07/0									
DEFAULT NBR: 08-07006744-00			TREETER:							STAT: 32		
SITUS: 3622 W CURTIS DR 95818			STATE FEE: 15.00									
DEFAULT DT OWNER:			REL OF EQ:									
CURRENT OWNER: RICHARDSON LAURA			LIEN SRCH:									
CARE OF NAME:			INTEREST %: .015									
TOTAL DUE BEFORE: 08/01/09			9087.43		INTEREST PAID:							
		DFLT	DFLT	DFLT	RDMP	RD	TT	DFT	BK			
ID	YR/BILL	ST	TAX AMT	PEN AMT	CST AMT	PEN AMT	PN	NT	INS	FL		
01	07006744	32	2098.35	209.84	10.00	31.47			16	2		
02	07236823	32	1016.82	101.68	10.00	15.25			16	2		
03	07482740	32	4994.64	499.46	10.00	74.92			16	2		

25. Sacramento County records show that on July 31, 2008 Representative Richardson paid \$9,087.43 in owed property taxes.²⁵


DATE: 07/14/09 SECURED REDEMPTIONS COLLECTIONS SCREEN									
TIME: 11:2									
PARCEL NBR: 013-0363-001-0000					DEFAULT DT: 08/07/0				
DEFAULT NBR: 08-07006744-00					TRA: 03005				
SITUS: 3622 W CURTIS DR 95818					AUCTION DT:				
DEFAULT DT OWNER:					STAT: 32				
CURRENT OWNER: RICHARDSON LAURA					RDMP OUTSTANDNG				
CARE OF NAME:					CURR YR OUTSTANDNG				
CERT ISSUED TO: WASHINGTON MUTUAL					RDMP OUTSTANDNG				
ID	DATE	PD DT	TIME	ACTIVITY	REEL	FRAME	AMOUNT		
001	080731	07/08	080731	PAYOFF	00	01 0057	9087.43		

²⁴ Sacramento County Secured Redemptions Defaulted Bill Summary (Exhibit 15 at 09-4126-000059). See also Sacramento County Duplicate Tax Bills (Exhibit 15 at 09-4126-000060 000062).

²⁵ Sacramento County Secured Redemptions Collections Screen (Exhibit 16).

C. REPRESENTATIVE RICHARDSON'S HOME WAS SOLD IN A FORECLOSURE SALE TO RED ROCK MORTGAGE, INC.

26. Representative Laura Richardson's Sacramento home was sold in a foreclosure sale on May 7, 2008, for \$388,001 to Mr. James York of Red Rock Mortgage, Inc.²⁶

WHEN RECORDED MAIL TO: RED ROCK MORTGAGE, INC. MAIL TAX STATEMENTS TO: RED ROCK MORTGAGE, INC. 3600 AMERICAN RIVER DRIVE #135 SACRAMENTO, CA 95864	 Sacramento County Recording Craig A Kramer, Clerk/Recorder BOOK 20080519 PAGE 0487 Check Number 8328 Monday, MAY 19, 2008 11:12:43 AM Ttl Pd \$12.08 Hbr-8885388638 888-Sacramento Cy DTT PRID AMH/68/1-2
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Trustee Sale No. 723397CA Loan No. 0728942433 Title Order No. M721884

TRUSTEE'S DEED UPON SALE

APN 013-0363-001-0000 T.R.A. No.

The undersigned grantor declares:

- 1) The Grantee herein was not the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was.....\$574,023.87
- 3) The amount paid by the grantee at the trustee sale was.....\$388,000.01
- 4) The documentary transfer tax is.....\$427.35
- 5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to **Red Rock Mortgage, Inc.** (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3822 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

27. Representative Richardson also issued a public statement that the foreclosure occurred "without her knowledge and contrary to an agreement with her lender," Washington Mutual Bank.²⁷

²⁶Trustee's Deed Upon Sale, Trustee Sale No. 723397CA, May 9, 2008 (Exhibit 1). On May 21, 2008, however, Representative Richardson issued a press release. In it, Representative Richardson asserted, "...the residential property in Sacramento California is not in foreclosure and has NOT been seized by the bank." See *Update: Congresswoman Denies Foreclosure Report*, L.A. TIMES, May 21, 2008 (Exhibit 17 at 09-4126-000066).

²⁷Erica Werner, *California Congresswoman Says Home Sale Improper*, ASSOCIATED PRESS, May 24, 2008 (Exhibit 18 at 09-4126-000072).

D. WASHINGTON MUTUAL BANK RESCINDED THE FORECLOSURE SALE AND RETURNED THE PROPERTY TO REPRESENTATIVE RICHARDSON

28. On May 29, 2008, Washington Mutual Bank, Representative Richardson's lender, rescinded the sale. The Notice of Rescission states that Washington Mutual Bank had "previously agreed to postpone the foreclosure sale to June 4, 2008."²⁸

RECORDING REQUESTED BY CALIFORNIA RECONVEYANCE COMPANY AND WHEN RECORDED MAIL TO CALIFORNIA RECONVEYANCE COMPANY 9201 Oakdale Avenue Mail Stop: N 11 06 12 Chatsworth, CA 91311	Sacramento County Recording Frederick B. Garcia, Clerk/Recorder BOOK 20080602 PAGE 0885 Check Number 345395 Monday, JUN 02, 2008 10:45:44 AM Ttl Pd \$14.00 Mer-9085110023 NCY/82/1-2
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Trustee Sale No. 723397CA Loan No. 0728942433 Title Order No. M721064

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$535,001.00.
2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:
LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18
3. A.P.N.: 013-0383-001-0000
 Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818
 That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.
4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of \$388,000.01.
5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.
6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC. AND RECORDED 05/19/2008 IN BOOK 20080518, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

²⁸ Notice of Rescission of Trustee's Deed Upon Sale, Trustee Sale No. 723397CA, May 29, 2008 (Exhibit 2 at 0909-4126-000005).

29. Immediately following the rescission, James York of Red Rock Mortgage, Inc. publicly accused her of receiving preferential treatment from her lender²⁹ and, on June 12, 2008, filed suit in the Superior Court of California against Representative Richardson and Washington Mutual Bank.³⁰

CARL P. BLAINE (State Bar # 65229) Email: [REDACTED]@wkblaw.com THOMAS B. SHERIDAN (State Bar #249306) Email: [REDACTED]@wkblaw.com WAGNER KIRKMAN BLAINE KLOMPARENS & YOUNG LLP 10640 Mather Blvd., Suite 200 Mather, California 95655 Telephone: (916) 920-5286 Facsimile: (916) 920-8608 Attorneys for Plaintiff RED ROCK MORTGAGE, INC.	
SUPERIOR COURT OF CALIFORNIA COUNTY OF SACRAMENTO	
RED ROCK MORTGAGE, INC., Plaintiff, v. WASHINGTON MUTUAL BANK, CALIFORNIA RECONVEYANCE COMPANY, LAURA RICHARDSON, and all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the complaint adverse to Plaintiff's title, or any cloud on Plaintiff's title, and DOES 1 through 20, inclusive, Defendants.	Case No. 34-2008-0003081 NOTICE OF PENDENCY OF ACTION (Code Civ. Proc. § 405.20)

NOTICE IS GIVEN that the above-captioned action was commenced on June 12, 2008, in the above-captioned court by RED ROCK MORTGAGE, INC. ("Red Rock") against defendants WASHINGTON MUTUAL BANK, CALIFORNIA RECONVEYANCE COMPANY, and LAURA RICHARDSON; the action is now pending in the above court.

30. Mr. York told the OCE that he settled the suit in July 2008, and because he signed a confidentiality agreement as part of the settlement provision, he was unable to talk to the OCE about the

²⁹ Gene Maddaus, *Broker Alleges Loan Favoritism*, PRESS-TELEGRAM, June 9, 2008 (Exhibit 3 at 09-4126-000008).

³⁰ Notice of Pendency of Action, Superior Court of California: County of Sacramento, June 12, 2008 (Exhibit 19).

suit.³¹ Mr. York's counsel confirmed that Mr. York was unable to discuss the settlement.³²

31. According to a May 24, 2009 story by the Associated Press (AP), Representative Richardson provided the AP with "an April letter, which appears to be from Washington Mutual Home Loans, telling her that there was a hold on foreclosure sales on her property until June 4. She also provided an e-mail dated May 22, 2008, which she said was from Washington Mutual that appeared to acknowledge an agreement 'to facilitate the rescission of foreclosure sale' but gave no financial details."³³ Representative Richardson refused, however, to provide any information about these documents to the OCE.³⁴


³¹Telephone conversation between Elizabeth Horton, Investigative Counsel, Office of Congressional Ethics, James York, Red Rock Mortgage Inc., May 8, 2009.

³²E-mail from Tom Sheridan, Wagner Kirkman Blaine Klomparens & Youmans LLP, to Elizabeth Horton, Investigative Counsel, Office of Congressional Ethics, May 26, 2009.

³³Erica Werner, *California Congresswoman Says Home Sale Improper*, ASSOCIATED PRESS, May 24, 2008 (Exhibit 18 at 09-4126-000072).

³⁴While the Notice of Rescission of Trustee's Deed Upon Sale corroborates Representative Richardson's claim that she had reached an agreement with Washington Mutual Bank to delay the foreclosure sale of the home until June 4, 2008, Representative Richardson refused to provide any information about this agreement to the OCE. The Board notes that even if such an agreement had been reached, and the rescission of the foreclosure sale was proper because it was in violation of the agreement, the agreement to postpone the foreclosure sale itself may have been an instance of impermissible preferential treatment.

32. On June 4, 2009, California Reconveyance Company acting as Trustee rescinded the Declaration of Default and Demand for Sale and the Notice of Breach and Election to Cause Sale.³⁵

RECORDING REQUESTED BY CALIFORNIA RECONVEYANCE COMPANY AND WHEN RECORDED MAIL TO CALIFORNIA RECONVEYANCE COMPANY 8200 Oakdale Avenue Mail Stop: CA2-4379 Chatsworth, CA 91311 Trustee Sale No. 723397CA Loan No. 0729942433 Title Order No. M721884	 Sacramento County Recorder Frederick B. Garcia, Clerk/Recorder BOOK 20090609 PAGE 0691 Check Number 9328 Tuesday, JUN 09, 2009 9:33:09 AM T&I Pd \$11.08 Net--9905016351 KRM/72/1-1
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NOTICE OF RESCISSION
 Of Declaration of Default and Demand for Sale
 and of Notice of Breach and Election to Cause Sale

NOTICE IS HEREBY GIVEN: That CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under the following described Deed of Trust:

TRUSTOR: LAURA RICHARDSON, AN UNMARRIED WOMAN
 BENEFICIARY: WASHINGTON MUTUAL BANK
 Recorded 01/10/2007, Book 20070110, Page 1818, instrument of official records in the Office of the Recorder of SACRAMENTO County, California, describing the land therein: AS MORE FULLY DESCRIBED IN SAID DEED OF TRUST APN: 013-0363-001-0000 Situe: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818

WHEREAS: The Beneficiary under that certain Deed of Trust hereinabove described, heretofore delivered to the Trustee thereunder written Declaration of Default and Demand for Sale; and

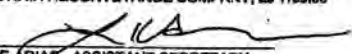
WHEREAS: Notice was heretofore given by the Beneficiary, of breach of the obligations for which said Deed of Trust is security and of election to cause to be sold the property therein described,

NOW THEREFORE: Notice is hereby given that the Beneficiary and/or the Trustee, does hereby rescind, cancel and withdraw said Declaration of Default and Demand for Sale and said Notice of Breach and Election to Cause Sale; it being understood, however, that this rescission shall not in any manner be construed as waiving or affecting any breach or default past, present or future, under said Deed of Trust, or as impairing any right or remedy thereunder, but is, and shall be deemed to be, only an election; without prejudice, not to cause a sale to be made pursuant to said Declaration and Notice, and shall in no way jeopardize or impair any right, remedy or privilege secured to the Beneficiary and/or the Trustee, under said Deed of Trust, nor modify nor alter in any respect any of the terms, covenants, conditions or obligations thereof, and said Deed of Trust and all obligations secured thereby are hereby reinstated and shall be said and remain in force the same as if said Declaration and Notice had not been made and given.

Said Notice was Recorded on 12/14/2007 as Book 20071214 , Page 358, Instrument , of official records in the Office of the Recorder of SACRAMENTO County, California.

DATE: 06/04/2009

CALIFORNIA RECONVEYANCE COMPANY, as Trustee


 KARIME ARIAS, ASSISTANT SECRETARY

33. The Board notes that Representative Richardson refused to cooperate with the OCE investigation. Representative Richardson refused to respond to repeated OCE requests for information and interviews. Representative Richardson also failed to respond to OCE requests that she grant JP Morgan Chase (who purchased Washington Mutual Bank), California Reconveyance Company and Red Rock Mortgage, Inc. permission to release to the OCE information regarding the mortgage on her Sacramento home, the settlement agreement reached between Washington Mutual and Red Rock Mortgage, Inc., and the rescission of the foreclosure sale.³⁶

³⁵ Notice of Rescission of Declaration of Default and Demand for Sale and of Notice of Breach and Election to Cause Sale, Trustee Sale No. 723397CA, June 4, 2009 (Exhibit 20).

³⁶ Letter from Kathleen G. O'Connor, Senior Vice-President and Assistant General Counsel, Chase Home Lending, to Elizabeth Horton, Investigative Counsel, Office of Congressional Ethics, and Leo Wise, Staff Director and Chief Counsel, Office of Congressional Ethics, from, July

34. It is possible that information unknown to the OCE could reveal that Representative Richardson did not receive special treatment from Washington Mutual Bank. However, pursuant to H. Res 895 § 1(c)(2)(C)(i)(II)(bb) and Rule 6 of the Office of Congressional Ethics Rules for the Conduct of Investigations, the Board draws a negative inference from Representative Richardson's refusal to cooperate with the OCE's investigation.

35. Based on the facts above, the Board therefore finds that there is a substantial reason to believe that Representative Richardson received preferential treatment from Washington Mutual Bank in the form of the postponement and/or rescission of the foreclosure sale of her home.³⁷

36. Representative Richardson submitted a written statement and supporting documents to the Board on July 22, 2009 pursuant to Section 1(f)(3) of H. Res. 895 of the 110th Congress, as amended, and Rule 9(B) of the OCE's Rules for the Conduct of Investigation.³⁸

III. REPRESENTATIVE RICHARDSON WAS NOT REQUIRED TO DISCLOSE HER MORTGAGE LIABILITY OR SACRAMENTO HOME AS AN ASSET

37. There is not substantial reason to believe that Representative Richardson violated House Rule 26 and the Ethics in Government Act by failing to disclose her Sacramento home as an asset or her mortgage liability on her 2007 financial disclosure form filed in May 2008, or in two subsequent amendments filed to her financial disclosure form in June 2008.

A. APPLICABLE LAWS, RULES AND STANDARDS OF CONDUCT

38. *Financial Disclosure—*

Under 5 U.S.C. app. 4 § 102(a)(4), a Member's personal obligations aggregating over \$10,000 owed to one creditor at any time during the calendar year, regardless of repayment terms or interest rates must be included on personal financial disclosure statements.³⁹ 5 U.S.C. app. 4 § 102(a)(4)(A), expressly excludes "any mortgage secured by real property which is a personal residence of the reporting individual or his spouse" from disclosure requirements regardless of whether the level of indebtedness exceeds the purchase price of the home. The House Ethics Manual, however, advises that "[m]ortgages . . . secured by a personal residence (including secondary residences not used for rental purposes) . . . need not be dis-

16, 2009 (Exhibit 9-4126-000026) (Chase advising the OCE that they "agree to release Red Rock Mortgage, Inc. and James York from any confidentiality agreement").

³⁷ According to H. Res 895 § 1(c)(2)(C)(i)(II)(bb) (2008) (as amended, Mar. 11, 2008) and and Rule 6 of the OFFICE OF CONGRESSIONAL ETHICS, RULES FOR THE CONDUCT OF INVESTIGATIONS 11 (2009), the Board may draw a negative inference from any refusal to cooperate and may include a statement to that effect in any referral to the Committee on Standards of Official Conduct.

³⁸ The documents provided by Representative Richardson only contain a press report in which a representative of Washington Mutual Bank states that it is the policy of Washington Mutual Bank to treat all customers equally, and Washington Mutual Bank's Lobbying Contribution Report for 2008, in which Washington Mutual Bank certified that they had not "provided, requested or directed a gift, including travel, to a Member of Congress or an officer or employee of either House of Congress with knowledge that receipt of the gift would violate rule XXXV of the Standing Rules of the Senate or rule XXV of the Rules of the House of Representatives during this filing period." (Exhibit 21).

³⁹ COMM. ON STANDARDS OF OFFICIAL CONDUCT, 110TH CONG., HOUSE ETHICS MANUAL 258 (2008).

*closed as long as the indebtedness does not exceed the purchase price of the item.*⁴⁰

*Under 5 U.S.C. app. 4 § 102(a)(3), “[t]he identity and category of value of any interest in property held during the preceding calendar year in a trade or business, or for investment or the production of income, which has a fair market value which exceeds \$1,000 as of the close of the preceding calendar year” must be included on personal financial disclosure statements.*⁴¹ *The House Ethics Manual also requires that “any asset held for such an investment purpose must be disclosed if it either was worth more than \$1,000 at the close of the calendar year or it generated income of more than \$200 during the year . . . The identity of the property, in addition to its category of value must be specified.*⁴²

⁴⁰ *Id.* The House Ethics Manual suggests that mortgages secured by personal residences must be disclosed if the indebtedness exceeds that purchase price of the home. The Ethics Manual, however, seems to conflict or misrepresent 5 U.S.C. app. 4 § 102(a)(4)(A), and the Standards Committee appears to follow 5 U.S.C. app. 4 § 102(a)(4)(A). See Advisory Opinion sent from the Committee on Standards of Official Conduct to Representative Laura Richardson, May 14, 2009 (Exhibit 6).

⁴¹ 5 U.S.C. app. 4 § 102(a)(3).

⁴² COMM. ON STANDARDS OF OFFICIAL CONDUCT, 110TH CONG., HOUSE ETHICS MANUAL 255 (2008).

B. REPRESENTATIVE RICHARDSON WAS NOT REQUIRED TO DISCLOSE HER SACRAMENTO HOME ON HER FINANCIAL DISCLOSURE STATEMENT

39. Representative Richardson did not include her Sacramento home on her personal financial disclosure statement filed on May 15, 2008, and on two subsequent amendments to that form filed on June 13 and June 27, 2008.⁴³

SCHEDULE III—ASSETS AND "UNEARNED" INCOME															Name <u>LAURA RICHARDSON</u>		Page <u>3</u> of <u>5</u>				
BLOCK A Asset and/or Income Source		BLOCK B Value of Asset											BLOCK C Type of Income		BLOCK D Amount of Income		BLOCK E Transaction				
Identify (a) each asset held for investment or production of income with a fair market value exceeding \$1,000 at the end of the reporting period, and (b) any other asset or source of income which generated more than \$200 in "unearned" income during the year. For rental property or land, provide a complete address. Provide full names of stock and mutual funds (do not use ticker symbols). For all IRAs and other retirement plans (such as 401(k) plans) that are self-directed (i.e., plans in which you have the power, even if not exercised, to select the specific investments), provide the value and income information on each asset in the account that exceeds the reporting threshold. For retirement plans that are not self-directed, name the institution holding the account and its value at the end of the reporting period. For an active business that is not publicly traded, state the name of the business, the nature of its activities, and its geographic location in Block A. For additional information, see the instruction booklet. Exclude: Your personal residence(s) (unless there is rental income); any debt owed to you by your spouse, or by you or your spouse's child, parent, or sibling; any debt totaling \$5,000 or less in personal savings accounts; any financial interest in or income derived from U.S. Government retirement programs. If you so choose, you may indicate that an asset or income source is that of your spouse (SP) or dependent child (DC) or is jointly held (JT), in the optional column on the far left.		Indicate value of asset at close of reporting year. If you use a valuation method other than fair market value, please specify the method used. If an asset was sold during the reporting year and is included only because it generated income, the value should be "None."											Check all columns that apply. For retirement plans or accounts that do not allow you to choose specific investments, you may write "N/A." For all other assets including all IRAs, indicate the type of income by checking the appropriate box below. Dividends and interest, even if reinvested, should be listed as income. Check "None" if asset did not generate any income during calendar year.		For retirement plans or accounts that do not allow you to choose specific investments, you may write "N/A." For income from all other assets, including all IRAs, indicate the category of income by checking the appropriate box below. Dividends and interest, even if reinvested, should be listed as income. Check "None" if no income was received.		Indicate if the asset had purchases (P), sales (S), or exchanges (E) exceeding \$1,000 in reporting year. If only a portion of an asset is sold, please indicate as follows: (S) (partially) See below for example. P, S, E				
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
SP	Example: Mega Corp. Stock																				
DC	Example: Simon & Schuster																				
JT	Example: 1st Bank of Pittsburgh, KY Accounts																				
	Nationwide Retirement Solutions																				
	Xerox Savings Plan																				
	Xerox Retirement Account																				
	Xerox Thompson Retirement Account																				

SCHEDULE V—LIABILITIES															Name <u>LAURA RICHARDSON</u>		Page <u>4</u> of <u>5</u>	
SP, DC, JT		Creditor		Type of Liability		Amount of Liability												
						B	C	D	E	F	G	H	I	J	K			
						\$1,001-\$15,000	\$15,001-\$50,000	\$50,001-\$100,000	\$100,001-\$250,000	\$250,001-\$500,000	\$500,001-\$1,000,000	\$1,000,001-\$2,500,000	\$2,500,001-\$5,000,000	\$5,000,001-\$10,000,000	Over \$10,000,000			
	Example: First Bank of Wilmington, Delaware				Mortgage on 122 Main St., Dover, Del.													
			N/A															

40. Press reports claim that the Sacramento home was not Representative Richardson's primary residence and that she also owns homes in Long Beach⁴⁴ and San Pedro, CA.⁴⁵

41. The Board notes that the ownership of multiple homes and press reports claiming that Representative Richardson never lived

⁴³ Representative Laura Richardson, Personal Financial Disclosure Statement for Calendar Year 2007, Filed May 19, 2008; Representative Laura Richardson, Amended Personal Financial Disclosure Statement for Calendar Year 2007, Filed June 13, 2008; Representative Laura Richardson, Amended Financial Disclosure Statement for Calendar Year 2007, Filed June 27, 2008 (Exhibit 22 at 09-4126-000155 000156).

