

**Date:** 10/11/2011  
**To:** JEFFREY A. THORNE C/O VERNON BRADLEY, ESQ.  
**From:** DIRECTOR OF PRODUCTION  
**RE:** SCOTT CALL JOLLEY vs.  
CHASE HOME FINANCE, LLC, ET AL.  
**File:** 68760  
**Deposition of:** JEFFREY THORNE  
**Deposition Date:** 10/04/2011  
  
**cc:** All counsel present

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1 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
 2 IN AND FOR THE COUNTY OF MARIN

3  
 4 SCOTT CALL JOLLEY,  
 5 Plaintiff,  
 6 vs.  
 7 CHASE HOME FINANCE, LLC, Case No. CIV 1002039  
 8 et al.,  
 9 Defendants.

10  
 11  
 12  
 13  
 14  
 15  
 16 DEPOSITION OF  
 17 JEFFREY A. THORNE  
 18  
 19 October 4, 2011  
 20 10:19 a.m.  
 21  
 22  
 23 2151 River Plaza Drive  
 24 Suite 300  
 25 Sacramento, California

Daniel E. Blair, CSR No. 4388

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1 DEPOSITION OF JEFFREY A. THORNE

2 October 4, 2011

3

4 JEFFREY A. THORNE,

5 having been first duly sworn, testifies as follows:

6 (Exhibits A through V marked.)

7 EXAMINATION

8 BY MS. KELLY:

9 Q. Good morning.

10 A. Morning.

11 Q. My name is Patricia Kelly. I'm an attorney for

12 Chase Home Finance in a lawsuit filed against it by

13 Scott Call Jolley.

14 Have you had your deposition taken before?

15 A. No.

16 Q. I will go through a couple of the ground rules.

17 First I want to remind you you're under oath.

18 Do you understand that?

19 A. Yes.

20 Q. And that everything being said in this room is

21 being taken down by the reporter unless we agree to go

22 off on a break. Okay?

23 A. Yes.

24 Q. And this means a couple of things: One is we

25 need to answer audibly and loudly so the reporter can

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8

1 take down accurately what has been said. Okay?

2 A. Okay.

3 Q. It also means I have to wait until you're done

4 with your answer. If I'm not waiting, let me know

5 you're not finished. You also need to wait until I'm

6 done with my question before you give your answer.

7 Okay?

8 A. Okay.

9 Q. And that's important because everything is

10 being taken down. And if you give an answer to a

11 question and you haven't understood the question, in the

12 booklet it will look like you did understand the

13 question. So if you don't understand or didn't hear my

14 question, make sure you tell me to repeat it. Okay?

15 A. Okay.

16 Q. And if it's not clear, tell me that it's not

17 clear so I can rephrase it. Okay?

18 A. Okay.

19 Q. Everything is being taken down in the booklet.

20 Afterwards you're given a chance to look at the booklet.

21 Now, you can't change my questions, but you can change

22 your answers, and you can change or correct answers.

23 Changing it would be if you said one thing today and you

24 give a different answer by changing it in the booklet.

25 Okay?



9

1 A. Okay.

2 Q. And you can correct your answer also if for

3 some reason it wasn't taken down correctly, to change

4 the answer to what you said today.

5 A. Okay.

6 Q. Do you have any questions before we start?

7 A. No.

8 MR. BRADLEY: Just I'd like on the record that

9 he is appearing as a designated expert witness for the

10 plaintiff.

11 MS. KELLY: But not in this deposition. This

12 is the deposition of a percipient witness, not an expert

13 witness.

14 MR. BRADLEY: Okay. I'd think you'd want to

15 take them at the same time, but fine.

16 MS. KELLY: Okay.

17 Q. And if you do have any questions at any time

18 during the deposition, just let me know. Okay?

19 A. Okay.

20 Q. Because I want to make sure you understand what

21 is said and you're giving me your best answer. Okay?

22 A. Okay.

23 MR. BRADLEY: What's going to be confusing,

24 though, if you get into areas, though, where you're

25 asking him his opinion as a former high-level official

10

1 of WaMu running their construction department, you're

2 getting into expert opinion. It's very hard to separate

3 them out. I understand you probably want an additional

4 deposition or you specifically want an expert

5 deposition, not a designated, but I think it's going to

6 be very difficult and I'll end up objecting every time

7 you get into an opinion.

8 MS. KELLY: Okay. Why don't we wait till the

9 question; and then if you think it's appropriate, you

10 can make an objection.

11 MR. BRADLEY: All right. And also the question

12 that he's entitled to be compensated at \$110 an hour as

13 an expert.

14 MS. KELLY: Right. But this is not an expert

15 deposition.

16 MR. BRADLEY: Okay.

17 MS. KELLY: Okay.

18 Q. So I'm entitled to your best recollection. If

19 you don't recall the answer to a question, that's

20 perfectly fine to say you don't recall. However, if you

21 have any basis at all for giving me an answer, I'm

22 entitled to your best testimony. Okay?

23 A. Can I clarify something?

24 Q. Sure.

25 A. My position at WaMu on a daily basis was a

11

1 senior construction loan consultant. That was my

2 position. I was asked in May of 2005 to travel back and

3 forth from Sacramento, spending four days a week in

4 Chatsworth where the construction lending division was

5 located, to share my expertise in construction lending

6 and revamp their construction department because they

7 were not properly running the department. And that was

8 asked of me by Kerry Killinger, the president of

9 Washington Mutual and the executive VP.

10 So as per my title, I was a senior loan

11 consultant, was my real title.

12 Q. And over what period of time did you hold that

13 title?

14 A. I held that -- I did that new work from May of

15 2005 until I left the company in July of 2006.

