

Date: Mon, 09 Jul 2007 15:31:50 -0700
To: bcarte@ftc.gov, eacajabon@ftc.gov
From: JOSEPH ZERNIK <jz12345@earthlink.net>
Subject: CASE #0507312007
Cc: zschorr@schorr-law.com, "Roberts, Dirk" <dirk.roberts@ots.treas.gov>, Reference.Library@sf.frb.org

7/8/07

Belinda Carter,
Edwin Acajabon, Project Manager
Consumer Response Center CRC-240
Federal Trade Commission
600 Pennsylvania Ave NW
Washington DC 20580
Tel: 1 877 382 4357

RE: CASE #0507312007

Dear Ms Carter and Mr Acajabon:

At the beginning of 2007, I filed a complaint with several agencies regarding Countrywide. At that time I was clueless, just a month earlier I finally figured out that I was the victim of a real estate fraud scam, and that there were some people, whose names I read in documents, but I have never met, and they were somehow related to each other, and to Samaan, who offered to purchase my home in 2004, but could not get her loan approved, and that they were generating various types of false information about me that may get me bankrupt and ruined.

By July 2007, my situation is not much improved. I made substantial progress in investigating the fraud, mostly on my own. California Department of Real Estate was very helpful in educating me, and the FBI was of some help. But I mostly had to learn very quickly diverse areas of the law, banking, lending, underwriting, and government. Then I had to use that knowledge to try to decipher hundreds of pages of Countrywide documents.

But I know that I did my homework right, since Countrywide's Legal Department, including their Chief Legal Officer, Sandor Samuels, now refuse to answer any of my questions pertaining to a Branch Manager - Maria McLaurin of San Rafael, who is one of the main figures in this fraud. Strange as it may sound, I have never applied for a loan with Countrywide, and therefore I am not a Consumer for the purpose regulation through Fair Housing and Fair Credit laws and regulations. My case reflect primarily deficiency in integrity of operations of a banking institution, falling apart of the mandatory safeguards - Internal Audit, External Audit, and Government Regulation, and abuse of the system by the bank manager in collaboration with what the FBI calls a loosely organized network of white collar crime - loan brokers/originators/processors.

I also located the former senior underwriter, and she provided more information regarding the situation at the San Rafael Branch around 2004, and specifically regarding the loan applications of Nivie Samaan, who offered to purchase my residence in 2004. In the course of that failed transaction, as I later learnt from documents, the buyer filed an entirely fraudulent Uniform Loan Application (1003), and McLaurin was doing her best to force the approval of the loan. Beyond fraudulent inducement against Zernik, highlighted in the fraudulent Prequalification Letter, there was fraud against a government-backed lender, and also an attempt at fraud against Countrywide per se - by offering Samaan fees that were 0.75% lower than appropriate. Furthermore, there was also wire fraud in this

case, since Samaan operated fax machine(s) with no header ID and phone number imprint, and used such machine(s) to communicate with both the lender, escrow, and seller, as if she were the Loan Broker. In fact she was fraudulently loan-brokering herself her own loan. Beyond that, when their attempt at mortgage fraud failed, and after real estate went up, I was sued in 2005 for Specific Performance, and McLaurin, Samaan, and Keshavarzi started the next stage of the deceit of the court and fraud against Zernik, under the guise of litigation - making up a fraudulent scenario where I caused Samaan's loan to be suspended.

But the Underwriting documents are plenty clear - the legitimate underwriter demanded that Samaan submit valid loan applications 1003, and Samaan would not do that. During the whole period of her underwriting, which was probably much longer than that allowed by law, through adulteration of the "Date Received" stamps. To this very day, Countrywide, through 5 subpoenas claims that there is no data that could corroborate the adulterated Date Received stamps, for example, they claim that they do not have Pipeline Reports or Internal Audit Reports, etc, to explain the double stamps.

Based on the documents at my possession, I could figure out that McLaurin had established an "**alternative track**", where she could approve government-backed mortgages for individuals who could never be approved based on honest Credit Determinations, and that no underwriter in her branch would sign off, even under constant pressure.

Through this alternative track, used for extreme fraud cases, she would bypass the mandatory Underwriting procedures, as stipulated in Regulation B, and for that matter, also ignore sound banking principles.

Based on information shared by the senior underwriter it appears that the volume in this alternative Pipeline was about \$500,000,000 per year around 2004!