⁴⁴ Anthony York, *Debate Intensifies Over Richardson Home Default*, CAPITOL WEEKLY, May 22, 2008 (Exhibit 23 at 09-4126-000166).

⁴⁵ Jared Allen, *Mortgage Non-Disclosure is Trouble for Richardson*, THE HILL, June 3, 2008 (Exhibit 24 at 09-4126-000168).

in the Sacramento home may suggest that the Sacramento property was an investment property, and as such, was required to be disclosed on the Member's Financial Disclosure Statement.

42. In an interview with the OCE, however, a neighbor of Representative Richardson stated that the Congresswoman lived in the Sacramento home during the weekdays when she was in town for legislative business of the California Assembly.⁴⁶

43. Additionally, after the Board opened its review into this matter, the Standards Committee, in an Advisory Opinion dated May 14, 2009, advised Congresswoman Richardson that based on her representations to the Committee, she was "under no obligation to disclose [her] ownership interest in the properties on [her] financial disclosure statement."⁴⁷

According to your representations to the Committee, you purchased and own three residences in California. These properties are located in San Pedro, Long Beach, and Sacramento. None of these properties have ever generated any rental income, nor are any currently being held for investment purposes. Based on these representations, it would appear to the Committee that you are under no obligation to disclose your ownership interest in the properties on your financial disclosure statement. Please be mindful, however, that if the circumstances change and rental income is ever generated by any of these properties, you will be required to disclose the income producing properties on your financial disclosure statement.

IV. REPRESENTATIVE RICHARDSON'S NEIGHBORS PROVIDED VARIOUS SERVICES TO THE CONGRESSWOMAN'S PROPERTY

44. There is not substantial reason to believe that Representative Richardson violated House Rule 25, clause 5(1)(A)(i) and clause 5(3)(R)(v) by knowingly receiving professional yard care services from her neighbors. Further, even if a violation occurred it would be de minimis.

A. APPLICABLE LAWS, RULES AND STANDARDS OF CONDUCT

45. Gifts

*Under House Rule 25, clause 5(a)(1)(A)(i), "a Member, Delegate, Resident Commissioner, officer, or employee of the House may not knowingly accept a gift except as provided in this clause." The Rules define "gift" to mean "a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, training, transportation, lodging and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred."*⁴⁸ *Under House Rule 25, clause 5(a)(1)(B)(i), "A Member, Delegate, Resident Commissioner, officer, or employee of the House may accept a gift that the Member, Delegate, Resident Commissioner, officer, or employee reasonably and in good faith believes to have a value of less than \$50 and a cumulative value from one source during a calendar year of less than \$100."*

⁴⁶ Memorandum of Interview of Neighbor A of Representative Laura Richardson, July 9, 2009 (Exhibit 4 at 09-4126-000011).

⁴⁷ Advisory Opinion sent from the Committee on Standards of Official Conduct to Representative Laura Richardson, May 14, 2009 (Exhibit 6 at 09-4126-000017).

⁴⁸ H.R. Rules of the United States House of Representatives, Rule 25, clause 5 (a)(2)(A).

B. NEIGHBORS PROVIDED SERVICES TO THE CONGRESSWOMAN'S PROPERTY

46. Records of the Sacramento Code Enforcement Department obtained by the OCE show that Representative Richardson's home was the subject of five complaints between July 21, 2008 and July 1, 2009.⁴⁹

47. According to Neighbor A, the Congresswoman's home was occupied at various times by squatters. One neighbor called the police several times to remove individuals the neighbor suspected of dealing drugs from the home.⁵⁰ Neighbor B also filed complaints with the City of Sacramento regarding the squatters' presence in the home and the property's rat infestation.⁵¹

48. Neighbor B contacted Representative Richardson's congressional office on several occasions regarding the rat infestation and the occupation of the home, but was told that because the neighbor did not reside in Representative Richardson's congressional district, the neighbor's complaints would not be considered by the office.⁵²

49. In an interview with the OCE, Neighbor A stated that they had paid approximately \$160–\$230 to have lawn care services provided to Representative Richardson's Sacramento home from 2007 to 2008.⁵³ In total, the neighbor had their gardener perform services on Rep. Richardson's property on "six to nine" occasions. Approximately three to four of these occasions occurred in the summer of 2008. For each occasion, the neighbor paid their gardener \$20. The neighbor also paid people \$20–\$25 during the fall of 2007 and the fall of 2008 to rake the leaves in Rep. Richardson's yard.⁵⁴

50. The Board notes that the total value in services that Representative Richardson received from Neighbor A within the jurisdictional period of the Board totaled \$80–\$105.⁵⁵

51. The Board also notes that, due to Representative Richardson's unwillingness to cooperate with the OCE's investigation, the OCE was unable to determine whether Representative Richardson has knowledge of the receipt of or has reimbursed her neighbors for these professional services.

52. The Board finds that even if Representative Richardson knowingly received these services, any violation of the gift rule would be *de minimis*.

V. CONCLUSION

53. For the above reasons, the Board recommends that the Standards Committee further review the above described allegations concerning Representative Richardson's alleged receipt of preferential treatment from Washington Mutual Bank and dismiss the above described allegations concerning Representative Richard-

⁴⁹ Records of Cases Opened by the Sacramento Code Enforcement Department, 3622 W. Curtis Drive (Exhibit 25).

⁵⁰ Memorandum of Interview of Neighbor A of Representative Laura Richardson, July 9, 2009 (Exhibit 4 at 09-4126-000011).

⁵¹ Memorandum of Interview of Neighbor B of Representative Laura Richardson, July 15, 2009 (Exhibit 5 at 09-4126-000020).

⁵² *Id.* at 09-4126-000021.

⁵³ Memorandum of Interview of Neighbor A of Representative Laura Richardson, July 9, 2009 (Exhibit 4 at 09-4126-000012).

⁵⁴ *Id.*

⁵⁵ *Id.* The neighbor described their relationship with Representative Richardson as being that of neighbors, not friends, and that they were providing the professional services not out of friendship, but out of a desire to not allow the yard to fall into an even deeper state of disrepair.

son's failure to disclose her Sacramento home as an asset or her mortgage liability for the home and receipt of professional services from her neighbors.

VI. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATIONS FOR THE ISSUANCE OF SUBPEONAS

54. The OCE was unable to obtain information from Washington Mutual Bank, JP Morgan Chase, and California Reconveyance Company regarding Representative Richardson's mortgage or any negotiations between Representative Richardson and Washington Mutual Bank and/or JP Morgan Chase regarding the foreclosure sale of the Congresswoman's home because Representative Richardson refused to grant Washington Mutual Bank and JP Morgan Chase permission to reveal this information to the OCE.

55. The OCE was unable to obtain information from Washington Mutual Bank, JP Morgan Chase, California Reconveyance Company, and Red Rock Mortgage, Inc. regarding the suit that ensued after the foreclosure sale of the Congresswoman's home was rescinded, because Representative Richardson refused to release the parties to the suit from the confidentiality agreement.

56. Representative Richardson, through her counsel, refused to provide the OCE with information regarding the request she made to the Standards Committee to investigate these matters. Based on her counsel's communications with the OCE, Representative Richardson requested that the Standards Committee investigate whether she was required to include the Sacramento home on her financial disclosure forms, but did not request that the Standards Committee investigate whether she received preferential treatment from Washington Mutual Bank.⁵⁶

57. The Board notes that Representative Richardson, through her counsel, failed to provide the OCE with an adequate explanation for her refusal to cooperate with the OCE investigation. The Board recommends that the Standards Committee provide Representative Richardson with an opportunity to give a thorough accounting of her refusal to cooperate with the OCE investigation.

58. Based on conversations with Red Rock Mortgage, Inc., Mr. James York, and representatives of JP Morgan Chase, it does not appear that any of these entities have been contacted by the Standards Committee regarding these matters.

59. The Board notes that the determination of whether Representative Richardson received preferential treatment from Washington Mutual Bank will require interviewing and/or reviewing documents from Representative Richardson, California Reconveyance Company, Red Rock Mortgage, Inc., and JP Morgan Chase and/or Washington Mutual Bank.

60. Because it will be necessary to interview and/or review documents from Washington Mutual Bank, JP Morgan Chase, California Reconveyance Company, and Red Rock Mortgage, Inc. in order to determine whether Representative Richardson received preferential treatment in the form of the postponement or rescission of the foreclosure sale of her home, the Board recommends

⁵⁶ Letter from Brian G. Svoboda and Kate Sawyer Keane, Perkins Coie, to Leo Wise and Elizabeth Horton, Office of Congressional Ethics, April 21, 2009 (Exhibit 26 at 09-4126-000181).


that the Standards Committee seek releases from or issue subpoenas to Representative Richardson, California Reconveyance Company, Red Rock Mortgage, Inc., and Washington Mutual Bank and/or JP Morgan Chase.⁵⁷

⁵⁷ Letter from Kathleen G. O'Connor, Senior Vice-President and Assistant General Counsel, Chase Home Lending, to Elizabeth Horton, Investigative Counsel, Office of Congressional Ethics, and Leo Wise, Staff Director and Chief Counsel, Office of Congressional Ethics, from, July 16, 2009 (Exhibit 9) (Chase noting that in order for them to be able to release non-public information to the OCE or any other investigative body, either a subpoena or waiver from Representative Richardson would be required).

EXHIBIT 1

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864


Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK **20080519** PAGE **0487**
Check Number 9328
Monday, MAY 19, 2008 11:12:43 AM
Ttl Pd \$12.00 Nbr-0005300936
006-Sacramento Cy DTT PAID
AMH/68/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. 0729942433 Title Order No. M721884

TRUSTEE'S DEED UPON SALE

APN 013-0363-001-0000 T.R.A. No.

The undersigned grantor declares:

- 1) The Grantee herein was not the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was.....\$574,023.87
- 3) The amount paid by the grantee at the trustee sale was.....\$388,000.01
- 4) The documentary transfer tax is.....\$427.35
- 5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to **Red Rock Mortgage, Inc.** (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, . SACRAMENTO, CA 95816

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

09-4126_000002

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee



Karime Arias, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

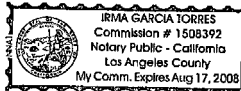



EXHIBIT 2

SAC COUNTY RECORDER Fax: 916-874-3698

Jul 15 2009 03:20pm P001/002

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9201 Oakdale Avenue
Mail Stop N 11 05 12
Chamsworth, CA 91311


Sacramento County Recording
Frederick B. Garcia, Clerk-Recorder
Date: 07/15/2009 Time: 03:20 PM
Check Number: 389364
Monday, July 02, 2009 10:48:48 AM
Ttl Pd: \$14.00 Nbr: 6009412823
N01/82/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. 0729942433 Title Order No. M721084

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as Trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$655,001.00.
 2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:
LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18
A.P.N.: 013-0363-001-0000
Stevs, 3022 WEST CURTIS DRIVE, SACRAMENTO, CA 95816
 3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.
 4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of \$368,000.01.
 5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone this foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.
 6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.
- NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC. AND RECORDED 05/18/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

09-4126_000005

SAC COUNTY RECORDER Fax: 916-874-3698

Jul 15 2009 03:21pm P002/002

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE: 05/26/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY [Signature]
Colleen Irby, Assistant Secretary

BY [Signature]
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY [Signature]
Deborah Brignac, Vice President

BY [Signature]
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

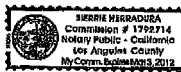
On 5/29/08 before me, SIERRIE HERRADUKA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature] (Seal)

This document (and the recording
by Publicly Recorded Title Insurance and Trust
as an instrument) is not to be
recorded as to its execution or as its effect
upon any date.



09-4126_000006

EXHIBIT 3

presstelegram.com

Broker alleges loan favoritism

By Gene Maddaus Staff Writer

Article Launched: 06/09/2008 11:16:49 PM PDT

The real estate broker who bought Rep. Laura Richardson's house at a foreclosure sale last month is accusing her of receiving preferential treatment because her lender has issued a notice to rescind the sale.

James York, owner of Red Rock Mortgage, said he would file a lawsuit against Richardson and her lender, Washington Mutual, by the end of the week, and has every intention of keeping the house.

"I'm just amazed they've done this," York said. "They never would have done this for anybody else."

York bought the Sacramento home at a foreclosure auction on May 7 for \$388,000.

Richardson had not been making payments on the property for nearly a year, and had also gone into default on her two other houses in Long Beach and San Pedro.

Richardson, D-Long Beach, has said that the auction should never have been held, because she had worked out a loan modification agreement with her lender beforehand and had begun making payments.

Richardson left nearly \$9,000 in unpaid property taxes on the home, which she bought in January 2007 for \$535,000, shortly after being elected to the Assembly.

Washington Mutual has declined to comment on the specifics of Richardson's case, because she has not waived her privacy rights.

In a statement, spokeswoman Sara Gaugi said the company is "committed to treating all of our customers with the same level of consideration and fairness."

Washington Mutual filed a notice of rescission of the foreclosure sale on June 2.

That puts the bank squarely at odds with York, who has already put money into cleaning up the house and preparing it for resale.

"They owe me the property," York said. "The sale was a good sale."

York said an ordinary person would be unlikely to get the kind of consideration that Richardson has received from her bank.

"They wouldn't even get a phone call back," he said. "They would laugh at somebody who would call and say, 'We had some kind of agreement.' They wouldn't give you 10 cents worth of time."

Leo Nordine, a Hermosa Beach real estate broker who specializes in foreclosed homes, agreed that the rescission was out of the ordinary.

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"It's extremely unusual," he said.

"Unless (the borrower) filed bankruptcy beforehand, they'd never do it."

Richardson's staff did not return a call on Monday.

Dustin Hobbs, a spokesman for the California Mortgage Bankers Association, said that while foreclosure rescissions are rarely publicized, they are becoming more common as the rate of foreclosures increases.

"Generally it is going to result in a legal battle," he said.

"Basically you're saying, 'We're willing to fight for our borrower.'"

Hobbs said a lender would be unlikely to go to bat for a borrower who has shown no ability to make future payments.

But if the foreclosure was the result of a temporary hardship or a paperwork mix-up, the lender has every incentive to restore the loan.

"Lenders are concerned about keeping borrowers in homes no matter who they are," he said.

gene.maddaus@dailybreeze.com , 310-543-6639

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09-4126_000009

EXHIBIT 4

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: Neighbor A of Representative Laura Richardson
Review #: 09-4126
Date: July 9, 2009
Location: Telephone
Time: approximately 5:05 PM to 5:30 PM EST.
Participants: Bryson Morgan

Summary: A neighbor of Representative Laura Richardson who lives on Coleman Way made the following statements in response to our questioning:

1. The neighbor saw Congresswoman Richardson a couple of times while she was walking her dog in the neighborhood. She does not know Congresswoman Richardson well, and characterized their relationship as that of neighbors, not friends.
2. Representative Richardson moved into the home at 3622 W. Curtis Drive in January 2007. When she moved into the house Rep. Richardson never hired a gardener and never did any maintenance on the home or yard. The neighbor recalls that Congresswoman Richardson would arrive in Sacramento on Sunday or Monday and leave on Friday or Saturday morning.
3. The neighbor's husband helped Congresswoman Richardson set up her sprinkler system in the spring of 2007.
4. Since the 2008 California Democratic Primary election, the neighbor has seen Representative Richardson at the home on only a couple of occasions.
5. During the summer of 2007 and 2008, the neighbor paid to have their gardener "mow and blow" Representative Richardson's front lawn each summer month. In total, the neighbor had their gardener mow Rep. Richardson's lawn on "six-nine" occasions.

Approximately three to four of these occasions occurred in the summer of 2008. For each occasion, the neighbor paid their gardener \$20 to mow the lawn.

6. The neighbor estimated that the average cost in the area to have a professional "mow and blow" a lawn of similar size to Representative Richardson's home is \$20-\$25 each time.
7. In addition to paying their gardener to "mow and blow" Rep. Richardson's lawn, the neighbor occasionally turned Rep. Richardson's sprinklers on and picked up garbage in her yard. The neighbor also paid neighborhood children \$20-\$25 during the fall of 2007 and the fall of 2008 to rake the leaves in Rep. Richardson's yard.
8. The neighbor did not provide the yard care to Representative Richardson's as gift based on their personal friendship with Congresswoman Richardson, but rather, out of their desire to prevent the yard and home from falling deeper into a state of disrepair.
9. According to this neighbor, another neighbor had their gardener "blow out" Rep. Richardson's 50-foot sidewalk occasionally for two years, and another neighbor watered Rep. Richardson's back yard for two years.
10. The neighbor also said that there have been problems with individuals living in the home, and the neighbors have had to call police on several occasions to remove squatters from the property.

I certify that this memorandum contains all pertinent matter discussed with this individual on July 9, 2009.

Bryson Morgan
Office of Congressional Ethics

EXHIBIT 5

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: Neighbor C of Representative Laura Richardson
Review #: 09-4126
Date: July 22, 2009
Location: Telephone
Time: approximately 4:00 PM to 4:20 PM EST.
Participants: Bryson Morgan

Summary: A neighbor of Representative Laura Richardson who lives on W. Curtis Drive made the following statements in response to our questioning:

1. The neighbor stated that Representative Richardson bought the home located at 3622 W. Curtis Drive sometime in January 2007.
2. On at least a few occasions the neighbor saw Representative Richardson coming and going from the home.
3. The neighbor did not have any conversations or interactions with Representative Richardson until the early summer of 2007, when Rep. Richardson's lawn became severely overgrown. The neighbor knocked on the door, had a brief conversation with Rep. Richardson, and offered to personally mow her lawn. According to the neighbor, Representative Richardson's response was "no problem." The neighbor then used his hand mower to mow her lawn. The neighbor estimated that the cost of having a lawn the size of Representative Richardson's professionally mowed would be \$15-\$25 a month. The neighbor never talked to Representative Richardson after this incident.
4. During the early summer of 2008, the neighbor remembers that police visited the property in response to a complaint that squatters were living in Representative Richardson's home.

5. During the spring of 2009, the neighbor called Sacramento City Code Enforcement because the lawn on Representative Richardson's property had been come very long.

I certify that this memorandum contains all pertinent matter discussed with this individual on July 22, 2009.

Bryson Morgan
Office of Congressional Ethics

EXHIBIT 6

ZOE LOPREH, CALIFORNIA
CHAIR

BEN CHANDLER, KENTUCKY
G. K. BUTTERFIELD, NORTH CAROLINA
KATHY CASTON, FLORIDA
PETER WELCH, VERMONT

KENYEN R. BLOWN,
ACTING STAFF DIRECTOR/CHIEF COUNSEL

R. BLAKE CHISAM,
COUNSEL TO THE CHAIR

ONE HUNDRED ELEVENTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515-6328

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RANKING REPUBLICAN MEMBER

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K. MICHAEL CONWAY, TEXAS
CHARLES W. DENT, PENNSYLVANIA

TODD LINGERHUT
COUNSEL TO THE RANKING
REPUBLICAN MEMBER

SUITE HT-2, THE CAPITOL
2051 226-7103

May 14, 2009

The Honorable Laura Richardson
U.S. House of Representatives
1725 Longworth House Office Building
Washington, DC 20515

Dear Colleague:

This letter responds to your recent request for clarification of certain disclosure requirements of the Form A Financial Disclosure Statement. Specifically, you ask whether you are required under the Ethics in Government Act of 1978 as amended (EIGA), to disclose certain real estate holdings on your disclosure report and any debts secured by these properties.

As a general matter, a reporting individual is required to disclose an asset only if it (1) has a fair market value of more than \$1,000 at the close of the reporting period, or (2) generates more than \$200 in income during the reporting period. See EIGA §§ 102 (a)(3)(A) & 102(a)(1)(B). The personal residence of a reporting individual (including a secondary or vacation home), however, is specifically excluded from disclosure so long as the home is not generating any rental income and is not being held for investment purposes. EIGA further provides that "any mortgage secured by real property which is a personal residence of the reporting individual" is specifically excluded from disclosure as a liability. See EIGA § 102(4)(A).

According to your representations to the Committee, you purchased and own three residences in California. These properties are located in San Pedro, Long Beach, and Sacramento. None of these properties have ever generated any rental income, nor are any currently being held for investment purposes. Based on these representations, it would appear to the Committee that you are under no obligation to disclose your ownership interest in the properties on your financial disclosure statement. Please be mindful, however, that if the circumstances change and rental income is ever generated by any of these properties, you will be required to disclose the income producing properties on your financial disclosure statement.