16 Q. What job did you do immediately before May of

17 2005?

18 A. I was a senior loan consultant. I was a

19 regular loan officer bringing in loans; that I'd been

20 doing for 20-some-odd years.

21 Q. So you went from senior loan consultant to

22 senior construction loan consultant; is that right?

23 A. Well, I was senior loan consultant the whole

24 time I was with the company.

25 Q. Okay.

12

1 A. Which began in 9 of '02.

2 MR. BRADLEY: I guess you became de facto head

3 of the construction --

4 THE WITNESS: I more -- what more or less

5 happened is everybody was to sort of move out of the

6 way, let me in, see what was going on, and make changes

7 that were necessary to make the department run properly,

8 and make corrections that were necessary to make the

9 department work, because I have done this in the past

10 through other institutions.

11 MR. BRADLEY: Is that just for California or 38

12 states?

13 THE WITNESS: All 38 states.

14 Q. BY MS. KELLY: And when did that start?

15 A. May of '05.

16 Q. And you stayed in that position until June of

17 '06; is that right?

18 A. Correct.

19 Q. And what did you do after June of '06?

20 A. The bank decided to start closing down mortgage

21 lending, and I left the company.

22 Q. Did you ever work for Chase?

23 A. No, I did not.

24 Q. How did you first get involved in Scott Call

25 Jolley's loan?



17

1 Q. Do you recall at any point there got to be some  
 2 disagreement about disbursements on that loan?  
 3 A. Oh, there were lots of disagreements on the  
 4 disbursements of the loan.  
 5 Q. Okay. You gave the information to some clerk  
 6 who was supposed to be doing disbursements, right?  
 7 A. Mm-hmm.  
 8 Q. And at some point there got to be a dispute,  
 9 right?  
 10 A. There got to be a dispute as to what percentage  
 11 was completed, what work was on site, what work wasn't  
 12 on site. I mean, there were many disputes between WaMu  
 13 and Mr. Jolley as to what was on or off site, as to what  
 14 should be paid and what shouldn't be paid.  
 15 Q. Do you recall after you gave the file back to  
 16 that clerk what the first dispute was?  
 17 A. No, I don't.  
 18 Q. Do you recall how the file got back to you?  
 19 A. The file came back to me again after the clerk  
 20 said to me the house is going to be bigger than what was  
 21 originally planned. And I said, He's not building by  
 22 the plans? I said, What plans is he building by?  
 23 Because normally a set of plans, cost breakdown and a  
 24 description of materials have to be given to us to  
 25 appraise the house. I said, So what are we doing then?

18

1 Well, the loan consultant -- and I have to clarify  
 2 this -- to do a construction loan, you have to be  
 3 certified in construction lending to do a construction  
 4 loan.  
 5 Q. Okay.  
 6 A. Okay. The loan consultant that did the loan  
 7 was not certified to do construction loans. But she  
 8 made a comment to Mr. Jolley, along with a comment from  
 9 the appraiser, that if you add a few more square feet to  
 10 the house, you'll get a better value.  
 11 Q. I'm sorry. Was that a comment by the loan  
 12 consultant to the appraiser or something the appraiser  
 13 said to Mr. Jolley?  
 14 A. Both the appraiser and the loan consultant said  
 15 to Mr. Jolley. So Mr. Jolley had his plans reconfigured  
 16 and then began building this larger home.  
 17 Q. And you got informed of this, right? To your  
 18 understanding, why did this get brought to your  
 19 attention?  
 20 A. Because we weren't going to have enough money  
 21 to build the house.  
 22 Q. So was there a request for a loan modification  
 23 at that time?  
 24 A. Well, there was a request for more funds to  
 25 build out this extra portion of the home. And the only

19

1 way that could be done would be a new appraisal  
 2 completed. So I had asked for a new cost breakdown, new  
 3 description of materials, and a set of the new plans to  
 4 forward to an appraiser to appraise the house as a  
 5 completed product. And the appraisal came in, I  
 6 believe, a little more than a million one, million two  
 7 higher for the added square footage.  
 8 Q. Then what, if anything, was done in response to  
 9 the fact that that appraisal had come in higher?  
 10 A. I then reviewed his credit file and determined  
 11 that he was still within the qualifying parameters for a  
 12 larger loan, given the higher payment that he would have  
 13 had to qualify for, including the higher taxes and a  
 14 higher insurance, and put together a memo explaining all  
 15 that.  
 16 I believe the memo was three or four pages  
 17 long. And made a recommendation to senior management  
 18 that we grant a modification to the loan for increasing  
 19 the loan amount and place the additional funds in the  
 20 LIP account for completion of construction on the new  
 21 square footage.  
 22 Q. Do you recall the last time you saw that memo?  
 23 A. In review the other day.  
 24 Q. Okay. So it's one of the documents that you  
 25 saw on Friday, right?

20

1 A. Yes.  
 2 Q. And do you recall approximately the date of  
 3 that memo?  
 4 A. I honestly don't.  
 5 Q. Okay. So you made a recommendation, right?  
 6 A. Uh-huh.  
 7 Q. And what, if anything, was done in response to  
 8 your recommendation?  
 9 A. The recommendation was taken, reviewed and  
 10 approved.  
 11 Q. And who approved it?  
 12 A. That had to go to executive level. And to be  
 13 honest with you, I forget who was in executive level at  
 14 that time. There was some moving around. The  
 15 underwriters in the office signed off on it. Usually  
 16 once they signed off on it, it was a done deal.  
 17 They were in agreement with me, and very rarely  
 18 is there something I sign off on that they didn't sign  
 19 off on. So then executive management just reviewed my  
 20 work, because they put me in the position, and they read  
 21 the memo and signed off on it.  
 22 Q. Was then a loan modification entered into or  
 23 some other action taken?  
 24 A. The loan modification was entered into.  
 25 Q. Do you know approximately when this was?