I recently sent an open letter to Angelo Mozilo, Chair of the Internal Audit Committee and to Sandor Samuels, Chief Legal Officer, and demanded that they take action to stop the real estate fraud being perpetrated against me through the use of fraudulent Countrywide documents and fraudulent statements by McLaurin. I also approached Samuels in his capacity as President of Bet Tzedek (House of Justice), a worthy organization providing free legal services, which puts a priority on preventing Real Estate Fraud.

Both Mozilo and Samuels refused to answer any of the questions, some of them as trivial as: **The Underwriting Letter dated October 26, 2004, and bearing a fax header imprint of October 26, 2004, was introduced in court with a letter by McLaurin, and then declared to have been issued on or about October 14, 2004. Please confirm what was the true date that this Letter was issued.**

Instead, they went to court and attempted to issue a broadly worded Protective Order against me, to prevent me from talking about the subject!

But they did not even clearly deny in their court filing my estimate of the Pipeline volume in the "**alternative route**" for government-backed loan fraud by McLaurin. It is obvious that by now I have substantial documentation of wrongdoing that was probably on a wide scale, at least during certain years. I have first informed the Legal Department in Countrywide of my concerns in December 2006. But Countrywide denied until recently that they even conducted an investigation or reported any of it to SEC or the Federal Reserve. One would assume that high volume fraud by a Branch Manager would constitute a Material Deficiency. But when I demanded in subpoenas copies of reports of Internal or External Audit, I was told that such documents did not exist! And McLaurin is still holding the same position, and still allowed to submit fraudulent documents and declarations in court...

In the meanwhile, while I was trying any possible way to defend myself, I was getting no help whatsoever from Federal Regulators:

1) **Office of Thrift Supervision:** By far the most responsive. They sent me a letter when they got my complaint and they sent me another letter in mid-April, 2007, stating that they completed the investigation, that their authority was regarding Countrywide Bank alone, that Countrywide Bank stated that they would have never funded Samaan's loan. With that, Office of Thrift Supervision decided that the main issue for investigation was with Countrywide Home Loans, where Maria McLaurin was and is manager, but which was outside their authority.

In mid April they sent me a letter, explaining all of this, and stating that they took the initiative of generating a complaint against Countrywide Home Loans, under the same number as before - CASE #0507312007, that they forwarded it to Federal Trade Commission, and that I should insist that it be handled consistently under the same case #.

*At present my contact at Office of Thrift Supervision is Mr Dirk Roberts
<dirk.roberts@ots.treas.gov>.*

2) **Federal Trade Commission:** To this very day, about 3-4 months after receipt of the complaint from Office of Thrift Supervision, and after three phone calls over a month with Ms Carter, I am still not sure what the disposition of my complaint with Federal Trade Commission is.

At one point I was told that you concluded that the complaint was not under your authority and that the complaint was forwarded on to Federal Reserve Regulators, possibly around May?

My contact at Federal Trade Commission is Belinda Carter <bcarter@ftc.gov>, 202 326 3788

3) **Federal Reserve Bank Regulators:** - had no evidence whatsoever that my complaint was ever forwarded to them from Federal Trade Commission. I followed up with her several times recently, and at present my conclusion is that Federal Reserve Bank Regulators have no record of ever receiving case #0507312007 from Federal Trade Commission.

*My contact in Federal Reserve Bank Regulators is Pat @ 415 974 3217.
<Reference.Library@sf.frb.org>*

REQUEST

1) **For Federal Trade Commission:**

Please confirm in writing that CASE #0507312007 was forwarded to Federal Trade Commission from Office of Thrift Supervision, with a date of receipt, and let me know what is the current disposition of this case. If the case was closed, I request that the specific findings/determinations that resulted from the investigation and date the investigation was terminated be clearly stated.

In case it was transferred indeed to another agency, please specify which agency on what date, and why.

2) I hope that a single message addressed to the three regulatory agencies would yield a decision which agency has the regulatory authority in a case that does not involve denial of loan, or improper charges for loans, etc. Instead it involves substantial compromise in the integrity of bank operations, and collapse of mandatory safeguards.

Please let me know which agency could help take care of my situation. I believe that I have substantial evidence in my files, and I also need protection from the actions of Countrywide against me, which threaten to ruin me financially.

TIME IS OF THE ESSENCE!

Joseph Zernik