09-4126_000017

The Honorable Laura Richardson
May 14, 2009
Page 2

Because you presently have no disclosure obligation with respect to these properties, you are similarly not required to disclose any debt secured by these properties. This exclusion applies regardless of the fair market value of the property or the balance due on any loan and includes mortgages, home equity loans and home equity lines of credit.¹

If you have any further questions, please contact the Committee's Chief Counsel, Blake Chisam, at (202) 225-██████

Sincerely,



Zoe Lofgren
Chair

ZL/JB:sps



Jo Bonner
Ranking Republican Member

¹ For a more complete explanation of the circumstances in which a mortgage may be excluded from disclosure on the financial disclosure statement, please see the attached Committee Memorandum dated December 30, 2008.

EXHIBIT 7

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: Neighbor B of Representative Laura Richardson
Review #: 09-4126
Date: July 15, 2009
Location: Telephone
Time: approximately 2:30 PM to 2:51 PM EST.
Participants: Bryson Morgan

Summary: A neighbor of Representative Laura Richardson who lives on Coleman Way made the following statements in response to our questioning:

1. The neighbor does not know Congresswoman Richardson well and has never met her or had conversations with her.
2. The neighbor does not recall Representative Richardson ever having moved into or lived in her home on W. Curtis Drive.
3. During the summer of 2007 through 2008, the neighbor noticed that Representative Richardson's property was not being maintained because the grass was not being mowed.
4. To the neighbor's knowledge, no one ever lived in the home between 2007 and 2008.
5. In 2008, the neighbor and other neighbors noticed that lights were on in the room above the garage. They suspected that squatters had entered the home and were living there, and filed complaints with the City of Sacramento.
6. The neighbor noticed that the property appeared to be completely abandoned and had become infested with rats. The neighbor also filed complaints with the City of Sacramento alleging the home had been abandoned and was infested with rats.

7. When the ivy on the north-facing fence on the property began to die, the neighbor's spouse watered the ivy in an unsuccessful attempt to revive it. Other than watering the ivy, the neighbor and their spouse did not go to any other efforts to improve the condition of Representative Richardson's property.
8. The neighbor was aware that two of their neighbors had either paid to have Representative Richardson's lawn mowed or had personally mowed Representative Richardson's lawn.
9. The neighbor said that, to his knowledge, the home had been sold in a foreclosure sale in 2008 and said that the new owner had begun to renovate the interior of the home shortly thereafter. The renovations, however, suddenly stopped in the summer of 2008, and the home was left in an unfinished manner. The neighbor noted that for almost a year, an unsightly toilet remained on the back deck of the upper level of Representative Richardson's home—irritating the neighbor and others in the neighborhood.
10. The neighbor contacted Representative Richardson's congressional office, but was told that because he did not reside in her congressional district, his complaints would not be addressed by the office.

I certify that this memorandum contains all pertinent matter discussed with this individual on July 15, 2009.

Bryson Morgan
Office of Congressional Ethics

EXHIBIT 8

Los Angeles Times



Double Your Fun!

<http://www.latimes.com/news/local/la-me-richardson12-2009jun12,0,3272269.story>
From the Los Angeles Times

Congresswoman's abandoned house angers neighbors

Laura Richardson's former home in Sacramento's upscale Curtis Park neighborhood is in disrepair. Residents say they have appealed to her and House Speaker Nancy Pelosi without success.
By Jeff Gottlieb

June 12, 2009

Reporting from Sacramento — John Bailey thought it was great when his neighbor was elected to the House of Representatives in 2007.

"Not everyone lives next door to a congresswoman," he said.

But two years later, he doesn't feel so lucky. The congresswoman's house is abandoned and in disrepair, "a blight on the neighborhood," Bailey said.

He thinks the way that Rep. Laura Richardson (D-Long Beach) has treated her Sacramento home tells far more about her than her voting record.

"I wouldn't want anyone that irresponsible to represent me," said Bailey, like Richardson a liberal Democrat. "What I don't get is how she has the time to visit with Fidel Castro but doesn't have time for her own house. If you can't manage your own household, you probably shouldn't get involved in international affairs."

He's not alone. Neighbors have complained to the city, written letters and e-mails to Richardson and House Speaker Nancy Pelosi, but the three-bedroom house remains an eyesore. Neighbors just wish she would sell it or let it go into foreclosure, anything to get it into the hands of someone who would care.

"She shows total disregard for everyone in the neighborhood," said Sean Padovan, a retired police sergeant. "She ought to be embarrassed and ashamed."

Richardson did not return phone calls for this story.

The problems with the house began shortly after Richardson was elected to the Assembly in 2006 from Long Beach and bought the two-story house in the leafy Curtis Park neighborhood.

It wasn't long before Padovan, 62, angry that the lawn wasn't being mowed, knocked on Richardson's door, told her he was a neighbor and asked if she minded if he cut the grass. He handed out his hand mower, and when Richardson still seemed to have no interest in taking care of her yard, he stuck a gardener's card in her door with a note saying that she should call him if she had questions.

He never heard from Richardson, not a thank-you or a wave as she walked past.

After Richardson was elected to Congress in 2007 in a special election, she moved out around Labor Day. She told Bailey that she planned to rent out the house. Later that year, he sent her an e-mail with a link to a real estate agent who could help. He never received a response.

With no one living in it, the house continued to deteriorate.

Angry at the demise of the once stately home and worried about what it would do to their property values, neighbors took things into their own hands.

Carrie Thomsen would walk across the street with her hose and water the yard. Janet Carlson sent her gardener to Richardson's house once a month for six months to mow the lawn. She paid kids \$20 during the fall to rake the leaves. They once peeked inside and saw a dead bird in the living room. Her husband turned on the sprinklers the last two summers, worried that dry weeds would turn into a fire hazard.

Things got so bad that in the fall of 2008 rats began breeding in Richardson's backyard and soon moved into L. Kraft's house next door. It took him two months to get rid of them.

Richardson's house, he said, "has become such a hideous place."

The congresswoman has gained a degree of infamy in the Sacramento neighborhood. The two-story house, gray with red trim, is badly in need of paint. The front lawn is a patchwork of grass and weeds with brown splotches of dirt. Much of the once lush yard covering the chain-link fence has died.

The red wooden gate sprawls on the lawn, unless someone props it up. A toilet sits on the back patio.

The backyard weeds, which neighbors said had grown three or four feet high, were cut a day after The Times wrote about them a few months ago. Dead leaves have gathered behind the hot tub. Rosebushes are struggling from lack of water, since the sprinklers are never turned on. Gone are the rose of Sharon, miniature crape myrtle and primroses the previous owner had lashed over for years.

Brown paper covers many windows. There is no furniture inside. Two beer cans are in the kitchen sink surrounded by dirt.

The city declared the house a public nuisance in August. In late May, after a neighbor complained that the front lawn was out of control, the city filed a violation notice. The lawn was mowed a few days later.

Most recently, another neighbor filed another complaint, saying that Richardson's house was "a vacant structure with a blighted appearance." Now residents are discussing whether to hire a lawyer to try to force her to fix it.

Richardson's house sits in stark contrast to the rest of the upper-middle-class neighborhood. Curtis Park is one of Sacramento's oldest, with a mix of Tudor, Spanish and Craftsman-style homes built in the 1910s, '20s and '30s, among others, and where owners work hard to keep them up.

Located a couple miles from the Capitol, the neighborhood is known for its liberal politics and is filled with legislators, lobbyists and lawyers. Mayor Kevin Johnson owns a home there, and former state Sen. Al Rodde lives a couple of houses from Richardson.

Richardson bought the house in early 2007 for \$536,000. She already owned two other houses that she had defaulted on six times.

The house went into foreclosure last year and was sold to real estate investor James York for \$388,000 in May. Washington Mutual took back the house and returned it to Richardson. York sued. The case was settled privately.

In April 2008, Bailey sent a letter complaining about the condition of Richardson's house to Pelosi, then-state Democratic Party chief Art Torres and his congresswoman, Doris Matsui (D-Sacramento).

Pelosi's was the only response he received. She said she couldn't comment.

More recently, Peter Thomsen sent Richardson an e-mail telling her that she should be responsible and fix the house for the neighborhood's sake.

He received an e-mail back saying that he didn't reside in her district.

But help could be on the way.

Max Fernandez, Sacramento's director of code enforcement, said a Richardson staffer told his office that she had talked to a contractor about fixing the place up.

09-4126_000023

Los Angeles Times: Congresswoman's abandoned house angers neighbors

Page 2 of 2

Thomsen doesn't believe that she will do anything. "After a year of seeing the condition the house is in? No."

Kraft, though, said someone recently repaired the gate.

"It is one of the most impressive things I've seen so far," he said.

jeff.gottlieb@latimes.com

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partners:



09-4126_000024

EXHIBIT 9



Kathleen G. O'Connor
Senior Vice-President and Assistant General Counsel
Chase Home Lending

July 16, 2009

Elizabeth Horton
Office of Congressional Ethics
United States House of Representatives
Washington, D.C. 20515

Leo Wise
Staff Director and Chief Counsel
United States House of Representatives
Washington, D.C. 20515

Dear Ms. Horton and Mr. Wise:

We are in receipt of your letter dated June 22, 2009. Please find enclosed the following responsive items:

- Deed of Trust dated January 4, 2007
- Notice of Default and Election to Sell
- Trustee's Deed Upon Sale
- Notice of Rescission of Trustee's Deed Upon Sale
- Copy of Complaint filed by Red Rock Mortgage, Inc.

To the extent that you require any non-public information, we would need either a subpoena or a waiver from our customer. If you would like us to reach out to our customer to request a waiver, please let me know. In the meantime, we are in the process of assembling the balance of the requested documents.

We agree to release Red Rock Mortgage, Inc. and James York from any confidentiality agreement that may be in effect regarding the lawsuit filed by Red Rock in response to the rescission of Trustee Sale No. 723397CA for the limited purpose of assisting your office with its investigation.

We have received, through outside counsel engaged by Washington Mutual at the time of the events at issue, a request for information from Representative Richardson's office. We have not responded to this request.

If you would like to discuss this matter, please let me know.

Sincerely,

Kathleen G. O'Connor

EXHIBIT 10

RECORDING REQUESTED BY:
Stewart Title of Sacramento

AND WHEN RECORDED MAIL TO
AND UNLESS OTHERWISE SHOWN BELOW,
MAIL TAX STATEMENTS TO:

Laura Richardson
3622 West Curtis Dr
Sacramento, CA 95818

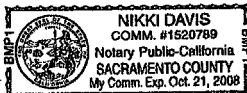


Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK **20070110** PAGE **1817**

Check Number 4286
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd \$7.00 Nbr-0004694369
006-Sacramento Cy DTT PRID

REB/51/1-1

Title Order No.:	GRANT DEED	Escrow No.: AL-17003957-ND
<p>THE UNDERSIGNED GRANTOR(S) DECLARE(S) DOCUMENTARY TRANSFER TAX is \$589.05 <input checked="" type="checkbox"/> computed on full value of property conveyed, or <input type="checkbox"/> computed on full value less value of liens or encumbrances remaining at time of sale. <input type="checkbox"/> Unincorporated area <input checked="" type="checkbox"/> City of Sacramento AND</p>		
<p>FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Mark S. Helmar and Sharon L. Helmar, trustees of the Helmar Family Revocable Trust</p>		
<p>hereby GRANT(s) to: LAURA RICHARDSON, an Unmarried Woman</p>		
<p>the real property in the City of Sacramento, County of Sacramento, State of California, described as: Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18. Also Known as: 3622 West Curtis Drive, Sacramento, CA 95818 AP#: 013-0363-001</p>		
<p>DATED December 13, 2006 STATE OF CALIFORNIA COUNTY OF <u>Sacramento</u> On <u>December 14, 2006</u> Before me, <u>Nikki Davis</u> A Notary Public in and for said State, personally appeared <u>Mark S. Helmar and Sharon L. Helmar</u></p>		
<p>BY: <u><i>Mark S. Helmar</i></u> Mark S. Helmar, Trustee</p>		<p>BY: <u><i>Sharon L. Helmar</i></u> Sharon L. Helmar, Trustee</p>
<p>personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. WITNESS my hand and official seal.</p>		
<p>Signature <u><i>Mark S. Helmar</i></u></p>		<p>(This area for official notarial seal)</p>



Recording Requested By:
Washington Mutual Bank

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



Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK **20070110** PAGE **1818**

Check Number 4288
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd \$83.00 Nbr-0004694371

REB/51/1-19

Prepared By:

[Space Above This Line For Recording Date]

DEED OF TRUST

DEFINITIONS

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

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

Borrower's address is 717 E Vernon St, Long Beach, CA 90806

Borrower is the trustor under this Security Instrument.

(C) "Lender" is Washington Mutual Bank

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

0729942433

CALIFORNIA-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3006 1/01

VMP-B(CA) (0207).01

Page 1 of 16

Initials

VMP Mortgage Solutions, Inc.



09-4126_000029

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

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007

The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100 Dollars

(U.S. \$535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> VA Rider | <input type="checkbox"/> Biweekly Payment Rider | <input type="checkbox"/> Other(s) [specify] |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 3) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

Initials 

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

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

TRANSFER OF RIGHTS IN THE PROPERTY

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

[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]
Legal Description Attached Hereto And Made A Part Hereof

Exhibit A

Parcel ID Number: 013-0363-001
3622 West Curtis Drive
Sacramento
("Property Address"):

which currently has the address of
[Street]
[City], California 95818 [Zip Code]

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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




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

Witnesses:

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

State of California
County of Sacramento

} ss.

On January 4, 2007

before me, Nikki Davis a notary public
personally appeared

Sandra Richardson

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

WITNESS my hand and official seal.



[Signature] (Seal)

Initials [Signature]

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Form 3006 1/01

09-4126_000043

Exhibit "A"
Legal Description

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

Apn: 013-0363-001

FIXED/ADJUSTABLE RATE RIDER

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

[Property Address]

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

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

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

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

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

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

(B) The Index

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

Fixed/Adjustable Rate Rider - Libor

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

(C) Calculation of Changes

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

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

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.800 % or less than 8.800 %. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000 %) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800 % or less than 8.800 %.

(E) Effective Date of Changes

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

(F) Notice of Changes

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

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

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

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

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

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

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

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

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

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

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


Laura Richardson

(Seal)

-Borrower

(Seal)

-Borrower

(Seal)

-Borrower

(Seal)

-Borrower

[Sign Original Only]

EXHIBIT 11

RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 08 12
 Chatsworth, CA 91311
 800 892-6902
 (818)775-2258 (Fax)



Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK **20071214** PAGE **0358**

Check Number 9103
 Friday, DEC 14, 2007 8:41:18 AM
 Ttl Pd \$12.00 Nbr-0005182112

TMH/74/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. 0729842433 Title Order No. M721884

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

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

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

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

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

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

Trustee Sale No. 723397CA Loan No. 0729942433 Title Order No. M721884

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

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

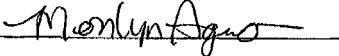
REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON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

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

DATE: December 13, 2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,

By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC



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

Merryn L. Aguas

09-4126_000050

EXHIBIT 12

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 08 12
Chatsworth, CA 91311

Trustee Sale No. **723397CA**
Loan No. **0729942433**
Title Order No. **M721884**


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

JLW/14/1-1

Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

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

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

Piece of Sale: AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA
Legal Description: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: \$578,384.52 (estimated)

Street address and other common designation of the real property: 3622 WEST CURTIS DRIVE

SACRAMENTO, CA 95818

APN Number: 013-0363-001-0000

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. The property heretofore described is being sold "as is".

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
(714) 259-7850 or www.fidelityasap.com
(714) 573-1985 or www.priorityposting.com


DEBORAH BRIGNAC, VICE PRESIDENT
9200 OAKDALE AVE
MAIL STOP N110812
CHATSORTH, CA 91311


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

09-4126_000052

EXHIBIT 13

AFTER RECORDING MAIL TO:

CITY OF SACRAMENTO
DEPARTMENT OF UTILITIES
Business Services Division
Customer Service Center
1395 35th Avenue
SACRAMENTO, CA 95822


Sacramento County Recording
Craig A. Krueger, Clerk/Recorder
BOOK **20070808** PAGE **0404**
Friday, JUN 05, 2007 2:03:32 PM
741 Pa. 88.00 No. 000420704
DNB/SS/1-18

SPACE ABOVE THIS LINE RESERVED FOR RECORDED SEAL

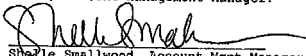
Sacramento County Recorder
Sacramento, California

Date 05/07/07Subject: **NOTICE OF DELINQUENT UTILITY CHARGES**

In accordance with City of Sacramento Code Chapter 13 and Sacramento Regional Sanitation District Ordinance No. SRDS-3, please place a lien against the parcel and amount as indicated below plus additional accrual until date of payment:

SEE ATTACHED

This is a NO FEE document recorded for the benefit of the City of Sacramento, Department of Utilities, Business Services Division, by Shelle Smallwood, Account Management Manager.


Shelle Smallwood, Account Mgmt Manager
Business Services Division
Customer Service Center

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO)

On 06/07/07 before me, Maria Jasmin Sanchez, Notary Public, personally appeared Shelle Smallwood, personally known to me (~~on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(ies), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.


NOTARY PUBLIC SIGNATURE

(SEAL)



RD-08-P31 (REV 12/05)

09-4126_000054

REPORT: COUNCIL

CITY OF SACRAMENTO
OUTDOOR INFORMATION SYSTEM
DATE: 06/07/07
PAGE: 18

PARCEL NUMBER: 021-0181-001-0000 LIES AMOUNT: \$4.31
SITE ADDRESS: 210 BERRY ST
OWNER NAME: SACRAMENTO COUNTY
DATE OF ACTION: 06/07/07
SBSID: 58314

PARCEL NUMBER: 013-0340-001-0000 LIES AMOUNT: 134.03
SITE ADDRESS: 1000 N CENTER ST
OWNER NAME: RICHMOND, JANN
DATE OF ACTION: 06/07/07
SBSID: 58316

PARCEL NUMBER: 024-0420-000 LIES AMOUNT: \$4.30
SITE ADDRESS: 077 14TH ST
OWNER NAME: CHARLETTA STALLER FAMILY TRUS
DATE OF ACTION: 06/07/07
SBSID: 58317

PARCEL NUMBER: 013-0000-000 LIES AMOUNT: \$4.32
SITE ADDRESS: 614 14TH ST
OWNER NAME: HILL, MACKA N
DATE OF ACTION: 06/07/07
SBSID: 58314

PARCEL NUMBER: 220-0400-000-0000 LIES AMOUNT: 110.24
SITE ADDRESS: 1000 MARKET ST
OWNER NAME: ECONOMIC MEDIA C
DATE OF ACTION: 06/07/07
SBSID: 58318

PARCEL NUMBER: 024-0420-000 LIES AMOUNT: 145.04
SITE ADDRESS: 3409 21ST AVE
OWNER NAME: WILLIAMS, MAUREN PATE
DATE OF ACTION: 06/07/07
SBSID: 58319



THIS IS A TRUE CERTIFIED
COPY OF THE RECORD FILED
IN THE OFFICE OF THE CLERK
OF THE CITY OF SACRAMENTO
DATE: 06/07/07
BY: [Signature]

EXHIBIT 14

NO FEE DOCUMENT - ERRONEOUS ASSESSMENT
PER GOVERNMENT CODE 6103

AFTER RECORDING MAIL TO:

RED ROCK MORTGAGE INC
3600 AMERICAN RIVER DR #135
SACRAMENTO CA 95864

Escrow #:

Sacramento County Recorder
Frederick B. Garcia, Clerk/Recorder
BOOK **20080620** PAGE **0621**
Friday, JUN 20, 2008 11:23:22 AM
Ttl Pd \$0.00 Nbr-0085448980
REG/51/1-1

SPACE ABOVE THIS LINE RESERVED FOR RECORDERS USE

TERMINATION OF LIEN OF DELINQUENT
SACRAMENTO CITY UTILITY CHARGES

I hereby certify that the lien of delinquent City of Sacramento Utility charges recorded on June 08, 2007, in Book 070608 Page 0404, in the office of the County Recorder, is no longer in force and effect.

Said notice was filed against **RICHARDSON, LAURA** as follows:

OWNER : **RICHARDSON, LAURA**
PARCEL NO: **013-0363-001-0000**
ADDRESS : **3622-W CURTIS DR
SACRAMENTO CA 95818**

This document is recorded for the benefit of the City of Sacramento, Department of Utilities by S GENTRY, Customer Service Supervisor.