13

1 A. While I was in the position at Chatsworth's  
 2 office, Mr. Jolley had been calling into the  
 3 construction department saying his loan was not right,  
 4 that there was something wrong, and that there was money  
 5 that was supposed to be coming to him.  
 6 And one of the disbursement clerks brought me  
 7 the file and said Mr. Jolley is not happy. He requested  
 8 an inspection for some money, and we're not giving any  
 9 to him because the work that is to be completed is not  
 10 done.  
 11 Q. Do you remember who it was that brought the  
 12 file to you?  
 13 A. No, I do not.  
 14 Q. After this conversation, what if anything did  
 15 you do with respect to Mr. Jolley's loan?  
 16 A. They then gave me the file. I sat down with  
 17 the file and balanced out the file, and found that there  
 18 was about \$350,000 in limbo that should have been  
 19 Mr. Jolley's money. But someone, to balance the  
 20 computer in disbursements, just sort of placed it in  
 21 categories. Mr. Jolley's loan was not a ground-up  
 22 construction loan.  
 23 Q. What do you mean by that?  
 24 A. Meaning that you have a bare piece of dirt, you  
 25 put in a foundation, you put up walls, you put on a

14

1 roof. Mr. Jolley's loan was a remodel loan. So of his  
 2 home there was work to be done, but some of the work  
 3 that was already done, you're not going to pay for  
 4 because that work was going to remain in place.  
 5 Example, it has windows. There was no  
 6 indication that windows were going to change. So on a  
 7 cost breakdown, you would have zero dollars in windows,  
 8 if that was one of the items that you were not going to  
 9 change. Or the roof. If you weren't going to change  
 10 that, you'd put zero dollars. You'd only put dollars  
 11 and cents in line items that you were actually going to  
 12 be asking money for.  
 13 Q. So initially when you got the file, did you  
 14 find that there were disbursements that Mr. Jolley was  
 15 entitled to that weren't being made?  
 16 A. I found that he had overfunded, meaning that he  
 17 had paid too much money. The difference on a straight  
 18 construction loan is you calculate your loan to value  
 19 based on the cost of the land plus the cost of  
 20 construction, and you base your loan to value based off  
 21 of that.  
 22 Mr. Jolley's loan, being a remodel loan, you  
 23 don't -- he purchased the existing dwelling for a  
 24 certain price, but you don't take that into account.  
 25 You take a new appraised value of the dwelling, base

15

1 your loan to value based on the new appraised value, and  
 2 loan off of that figure, so he can gain equity right  
 3 away.  
 4 And in that market, at that time, things were  
 5 appraising higher, and they were getting some excess  
 6 cash to do excess work on those properties. It wouldn't  
 7 work in this market. Like if you spent \$20,000 on a  
 8 kitchen today, you're not going to get \$20,000 equity in  
 9 the kitchen, if you have a kitchen. So you just threw  
 10 \$20,000 away.  
 11 Q. Do you remember more specifically what the  
 12 problem was that you found out when you first got  
 13 Mr. Jolley's loan?  
 14 A. That there were -- there was monies placed in  
 15 line items that were not line items in which they were  
 16 going to disburse funds. They had nothing to do with  
 17 his project.  
 18 Q. So what did you do in response?  
 19 A. Contacted Mr. Jolley to find out what his real  
 20 numbers were and what the real costs were of what was  
 21 going to be disbursed.  
 22 Q. Do you recall what was said in that  
 23 conversation with Mr. Jolley?  
 24 A. Not specifically.  
 25 Q. How about generally?

16

1 A. Just generally, I can get you the cost  
 2 breakdown of the line items of what monies we're  
 3 supposed to have and what monies are being disbursed out  
 4 of what categories for construction.  
 5 Q. Is that something Mr. Jolley said to you?  
 6 A. Mm-hmm.  
 7 Q. At some point did he provide that information?  
 8 A. Yes, he did.  
 9 Q. Do you remember the next contact you had with  
 10 Mr. Jolley about the situation?  
 11 A. At that point, those line items were complete.  
 12 The information was forwarded back to the disbursement  
 13 department so that they could take those funds,  
 14 distribute them to the proper line item so that the  
 15 requests for disbursements that Mr. Jolley was sending  
 16 in could be disbursed.  
 17 Q. Do you recall who specifically that information  
 18 was given to?  
 19 A. No, I don't. We had a bunch of disbursement  
 20 clerks.  
 21 Q. What occurred next with respect to Mr. Jolley's  
 22 loan?  
 23 A. He then received disbursements on the work that  
 24 had been completed based on the inspection that had been  
 25 made.



21

1 A. I want to say January, February '07.  
 2 Q. I don't want to --  
 3 A. I don't know exactly.  
 4 Q. -- trick you, so I'm looking for the loan  
 5 modification.  
 6 MR. BRADLEY: The memo he wrote, three pages,  
 7 you said you had spotted in your documents. I would  
 8 think that's a significant document to help pinpoint  
 9 when he wrote it.  
 10 Q. BY MS. KELLY: I'm sorry. What was your  
 11 last -- the answer to the last question?  
 12 A. My belief was January or February.  
 13 Q. Of '07?  
 14 A. Yeah. But I can't be specific.  
 15 Q. Okay. With respect to what Mr. Bradley just  
 16 said, if you look at the exhibits, can you identify for  
 17 me the memo you just described?  
 18 A. It's Exhibit F, is the memo I wrote.  
 19 Q. So having seen Exhibit F and with respect to  
 20 what you testified about the loan modification, can you  
 21 give me some idea as to the date you wrote Exhibit F?  
 22 A. It had to be before the 12th of September.  
 23 Q. And is that because there is a reference on  
 24 page three to a meeting on the 12th?  
 25 A. Yeah.

22

1 Q. I'm sorry. That was a telephone conference on  
 2 the 12th?  
 3 A. Right.  
 4 Q. Do you recall what, if anything, was said  
 5 during that conference on September 12th?  
 6 A. Robin Bennett was my credit risk officer, which  
 7 was the senior management person that I had to get an  
 8 okay from. And -- but this was -- this was another  
 9 year, though. So I'm trying to figure out -- five went  
 10 into six -- May 5th. Because I left in June of '06. So  
 11 this happened in September '07. So it happened sometime  
 12 after. It didn't happen right away.  
 13 Q. If you look at page two, there's a  
 14 recommendation that the loan be modified to extend it to  
 15 September 1st, '07.  
 16 A. Uh-huh.  
 17 Q. Does this indicate to you that the memo was  
 18 written sometime in '06?  
 19 A. It was written sometime in '06, but it  
 20 references -- yeah, it would be '06. Because it  
 21 references me no longer being an employee, which I left  
 22 in 6/06. And it names a construction period of 7/1/07.  
 23 That makes sense. And so there was a conversation on  
 24 September 12th, '06, with a conference call with Robin  
 25 and Jed and Rose Mary and Mabette.

23

1 Q. What do you recall being said during that  
 2 conference call?  
 3 A. I more or less went over this memo. It was  
 4 more or less to make them feel good that I had  
 5 thoroughly gone through the file and that the numbers  
 6 worked. And that we weren't going outside any  
 7 parameters of which the loan had already been approved.  
 8 The loan to value was still within the 77 percent, the  
 9 debt ratio was still the same, the credit score actually  
 10 was higher. So we were well within the numbers.  
 11 Q. And the result of this conversation was that  
 12 there was a loan modification, correct?  
 13 A. Correct.  
 14 Q. Did any problems with Mr. Jolley's loan occur  
 15 after the loan modification? Or was everything resolved  
 16 by that point?  
 17 A. Well, there was some time that was passing for  
 18 the work to get done. They had removed an initial  
 19 contractor on the job, a new -- Cheryl had been removed  
 20 from the job. A new person had been put on as  
 21 contractor on the job. There were some problems getting  
 22 some materials at that point.  
 23 The cost breakdown had just been readjusted to  
 24 the work that was left to be completed. We made sure  
 25 that the cost breakdown was set to what work needed to

24

1 be completed. But there may have been some other work  
 2 done that was not listed.  
 3 Q. At this point were you dealing directly with  
 4 Mr. Jolley or Mr. Bradley, or were you dealing with  
 5 someone in Washington Mutual?  
 6 A. With both. I was in contact with both at all  
 7 times.  
 8 Q. How did it come about that you continued to  
 9 work on Mr. Jolley's loan after you left Washington  
 10 Mutual?  
 11 A. Washington Mutual more or less said you're not  
 12 leaving us with this file. You're the only one that  
 13 knows what's really going on on this. And we would like  
 14 you to stay through and see this through. So I -- there  
 15 were several times that I was flown back down to  
 16 Chatsworth to go through and in some instances rebalance  
 17 the file.  
 18 Q. And what do you mean by rebalance the file?  
 19 A. Line items that had closed out, there were  
 20 monies left in them that they didn't need anymore, so  
 21 those monies could be transferred to other line items to  
 22 help pay for those line items. There were cost overruns  
 23 on some line items, and use that additional fund to pay  
 24 those other additional line items.  
 25 Q. So after you left Washington Mutual Bank, was



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25

1 it your understanding that you were representing  
 2 Washington Mutual Bank, Mr. Jolley, or representing  
 3 neither of those?  
 4 A. I was representing Mr. Jolley for the most  
 5 part, but working with Washington Mutual. I was, you  
 6 know, I was a middle man.  
 7 Q. So you weren't representing Washington Mutual,  
 8 right?  
 9 A. No, I was not. But I had a good rapport with  
 10 them. So it made for me to be able to get things  
 11 accomplished, and that was -- that was at their point of  
 12 time -- now, remember I left in June of '06 was when  
 13 they started to decide to discontinue their mortgage  
 14 operations. And by mid '07, they were not originating  
 15 any more loans, and they had staffing issues of people  
 16 that were doing work that just did not understand the  
 17 work.  
 18 Q. What is your understanding as to why they had  
 19 those staffing issues?  
 20 A. Because they were trying to fill holes with  
 21 leftover people, because other people were going out and  
 22 getting jobs because they knew sooner or later their job  
 23 was going to go. And in that market at that point in  
 24 time, if they could find a job somewhere else, they were  
 25 getting it. So they were just putting anybody in those

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1 positions.  
 2 And then there were a lot of them that had a  
 3 heavy workload and just really couldn't get to the work.  
 4 And on more complicated files such as this, sometimes  
 5 they didn't even want to touch them.  
 6 Q. So is it your understanding in 2006, that  
 7 Washington Mutual was not providing adequate training to  
 8 its employees?  
 9 A. It was not providing any training.  
 10 Q. And did you tell Mr. Bradley that at some  
 11 point?  
 12 A. I told him they're just sort of stuffing people  
 13 in places, and there's a different person every time.  
 14 And they don't understand what's going on. Eventually,  
 15 the file got to a point where it was risk management,  
 16 and then like I had a solid contact, which was Mabette.  
 17 Q. Was Mabette in risk management at the time you  
 18 dealt with her?  
 19 A. Yeah, she was in risk management for  
 20 construction lending.  
 21 Q. When did you start dealing with her, if you  
 22 recall?  
 23 A. I don't recall.  
 24 Q. Was it prior to you leaving Washington Mutual?  
 25 A. No.