S Gentry
S GENTRY
Customer Service Supervisor

STATE OF CALIFORNIA]
COUNTY OF SACRAMENTO] ss

On this 16th day of June, 2008 before me Virginia DeBella Notary Public, personally appeared S GENTRY who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in this/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Virginia DeBella
Notary Public Signature

SEAL:



CIR-ELIENRLS (12/2007)

09-4126_000057

EXHIBIT 15

Page: 1 Document Name: Counter 2

07/14/09 SECURED REDEMPTIONS DEFAULTED BILL SUMMARY TIME: 11:2

THIS ACCOUNT IS NOT OPEN

PARCEL NBR: 013-0363-001-0000

DEFAULT NBR: 08-07006744-00 TEETER: DEFAULT DT: 08/07/0

SITUS: 3622 W CURTIS DR 95818 STAT: 32

DEFAULT DT OWNER: STATE FEE: 15.00

CURRENT OWNER: RICHARDSON LAURA REL OF EQ:

CARE OF NAME: LIEN SRCH:

TOTAL DUE BEFORE: 08/01/09 9087.43 INTEREST PAID: INTEREST %: .015

ID	YR/BILL	ST	DFLT TAX AMT	DFLT PEN AMT	DFLT CST AMT	RDMP PEN AMT	RD TT PN NT	DFT INS	BK FL
01	07006744	32	2098.35	209.84	10.00	31.47	16	2	
02	07236823	32	1016.82	101.68	10.00	15.25	16	2	
03	07482740	32	4994.64	499.46	10.00	74.92	16	2	

ENTER NEW FUNCTION: ID: NEW PARCEL: - - - NEW MM: 07

RD06 NEW DEFAULT: - - - NEW YY: 08

Date: 7/14/2009 Time: 11:28:45 AM

09-4126_000059

DAVE IRISH
TAX COLLECTOR

SACRAMENTO COUNTY DUPLICATE TAX BILL

07/14/09
11:27:38

2007-2008 SECURED SUPPLEMENTAL TAX BILL FOR FISCAL YR 07/01/07 TO 06/30/08
PROPERTY LOCATION: 3622 W CURTIS DR 95818

PARCEL NUMBER	BILL NBR	TAX RATE AREA	ASSESSMENT#/YR	ISSUE DATE
013-0363-001-0000	07006744	03005	071000237 06	09/24/07

-----ASSESSED VALUES-----

LAND	\$208334
IMPROVEMENTS	\$249099
FIXTURES	\$0
PERSONAL PROPERTY	\$0
LESS EXEMPTIONS	\$0
NET ASSESSED VALUE	\$457433

-----DIRECT LEVY CODE/AMOUNTS-----

RICHARDSON LAURA

3622 W CURTIS DR
SACRAMENTO CA 95818

DIRECT LEVY TOTAL	\$0.00
TOTAL TAX ON VALUES	\$2098.35

TOTAL TAX DUE	\$2098.35
---------------	-----------

INSTALLMENT INFORMATION

INST.	DUE DATE	INST. AMOUNT	PENALTY/COST	DELINQUENT AMOUNT
1	12/10/07	\$1049.18	\$104.92	\$1154.10
2	04/10/08	\$1049.17	\$114.92	\$1164.09

MAKE CHECK PAYABLE TO SACRAMENTO COUNTY TAX COLLECTOR, 700 H STREET, ROOM 1710, SACRAMENTO CA 95814. PHONE (916)874-6622. WRITE PARCEL NUMBER ON YOUR CHECK.

SACRAMENTO COUNTY 2007-2008 SECURED SUPPLEMENTAL TAX BILL

SECOND
INSTALLMENT

PARCEL NUMBER	BILL NBR	TAX RATE AREA
013-0363-001-0000	07006744	03005

CURRENT OWNER: RICHARDSON LAURA

TAX DUE BY 04/10/08	\$1049.17	THE SECOND
PENALTY AND 10.00 COST IF NOT PAID BY 04/10/08	\$114.92	INSTALLMENT
DELINQUENT TAX AMOUNT	\$1164.09	CANNOT BE PAID
		BEFORE THE
		1ST INSTALLMENT

07006744013036300100006 00010491700011640920804101

SACRAMENTO COUNTY 2007-2008 SECURED SUPPLEMENTAL TAX BILL

FIRST
INSTALLMENT

PARCEL NUMBER	BILL NBR	TAX RATE AREA
013-0363-001-0000	07006744	03005

CURRENT OWNER: RICHARDSON LAURA

TAX DUE BY 12/10/07	\$1049.18	TO PAY TOTAL DUE
PENALTY IF NOT PAID BY 12/10/07	\$104.92	RETURN BOTH STUBS
DELINQUENT TAX AMOUNT	\$1154.10	BY 12/10/07
		WITH PAYMENT OF
		\$2098.35

07006744013036300100006 00010491800011541010712105

09-4126_000060

DAVE IRISH
TAX COLLECTOR

SACRAMENTO COUNTY DUPLICATE TAX BILL

07/14/09
11:27:19

2007-2008 SECURED ANNUAL TAX BILL FOR FISCAL YR 07/01/07 TO 06/30/08
PROPERTY LOCATION: 3622 W CURTIS DR 95818

PARCEL NUMBER	BILL NBR	TAX RATE AREA	ASSESSMENT#/YR	ISSUE DATE
013-0363-001-0000	07236823	03005	070027773 07	09/28/07

-----ASSESSED VALUES-----		-----DIRECT LEVY CODE/AMOUNTS-----	
LAND	\$16999	0659	\$26.60
IMPROVEMENTS	\$62120	0784	\$8.20
FIXTURES	\$0	0595	\$69.00
PERSONAL PROPERTY	\$0	0168	\$19.08
LESS EXEMPTIONS	\$0	0197	\$27.12
NET ASSESSED VALUE	\$79119		

RICHARDSON LAURA

3622 W CURTIS DR
SACRAMENTO CA 95818

DIRECT LEVY TOTAL	\$150.00
TOTAL TAX ON VALUES	\$866.82

TOTAL TAX DUE	\$1016.82
---------------	-----------

INSTALLMENT INFORMATION

INST.	DUE DATE	INST. AMOUNT	PENALTY/COST	DELINQUENT AMOUNT
1	12/10/07	\$508.41	\$50.84	\$559.25
2	04/10/08	\$508.41	\$60.84	\$569.25

MAKE CHECK PAYABLE TO SACRAMENTO COUNTY TAX COLLECTOR, 700 H STREET, ROOM 1710, SACRAMENTO CA 95814. PHONE (916)874-6622. WRITE PARCEL NUMBER ON YOUR CHECK.

SACRAMENTO COUNTY 2007-2008 SECURED ANNUAL TAX BILL			SECOND INSTALLMENT
PARCEL NUMBER	BILL NBR	TAX RATE AREA	
013-0363-001-0000	07236823	03005	

CURRENT OWNER: RICHARDSON LAURA

TAX DUE BY 04/10/08	\$508.41	THE SECOND
PENALTY AND 10.00 COST IF NOT PAID BY 04/10/08	\$60.84	INSTALLMENT
DELINQUENT TAX AMOUNT	\$569.25	CANNOT BE PAID BEFORE THE 1ST INSTALLMENT

07236823013036300100000 00005084100005692520804100

SACRAMENTO COUNTY 2007-2008 SECURED ANNUAL TAX BILL			FIRST INSTALLMENT
PARCEL NUMBER	BILL NBR	TAX RATE AREA	
013-0363-001-0000	07236823	03005	

CURRENT OWNER: RICHARDSON LAURA

TAX DUE BY 12/10/07	\$508.41	TO PAY TOTAL DUE
PENALTY IF NOT PAID BY 12/10/07	\$50.84	RETURN BOTH STUBS
DELINQUENT TAX AMOUNT	\$559.25	BY 12/10/07 WITH PAYMENT OF \$1016.82

07236823013036300100000 00005084100005592510712109

09-4126_000061

DAVE IRISH
TAX COLLECTOR

SACRAMENTO COUNTY DUPLICATE TAX BILL

07/14/09
11:27:30

2007-2008 SECURED SUPPLEMENTAL TAX BILL FOR FISCAL YR 07/01/07 TO 06/30/08
PROPERTY LOCATION: 3622 W CURTIS DR 95818

PARCEL NUMBER	BILL NBR	TAX RATE AREA	ASSESSMENT#/YR	ISSUE DATE
013-0363-001-0000	07482740	03005	071000236 07	11/20/07

-----ASSESSED VALUES-----

LAND	\$208001
IMPROVEMENTS	\$247881
FIXTURES	\$0
PERSONAL PROPERTY	\$0
LESS EXEMPTIONS	\$0
NET ASSESSED VALUE	\$455882

-----DIRECT LEVY CODE/AMOUNTS-----

RICHARDSON LAURA
3622 W CURTIS DR
SACRAMENTO CA 95818

DIRECT LEVY TOTAL	\$0.00
TOTAL TAX ON VALUES	\$4994.64

TOTAL TAX DUE	\$4994.64
---------------	-----------

INSTALLMENT INFORMATION

INST.	DUE DATE	INST. AMOUNT	PENALTY/COST	DELINQUENT AMOUNT
1	12/31/07	\$2497.32	\$249.73	\$2747.05
2	04/30/08	\$2497.32	\$259.73	\$2757.05

MAKE CHECK PAYABLE TO SACRAMENTO COUNTY TAX COLLECTOR, 700 H STREET, ROOM 1710, SACRAMENTO CA 95814. PHONE (916)874-6622. WRITE PARCEL NUMBER ON YOUR CHECK.

SACRAMENTO COUNTY 2007-2008 SECURED SUPPLEMENTAL TAX BILL

SECOND
INSTALLMENT

PARCEL NUMBER	BILL NBR	TAX RATE AREA
013-0363-001-0000	07482740	03005

CURRENT OWNER: RICHARDSON LAURA

TAX DUE BY 04/30/08	\$2497.32	THE SECOND
PENALTY AND 10.00 COST IF NOT PAID BY 04/30/08	\$259.73	INSTALLMENT
DELINQUENT TAX AMOUNT	\$2757.05	CANNOT BE PAID
		BEFORE THE
		1ST INSTALLMENT

07482740013036300100007 00024973200027570520804303

SACRAMENTO COUNTY 2007-2008 SECURED SUPPLEMENTAL TAX BILL

FIRST
INSTALLMENT

PARCEL NUMBER	BILL NBR	TAX RATE AREA
013-0363-001-0000	07482740	03005

CURRENT OWNER: RICHARDSON LAURA

TAX DUE BY 12/31/07	\$2497.32	TO PAY TOTAL DUE
PENALTY IF NOT PAID BY 12/31/07	\$249.73	RETURN BOTH STUBS
DELINQUENT TAX AMOUNT	\$2747.05	BY 12/31/07
		WITH PAYMENT OF
		\$4994.64

07482740013036300100007 00024973200027470510712311

09-4126_000062

EXHIBIT 16


```
ENTER NEW FUNCTION:      NEW PARCEL NBR:      -      -      -      NEW MONTH: 0
RD01                     NEW DEFAULT NBR:     -      -      -      NEW YR: 0
```


EXHIBIT 17



0.05/0.000

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I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property.

On two housing bills that were cited by the Capital Weekly, the allegation is that I recused myself from these votes. I did not. I was absent from Washington, D.C., and my duties in the House of Representatives due to the untimely death of my father and his subsequent funeral in California.

I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable.

Posted by Peter Viles on May 21, 2008 in Foreclosure , Jirgle Mail | Permalink
Bookmark it: 32 diggs dupli

TrackBack

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Comments

Boy, I bet we won't be hearing about his one in the MSM news. First, she is a democrat, second, she is a congresswoman, third, she is black, and fourth, because it would reiterate the fact that some people are losing their homes because they just stop paying, and that it their fault! Not the government!!!

I am so sick of hearing about the "mortgage crisis" when most are people that just want a ball out, and others are the ones who got caught up in the "flip this house" craze. These people thought they could flip their house and make some quick money. Why should the government bail them out????

Posted by: Susan I | May 21, 2008 at 11:50 AM

It is absolutely disgusting that this "representative" has shamed the banks and contributed to the blight of a neighborhood. Hopefully her political adversaries are taking note.

Posted by: Westsider | May 21, 2008 at 11:50 AM

She is learning quick. When you are in Congress, you don't pay for anything.

Posted by: Tax Payers, pay the bill | May 21, 2008 at 11:51 AM

We are going to find out that GWB pulled all the equity out of the White House with a subprime refi from Countrywide and will be walking away in January. Just wait. It's coming.

Posted by: Cal | May 21, 2008 at 11:52 AM

And to think that a week or so ago, there was a report stating that it is urban lore that people are walking away from their home loans.

Posted by: RonB | May 21, 2008 at 11:53 AM

Just the kind of personal responsibility and fiscal prudence we need in Sacramento!

Posted by: Margaret | May 21, 2008 at 11:53 AM

What a scammer. Politicians are all criminals at heart especially Democrats.

Posted by: Freddy | May 21, 2008 at 11:53 AM

No one wishes such a problem on anyone else and the lady has my sympathy -- to a point. But the question remains as how her constituents can trust their representative to use good judgement and common sense in representing them if she makes such a bad call in her private life. Just because you have a high income (relatively speaking) as a congresswoman does not mean you don't have to manage you money and make good choices. Do you suppose she wishes she was still renting?

Posted by: JLF | May 21, 2008 at 11:53 AM

she should be newly un-elected

October 2007
September 2007
August 2007
July 2007
June 2007
May 2007
April 2007

All LA Times Blogs

All The Rage
American Idol Tracker
Babylon & Beyond
Big Picture
Booster Shots
Comments Blog
Culture Monster
Daily Dish
Daily Mirror
Daily Travel & Deal Blog
Dish Rag
Dodger Thoughts
Fabulous Forum
Gold Derby
Greenspace
Hero Complex
Jacket Copy
L.A. Land
L.A. Now
L.A. Unleashed
La Plaza
Lakers
Money & Co.
Movable Buffet
Opinion L.A.
Outposts
Pop & Hiss
Readers' Representative Journal
Show Tracker
Technology
Top of the Ticket
Up to Speed

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- 72 In Case of Emergency, Eric Holder becomes U.S. government
- 71 Schwarzenegger + Stallone = Route = The Expendables
- 71 House votes to ban Monkey Transport
- 26 Electrolyzed water is a magic non-toxic cleaner
- 21 Oregon Trail (iPhone) producer: Don't play the old one!

Powered by Diggs users

09-4126_000067

Your fine, upstanding citizen legislator used this transaction to steal \$15,000 from the seller.

But it's O.K.

She's not a Republican.

Posted by: Windfall | May 21, 2008 at 11:59 AM

I feel I speak for all totally ignorant people when I say I am shocked that a congressperson could do something unethical!

Posted by: Chris | May 21, 2008 at 11:59 AM

Well on the one hand, it was kind of her to recuse herself from housing related votes.

But I guess the next question is did she buy another property (unless she's in an apartment now), before letting the one in Sacramento foreclose?

Could this be grounds for some kind of fraud case?

Posted by: Tomblstone Realty | May 21, 2008 at 11:59 AM

She's a deadbeat she should be removed from her seat in congress...a typical Democrat...thinks it's beneath her to pay her bills...stick it to some other poor shlob...

Posted by: Joe | May 21, 2008 at 12:01 PM

A corrupt democrat? Nooooo, I don't believe you for a second. Onoops, back to reality now, sorry I was yawning. A corrupt idiot democrat trying to get into some heavy graft before she was established in Washington. Unfortunately, all of the people that voted for her probably encourage this behavior (look at any other indicted dems and continued support by the electorate).

Posted by: Corruption | May 21, 2008 at 12:03 PM

Why am I not surprised that she is a democrat?

Posted by: Donald | May 21, 2008 at 12:06 PM

Wow, there's some fiscal responsibility for you. She obviously is a democrat.

Posted by: Ron | May 21, 2008 at 12:10 PM

Gez, most people wait till they get to congress before becoming worthless.

Posted by: Danno | May 21, 2008 at 12:11 PM

Don't surprise me none, most dems in congress are corrupt as... their destiny.

Posted by: F. Meglin | May 21, 2008 at 12:12 PM

Typical Democrat. Do as I say, not as I do. But somehow - no doubt - it is all GWD's fault.

Posted by: Timmy J | May 21, 2008 at 12:14 PM

Hmmm... no mention of her party affiliation. It must mean she's a democrat. They never forget to put the "R" in front of a republican when they screw up.

Posted by: Typical | May 21, 2008 at 12:16 PM

The gov't is the cause for this housing mess, when they forced lenders to accept people with out any credit. The wolves are guarding the hen house and in this case one of them is taking a 600000 ride. She should be kicked out.

Posted by: SRW | May 21, 2008 at 12:16 PM

She is a typical political hack, and does not deserve to have a seat in Congress. We have enough problems without having deadbeats as our lawmakers. Whatta travesty!

Posted by: Dave Keriatidis | May 21, 2008 at 12:18 PM

Why blame her? A \$535,000 house with NO DOWN PAYMENT, and then no payments for



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2/25/2008

two years... what a deal! As soon as Obama gets elected he and the Democratic controlled Congress will enact legislation to sue to it that us working stiff's will bail her, and those like her, out. Free homes for all of those on the dot, or in Congress. New social programs for the oppressed in this nation. A windfall tax on the oil companies, and who do you suppose will pay for that tax???? Could it be those of us buying gas to get to work??? I have heard that Pelosi and company is seeking a windfall tax on OUR retirement program profits, that will help EQUALIZE incomes and improve the standard of living for illegal immigrants and other less fortunate minorities?

OH YES... CHANGE IS COMING! POCKET CHANGE FOR THOSE THAT WORK AND PAY THE BILLS! THE TIME FOR ANOTHER TEA PARTY IS UPON US!!

Posted by: rek | May 21, 2008 at 12:18 PM

How did she come to owe 40,000 dollars more than the original loan? Either way, sounds like she made the right move. Always a plus when we got a representative with good economic since.

Posted by: David Reynolds | May 21, 2008 at 12:23 PM

This is why our country is going to turn into a cesspool. THESE are our elected leaders behaving this way?

I am sure some dimwit nutball will try to "excuse" her behavior or blame it on someone else. She is a crook. PERIOD.

Posted by: Will NC USA | May 21, 2008 at 12:24 PM

Next »

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Update: Congresswoman denies foreclosure report | L.A. Land | Los Angeles Times

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<http://latimesclass.latimes.com/la-land/2009/05/>

EXHIBIT 18

Calif. congresswoman says home sale was improper

http://www.breitbart.com/print.php?id=D90RQ01G0&show_article=1

BREITBART.COM

Calif. congresswoman says home sale was improper **Ap** Associated Press

May 24 12:53 AM US/Eastern

By ERICA WERNER

Associated Press Writer

WASHINGTON (AP) - California Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview Friday night with The Associated Press, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, who won her seat in a special election last August, acknowledged turmoil in her life in the months after incumbent Rep. Juanita Millender-McDonald's death in April opened up her Los Angeles-area House seat.

Richardson used her money to finance her campaign and fell behind in mortgage payments. But now, Richardson said, she has renegotiated her loan and promised to fully pay it off, along with \$9,000 in delinquent property taxes.

She insisted she's not getting special terms because she's a congresswoman.

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson said. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson bought the 1,600-square-foot home in Sacramento's desirable Curtis Park neighborhood for \$535,500 in January 2007. It was sold at auction earlier this month to a Sacramento mortgage lender who paid \$388,000, according to the Sacramento County Recorder's Office.

A default notice sent to Richardson in March put her unpaid balance at \$578,384.

Richardson provided the AP with an April letter, which appears to be from Washington Mutual Home Loans, telling her there was a hold on foreclosure sales on her property until June 4. She also provided an e-mail dated Thursday, which she said was from Washington Mutual, that appeared to acknowledge an agreement "to facilitate the rescission of foreclosure sale" but gave no financial details.

A Washington Mutual spokeswoman, Sara Gaugi, told the AP earlier Friday that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation." Washington Mutual did not respond to a later request for comment on Richardson's claims.

Not long after getting to Congress, Richardson voted in favor of a mortgage debt forgiveness bill which subsequently became law. She was absent earlier this month for votes on a foreclosure prevention bill, which she said was because of her father's

09-4126_000072

Calif. congresswoman says home sale was improper

http://www.breitbart.com/print.php?id=D90RQ01G0&show_article=1

funeral. The House is expected to bring the package back up in June once agreement is reached in the Senate.

Congressional ethics rules don't prevent lawmakers from voting on legislation that might affect them economically. Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendeeds have the tools with proper timing to resolve this," she said.


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09-4126_000073

EXHIBIT 19

Recording requested by and when recorded mail to:

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


Sacramento County Recorder
Frederick B. Garcia, Clerk/Recorder
BOOK **20080613** PAGE **1219**
Check Number 0844
Friday, JUN 13, 2008 2:00:50 PM
Ytl Pd \$20.00 Nbr-0905438515
AMH/68/1-4

Space above this line for recorder's use

NOTICE OF PENDENCY OF ACTION
(Code Civ. Proc. § 405.20)

1 CARL P. BLAINE (State Bar # 65229)
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 2 THOMAS B. SHERIDAN (State Bar #249306)
 Email: [REDACTED]@wkblaw.com
 3 WAGNER KIRKMAN BLAINE
 KLOMPARENS & YOUNG LLP
 4 10640 Mather Blvd., Suite 200
 Mather, California 95655
 5 Telephone: (916) 920-[REDACTED]
 Facsimile: (916) 920-8608

6 Attorneys for Plaintiff
 7 RED ROCK MORTGAGE, INC.

8
 9 SUPERIOR COURT OF CALIFORNIA
 10 COUNTY OF SACRAMENTO

11 RED ROCK MORTGAGE, INC.,

12 Plaintiff,

13 v.

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

18 Defendants.
 19

Case No. 34-2008-0093081
 NOTICE OF PENDENCY OF
 ACTION
 (Code Civ. Proc. § 405.20)

20
 21 NOTICE IS GIVEN that the above-captioned action was commenced on June 12, 2008,
 22 in the above-captioned court by RED ROCK MORTGAGE, INC. ("Red Rock") against
 23 defendants WASHINGTON MUTUAL BANK, CALIFORNIA RECONVEYANCE
 24 COMPANY, and LAURA RICHARDSON; the action is now pending in the above court.