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1 Q. What is your understanding as to why the file  
 2 got to risk management?  
 3 A. They hit term on the construction period.  
 4 Q. And is it your understanding that that was the  
 5 term set forth in the modification agreement?  
 6 A. Mm-hmm.  
 7 Q. Yes, please.  
 8 A. Oh, yes.  
 9 Q. I forgot that instruction, that we need to  
 10 answer audibly so the reporter can take it down.  
 11 A. Yes.  
 12 Q. Okay. So the loan got elevated to Mabette or  
 13 transferred to Mabette, right?  
 14 A. Yes.  
 15 Q. And then what happened to this loan?  
 16 A. Then I worked with Mabette as to where we were  
 17 in the point of construction, where we were in the point  
 18 of disbursement, and how we could keep moving forward  
 19 and obtain extensions on the loan necessary to complete  
 20 the work.  
 21 Q. So there was a request by Mr. Jolley that there  
 22 be extensions on the loan?  
 23 A. Uh-huh. Yes. Sorry.  
 24 Q. Thank you.  
 25 At the time you got involved with Mabette, what

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1 problems were there with respect to Mr. Jolley's loan,  
 2 if any?  
 3 A. At that point in time the only real problem was  
 4 that it needed an extension because it wasn't done at  
 5 that point.  
 6 Q. Do you know approximately when that was?  
 7 A. Oh, that was probably September '07. Because  
 8 we had extended it to July '07, and they usually don't  
 9 do anything -- well, let's put it this way: It probably  
 10 would have been September '07, because they stop  
 11 disbursements when they come due, and Mr. Jolley  
 12 probably put in for some money and couldn't get any  
 13 money at that point.  
 14 Q. So do you recall if a loan modification then  
 15 was entered into?  
 16 A. A second one?  
 17 Q. Right. A second one.  
 18 A. It wouldn't have been a loan modification. It  
 19 would have been an extension agreement.  
 20 Q. Oh, okay. Thank you.  
 21 A. And, yes, there was an extension agreement for,  
 22 I believe, three months.  
 23 Q. I'm sorry. For how long?  
 24 A. Three months.  
 25 Q. When did that start?





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1 A. Well, it dates back to the original date of  
 2 expiration, which would have been 7/1. So it would have  
 3 gone to 10/1. And there was normally a charge for that.  
 4 And I believe the first one they waived it.  
 5 Q. And after that initial extension, construction  
 6 still was not completed, right?  
 7 A. Correct.  
 8 Q. So then what happened?  
 9 A. Another extension was needed.  
 10 Q. And do you know if one was given?  
 11 A. There was one given. But there was a fee  
 12 involved. And, as to the amount of the fee, I don't  
 13 recall. The norm was an eighth of a percent per month.  
 14 Q. Is it your recollection that Mr. Jolley was  
 15 informed that he was to pay the fee that was the normal  
 16 fee charged of others?  
 17 A. Yes.  
 18 Q. Do you recall if there was a loan extension  
 19 after the one that first was granted?  
 20 A. I believe so.  
 21 Q. Then do you believe he paid a fee for that one?  
 22 A. I believe so.  
 23 Q. What point of time are we up to?  
 24 A. We're up to '08, somewhere around January,  
 25 February.

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1 Q. Do you recall if another loan extension was  
 2 entered into?  
 3 A. I don't believe any more extensions had been  
 4 done at that time, because the bank was in a position  
 5 that they just needed the house to be completed, because  
 6 the loan itself was a construction rollover loan where  
 7 they were guaranteed a permanent mortgage. And they  
 8 just needed the house done.  
 9 Q. Could you go back on that? I'm sorry. Could  
 10 you explain again why it was that they needed the house  
 11 done?  
 12 A. Because they weren't going to give any more  
 13 extensions, and they needed to roll it over to the  
 14 permanent finance.  
 15 Q. And would they do that only if the house was  
 16 completed?  
 17 A. Only if they received a notice of completion.  
 18 Q. And when you say they needed to roll it over,  
 19 what was it that made them need to do that?  
 20 A. Well, they had expired on all their extensions.  
 21 So they just -- they wanted it done.  
 22 Q. Do you know if Mr. Jolley ever provided the  
 23 bank with a notice of completion for construction?  
 24 A. Not during the time that I was involved.  
 25 Q. At some point you stopped being involved in the

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1 loan. How did that come about?  
 2 A. That came later in 2008, after Chase took over  
 3 and I went to work for the FDIC.  
 4 Q. Was Mr. Jolley ever given any loan extension  
 5 during the time that Chase had the loan?  
 6 A. Not to my knowledge.  
 7 Q. Do you know if he ever requested any loan  
 8 extensions during the time that Chase had the loan?  
 9 A. I believe he did.  
 10 Q. But you're not sure, right?  
 11 A. But I'm not positive. Because that was right  
 12 at the -- IndyMac Bank had just gone down, and then FDIC  
 13 closed WaMu. Let's see. IndyMac was in July. WaMu was  
 14 in September, I believe, when Chase took over. And then  
 15 I heard some conversations back and forth probably  
 16 between September and November, because December 8th I  
 17 got called out to go close some banks. So it would have  
 18 been during that period.  
 19 Q. Conversations, you mean, regarding Mr. Jolley's  
 20 loan?  
 21 A. Right.  
 22 Q. And what conversations did you hear during that  
 23 period?  
 24 A. Just that Chase wasn't willing to work, and  
 25 that they wanted to foreclose on the property.