25 The above-captioned action alleges a real property claim affecting certain real property
 26 that is situated in Sacramento County, California, commonly known as 3622 West Curtis Dr.,
 27 Sacramento, California and more specifically described as follows:

28 LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS

(09000, CCG / 00372380, DOC. 1)

1
 NOTICE OF PENDENCY OF ACTION

WAGNER KIRKMAN BLAINE
 KLOMPARENS & YOUNG LLP
 Attorneys at Law

10640 Mather Blvd., Suite 200, Mather, CA 95655
 Phone: (916) 920-8608 Fax: (916) 920-8608

OAKS SUBDIVISION NO. 6", FILED IN THE OFFICE OF THE COUNTY
 RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN
 BOOK 19 OF MAPS, MAP NO. 18.

The Property is designated as Assessor's Parcel No. 013-0363-001-0000 in the
 Sacramento County Assessor's office.

DATED: June 11, 2008

WAGNER KIRKMAN BLAINE
 KLOMPARENS & YOUNG LLP

By: 

THOMAS B. SHERIDAN
 Attorneys for
 RED ROCK MORTGAGE, INC.

WAGNER KIRKMAN BLAINE
 KLOMPARENS & YOUNG LLP
 Attorneys at Law

18640 Midway Blvd., Suite 200, Midway, CA 94555
 Phone (916) 796-2256 Fax (916) 796-2257

(09000.CQE / 00372380.DOC.1)

2

NOTICE OF PENDENCY OF ACTION

09-4126_000077

PROOF OF SERVICE

Case Name: *Red Rock Mortgage v. Washington Mutual et al.*
 Court: Sacramento Superior Court
 Case No.: TBD

I am a citizen of the United States, employed in the City of Mather and County of Sacramento. My business address is 10640 Mather Blvd., Suite 200, Mather, CA 95655. I am over the age of 18 years and not a party to the above-entitled action.

On June 12, 2008, I served the following:

NOTICE OF PENDENCY OF ACTION

☒ **BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED** on the parties in this action by causing a true copy thereof to be placed in a sealed envelope with postage thereon fully prepaid in the designated area for outgoing mail. I am familiar with the ordinary business practices of Wagner Kirkman Blaine Klomparsen & Youmans LLP for collection and processing of outgoing mail with the United States Postal Service at the aforementioned place of business and that the above-entitled document was placed in a sealed envelope and deposited for collection and mailing on the date stated above, following such ordinary practices and in such manner as to cause it to be deposited with the United States Postal Service that same day in the ordinary course of business, addressed as indicated below.


Washington Mutual Bank
 A Federal Association
 9200 Oakdale Ave. N1107101
 Chatsworth, CA 91331

Congresswoman Laura Richardson
 970 West 190th Street
 East Tower, Ste. 900
 Torrance, CA 90502

California Reconveyance Company
 C/O Corporation Service Company
 2730 Gateway Oaks Dr., Ste. 100
 Sacramento, CA 95833

Executed on this June 12, 2008, at Mather, California.

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct.


 CHERYL EWING

(09000.CGE / 00372380.DOC.1)

3

NOTICE OF PENDENCY OF ACTION

WAGNER KIRKMAN BLAINE
 KLOMPARSEN & YOUNG LLP
 Attorneys at Law

10640 Mather Blvd., Suite 200, Mather, CA 95655
 Phone: (916) 900-5000 Fax: (916) 900-5001

09-4126_000078

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 Mather, California 95655
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 Facsimile: (916) 920-8608

6 Attorneys for Plaintiff
 7 RED ROCK MORTGAGE, INC.

FILED
Superior Court Of California,
Sacramento
Danille Jonas, Executive
Officer
06/12/2008
avfaisavich
By _____, Deputy
Case Number:
34-2008-000130S1-CU-OR-GDS

8
 9 SUPERIOR COURT OF CALIFORNIA

10 COUNTY OF SACRAMENTO

11 RED ROCK MORTGAGE, INC.,

12 Plaintiff,

13 v.

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

18 Defendants.

Case No.

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

COMPLAINT FOR:

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

19
 20 Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

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

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

27 3. Plaintiff is informed and believes and thereon alleges that Defendant
 28

(09000 TS / 00371904 DOC 1)

COMPLAINT FOR SLANDER OF TITLE, CANCELLATION, QUIET TITLE, UNJUST ENRICHMENT

WAGNER KIRKMAN BLAINE
 KLOMPARENS & YOUMANS LLP
 Attorney at Law

10640 Mather Blvd., Suite 200, Mather, CA 95655
 Phone: (916) 920-5385 Fax: (916) 920-8608

09-4126_000079

WAGNER E.
AN BLAINE
KLOMPARENS & YOUNG LLP
Attorneys at Law

16544 Markle Blvd., Suite 200, Markle, CA 95955
Phone (916) 742-5288 Fax (916) 742-5688

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

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

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

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

COMMON ALLEGATIONS

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

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

09-4126_000080

(09000 TS / 00371904 DOC 1)

2

COMPLAINT FOR SLANDER OF TITLE; CANCELLATION, QUIET TITLE, UNJUST ENRICHMENT

WAGNER A. AN, BLAINE
KLOMPARENS & YOUNG LLP
Attorneys at Law

10441 Midway Blvd., Suite 200, Midway, CA 94555
Phone: (925) 932-3339 Fax: (925) 932-3668

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

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

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

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

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

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

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

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

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

(09000 TS / 00371964 DOC 1)

3

COMPLAINT FOR SLANDER OF TITLE; CANCELLATION; QUIET TITLE, UNJUST ENRICHMENT

09-4126_000081



19440 Ashbur Blvd., Suite 200, Mather, CA 94655
Phone: (916) 330-3388 Fax: (916) 330-3488

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

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

5 19. Plaintiff is informed and believes and thereon alleges that, on or about May 9,
6 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County
7 granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's
8 Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and
9 incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

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

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

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

25 **FIRST CAUSE OF ACTION**

09-4126_000082

26 [Slander of Title]

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

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

{09000 TS / 00371904 DOC 1}

4

COMPLAINT FOR SLANDER OF TITLE, CANCELLATION, QUIET TITLE, UNJUST ENRICHMENT

WAGNER K. AN BLAINE
KLOMPARENS & YOUNG LLP
Attorneys at Law

16940 Muller Blvd., Suite 200, Mentor, OH 96505
Phone: (919) 724-3285 Fax: (919) 724-8868

1 forth in paragraphs 1 through 22 above.

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

4 25. Plaintiff is informed and believes and thereon alleges that, on or about June 2,
5 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to
6 be recorded a Notice of Rescission.

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

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

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

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

22 SECOND CAUSE OF ACTION

23 [Cancellation of Cloud on Title]

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

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

09-4126_000083

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

(09000 TS / 00371904 DOC 1)

5

COMPLAINT FOR SLANDER OF TITLE, CANCELLATION, QUIET TITLE, UNJUST ENRICHMENT

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

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

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

8 THIRD CAUSE OF ACTION

9 [Quiet Title]

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

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

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

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

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20 37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA
21 RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a
22 Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page
23 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to
24 Plaintiff which would have the affect of restoring the state of title to the Subject Property to
25 the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the
26 Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known
27 to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants
28 have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

{09000 TS / 00371904 DOC 1}

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

FOURTH CAUSE OF ACTION

(Unjust Enrichment)

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

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

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

PRAYER

Wherefore, Plaintiff prays judgment against Defendants as follow:

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

DATED: 6/11/2008

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUNG LLP

By: 

THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE,
INC.

{09000 TS / 00371904 DOC 1}

7

COMPLAINT FOR SLANDER OF TITLE, CANCELLATION, QUIET TITLE, UNJUST ENRICHMENT

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUNG LLP
Attorneys at Law

10040 Wilshire Blvd., Suite 200, Malibu, CA 90263
Phone: (310) 920-5256 Fax: (310) 920-4008

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EXHIBIT A

09-4126_000086

Recording Requested By:
Washington Mutual Bank

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

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20070110 PAGE 1818

Check Number 4285
Wednesday, JAN 10, 2007 2:59:33 PM
TLL Pd \$53.00 Nbr-0004594371

REB/51/1-19

Prepared By:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS

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

(A) "Security Instrument" means this document, which is dated January 4, 2007 together with all Riders to this document.

(B) "Borrower" is Laura Richardson, An Unmarried Woman

Borrower's address is 717 E Vernon St, Long Beach, CA 90806

(C) "Lender" is Washington Mutual Bank. Borrower is the trustor under this Security Instrument.

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

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CALIFORNIA-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
-5(CA) (0207) 01

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Page 1 of 15

Initials

VMP Mortgage Solutions, Inc.



09-4126_000087

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

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007

The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100

(U.S. \$535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> VA Rider | <input type="checkbox"/> Biweekly Payment Rider | <input type="checkbox"/> Other(s) [specify] |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

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

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

TRANSFER OF RIGHTS IN THE PROPERTY

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

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

Legal Description Attached Hereto And Made A Part Hereof

Exhibit 'A'

Parcel ID Number: 013-0363-001
3622 West Curtis Drive
Sacramento
("Property Address").

which currently has the address of
(Street)
(City), California 95818 (Zip Code)

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 9, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



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

Witnesses:

 Laura Richardson (Seal)
 -Borrower

 _____ (Seal)
 -Borrower

 _____ (Seal)
 -Borrower

 _____ (Seal)
 -Borrower

 _____ (Seal)
 -Borrower

State of California
County of Sacramento

On January 4, 2007

before me, Nikki Davis a notary public
personally appeared

Sandra Richardson

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

WITNESS my hand and official seal.



[Signature] (Seal)

Initials [Signature]

Exhibit "A"
Legal Description

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

Apn: 013-0363-001

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 4th day of January, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at: 3822 West Curtis Drive, Sacramento, CA 95818

[Property Address]

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

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

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

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

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

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

(B) The Index

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

Fixed/Adjustable Rate Rider - Libor

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

(C) Calculation of Changes

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

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

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.800% or less than 8.800%. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000%) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800% or less than 8.800%.

(E) Effective Date of Changes

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

(F) Notice of Changes

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

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

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

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

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

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


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

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

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

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

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

 (Seal)
Laura Richardson
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

[Sign Original Only]

Fixed/Adjustable Rate Rider - Libor

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EXHIBIT B


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RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 06 12
 Chatsworth, CA 91311
 800 882-8902
 (818) 776-2258 (Fax)


 Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20071214 PAGE 0358
 Check Number 8109
 Friday, DEC 14, 2007 8:41:18 AM
 Ttl Pd \$12.00 Nbr-0005192112
 TTM/74/1-2

Space above this line for recorder's use only

Trustee Sale No. 723387CA Loan No. 0729842433 Title Order No. M721884

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

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

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

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

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

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

Jun 09 08 10 56a owner

305-667-1513

p3

Trustee Sale No. 723397CA Loan No. 0728942433 Title Order No. N721884

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

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

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

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

DATE: December 13, 2007

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

Merrilyn L. Aguas

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

Merrilyn L. Aguas

09-4126_000108

EXHIBIT C

09-4126_000109

Jun 09 08 10 53a owner

305-667-1513

p 2

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 05 12
Chatsworth, CA 91311

Sacramento County Recording
Craig A Kraner, Clerk/Recorder
BOOK **20080319** PAGE **0358**

Check Number 2372
Wednesday, MAR 19, 2008 8:07:59 AM
T41 Pd \$11.00 Nbr-0005311112

JLW/14/1-1

Trustee Sale No. **723387CA**
Loan No. 0720942433
Title Order No. M721884

Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

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

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

Place of Sale. AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 8TH STREET, SACRAMENTO, CA
Legal Description LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 18 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: \$578,384.52 (estimated)

Street address and other common designation of the real property 3622 WEST CURTIS DRIVE
SACRAMENTO, CA 95818
APN Number: 013-0383-001-0000

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. The property heretofore described is being sold "as is".

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
(714) 258-7860 or www.fidelityasan.com
(714) 573-1985 or www.priorityposting.com

Deborah Brinn
DEBORAH BRINN, VICE PRESIDENT
9200 OAKDALE AVE
MAILSTOP N110012
CHATSWORTH, CA 91311

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

EXHIBIT D

09-4126_000111

Jun 09 08 10 54a owner

305-667-1513

p5

TRUSTEE SALE ☒TRUSTOR PAYMENT ☐

RECEIPT OF FUNDS AND INSTRUCTIONS

T.S. NO. 723397 CA PRIORITY NO. 377335 DATE 5-7-08
 TRUSTEE California Recovery and Co.
 ADDRESS 9200 Oakdale Ave, #110612
 CITY Chatsworth STATE CA ZIP 91311
 PHONE NO. 800-892-6902 CONTACT Deborah Brignal

CHECK NO.	NAME OF BANK	AMOUNT
<u>00233906975</u>	<u>Wells Fargo BK</u>	<u>\$ 388,000.01</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

TOTAL OF ANY CASH RECEIVED \$ 0SUCCESSFUL BID \$ 388,000.01 TOTAL RECEIVED \$ 388,000.01TRANSFER TAX \$ 0 AMOUNT REQUIRED \$ 388,000.01RECORDING FEES \$ 0 REFUND AMOUNT \$ 0REFUND PAYABLE TO N/ARECEIVED BY [Signature] BUYERS SIGNATURE [Signature]BUYERS NAME Jim York DRIVERS LICENSE NO. [Redacted]TITLE TO PROPERTY TO BE VESTED AS FOLLOWS Red Rock Mortgage, Inc.

09-4126_000112

ADDRESS 3600 American River Dr., # 135CITY Sacramento STATE CA ZIP 958PHONE NO. 916-761- [Redacted]

EXHIBIT E

09-4126_000113

00319 11-24
Office AU # 1210(8)

CASHIER'S CHECK

SERIAL # 0033908976

ACCOUNT# 4861-505303

Purchaser: JAMES P YORK
Check Account: 3336919176
ENDORSED: 01015452

CU002254

PAY TO THE ORDER OF

CALIFORNIA RECONVEYANCE COMPANY

May 07, 2008

Three hundred eighty-eight thousand dollars and 01 cent

***\$388,000.01**

WELLS FARGO BANK, N.A.
400 CAPITOL HALL
SACRAMENTO, CA 95814
FOR INQUIRIES CALL (480) 384-3122

NOTICE TO PURCHASER - IF THIS INSTRUMENT IS LOST,
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION
AND REISSUANCE AS A CONDITION TO CANCELLATION AND
REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND
REQUIRE AN INDEMNITY AGREEMENT AND BOND

VOID IF OVER US \$ 388,000.01

NON-NEGOTIABLE**Purchaser Copy**

3-00- 11-24 0702**71

09-4126_000114

EXHIBIT F

09-4126_000115

11/1/07 11:11 3104417077

WELLS FARGO BANK NA

PAGE 03/07

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080519 PAGE 0487

Check Number 6385
Monday, MAY 10, 2008 11:12:43 AM
Till Pd \$12.00 Mbr-688338830

688-Sacramento Cy DTT PAID

QNH/GB/1-2

Space above this line for recorder's use only

Trustee Sale No. 723387CA Loan No. 0728842433 Title Order No. M721884

TRUSTEE'S DEED UPON SALE

APN 013-0363-001-0000 T.R.A. No.

The undersigned grantor declares:

- 1) The Grantee herein was not the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was.....\$574,023.87
- 3) The amount paid by the grantee at the trustee sale was.....\$388,000.01
- 4) The documentary transfer tax is.....\$727.35
- 5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to Red Rock Mortgage, Inc. (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 8", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

09-4126_000116

WDF 1/3/2008 11:51 516441/077

WELLS FARGO BANK NA

PAGE 04/07

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee



 Karime Arias, Assistant Secretary

 STATE OF CALIFORNIA
 COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

 Signature  (Seal)


09-4126_000117

EXHIBIT G

09-4126_000118

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Frederick B. Garcia, Clerk/Recorder
BOOK **20080502** PAGE **0885**

Check Number 359285
Monday, JUN 02, 2008 10:45:44 AM
Ttl Pd \$14.00 Hbr-0009418923

MCY/82/1-2

Space above this line for recorder's use only

Trustee Sale No 723397CA Loan No 0729942433 Title Order No M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$535,001 00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A P N . 013-0363-001-0000

Situs. 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3 That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4 On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC, being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect

6 The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE. 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY


Colleen Irby, Assistant Secretary

BY


Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY


Deborah Brignac, Vice President

BY


Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

 (Seal)

This document filed for recording
By Fidelity National Title Insurance and Trust
as an accommodation only. It has not been
examined as to its execution or as its effect
upon the title.

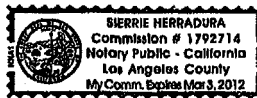



EXHIBIT 20

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: CA2-4379
Chatsworth, CA 91311

Trustee Sale No. 723397CA
Loan No. 0729942433
Title Order No. M721884


Sacramento County Recorder
Frederick B. Garcia, Clerk/Recorder
BOOK **20090609** PAGE **0691**
Check Number 0326
Tuesday, JUN 09, 2009 9:33:09 AM
Ttl Pd \$11.00 Hbr-0005010351
KNR/72/1-1

Space above this line for recorder's use only

NOTICE OF RESCISSION
Of Declaration of Default and Demand for Sale
and of Notice of Breach and Election to Cause Sale

NOTICE IS HEREBY GIVEN: That CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under the following described Deed of Trust:

TRUSTOR: LAURA RICHARDSON, AN UNMARRIED WOMAN
BENEFICIARY: WASHINGTON MUTUAL BANK
Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, describing the land therein: AS MORE FULLY DESCRIBED IN SAID DEED OF TRUST APN: 013-0363-001-0000 Bltue: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818

WHEREAS: The Beneficiary under that certain Deed of Trust hereinabove described, heretofore delivered to the Trustee thereunder written Declaration of Default and Demand for Sale; and

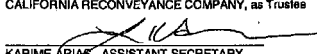
WHEREAS: Notice was heretofore given by the Beneficiary, of breach of the obligations for which said Deed of Trust is security and of election to cause to be sold the property therein described,

NOW THEREFORE: Notice is hereby given that the Beneficiary and/or the Trustee, does hereby rescind, cancel and withdraw said Declaration of Default and Demand for Sale and said Notice of Breach and Election to Cause Sale; it being understood, however, that this rescission shall not in any manner be construed as waiving or affecting any breach or default past, present or future, under said Deed of Trust, or as imposing any right or remedy thereunder, but is, and shall be deemed to be, only an election, without prejudice, not to cause a sale to be made pursuant to said Declaration and Notice, and shall in no way jeopardize or impair any right, remedy or privilege secured to the Beneficiary and/or the Trustee, under said Deed of Trust, nor modify nor alter in any respect any of the terms, covenants, conditions or obligations thereof, and said Deed of Trust and all obligations secured thereby are hereby reinstated and shall be said and remain in force the same as if said Declaration and Notice had not been made and given.

Said Notice was Recorded on 12/14/2007 as Book 20071214, Page 358, Instrument, of official records in the Office of the Recorder of SACRAMENTO County, California. ...YQ

DATE: 06/04/2009

CALIFORNIA RECONVEYANCE COMPANY, as Trustee


KARIME ABIAS, ASSISTANT SECRETARY

JUL 10 2009

THIS IS A TRUE CERTIFIED
COPY OF THE RECORD IF IT
BEARS THE SEAL, IMPRINTED
IN PURPLE INK, OF THE
COUNTY OF SACRAMENTO



BY 
DEPUTY COUNTY CLERK/RECORDER
SACRAMENTO COUNTY, CALIFORNIA

09-4126_000123

EXHIBIT 21

LAURA RICHARDSON
37TH DISTRICT, CALIFORNIA

1725 LONGWORTH BUILDING
WASHINGTON, DC 20515-0537
(202) 225-7924 -- PHONE
(202) 225-7926 -- FAX

100 WEST BROADWAY
WEST TOWER, SUITE 500
LONG BEACH, CA 90802
(562) 436-3828 -- PHONE
(562) 437-6434 -- FAX

<http://www.house.gov/richardson>



Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
SUBCOMMITTEES ON
AVIATION
HIGHWAYS, TRANSIT
AND PIPELINES
COAST GUARD AND
MARITIME TRANSPORTATION
RAILROADS, PIPELINES AND
HAZARDOUS MATERIALS

COMMITTEE ON
HOMELAND SECURITY
SUBCOMMITTEES ON
ENERGY THREATS, CYBERSECURITY
AND SCIENCE AND TECHNOLOGY
EMERGENCY COMMUNICATIONS,
PREPAREDNESS, AND RESPONSE

July 22, 2009

David Skaggs, Chairman
Porter J. Goss, Co-Chairman
Office of Congressional Ethics
1017 Longworth House Office Building
Washington, DC 20515

Dear Mr. Skaggs and Mr. Goss:

I appreciate the opportunity to provide this statement to the Board of the Office of Congressional Ethics. I would respectfully request in light of my ongoing cooperation with the Ethics Committee that the Board present no findings and defer to the Committee.

The background of this matter is as follows:

On April 15, 2009, OCE took up the questions of whether I received preferential treatment from my lender, Washington Mutual, when it rescinded the sale of my Sacramento home into foreclosure; and whether I violated House financial disclosure rules by failing to disclose the mortgage liability on my home on financial disclosure forms filed in 2008. But when the Board initiated its review in April 2009, these matters were already before the Ethics Committee.

Ten months earlier, in light of inaccurate stories in the press, I asked the Ethics Committee on June 18, 2008, to confirm that I did not have to disclose my home mortgage liabilities on my personal financial disclosure report, so that I could eliminate the confusion and misrepresentation of the facts that had resulted from these news stories. On July 15, 2008, the Chair and Ranking Member asked for additional information to determine whether I should have disclosed the liabilities, and whether the rescission of the foreclosure sale was a gift under House rules.