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1 MR. BRADLEY: Why don't we take a three- to  
 2 five-minute break?  
 3 MS. KELLY: Sure.  
 4 (Recess.)  
 5 MS. KELLY: Okay. We're back.  
 6 Q. I'm handing the witness Exhibits S and T. The  
 7 T happens to be the same as J, but, oh, well.  
 8 Okay. And the reason I'm giving them to you is  
 9 they both have dates after September of 2008.  
 10 A. Okay.  
 11 Q. So please read them to yourself.  
 12 A. Okay. I remember that now.  
 13 Q. Okay. That's the reason we do this.  
 14 A. Yeah. This was just before I went to the FDIC.  
 15 Q. And the witness is referring to exhibit number,  
 16 or exhibit numbers --  
 17 A. S and T.  
 18 Q. Okay. So focusing on the period after Chase  
 19 took over Jolley's loan in September of 2008, what  
 20 communications do you recall regarding Mr. Jolley's  
 21 loan?  
 22 A. Mr. Jolley, there was some additional work or  
 23 increase in costs in some of the work that was being  
 24 done on the property. The project had been delayed  
 25 three to four months by the City of Tiberon, a



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1 Mr. Bloomquist in the building office, that they didn't  
 2 feel that they had the proper plans of the house that  
 3 was being built at the time.  
 4 Mr. Bloomquist, I spoke with, had received the  
 5 plans and was taking 90, 120 days to review. He put a  
 6 stop order on the project. That was -- I have on here  
 7 10/31. And I'm believing that's -- yeah, '07. So he  
 8 would not let anybody else work on the project. He made  
 9 them put up that orange mesh fencing -- the neighbors  
 10 threw a fit -- and not let anybody go on the site until  
 11 he was done reviewing it. So there was a stoppage at  
 12 the time.  
 13 With a stoppage, now Chase could not disburse  
 14 any more money on the project. So it took some time for  
 15 Mr. Bloomquist and his staff to review the plans, okay  
 16 the plans, and allow construction to begin again, which  
 17 I believe occurred right towards the first of November,  
 18 first of December, somewhere in that area.  
 19 Q. Of 2008, or '07?  
 20 A. That would have been 2000 -- it would have been  
 21 2008. 2008. There was money in the LIP account for  
 22 some bills to be paid. There was liens being placed.  
 23 Let me clarify: I've been using the acronym LIP,  
 24 loan-in-process account. That's funds being held for  
 25 disbursement.

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1 Q. Thank you.  
 2 A. There were funds to be disbursed in the  
 3 account, but Mr. Jolley was right at his maximum  
 4 disbursement level because there is a ten percent  
 5 retention on construction loans. Once they hit that ten  
 6 percent retention level, disbursements stops disbursing  
 7 money again until the project is complete also.  
 8 Based on the work that had been done, that I  
 9 had reviewed by the inspectors, they were a little  
 10 further along, and I was also provided a more current  
 11 appraisal. And that appraisal came out to a little over  
 12 \$4 million. So the value had gone up again from a 3.1,  
 13 3.2, to about a 4.3 million dollar home. So there was  
 14 more value in that property because there had been  
 15 upgrades to it, and there had to be a replacement of the  
 16 roof, and there was some added concrete.  
 17 The house sat out where you had to drive over  
 18 piers to get into the garage. So it sat back off the  
 19 road. You had to have iron and build this pier to drive  
 20 into the house that sat on a hillside. So the cost  
 21 overran again. And there were mechanic's liens that  
 22 were outstanding that needed to be paid or they were  
 23 going to start liening the property.  
 24 Looking at the information I had again, I  
 25 contacted Mabette. And since now, mind you, I had no

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1 ties with Chase, didn't know who was in charge of whom  
 2 around there, and she had to be honest and said that she  
 3 really didn't know either, because they were still doing  
 4 transition stuff, and she said it's somebody back east.  
 5 I don't really know. They don't come out that often,  
 6 and we really don't know who we report to, but we're  
 7 just working daily and doing our job.  
 8 So I explained to her the situation, told her  
 9 that there's this extra money is needed, the house will  
 10 be done, you can pay the bills directly, you don't have  
 11 to give the money, because normally the borrower gives  
 12 the -- the bank gives the money to the borrower to pay  
 13 the bills. Mr. Jolley would be happy to give you the  
 14 bills, have you pay the bills and finish this up, so it  
 15 could roll over to a permanent loan.  
 16 And the last I heard at that point -- now, that  
 17 was December 3rd, '08, when I sent that message to  
 18 Mabette -- it sounded like it wasn't going to happen.  
 19 That Chase was not in the mood to put out any more money  
 20 on this project or make any more extensions or do  
 21 anything with this loan. As far as they were concerned,  
 22 it was in default.  
 23 Q. As far as you knew, was it in default at that  
 24 time?  
 25 A. To my understanding it had to be, because they

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1 hadn't finished -- there was no notice of completion  
 2 files and it had not converted over. Because without an  
 3 extension, you're in default because you don't have --  
 4 you're not done within your construction period. And to  
 5 my knowledge, there were no extensions ever granted by  
 6 Chase.  
 7 Q. And was it also your understanding that  
 8 Mr. Jolley had stopped making mortgage payments?  
 9 A. I had no clue on that.  
 10 Q. And so your last dealings with Chase were  
 11 around December 3rd, as reflected in Exhibit T, right?  
 12 A. Right.  
 13 Q. Did Mr. Jolley ever pay you for your services?  
 14 A. I was paid a fee, yes.  
 15 Q. Do you know over what period of time that was?  
 16 A. That was early on; back in 2006, I was paid a  
 17 fee.  
 18 Q. So that was just right after you left  
 19 Washington Mutual?  
 20 A. Right.  
 21 Q. Do you know in total how much he paid you?  
 22 A. Approximately \$7,000.  
 23 Q. Why did your employment with Washington Mutual  
 24 end?  
 25 A. Because they had decided to close their lending



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1 division down. So I left and did my own consulting  
 2 firm.  
 3 Q. So was it an involuntary or voluntary leaving?  
 4 A. It was a voluntary. No, I have a good record  
 5 with them. The door was always open for me.  
 6 Q. During the time you were working with Chase,  
 7 did you believe that Chase was treating Mr. Jolley  
 8 improperly?  
 9 A. My feeling was that Chase wasn't working with  
 10 him at all.  
 11 Q. Did you believe Chase was violating any of its  
 12 own internal rules in not working with him?  
 13 A. Can I clarify that?  
 14 Q. Sure.  
 15 A. Working for the FDIC, there's things that I  
 16 know about institutions that are taken over and what  
 17 institutions are supposed to do and what institutions  
 18 aren't supposed to do. And there's an agreement that's  
 19 made between the FDIC and Chase. The document is  
 20 probably 118 pages long, and it specifically states that  
 21 Chase is to work directly with the customers to do as  
 22 much as possible to modify any loans as possible so that  
 23 no foreclosures are made and borrowers are kept in their  
 24 homes.  
 25 Q. Anything else lead you to believe that Chase

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1 was treating Mr. Jolley improperly?  
 2 A. Not that I would -- I never really knew what  
 3 else Chase was doing, so no.  
 4 Q. Did you believe that Washington Mutual was  
 5 treating Mr. Jolley improperly?  
 6 A. Yes.  
 7 Q. In what way?  
 8 A. When it started from the very beginning, this  
 9 loan was improperly put together and it was put together  
 10 on false pretenses of something that could not have been  
 11 done based on the numbers that were given. And the  
 12 people that were involved should have known that, based  
 13 on what was going to be done, that the work that was to  
 14 be done could not have been completed at the amount  
 15 quoted.  
 16 So from the get-go, this loan was doomed from  
 17 the very beginning. It was a makeable loan, if the  
 18 proper people that were qualified to do this type of  
 19 work put it together. Mr. Jolley was very qualified for  
 20 this loan.  
 21 Q. Was Mr. Jolley treated improperly in any other  
 22 way by Washington Mutual?  
 23 MR. BRADLEY: Any other way other than the  
 24 overall loan?  
 25 Q. BY MS. KELLY: Well, at the time that this was

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1 happening, did you believe he was being treated  
 2 improperly?  
 3 MR. BRADLEY: Like what? The disbursements --  
 4 Q. BY MS. KELLY: Well, other than what --  
 5 MR. BRADLEY: -- promise?  
 6 Q. BY MS. KELLY: -- you've told me?  
 7 A. I've told you the story. No, I don't think  
 8 there's anything different than that.  
 9 Q. Other than with respect to Mr. Jolley, did you  
 10 ever act as a medium between the individual and  
 11 Washington Mutual?  
 12 A. Other than Mr. Jolley?  
 13 Q. Right.  
 14 A. Well, yeah, there were other ones that occurred  
 15 while I was in the capacity that I was in Los Angeles,  
 16 when they were flying me back and forth, that I took  
 17 care of.  
 18 Q. How about after you left Washington Mutual?  
 19 A. No.  
 20 Q. Do you recall any time when Mr. Jolley was  
 21 given permission to get a second loan?  
 22 A. I believe the norm was that you were not able  
 23 to get a second behind a construction loan, but  
 24 Washington Mutual was going to grant him the ability to  
 25 do that.

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1 Q. Do you recall any conversations with Rose Mary  
 2 Talavera that you haven't talked to us about today?  
 3 A. I didn't talk to Rose Mary very much about --  
 4 she -- she really didn't want anything -- she was the  
 5 manager of the department down there, but she didn't  
 6 really want to get involved with this and what was going  
 7 on and the changes that were being made and stuff. I  
 8 was more or less her ally in working together to make  
 9 her department run smoother.  
 10 Q. Do you recall any more communications you had  
 11 with Mabette, other than what you told us about today?  
 12 A. No.  
 13 Q. How about any communications with Robin  
 14 Bennett?  
 15 A. No.  
 16 Q. Do you recall any communications with  
 17 Mr. Jolley, other than what you've told us about today,  
 18 if any?  
 19 A. No.  
 20 Q. How about communications with Mr. Bradley; do  
 21 you recall any such communications about Mr. Jolley's  
 22 loan?  
 23 A. Either Scott had called me or Mr. Bradley had  
 24 called me, and we went through documents, everything  
 25 that's here. Nothing different.