I cooperated with the Committee and responded to its requests. After review, on May 14, 2009, the Committee affirmed that I was not required to disclose the liabilities. (Exhibit A.) I continue to cooperate with the Committee and fully expect it to find that I did not receive a prohibited gift. The evidence supports that conclusion. The lender certified independently to the House on July 25, 2008, and December 12, 2008, that it had not

The Honorable David Skaggs, Chairman
 The Honorable Peter J. Goss, Co-Chairman
 July 22, 2009
 Page 2

knowingly provided, requested or directed a prohibited gift to me or to any other Member. (Exhibit B.) And in the media, the lender indicated I received no special treatment, saying that it provided the same level of service to all of its customers. (Exhibit C.)

When the 110th Congress created OCE through H. Res. 895, it gave no indication that it expected OCE to conduct duplicative, parallel investigations of matters already under active Ethics Committee review. It created OCE to identify new matters not before the Ethics Committee and yet worthy of review. Its charge was to conduct a preliminary review to determine whether the matter merited further consideration by the Ethics Committee. But it did not create OCE to second-guess the Committee on matters already under review. *See, e.g.*, 154 Cong. Rec. H1525 (daily ed. Mar. 11, 2008) (statement of Rep. Hoyer) (affirming that the Office cannot "replace" the Committee; "[n]or does it substitute its judgment for the Ethics Committee"). The pursuit of concurrent, parallel investigations simply adds to the cost and the time that must be devoted to the matter. It also creates a real risk of inconsistent factual, legal and ethical findings that would ultimately have to be resolved by the Committee before the matter could be concluded.

I have repeatedly raised these concerns with OCE's staff, but to no avail. Because I have objected to this duplicative review, and have chosen instead to cooperate with the Committee's existing process, I have been told that my conduct may be "construed as an admission that the allegations subject to review are true." Letter from Leo Wise (June 10, 2009). This is despite language in H. Res. 895 and OCE's own rules that, in fact, prohibit OCE from reaching such conclusions. *See* H. Res. 895, 110th Cong., § 1(c)(2)(C)(i)(II); accord Commentary, OCE Rule 1.

It is unfortunate that, despite clear information provided, the Board is now being asked to decide whether it should recommend that the Committee review a matter that is already awaiting conclusion. At this late stage, the most appropriate course of action would be to present no findings and defer to the Ethics Committee. To do otherwise would needlessly take the ethics process in an ill-considered, new direction that was not anticipated or intended by the Members who created OCE.

Sincerely,


 Laura Richardson
 Member of Congress

DailyBreeze.com

WaMu giving Congresswoman a break?

By Gene Maddaus Staff Writer

Posted: 06/08/2008 11:58:36 PM PDT



The sale of Rep. Laura Richardson's Sacramento home is being rescinded. (The Associated Press)

The real estate broker who bought Rep. Laura Richardson's house at a foreclosure sale last month is accusing her of receiving preferential treatment because her lender has issued a notice to rescind the sale.

James York, owner of Red Rock Mortgage, said he would file a lawsuit against Richardson and her lender, Washington Mutual, by the end of the week, and has every intention of keeping the house.

"I'm just amazed they've done this," York said. "They never would have done this for anybody else."

York bought the Sacramento home at a foreclosure auction on May 7 for \$388,000. Richardson had not been making payments on the property for nearly a year, and had also gone into default on her two other houses in Long Beach and San Pedro.

Richardson, D-Long Beach, has said that the auction should never have been held, because she had worked out a loan modification agreement with her lender beforehand and had begun making payments.


Richardson left nearly \$9,000 in unpaid property taxes on the home, which she bought in January 2007 for \$535,000, shortly after being elected to the Assembly.

Washington Mutual has declined to comment on the specifics of Richardson's case because she has not waived her privacy rights.

In a statement, spokeswoman Sara Gaugi said the company is "committed to treating all of our customers with the same level of consideration and fairness."


Washington Mutual filed a notice of rescission of the foreclosure sale on June 2. That puts the bank squarely at odds with York, who has already put money into cleaning up the house and preparing it for resale.


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LOBBYING CONTRIBUTION REPORT

Clerk of the House of Representatives • Legislative Resource Center • B-106 Cannon Building • Washington, DC 20515
Secretary of the Senate • Office of Public Records • 232 Hart Building • Washington, DC 20510

FILE TYPE AND NAME

Type:

☒ Organization ☐ Lobbyist

Organization Name:

WASHINGTON MUTUAL INC.

IDENTIFICATION NUMBERS

House Registrant ID:

34160

Senate Registrant ID:

43684

REPORTING PERIOD

Year:

2008

- ☒ Mid-Year (January 1 - June 30)
☐ Year-End (July 1 - December 31)
☐ Amendment

POLITICAL ACTION COMMITTEE NAMES

- WaMuPAC

CONTRIBUTIONS

☒ No Contributions

#1.

Contribution Type:
FECA

Contributor Name:
WaMuPAC

Amount:
\$15,000.00

Date:
1/23/2008

Payee:
Democratic Congressional
Campaign Committee

Honoree:
Democratic Congressional Campaign Committee

#2.

Contribution Type:
FECA

Contributor Name:
WaMuPAC

Amount:
\$15,000.00

Date:
1/23/2008

Payee:
Democratic Senatorial Campaign
Committee

Honoree:
Democratic Senatorial Campaign Committee

#3.

Contribution Type:
FECA

Contributor Name:
WaMuPAC

Amount:
\$1,000.00

Date:
1/23/2008

Payee:
Friends Of Barbara Boxer

Honoree:
Boxer, Barbara

#4.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$15,000.00	Date: 1/23/2008
Payee: National Republican Congressional Committee	Honoree: National Republican Congressional Committee		

#5.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$15,000.00	Date: 1/23/2008
Payee: National Republican Senatorial Committee	Honoree: National Republican Senatorial Committee		

#6.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 2/19/2008
Payee: Barney Frank For Congress Committee	Honoree: Frank, Barney		

#7.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,500.00	Date: 2/19/2008
Payee: Ed Royce For Congress	Honoree: Royce, Edward		

#8.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 2/19/2008
Payee: Friends Of Blanche Lincoln	Honoree: Lincoln, Blanche		

#9.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,300.00	Date: 2/19/2008
Payee: Friends Of Joe Baca	Honoree: Baca, Joseph		

#10.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 2/19/2008
Payee: Friends Of Rahm Emanuel	Honoree: Emanuel, Rahm		

#11.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 2/19/2008
Honoree:			

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Payee:
Lautenberg For Senate

#12.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 2/19/2008
Payee: Martinez For Senate	Honoree: Martinez, Mel		

#13.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 2/19/2008
Payee: Neugebauer Congressional Committee	Honoree: Neugebauer, Robert		

#14.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 2/19/2008
Payee: Price For Congress	Honoree: Price, Thomas		

#15.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 2/19/2008
Payee: Shelley Moore Capito for Congress	Honoree: Capito, Shelley Moore		

#16.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 2/19/2008
Payee: Tiberi For Congress	Honoree: Tiberi, Patrick		

#17.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 2/19/2008
Payee: Tim Mahoney For Florida	Honoree: Mahoney, Timothy		

#18.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 3/18/2008
Payee: Citizens To Elect Rick Larsen	Honoree: Larsen, Rick		

#19.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 3/18/2008
Payee: Friends Of Ginny Brown-Waite	Honoree: Brown-Waite, Virginia		

#20.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,500.00	Date: 3/18/2008
Payee: Friends Of Jim Clyburn	Honoree: Clyburn, James		

#21.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 3/18/2008
Payee: Geoff Davis for Congress	Honoree: Davis, Geoffrey		

#22.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$5,000.00	Date: 3/18/2008
Payee: Growth & Prosperity PAC	Honoree: Bachus, Spencer		

#23.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 3/18/2008
Payee: Heller For Congress	Honoree: Heller, Dean		

#24.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 3/18/2008
Payee: Jackie Speier For Congress	Honoree: Speier, Jackie		

#25.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 3/18/2008
Payee: Matsui For Congress	Honoree: Matsui, Doris		

#26.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 3/18/2008
Payee: Mike Thompson For Congress	Honoree: Thompson, Michael		

#27.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 3/18/2008
Payee: Moore For Congress	Honoree: Moore, Dennis		

#28.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,500.00	Date: 4/14/2008
Payee: Bob Corker For Senate	Honoree: Corker, Robert		

#29.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 4/14/2008
Payee: Ed Royce For Congress	Honoree: Royce, Edward		

#30.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,500.00	Date: 4/14/2008
Payee: Freedom Project	Honoree: Boehner, John		

#31.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 4/14/2008
Payee: Friends of Gordon Smith	Honoree: Smith, Gordon		

#32.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,500.00	Date: 4/14/2008
Payee: Matheson For Congress	Honoree: Matheson, James		

#33.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 4/14/2008
Payee: McConnell Senate Committee '08	Honoree: McConnell, Mitch		

#34.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 4/14/2008
Payee: McCotter Congressional	Honoree: McCotter, Thaddeus		

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Committee

#35.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 4/14/2008
Payee: Michael Castle Campaign Fund	Honoree: Castle, Michael		

#36.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,500.00	Date: 4/14/2008
Payee: Nancy Pelosi For Congress	Honoree: Pelosi, Nancy		

#37.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 4/14/2008
Payee: Norm Dicks For Congress	Honoree: Dicks, Norman		

#38.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,500.00	Date: 4/14/2008
Payee: Pennsylvanians For Kanjorski	Honoree: Kanjorski, Paul		

#39.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 4/14/2008
Payee: Putnam For Congress	Honoree: Putnam, Adam		

#40.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,500.00	Date: 4/14/2008
Payee: Rely on Your Beliefs Fund	Honoree: Blunt, Roy		

#41.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,500.00	Date: 4/14/2008
Payee: Debbie Wasserman-Schultz for Congress	Honoree: Wasserman-Schultz, Debbie		

Contribution Type:	Contributor Name:	Amount:	Date:
Honoree:			

FECA	WaMuPAC	\$2,000.00	4/25/2008
Payee: People For Patty Murray	Honoree: Murray, Patty		

#43.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 5/16/2008
Payee: Clay Jr. For Congress	Honoree: Clay, William		

#44.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,500.00	Date: 5/16/2008
Payee: Committee To Re-Elect Nydia M. Velazquez To Congress	Honoree: Velazquez, Nydia		

#45.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 5/16/2008
Payee: Friends Of Jeb Hensarling	Honoree: Hensarling, Jeb		

#46.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 5/16/2008
Payee: HERGER PAC	Honoree: Herger, Wally		

#47.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 5/16/2008
Payee: Melissa Bean For Congress	Honoree: Bean, Melissa		

#48.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 5/16/2008
Payee: Moore For Congress	Honoree: Moore, Dennis		

#49.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 5/16/2008
Payee: Solis For Congress	Honoree: Solis, Hilda		

#50.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 6/2/2008
Payee: Cathy McMorris For Congress	Honoree: McMorris, Cathy		

#51.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 6/2/2008
Payee: Friends of Doc Hastings	Honoree: Hastings, Richard		

#52.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 6/13/2008
Payee: Armstrong For Congress	Honoree: Armstrong, William		

#53.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$3,000.00	Date: 6/13/2008
Payee: Crowley For Congress	Honoree: Crowley, Joseph		

#54.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 6/13/2008
Payee: Friends Of Charlie Wilson	Honoree: Wilson, Charles		

#55.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 6/13/2008
Payee: Friends Of Dave Reichert	Honoree: Reichert, David		

#56.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 6/13/2008
Payee: Kevin McCarthy For Congress	Honoree: McCarthy, Kevin		

#57.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 6/13/2008
Payee: Klein For Congress	Honoree: Klein, Ronald		

#58.**Contribution Type:**
FECA**Contributor Name:**
WaMuPAC**Amount:**
\$1,000.00**Date:**
6/13/2008**Payee:**
LaRocco For Senate**Honoree:**
LaRocco, Larry**#59.****Contribution Type:**
FECA**Contributor Name:**
WaMuPAC**Amount:**
\$1,000.00**Date:**
6/13/2008**Payee:**
Longhorn PAC (Rep. Lamar
Smith)**Honoree:**
Smith, Lamar**#60.****Contribution Type:**
FECA**Contributor Name:**
WaMuPAC**Amount:**
\$1,000.00**Date:**
6/13/2008**Payee:**
McHenry For Congress**Honoree:**
McHenry, Patrick**#61.****Contribution Type:**
FECA**Contributor Name:**
WaMuPAC**Amount:**
\$1,000.00**Date:**
6/13/2008**Payee:**
Texans For Senator John Cornyn
Inc**Honoree:**
Cornyn, John**#62.****Contribution Type:**
FECA**Contributor Name:**
WaMuPAC**Amount:**
\$2,000.00**Date:**
6/27/2008**Payee:**
Friends Of John Boehner**Honoree:**
Boehner, John**#63.****Contribution Type:**
FECA**Contributor Name:**
WaMuPAC**Amount:**
\$1,000.00**Date:**
6/27/2008**Payee:**
Nelson For U S Senate**Honoree:**
Nelson, Ben**#64.****Contribution Type:**
Honorary Expenses**Contributor Name:**
Self**Amount:**
\$15,000.00**Date:**
3/12/2008**Payee:**
Congressional Black Caucus
Foundation, Inc.**Honoree:**
All 42 Congressional Black Caucus Members.**Contribution Type:**
Honorary Expenses**Contributor Name:**
Self**Amount:**
\$15,000.00**Date:**
5/30/2008**Honoree:**
All Hispanic Caucus Members.

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Payee:
Congressional Hispanic Caucus
Institute, Inc.

COMMENTS

Honorary Expenses include those made by Washington Mutual Bank an affiliated entity of Washington Mutual, Inc.

CERTIFICATION AND SIGNATURE

■ I certify that I have read and am familiar with the provisions of the Standing Rules of the Senate and the Standing rules of the House of Representatives relating to the provision of gifts and travel. I have not provided, requested or directed a gift, including travel, to a Member of Congress or an officer or employee of either House of Congress with knowledge that receipt of the gift would violate rule XXXV of the Standing Rules of the Senate or rule XXV of the Rules of the House of Representatives during this filing period.

Digitally Signed By:
MR. M. SCOTT GASPARD, 7/25/2008 2:49:08 PM



LOBBYING CONTRIBUTION REPORT

Clerk of the House of Representatives • Legislative Resource Center • B-106 Cannon Building • Washington, DC 20515
 Secretary of the Senate • Office of Public Records • 232 Hart Building • Washington, DC 20510

FILER TYPE AND NAME

Type:

☒ Organization ☐ Lobbyist

Organization Name:

WASHINGTON MUTUAL INC.

IDENTIFICATION NUMBERS

House Registrant ID:

34160

Senate Registrant ID:

43684

REPORTING PERIOD

Year:

2008

☒ Mid-Year (January 1 - June 30)

☐ Year-End (July 1 - December 31)

☐ Amendment

POLITICAL ACTION COMMITTEE NAMES

- WaMuPAC
- WaMuPAC

CONTRIBUTIONS

☒ No Contributions

#1.

Contribution Type:
FECA

Contributor Name:
WaMuPAC

Amount:
\$2,000.00

Date:
8/26/2008

Payee:
Adam Smith For Congress

Honoree:
Smith, Adam

#2.

Contribution Type:
FECA

Contributor Name:
WaMuPAC

Amount:
\$1,000.00

Date:
7/20/2008

Payee:
Al Green For Congress

Honoree:
Green, Al

#3.

Contribution Type:
FECA

Contributor Name:
WaMuPAC

Amount:
\$1,000.00

Date:
8/26/2008

Payee:
Allyson Schwartz For Congress

Honoree:
Schwartz, Allyson

#4.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Barbara Lee For Congress	Honoree: Lee, Barbara		

#5.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/14/2008
Payee: Barney Frank For Congress Committee	Honoree: Frank, Barney		

#6.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Barrett For Congress	Honoree: Barrett, J. Gresham		

#7.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,500.00	Date: 8/26/2008
Payee: Becerra For Congress	Honoree: Becerra, Xavier		

#8.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Boucher For Congress Committee	Honoree: Boucher, Rick		

#9.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Capuano For Congress Committee	Honoree: Capuano, Michael		

#10.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Cathy McMorris For Congress	Honoree: McMorris, Cathy		

#11.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee:	Honoree: Gonzalez, Charles		

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Charles A Gonzalez Congressional
Campaign

#12.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Christopher Shays for Congress Committee	Honoree: Shays, Christopher		

#13.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 7/20/2008
Payee: Citizens To Elect Rick Larsen	Honoree: Larsen, Rick		

#14.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Cleaver For Congress	Honoree: Cleaver, Emanuel		

#15.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Committee To Elect Chris Murphy	Honoree: Murphy, Christopher		

#16.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 7/20/2008
Payee: Committee To Elect Gary Ackerman	Honoree: Ackerman, Gary		

#17.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Committee To Elect Gary Ackerman	Honoree: Ackerman, Gary		

#18.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Committee To Re-Elect Henry Hank Johnson	Honoree: Johnson, Henry		

#19.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: The Congressman Joe Barton Committee	Honoree: Barton, Joe		

#20.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: David Scott For Congress	Honoree: Scott, David		

#21.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Diane E Watson For Congress	Honoree: Watson, Diane		

#22.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Dina Titus For Congress	Honoree: Titus, Dina		

#23.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Donald A. Manzullo For Congress	Honoree: Manzullo, Donald		

#24.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$4,000.00	Date: 8/26/2008
Payee: Dreier For Congress Committee	Honoree: Dreier, David		

#25.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Eddie Bernice Johnson For Congress	Honoree: Johnson, Eddie		

#26.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,500.00	Date: 8/14/2008
Honoree: Crapo, Mike			

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Payee:
Freedom Fund

#27.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,500.00	Date: 7/20/2008
Payee: Friends for Harry Reid	Honoree: Reid, Harry		

#28.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Friends Of Carolyn McCarthy	Honoree: McCarthy, Carolyn		

#29.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Friends Of Cliff Stearns	Honoree: Stearns, Cliff		

#30.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Friends Of Dave Reichert	Honoree: Reichert, David		

#31.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Friends of George Miller	Honoree: Miller, George		

#32.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 7/20/2008
Payee: Friends Of Ginny Brown-Waite	Honoree: Brown-Waite, Virginia		

#33.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Friends Of Jim Clyburn	Honoree: Clyburn, James		

Contribution Type:	Contributor Name:	Amount:	Date:
Honoree:			

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FECA	WaMuPAC	\$1,000.00	8/26/2008
Payee: Friends Of Jim Marshall	Honoree: Marshall, Jim		

#35.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$-2,300.00	Date: 9/17/2008
Payee: Friends Of Joe Baca	Honoree: Baca, Joseph		

#36.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Friends Of Lois Capps	Honoree: Capps, Lois		

#37.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Friends Of Sessions Senate Committee Inc	Honoree: Sessions, Jeff		

#38.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Gary Miller For Congress	Honoree: Miller, Gary		

#39.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Geoff Davis for Congress	Honoree: Davis, Geoffrey		

#40.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 7/20/2008
Payee: Hoyer For Congress	Honoree: Hoyer, Steny		

#41.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Hoyer For Congress	Honoree: Hoyer, Steny		

#42.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Jim Costa For Congress	Honoree: Costa, James		

#43.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Jim McDermott for Congress	Honoree: McDermott, Jim		

#44.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Joe Donnelly For Congress	Honoree: Donnelly, Joseph		

#45.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Jon Porter for Congress	Honoree: Porter, Jon		

#46.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Ken Calvert For Congress	Honoree: Calvert, Ken		

#47.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 9/18/2008
Payee: Kenny Marchant For Congress	Honoree: Marchant, Kenneth		

#48.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Kevin McCarthy For Congress	Honoree: McCarthy, Kevin		

#49.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Larson For Congress	Honoree: Larson, John		

#50.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Louise Slaughter Re-Election Committee	Honoree: Slaughter, Louise		

#51.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Lucas For Congress	Honoree: Lucas, Frank		

#52.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 7/20/2008
Payee: Lucille Roybal-Allard For Congress	Honoree: Roybal-Allard, Lucille		

#53.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Lucille Roybal-Allard For Congress	Honoree: Roybal-Allard, Lucille		

#54.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,500.00	Date: 8/26/2008
Payee: McConnell Senate Committee '08	Honoree: McConnell, Mitch		

#55.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: McHenry For Congress	Honoree: McHenry, Patrick		

#56.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: McNerney For Congress	Honoree: McNerney, Jerry		
Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Honoree: Watt, Melvin			

Payee:
Mel Watt For Congress
Committee

#58.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 7/20/2008
Payee: Melissa Bean For Congress	Honoree: Bean, Melissa		

#59.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Michael Castle Campaign Fund	Honoree: Castle, Michael		

#60.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 7/20/2008
Payee: Neugebauer Congressional Committee	Honoree: Neugebauer, Robert		

#61.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$5,000.00	Date: 8/26/2008
Payee: PAC to the Future	Honoree: Pelosi, Nancy		

#62.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Pastor For Arizona	Honoree: Pastor, Ed		

#63.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Paul Hodes For Congress	Honoree: Hodes, Paul		

#64.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Pearce For Congress	Honoree: Pearce, Stevan		

#65.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 7/20/2008
Payee: Pennsylvanians For Kanjorski	Honoree: Kanjorski, Paul		

#66.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 7/20/2008
Payee: Perlmutter for Congress	Honoree: Perlmutter, Ed		

#67.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Price For Congress	Honoree: Price, Thomas		

#68.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Reed Committee	Honoree: Reed, Jack		

#69.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Ric Keller for Congress	Honoree: Keller, Richard		

#70.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Robert Wexler For Congress Committee	Honoree: Wexler, Robert		

#71.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Ruben Hinojosa For Congress	Honoree: Hinojosa, Ruben		

#72.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee:	Honoree: Salazar, Ken		

Salazar For Senate

#73.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Schiff For Congress	Honoree: Schiff, Adam		

#74.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Scott Garrett For Congress	Honoree: Garrett, Scott		

#75.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$4,000.00	Date: 8/26/2008
Payee: Searchlight Leadership Fund	Honoree: Reid, Harry		

#76.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Sheila Jackson Lee for Congress	Honoree: Jackson Lee, Sheila		

#77.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Sires For Congress	Honoree: Sires, Albio		

#78.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Solis For Congress	Honoree: Solis, Hilda		

#79.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$2,000.00	Date: 8/26/2008
Payee: Stephen F. Lynch For Congress Committee	Honoree: Lynch, Stephen		

#80.

Contribution Type:	Contributor Name:	Amount:	Date:
Honoree:			

LD-203 Contribution Report

Page 12 of 12

FECA	WaMuPAC	\$1,000.00	8/26/2008
Payee: Susan Davis For Congress	Honoree: Davis, Susan		

#81.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Tim Johnson For South Dakota Inc	Honoree: Johnson, Tim		

#82.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$1,000.00	Date: 8/26/2008
Payee: Tim Mahoney For Florida	Honoree: Mahoney, Timothy		

#83.

Contribution Type: FECA	Contributor Name: WaMuPAC	Amount: \$-5,000.00	Date: 11/13/2008
Payee: Chris Dodd for President	Honoree: Dodd, Christopher		

COMMENTS

I inadvertently added WaMuPAC twice under Political Action Committees. I attempted to delete it but the system would not allow me to delete the PAC.

CERTIFICATION AND SIGNATURE

■ I certify that I have read and am familiar with the provisions of the Standing Rules of the Senate and the Standing rules of the House of Representatives relating to the provision of gifts and travel. I have not provided, requested or directed a gift, including travel, to a Member of Congress or an officer or employee of either House of Congress with knowledge that receipt of the gift would violate rule XXXV of the Standing Rules of the Senate or rule XXV of the Rules of the House of Representatives during this filing period.

Digitally Signed By:

MR. M. SCOTT GASPARD, 12/12/2008 2:08:56 PM

ZOE LORIGREN, CALIFORNIA
CHAIR

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COUNSEL TO THE CHAIR

ONE HUNDRED ELEVENTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
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Washington, DC 20515-6328

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TODD UNDERHILL
COUNSEL TO THE RANKING
REPUBLICAN MEMBER

SUITE HT-2, THE CAPITOL
(202) 225-7103

May 14, 2009

The Honorable Laura Richardson
U.S. House of Representatives
1725 Longworth House Office Building
Washington, DC 20515

Dear Colleague:

This letter responds to your recent request for clarification of certain disclosure requirements of the Form A Financial Disclosure Statement. Specifically, you ask whether you are required under the Ethics in Government Act of 1978 as amended (EIGA), to disclose certain real estate holdings on your disclosure report and any debts secured by these properties.

As a general matter, a reporting individual is required to disclose an asset only if it (1) has a fair market value of more than \$1,000 at the close of the reporting period, or (2) generates more than \$200 in income during the reporting period. See EIGA §§ 102 (a)(3)(A) & 102(a)(1)(B). The personal residence of a reporting individual (including a secondary or vacation home), however, is specifically excluded from disclosure so long as the home is not generating any rental income and is not being held for investment purposes. EIGA further provides that "any mortgage secured by real property which is a personal residence of the reporting individual" is specifically excluded from disclosure as a liability. See EIGA § 102(4)(A).

According to your representations to the Committee, you purchased and own three residences in California. These properties are located in San Pedro, Long Beach, and Sacramento. None of these properties have ever generated any rental income, nor are any currently being held for investment purposes. Based on these representations, it would appear to the Committee that you are under no obligation to disclose your ownership interest in the properties on your financial disclosure statement. Please be mindful, however, that if the circumstances change and rental income is ever generated by any of these properties, you will be required to disclose the income producing properties on your financial disclosure statement.

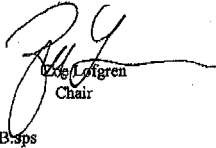
09-4126_000150

The Honorable Laura Richardson
May 14, 2009
Page 2

Because you presently have no disclosure obligation with respect to these properties, you are similarly not required to disclose any debt secured by these properties. This exclusion applies regardless of the fair market value of the property or the balance due on any loan and includes mortgages, home equity loans and home equity lines of credit.¹

If you have any further questions, please contact the Committee's Chief Counsel, Blake Chisam, at (202) 225- [REDACTED]

Sincerely,



Zoe Lofgren
Chair

ZL/JB:sps



Jo Bonner
Ranking Republican Member

¹ For a more complete explanation of the circumstances in which a mortgage may be excluded from disclosure on the financial disclosure statement, please see the attached Committee Memorandum dated December 30, 2008.

DailyBreeze.com

"They owe me the property," York said. "The sale was a good sale."

York said an ordinary person would be unlikely to get the kind of consideration that Richardson has received from her bank.

"They wouldn't even get a phone call back," he said. "They would laugh at somebody who would call and say, 'We had some kind of agreement.' They wouldn't give you 10 cents' worth of time."

Leo Nordine, a Hermosa Beach real estate broker who specializes in foreclosed homes, agreed that the rescission was out of the ordinary.

"It's extremely unusual," he said. "Unless (the borrower) filed bankruptcy beforehand, they'd never do it."

Richardson's staff did not return a call on Monday.

Dustin Hobbs, a spokesman for the California Mortgage Bankers Association, said that while foreclosure rescissions are rarely publicized, they are becoming more common as the rate of foreclosures increases.

"Generally it is going to result in a legal battle," he said. "Basically you're saying, 'We're willing to fight for our borrower.'"

Hobbs said a lender would be unlikely to go to bat for a borrower who has shown no ability to make future payments. But if the foreclosure was


the result of a temporary hardship or a paperwork mix-up, the lender has every incentive to restore the initial loan.

"Lenders are concerned about keeping borrowers in homes no matter who they are," he said. "We're talking about dollars and cents at this point."

In Richardson's case, Washington Mutual lost nearly \$200,000. If the foreclosure were overturned, the bank would have an opportunity to recoup some of that loss - assuming Richardson is able to make payments on three homes and rent an apartment in Washington, D. C., on her \$169,300 congressional salary.

gene.maddaus@dailybreeze.com

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EXHIBIT 22

UNITED STATES HOUSE OF REPRESENTATIVES

2008 FINANCIAL DISCLOSURE STATEMENT
For 2007 Calendar Year Reporting Period

Form A

For use by Members, officers, and employees

HAND DELIVERED

CIVIL SERVICE RESOURCE CENTER

2008 MAY 19 AM 9:54

(Office Use Only) YES

LAURA RICHARDSON

(Full Name)

562-706- [REDACTED]

(Daytime Telephone)

Filer
StatusMember of the U.S.
House of RepresentativesState: CALIFORNIA
District: 51☐ Officer or
Employee

Employing Office:

Report
Type

Annual (May 15)

☐ Amendment☐ Termination

Termination Date:

**A \$200 penalty shall be assessed
against anyone who files more than
30 days late.**

PRELIMINARY INFORMATION — ANSWER EACH OF THESE QUESTIONS

I. Did you or your spouse have "earned" income (e.g., salaries or fees) of \$200 or more from any source in the reporting period? If yes, complete and attach Schedule I.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	VI. Did you, your spouse, or a dependent child receive any reportable gift in the reporting period (i.e., aggregating more than \$305 and not otherwise exempt)? If yes, complete and attach Schedule VI.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
II. Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, complete and attach Schedule II.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	VII. Did you, your spouse, or a dependent child receive any reportable travel or reimbursements for travel in the reporting period (worth more than \$305 from one source)? If yes, complete and attach Schedule VII.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
III. Did you, your spouse, or a dependent child receive "unearned" income of more than \$200 in the reporting period or hold any reportable asset worth more than \$1,000 at the end of the period? If yes, complete and attach Schedule III.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	VIII. Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, complete and attach Schedule VIII.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
IV. Did you, your spouse, or a dependent child purchase, sell, or exchange any reportable asset in a transaction exceeding \$1,000 during the reporting period? If yes, complete and attach Schedule IV.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	IX. Did you have any reportable agreement or arrangement with an outside entity? If yes, complete and attach Schedule IX.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
V. Did you, your spouse, or a dependent child have any reportable liability (more than \$10,000) during the reporting period? If yes, complete and attach Schedule V.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Each question in this part must be answered and the appropriate schedule attached for each "Yes" response.	

EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION — ANSWER EACH OF THESE QUESTIONS

TRUSTS—Details regarding "Qualified Blind Trusts" approved by the Committee on standards of Official Conduct and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or dependent child?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
EXEMPTION—Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

09-4126_000154

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SCHEDULE III—ASSETS AND "UNEARNED" INCOME

Name **LAURA EKHARDSON**Page **3** of **5**

09-4126_000155

BLOCK A Asset and/or Income Source		BLOCK B Value of Asset												BLOCK C Type of Income	BLOCK D Amount of Income											BLOCK E Transaction						
Identify (a) each asset held for investment or production of income with a fair market value exceeding \$1,000 at the end of the reporting period, and (b) any other asset or source of income which generated more than \$200 in "unearned" income during the year. For rental property or land, provide a complete address. Provide full names of stocks and mutual funds (do not use ticker symbols). For all IRAs and other retirement plans (such as 401(k) plans) that are self-directed (i.e., plans in which you have the power, even if not exercised, to select the specific investments), provide the value and income information on each asset in the account that exceeds the reporting threshold. For retirement plans that are not self-directed, name the institution holding the account and its value at the end of the reporting period. For an active business that is not publicly traded, state the name of the business, the nature of its activities, and its geographic location in Block A. For additional information, see the instruction booklet.		Indicate value of asset at close of reporting year. If you use a valuation method other than fair market value, please specify the method used.												Check all columns that apply. For retirement plans or accounts that do not allow you to choose specific investments, you may write "N/A." For all other assets including all IRAs, indicate the type of income by checking the appropriate box below. Dividends and interest, even if reinvested, should be listed as income. Check "None" if asset did not generate any income during calendar year.	For retirement plans or accounts that do not allow you to choose specific investments, you may write "N/A" for income. For all other assets, including all IRAs, indicate the category of income by checking the appropriate box below. Dividends and interest, even if reinvested, should be listed as income. Check "None" if no income was received.											Indicate if the asset had purchases (P), sales (S), or exchanges (E) exceeding \$1000 in reporting year.						
Exclude: Your personal residence(s) (unless there is rental income); any debt owed to you by your spouse, or by you or your spouse's child, parent, or sibling; any deposits totalling \$5,000 or less in personal savings accounts; any financial interest in or income derived from U.S. Government retirement programs.		If an asset was sold during the reporting year and is included only because it generated income, the value should be "None."													Other Type of Income (Specify: For Example, Partnership Income or Farm Income)	If only a portion of an asset is sold, please indicate as follows: (S) (partial) See below for example.											P S E					
If you so choose, you may indicate that an asset or income source is that of your spouse (SP) or dependent child (DC) or is jointly held (JT), in the optional column on the far left.		A	B	C	D	E	F	G	H	I	J	K	L	NONE		DIVIDENDS	RENT	INTEREST	CAPITAL GAINS	EXCEPTED/BLIND TRUST	I	II	III	IV	V	VI		VII	VIII	IX	X	XI
		None	\$1 - \$1,000	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000	NONE	DIVIDENDS	RENT	INTEREST	CAPITAL GAINS	EXCEPTED/BLIND TRUST	Other Type of Income (Specify: For Example, Partnership Income or Farm Income)	None	\$1 - \$200	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	\$1,000,001 - \$5,000,000	Over \$5,000,000	
SP	SP Mega Corp. Stock				X										X			X														S (partial)
DC, Examples:	Simon & Schuster		Indefinite													X			Royalties													
JT	1st Bank of Poughkeepsie, NY Accounts				X																											
	Nationwide Retirement Solutions			X										X							X											
	Xerox Savings Plan				X									X							X											
	Xerox Retirement Account					X								X							X											
	Xerox Thrift Savings Plan													X							X											

For additional assets and unearned income, use next page.

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SCHEDULE V— LIABILITIES

Name **LAURA RICHARDSON**

Page **4** of **6**

Report liabilities of over \$10,000 owed to any one creditor *at any time* during the reporting period by you, your spouse, or dependent child. Mark the highest amount owed during the year. **Exclude:** Any mortgage on your personal residence (unless it is rented out); loans secured by automobiles, household furniture, or appliances; liabilities of a business in which you own an interest; and liabilities owed to a spouse, or the child, parent, or sibling of you or your spouse. Report *revolving charge accounts* (i.e., credit cards) only if the balance at the close of the preceding calendar year exceeded \$10,000.

SP, DC, JT	Creditor	Type of Liability	Amount of Liability										
			B	C	D	E	F	G	H	I	J	K	
	Example: First Bank of Wilmington, Delaware	Mortgage on 123 Main St., Dover, Del.	\$1,001- \$15,000	\$15,001- \$50,000	\$50,001- \$100,000	\$100,001- \$250,000	\$250,001- \$500,000	\$500,001- \$1,000,000	\$1,000,001- \$5,000,000	\$5,000,001- \$25,000,000	\$25,000,001- \$50,000,000	Over \$50,000,000	
	N/A					X							

SCHEDULE VI— GIFTS

Report the source, a brief description, and the value of all gifts totalling more than \$305 received by you, your spouse, or a dependent child from any source during the year. **Exclude:** Gifts from relatives, gifts of personal hospitality of an individual, local meals, and gifts to a spouse or dependent child that are totally independent of his or her relationship to you. Gifts with a value of \$122 or less need not be added towards the \$305 disclosure threshold. **Note:** The gift rule (House Rule 25, clause 5) prohibits acceptance of gifts except as specifically provided in the rule.

Source	Description	Value
Example: Mr. Joseph H. Smith, Anytown, Anystate	Silver Platter (determination on personal friendship received from Committee on Standards)	\$325
NONE		

Use additional sheets if more space is required.

09-4126_000157

Exclude: Travel-related expenses provided by federal, state, and local governments, or by a foreign government required to be separately reported under the Foreign Gifts and Decorations Act (5 U.S.C. § 7342); political travel that is required to be reported under the Federal Election Campaign Act; travel provided to a spouse or dependent child that is totally independent of his or her relationship to you.

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Name LAURA RICHARDSONPage 6 of 6**SCHEDULE VIII—POSITIONS**

Report all positions, compensated or uncompensated, held during the current calendar year as an officer, director, trustee of an organization, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any non profit organization, any labor organization, or any educational or other institution other than the United States.

Exclude: Positions listed on Schedule I; positions held in any religious, social, fraternal, or political entities; and positions solely of an honorary nature.

Position	Name of Organization
N/A	

SCHEDULE IX—AGREEMENTS

Identify the date, parties to, and general terms of any agreement or arrangement with respect to: future employment; a leave of absence during the period of government service; continuation or deferral of payments by a former or current employer other than the U.S. Government; or continuing participation in an employee welfare or benefit plan maintained by a former employer.

Date	Parties To	Terms of Agreement
10/1987	Yellow Corporation	Continuation of Retirement Plan. I no longer contribute to the Plan.
1/2001	State of California	Continuation of Retirement Plan. I no longer contribute to the Plan.

Use additional sheets if more space is required.

UNITED STATES HOUSE OF REPRESENTATIVES
2008 FINANCIAL DISCLOSURE STATEMENT
 For 2007 Calendar Year Reporting Period

 Form A
 For use by Members, officers, and employees

Laura Richardson

(Last Name)

202-225-1000

(Office telephone)

HAND DELIVERED

2008 JUN 13 AM 11:16

2008 JUN 13 AM 11:16

U.S. HOUSE OF REPRESENTATIVES

A \$200 penalty shall be assessed against anyone who files more than 30 days late.

Filer Status	<input checked="" type="checkbox"/> Member of the U.S. House of Representatives	State	Virginia	Office or	Employing Office:
Report Type	<input type="checkbox"/> Annual (May 15)	District	11th	Employee	Termination Date:
			<input checked="" type="checkbox"/> Amendment		

PRELIMINARY INFORMATION — ANSWER EACH OF THESE QUESTIONS

I. Did you or your spouse have "earned" income (e.g., salaries or fees) of \$200 or more during the reporting period? If yes, complete and attach Schedule I.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	VI. Did you, your spouse, or a dependent child receive any reportable income from any source (i.e., aggregating more than \$200 and not otherwise exempt)? If yes, complete and attach Schedule VI.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
II. Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, complete and attach Schedule II.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	VII. Did you, your spouse, or a dependent child receive any reportable travel or reimbursements for travel in the reporting period (worth more than \$200 from one source)? If yes, complete and attach Schedule VII.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
III. Did you, your spouse, or a dependent child receive "unearned" income of more than \$200 in the reporting period or hold any reportable asset worth more than \$1,000 at the end of the period? If yes, complete and attach Schedule III.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	VIII. Did you have any reportable income (income on or before the date of filing) from a source other than the reporting period? If yes, complete and attach Schedule VIII.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
IV. Did you, your spouse, or a dependent child purchase, sell, or exchange any reportable asset in a transaction exceeding \$1,000 during the reporting period? If yes, complete and attach Schedule IV.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	IX. Did you have any reportable agreement or arrangement with an outside entity? If yes, complete and attach Schedule IX.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
V. Did you, your spouse, or a dependent child have any reportable liability (more than \$10,000) during the reporting period? If yes, complete and attach Schedule V.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Each question in this part must be answered and the appropriate schedule attached for each "Yes" response.		

EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION — ANSWER EACH OF THESE QUESTIONS

TRUSTS—Details regarding "Qualified Blind Trust" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse or dependent child?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
EXEMPTION—Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>



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UNITED STATES HOUSE OF REPRESENTATIVES		Form A For use by Members, officers, and employees		HAND DELIVERED	
2006 FINANCIAL DISCLOSURE STATEMENT For 2007 Calendar Year Reporting Period					
Laura Richardson <small>(If not Member)</small>		202-225-1111 <small>(Daytime Telephone)</small>		2007 JUN 27 3:40 PM '07 <small>Office Area Only</small>	
Filer Status <input checked="" type="checkbox"/> Member of the U.S. House of Representatives Report Type <input type="checkbox"/> Annual (May 15) <input checked="" type="checkbox"/> Amendment	State LAURENIA DC <input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Director or Employee <input type="checkbox"/> Termination	Employing Office: <input type="checkbox"/> Termination	A \$200 penalty shall be assessed against anyone who files more than 30 days into.	

PRELIMINARY INFORMATION — ANSWER EACH OF THESE QUESTIONS

<p>I. Did you or your spouse have "barred" income (e.g., salaries or fees) of \$200 or more from any source in the reporting period? If yes, complete and attach Schedule I.</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>II. Did any individual or company make a donation to charity in lieu of paying you for a speech, any service, or article in the reporting period? If yes, complete and attach Schedule II.</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>III. Did you (you or a dependent child) receive any "other" income (other than \$200 or less) in the reporting period from any reportable asset worth more than \$1,000 at the end of the year? If yes, complete and attach Schedule III.</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>IV. Did you, your spouse, or a dependent child purchase, sell, or exchange any reportable asset in a transaction exceeding \$1,000 during the reporting period? If yes, complete and attach Schedule IV.</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>V. Did you, your spouse, or a dependent child have any reportable income (other than \$10,000 or less) in the reporting period? If yes, complete and attach Schedule V.</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p>VI. Did you, your spouse, or a dependent child receive any "other" income (other than \$200 or less) in the reporting period from any reportable asset worth more than \$1,000 at the end of the year? If yes, complete and attach Schedule VI.</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>VII. Did you, your spouse, or a dependent child receive any reportable income (other than \$10,000 or less) in the reporting period from any reportable asset worth more than \$1,000 at the end of the year? If yes, complete and attach Schedule VII.</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>VIII. Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, complete and attach Schedule VIII.</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>IX. Did you, your spouse, or dependent child receive any arrangement with or outside entity? If yes, complete and attach Schedule IX.</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
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Each question in this part must be answered and the appropriate schedule attached for each "Yes" response.

EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION — ANSWER EACH OF THESE QUESTIONS

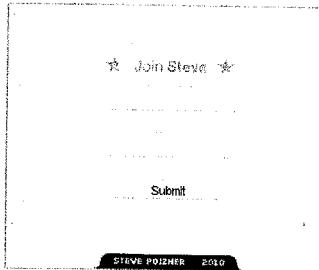
<p>TRUSTS—Details regarding "Qualified Blind Trusts" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or dependent child?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>EXEMPTION—Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
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EXHIBIT 23

<http://canitolweekly.net/article.php?c=ven?c454551nc5&vid=x4x1lmsy0ay0-6v.0.0/3D3...> 3/25/2000

Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.



Richardson declined requests over several days to discuss her real estate transaction. She also was not immediately available to comment Thursday, according to her office.

In a carefully written statement released Wednesday evening, she challenged Capitol Weekly's story about "the residential property that I own in Sacramento," and said that it had not been subjected to foreclosure. She also said that she renegotiated a loan in connection with the transaction, but did not

provide details.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property," she said.

But financial records on file with the county show that Richardson does not own the home. The house was sold on May 7 at a public foreclosure auction for \$388,001.

That auction originally had been scheduled for April 7, but was delayed a month, said James York, a Sacramento real estate broker who purchased the house from the trustee, the California Reconveyance Company. That transaction was officially recorded on May 9, and the deed transfer and sale were recorded on May 19. **Documents associated with the transaction can be viewed here.**

"It was a foreclosure auction. I took possession of the house as of May 7," said York, who has conducted numerous similar purchases, according to county records. (York is not related to the author of this article).

York, whose firm specializes in foreclosure sales, said that Richardson did not participate in the transaction, that the house had been vacant for some time and that he paid the funds to California Reconveyance, which handles foreclosure property and is owned by Washington Mutual, the original lender.

The sale forced the bank to "take a \$200,000 write-off," York noted. In an earlier interview with the Daily Breeze of Torrance, which reported a detailed account of the transaction, he said the bank "took a beating."

Tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment. At the time, the housing market was beginning to turn, but the severest impacts had not yet been felt. No-interest, "jumbo" loans--those more than \$417,000--were still available from some lenders.

Richardson received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, 2008, a notice was filed with the county that

09-4126_000165

Richardson's property would be sold at auction on April 7. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

The March 19 notice of trustee's sale also described the unpaid balance of Richardson's loan, held by Washington Mutual, at more than \$578,000 - \$40,000 more than the original mortgage. Tax records show \$8,950 in unpaid property taxes.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000.

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson did not vote. She also did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure. Richardson said she missed the votes because of the death of her father.

Richardson did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her congressional campaign committee since declaring her congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

[← Back](#)

EXHIBIT 24

LEADING THE NEWS

**Mortgage non-disclosure is trouble for Richardson**

By Jared Allen

Posted: 06/02/08 07:33 PM [ET]

Rep. Laura Richardson (D-Calif.) could face fines for leaving a heavily indebted mortgage off her financial disclosure statement, according to campaign finance experts.

A review of Richardson's 2007 financial disclosure shows that she failed to report her Sacramento home mortgage as a liability even though she owed \$40,000 more than she paid for the home, which was purchased in January of that year. By the end of 2007, Richardson had accumulated \$575,000 in total debt after failing to make payments on her original \$535,000 mortgage, according to Sacramento County records.

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DEMOCRATIC NATIONAL
CONVENTION**



Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item.

"On a plain reading of the law, it's not clear why this mortgage would not be included on her financial disclosure statement, given the situation," said Meredith McGehee, the Campaign Legal Center's policy director.

Lawrence Noble, former general counsel for the Federal Election Commission (FEC) and a campaign finance, ethics and lobbying expert, agreed.

"That is what the rule says," Noble said. "The reality is that at the end of the year, if she was indebted for more than what she paid for the house, then she was required to report it."

The home went into foreclosure and was sold at auction last month. Richardson is disputing the sale.

Her office did not return repeated calls seeking comment for this story. It also has not responded to questions about how Richardson was able to loan her congressional campaign \$77,500 while continuing to default on several properties.

Richardson, who is expected to cruise to a victory in Tuesday's Democratic primary, has come under increasing scrutiny since news of the foreclosure and subsequent sale at auction of her Sacramento home. Additional reports indicated Richardson has a long history of mortgage defaults that also covers homes in San Pedro and Long Beach.

Richardson's own financial statement, however, showed no indication that anything was amiss.

Under Schedule III of her 2007 Financial Disclosure Statement, filed on Feb. 22 of this year, the freshman lawmaker listed her liabilities as simply "N/A."

Yet throughout 2007, as her Sacramento home was going from newly purchased to foreclosed on, Richardson also defaulted on her Long Beach home a third and again a fourth time, when she fell \$15,101 behind on her payments.

In September of that year, Richardson also let her San Pedro home slip into default when she fell \$12,410 behind on her payments.

In January 2008 Richardson defaulted on the San Pedro home a second time, and in April — with Richardson owing \$367,436 on an original loan of \$359,000 — Wells Fargo Bank issued a notice of trustee sale of the home. Records indicate that the home is still scheduled to be sold at a July 14 auction.

Richardson was able to rescind both of the default notices on her Long Beach home after catching up on her

payments, which she did first in March and then again in October 2007.

Richardson's fourth default notice, for \$15,101, on her Long Beach home came in October 2007 — the same month she again caught up on her payments as well as repaid herself \$8,000 from her campaign, her FEC records show.

Noble said that the entities that monitor financial disclosure statements — the House ethics committee and the Department of Justice — will likely issue a warning to Richardson to amend her reports.

"In terms of what they would ultimately do about it, I think the question would be: Was this an attempt to cover up anything, or was it a mistake?" Noble said.

McGehee called Richardson's financial disclosure statement "puzzling."

"Obviously this raises questions about disclosure and more information, I think, is needed to ensure that she has, indeed, abided by the statutory requirements," McGehee said. "The purpose of the financial disclosure is, first and foremost, to reveal conflicts of interest or potential conflicts of interest ... and to ensure that if questions come up about positions, votes, other actions they take as a federal official, that there is transparency."

Although Richardson missed the vote on the housing bill that passed the House in early May, she has said she only did so in the wake of her father's sudden death.

Richardson last fall voted to help pass the Mortgage Forgiveness Debt Relief Act, which prevents the federal government from charging income tax on debt forgiven as a consequence of foreclosure. And she has said publicly that she wants to capitalize on her experience to advocate for further reform of the nation's housing policies.

Richardson told the Long Beach Report on May 24 that she thinks people "expect me to take what I've learned, what I see, not only for myself but what I see that they're doing, and figure out how to fix it, and that's what I intend upon doing."

Over the weekend, two of Richardson's opponents in Tuesday's primary seized on the issue in a last-minute attempt to unseat the 46-year-old freshman, who came to Congress after a 2007 special-election victory.

Peter Mathews accused her of "a pattern of financial irresponsibility" and wondered "how she can be responsible for a federal budget when she can't balance [her] own budget," while Lee Davis said she was a "national embarrassment" who has lost credibility.

Susan Crabtree contributed to this article.

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09-4126_000169

EXHIBIT 25

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Case Details

Case #: 09-035287	Status: Open
Address: 3622 W CURTIS DR	Open Date: 07/01/2009
Type: Code	Close Date:
Categories: Noise Complaint	Disposition:

Case History

Activity	Date
Re-Inspection done.	07/24/2009
Initial Inspection done.	07/07/2009
Initial Complaint assigned to Officer or Inspector.	07/02/2009

09-4126_000171

File #:	
Address:	

To Do List	Quick Add ►	Add Wizard	Find ►	Enter New Citizen	Reports	Admin	My Software	H
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3622 W C

File # 09-035287	History	Contacts	Activities	Documents	Violation	Fees
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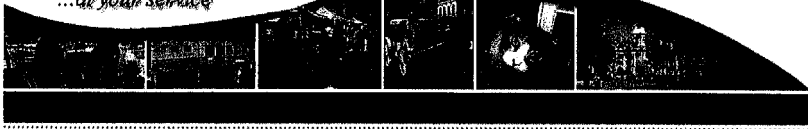
Edit Category File Add Activity Contact Document Multiple Docs Email Letter Note Route Violation	Description: CONSTRUCTION WORK BEING DONE AFTER 1800 AND UP TO 2200 HRS. DID NOT HAVE NAME OF COMPAN	Property Owner: RICHARDSON LAURA 3622 W CURTIS DR SACRAMENTO CA 95818 Phone Number: Area #: 3 Responsible User: Shawn Bartosh (916) 808-	Type: Envr Priority: No Status: Op Disposition Open Date: Close Date: Categories: Noise Comp:
	Address: 3622 W CURTIS DR SACRAMENTO CA 95818 	Parcel Number: 01303630010000 District/Neighborhood: 5 How Received: Phone	

Legal Description: SOUTH CURTIS OAKS 08
 Approx. Loc:

Reports

Date	Event	Description	User	Private?
Most Recent First	Notes & Activity Events			
Jul 15, 2009 04:48 PM	General Case Information	RECEIVED A PUBLIC DOCUMENT REQUEST FROM PAT CLARKE, 916/798.7759 TO PROVIDE ALL DOCUMENTS RELTATED TO CASES/INITIAL VIOLATIONS.	Marilynn Freitag	Private
Jul 08, 2009 09:21 AM	RE-INSPECTION - Activity	A RE-INSPECTION activity has been assigned to Shawn Bartosh in the Code Enforcement department.	Shawn Bartosh	Public
Jul 08, 2009 09:20 AM	INITIAL INSPECTION - Activity Note	Upon inspection I see a truck in the driveway, with construction materials in the bed of the truck. No answer at door, I hear no work being done. Left copy of city code at door. Will r.	Shawn Bartosh	Private
Jul 02, 2009 08:21 AM	INITIAL COMPLAINT - Activity	A INITIAL COMPLAINT activity has been assigned to Shawn Bartosh in the Code Enforcement department.	Tedd Freeman	Public
Jul 01, 2009 08:15 AM	INITIAL COMPLAINT - Activity	A INITIAL COMPLAINT activity has been assigned to Tammy Browning in the Code Enforcement department.	City Operator05	Public

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Case Details

Case #: 09-010823	Status: Closed
Address: 3622 W CURTIS DR	Open Date: 05/09/2009
Type: Housing	Close Date: 05/11/2009
Categories: Complaint	Disposition: Duplicate Entry

Case History

Activity	Date
Initial Complaint assigned to Officer or Inspector.	05/11/2009

09-4126_000173

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Case Details

Case #:	09-010583	Status:	Closed
Address:	3622 W CURTIS DR	Open Date:	05/06/2009
Type:	Housing	Close Date:	05/08/2009
Categories:	Other	Disposition:	Unfounded

Case History

Activity	Date
Initial Complaint assigned to Officer or Inspector.	05/08/2009

09-4126_000174

File #:	
Address:	

To Do List	Quick Add ►	Add Wizard	Find ►	Enter New Citizen	Reports	Admin	My Software	H
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3622 W C

File # 09-010583	History	Contacts	Activities	Documents	Violation	Fees
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Edit Category File Add Activity Contact Document Multiple Docs Email Letter Note Route Violation	Description: VACANT STRUCTURE WITH BLIGHTED APPEARANCE. RLH Address: 3622 W CURTIS DR SACRAMENTO ca 95818 Parcel Number: 01303630010000 District/Neighborhood: 5 How Received: Phone	Property Owner: RICHARDSON LAURA 3622 W CURTIS DR SACRAMENTO CA 95818 Phone Number: Area #: 3 Responsible User: Richard V. Lisker (916) 808-	Type: Hous Priority: No Status: Clo Disposition Open Date: Close Date: Categories: Other
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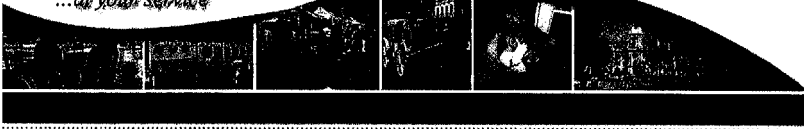
View Legal Description: SOUTH CURTIS OAKS 06
Alerts Approx. Loc:

Reports

Date	Event	Description	User	Private?
<div>Most Recent First</div> <div>Notes & Activity Events</div>				
Jul 15, 2009 04:50 PM	General Case Information	RECEIVED A PUBLIC DOCUMENT REQUEST FROM PAT CLARKE, 916/798.7759 TO PROVIDE ALL DOCUMENTS RELATED TO CASES/INITIAL VIOLATIONS. FOR CASES 09-055287, 09-010623, 09-010583, 09-009571 AND 09-015953.	Marilynn Freitag	Private
May 08, 2009 09:23 AM	General Case Information	Per Ron O' Connor there is a contractor who has won the bid to do the work and this case is closed.	Pat Melanson	Private
May 06, 2009 02:35 PM	INITIAL COMPLAINT - Activity	A INITIAL COMPLAINT activity has been assigned to Greg Johnson in the Code Enforcement department.	City Operator04	Public

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Case Details

Case #: 09-009571	Status: Closed
Address: 3622 W CURTIS DR	Open Date: 04/24/2009
Type: Code	Close Date: 05/08/2009
Categories: Landscaping/paving	Disposition: Work Completed

Case History

Activity	Date
Letter returned to Code Enforcement Department.	05/08/2009
Re-Inspection done.	05/07/2009
Pro-Active Inspection.	05/06/2009
Preliminary letter sent.	04/29/2009
Initial Inspection done.	04/24/2009

09-4126_000176

File #:	
Address:	

To Do List	Quick Add ▶	Add Wizard	Find ▶	Enter New Citizen	Reports	Admin	My Software	H
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3622 W C

Edit Category File	File # 09-009571 Description: ABANDONED HOME W/ HIGH WEEDS IN FRONT YARD, FENCES KNOCKED DOWN. NO ONE MAINTAINING THE	History	Contacts	Activities	Documents	Violation	Fees
Add Activity Contact Document Multiple Docs Email Letter Note Route Violation	Address: 3622 W CURTIS DR SACRAMENTO CA 95818 Parcel Number: 01303630010000 District/Neighborhood: 5 How Received: Phone	Property Owner: RICHARDSON LAURA 3622 W CURTIS DR SACRAMENTO CA 95818 Phone Number: Area #: 3 Responsible User: Jose Perez (916) 608-			Type: Code Priority: No Status: Clo Disposition Open Date: Close Date: Categories: Landscaping		

Legal Description: SOUTH CURTIS OAKS 06
 Approx. Loc:

Alerts

Reports

Other

Date	Event	Description	User	Private?
Most Recent First	Notes & Activity Events			
Jul 15, 2009 04:50 PM	General Case Information	RECEIVED A PUBLIC DOCUMENT REQUEST FROM PAT CLARKE, 916/798.7759 TO PROVIDE ALL DOCUMENTS RELATATED TO CASES/INITIAL VIOLATIONS. FOR CASES 09-055267, 09-010823, 09-010583, 09-009571 AND 09-015853.	Marilynn Freltag	Private
May 07, 2009 02:47 PM	LETTER RETURNED - Activity	A LETTER RETURNED activity has been assigned to Jose Perez in the Code Enforcement department.	Bruce Lewis	Public
May 07, 2009 12:54 PM	Violation Modified	Violation #C18: SCC 8.04.100 E has been closed by Jose Perez on 05/07/09.	Jose Perez	Private
May 07, 2009 12:54 PM	Violation Modified	Violation #C28.5: SCC15.156.020 has been closed by Jose Perez on 05/07/09.	Jose Perez	Private
May 07, 2009 12:54 PM	RE-INSPECTION - Activity Note	05-06-09 RE-INSPECTION AND PHOTOS REVEALED THAT ALL WORK HAS BEEN COMPLETED, VOLUNTARY COMPLIANCE, NO FEES, CASE CLOSED.	Jose Perez	Private
May 06, 2009 07:55 PM	General Case Information	05-06-09 1210 HRS, GRASS HAS BEEN CUT FRONT AND REAR YARDS. SOME HIGH WEEDS REMAIN AROUND SOME OF THE PLANTS IN THE REAR YARD. NOT A FIRE HAZARD AT THIS TIME. I PLACED THE SIDE GATE IN THE REAR YARD ON TOP OF A WOOD DECK. A GENTLEMAN BY THE NAME OF [REDACTED] APPROACHED ME	Jose Perez	Private

09-4126_000177

			ASKING BASIC QUESTIONS IN REGARDS TO OUR PROCEDURE. PHOTOS WERE TAKEN AND WERE ADDED TO THE CASE FILE.		
May 06, 2009 07:53 PM	PRO-ACTIVE INSPECTION - Activity	A PRO-ACTIVE INSPECTION activity has been assigned to Jose Perez in the Code Enforcement department.	Jose Perez	Public	
Apr 29, 2009 01:39 PM	RE-INSPECTION - Activity Note	04-29-09 PROPERTY CONTINUES TO BE IN VIOLATION. I POSTED A COPY OF THE 14 DAY PRELIMINARY LETTER ON THE FRONT DOOR OF THE PROPERTY. PHOTOS WERE TAKEN AND WERE ADDED TO THE CASE FILE.	Jose Perez	Private	
Apr 28, 2009 02:02 PM	Notification Activity	Notification for Jose Perez . Activity CODE - 14 DAY PRELIM - has been closed.	Josie Valdez	Public	
Apr 26, 2009 02:52 PM	CODE - 14 DAY PRELIM - Activity	A CODE - 14 DAY PRELIM activity has been assigned to Clerical Staff in the Code Enforcement department.	Jose Perez	Public	
Apr 26, 2009 02:36 PM	RE-INSPECTION - Activity	A RE-INSPECTION activity has been assigned to Jose Perez in the Code Enforcement department.	Jose Perez	Public	
Apr 26, 2009 02:35 PM	INITIAL INSPECTION - Activity Note	04-24-09 Initial inspection conducted at 3622 W.Curtis Dr. The property in question is a single family occupancy, blue in color, with white trim. This property is located on the west side of the street. My inspection from the public right of way revealed the following violations: Overgrown grass and weeds throughout the property and a falling side gate. Photos were taken depicting the violations. A 14 day preliminary letter will be sent to property owner.	Jose Perez	Private	
Apr 24, 2009 07:49 AM	INITIAL COMPLAINT - Activity	A INITIAL COMPLAINT activity has been assigned to Jose Perez in the Code Enforcement department.	City Operator06	Public	

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Open Housing Cases

Vacant Building Cases

Case Details

Case #: 08-015953	Status: Closed
Address: 3622 W CURTIS DR	Open Date: 07/21/2008
Type: Code	Close Date: 10/02/2008
Categories: HSG Boarded Vacant Building VB - Tammy Browning	Disposition: Unfounded

Case History

Activity	Date
Termination of Notice of Pending Enforcement proceeding document.	11/17/2008
Letter returned to Code Enforcement Department.	11/06/2008
Letter returned to Code Enforcement Department.	10/27/2008
Letter returned to Code Enforcement Department.	10/27/2008
Letter returned to Code Enforcement Department.	10/21/2008
Letter returned to Code Enforcement Department.	10/16/2008
Letter returned to Code Enforcement Department.	10/16/2008
Letter returned to Code Enforcement Department.	10/16/2008
Monitoring Fee assessed.	10/03/2008
Administrative Penalty letter sent.	10/01/2008
Letter returned to Code Enforcement Department.	09/25/2008
Letter returned to Code Enforcement Department.	09/05/2008
Resend Declaration letter.	09/05/2008
Letter returned to Code Enforcement Department.	09/05/2008
Notice letter sent and Monitoring Fee assessed.	08/20/2008
Online Title Report request.	08/20/2008
Received proof of certified mail card.	08/15/2008
Notice letter sent and Monitoring Fee assessed.	08/11/2008
Online Title Report request.	08/08/2008
Notice of Pending Enforcement proceeding document.	08/08/2008
Case re-assigned.	07/25/2008
Pro-Active Inspection.	07/23/2008
Case re-assigned.	07/23/2008

09-4126_000179

EXHIBIT 26



607 Fourteenth Street N.W.
Washington, D.C. 20005-2011

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April 21, 2009

Leo Wise, Esq.
Elizabeth Horton, Esq.
Office of Congressional Ethics
1017 Longworth House Office Building
U.S. House of Representatives
Washington, D.C. 20515

**Re: Review No. 09-4126
Request for Information**

Dear Mr. Wise and Ms. Horton:

On behalf of our client, Congresswoman Laura Richardson, we write in response to the materials provided to us by the Office of Congressional Ethics ("OCE") on April 15, 2009. The matters referenced in the OCE's Statement of Allegations have been before the Committee on Standards of Official Conduct ("the Committee") since June 2008. We provided the Committee with additional information as recently as April 2, 2009. Because the matters are now before the Committee, we would respectfully submit that OCE should terminate the preliminary review.

On June 18, 2008, Congresswoman Richardson requested a formal written opinion from the Committee regarding the financial disclosure statement that she filed in May 2008, and specifically about the disclosure of the properties referenced in OCE's Statement of Allegations. In a letter dated July 15, 2008, the Committee responded with an extensive request for additional information. The Committee indicated that, prior to formalizing its opinion, it wanted to determine not only whether the properties qualified as personal residences excluded from disclosure, but also whether any of the loans on the properties, or the rescission of the foreclosure on her Sacramento property, should be characterized as gifts.

The Member responded in full to the Committee's request on July 31, 2008. On March 16, 2009, the Committee, through its chief counsel, requested additional documents duplicative of OCE's request, which the Member provided on April 2, 2009.

68718-0001/LEGAL15940399.1

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Perkins Coie LLP and Affiliates

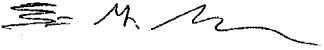
09-4126_000181

Leo Wise, Esq.
Elizabeth Horton, Esq.
April 21, 2009
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Thus, the questions of whether the Congresswoman received a gift through the rescission of the foreclosure on her Sacramento home, and whether her residences were required to be disclosed on her personal financial disclosure form, are now under consideration by the Ethics Committee. For OCE to review these same matters at the same time, so that it may advise the Committee as to whether they merit further review, would be burdensome and duplicative. The Congresswoman has long wanted the Ethics Committee to complete its analysis of the matters referenced in OCE's Statement of Allegations, and intends to continue to work with the originating Committee toward that end. In the meantime, we would respectfully request that the instant preliminary review be closed, in deference to the Committee's determination.

Please do not hesitate to call Brian Svoboda at (202) 434-████, if you would like to discuss these matters further.

Very truly yours,



Brian G. Svoboda
Kate Sawyer Keane

cc: The Honorable Laura Richardson
The Honorable Zoe Lofgren
The Honorable Jo Bonner
Kenyen Brown, Esq.