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1 Q. Do you know what Swift & Company is?  
 2 A. Swift & Company, well, it's actually Marshall &  
 3 Swift. Marshall & Swift is a guideline for estimating  
 4 values of homes that are under construction based on  
 5 what materials are going to be used.  
 6 Q. That's a computer program?  
 7 A. It's a booklet and a computer program. You can  
 8 use either/or.  
 9 Q. Did you ever tell Mr. Bradley that what  
 10 happened to Mr. Jolley was predatory lending?  
 11 A. No.  
 12 Q. Did you think at the time it was happening that  
 13 this was predatory lending?  
 14 A. No.  
 15 Q. Would you look at Exhibit A.  
 16 A. Okay.  
 17 Q. So is page five of Exhibit A --  
 18 MR. BRADLEY: We're going into the  
 19 expert-witness category?  
 20 MS. KELLY: No.  
 21 Q. Is page five a copy of your resume?  
 22 A. Yes, it is.  
 23 Q. And it's accurate of what date?  
 24 A. It's accurate as of today.  
 25 Q. Would you look at Exhibit B. Starting on page

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1 three, there's a request for documents.  
 2 A. Uh-huh.  
 3 Q. Yes?  
 4 A. Yes.  
 5 Q. And you have seen Exhibit B before today,  
 6 right?  
 7 A. Yes.  
 8 Q. And did you bring all the documents that you  
 9 had in your possession responsive to the document demand  
 10 in Exhibit B?  
 11 A. Yes.  
 12 Q. And those are the ones you gave me last Friday,  
 13 right?  
 14 A. Right.  
 15 MS. KELLY: And, Mr. Bradley, they're the ones  
 16 I gave you this morning.  
 17 MR. BRADLEY: Right.  
 18 Q. BY MS. KELLY: Would you look at Exhibit C.  
 19 Have you seen Exhibit C before today?  
 20 A. Yes.  
 21 Q. And when did you see it first?  
 22 A. This was sort of what got this started. Jed,  
 23 the attorney for Washington Mutual, sent me a copy of  
 24 this.  
 25 Q. So this is what -- Exhibit C is what got you

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1 involved in Mr. Jolley's loan?  
 2 A. When it got -- what happened is when it got to  
 3 -- yeah. Well, he sent it to the construction  
 4 department so they could try and figure out what's going  
 5 on. The construction department really couldn't figure  
 6 out what was going on with the disbursement department.  
 7 The disbursement department brought it to me for me to  
 8 look at. And I had to agree with Mr. Bradley's numbers,  
 9 that the numbers were misappropriated.  
 10 Q. Okay. So you agree with the numbers in  
 11 Exhibit C?  
 12 A. Yes.  
 13 Q. And you conveyed that conclusion to  
 14 Mr. Bradley; is that right?  
 15 A. Yes.  
 16 Q. Seeing this exhibit, does it make you recall  
 17 anything other than what you've testified to today?  
 18 A. No.  
 19 Q. Would you look at Exhibit D then. And is  
 20 Exhibit D a copy of an email exchange between you and  
 21 Mr. Jolley?  
 22 A. Yes.  
 23 Q. And seeing this, does this refresh your  
 24 recollection as to any communications, other than what  
 25 you've told us about?

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1 A. No.  
 2 Q. And you have no reason to think that the emails  
 3 were sent on any date other than the dates listed in the  
 4 email, right?  
 5 A. Correct.  
 6 Q. Exhibit E, please. And that's an email  
 7 exchange between you and Karen -- her last name is  
 8 Dibasillo.  
 9 A. Uh-huh, yes.  
 10 Q. And that exchange took place on the dates  
 11 listed in the email, right?  
 12 A. Yes.  
 13 Q. And does this refresh your recollection as to  
 14 anything communicated about this loan other than what  
 15 you testified to?  
 16 A. Yes. I mean that's correct.  
 17 Q. Nothing new?  
 18 A. Nothing new.  
 19 Q. Okay. Exhibit F. And you've testified about  
 20 Exhibit F today already.  
 21 A. Yes.  
 22 Q. Have we gone through everything today; is there  
 23 anything else you recall about what's set forth in  
 24 Exhibit F?  
 25 A. No.



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1 Q. And Exhibit G. It looks like the first page of  
 2 Exhibit G is an email exchange between you and Mabette,  
 3 correct?  
 4 A. Correct.  
 5 Q. And I'm not sure if page two was attached to  
 6 that email.  
 7 A. Yeah, it was.  
 8 Q. Oh, okay. And page two of Exhibit G is a fax  
 9 cover sheet from Mr. Jolley to you, right?  
 10 A. Yes.  
 11 Q. And to the best of your knowledge, it was on  
 12 the date reflected on that cover sheet, correct?  
 13 A. Yes.  
 14 Q. What's the third page of Exhibit G?  
 15 A. That is a disbursement schedule. The  
 16 written-in numbers is the amount that the borrower  
 17 wishes to have disbursed from that line category.  
 18 Example, line 11 shows an amount in -- undischursed of  
 19 14,000, and he requested 2,480.08 be disbursed; line 36  
 20 (sic), there's 48,000 in that category, that 48,000 be  
 21 disbursed; and the following page, contingency reserve  
 22 shows 100,029.48, that 100,029.48 be disbursed for a  
 23 total request of disbursement of 150,509.56.  
 24 Q. Let me see if I've got this right. The  
 25 handwritten numbers are requests for disbursements; is

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1 that right?  
 2 A. Correct.  
 3 Q. Seeing Exhibit G, does that refresh your  
 4 recollection as to anything that occurred, other than  
 5 what you've told us about today?  
 6 A. Best of my knowledge, no. It is what it is.  
 7 Q. Would you look at Exhibit H, please. Exhibit H  
 8 is an email exchange between you and Mr. Jolley,  
 9 correct?  
 10 A. Correct.  
 11 Q. To the best of your recollection, were the  
 12 problems between Washington Mutual and Mr. Jolley  
 13 resolved as of September of 2006?  
 14 A. The ones that were for disbursements at that  
 15 time, yes.  
 16 Q. And after seeing Exhibit H, does that refresh  
 17 your recollection about any communications other than  
 18 what you've told us today?  
 19 A. Yeah, that's -- I told him everything that he  
 20 had requested was ready to go.  
 21 Q. And Exhibit I is a copy of the modification  
 22 agreement between Washington Mutual and Jolley entered  
 23 into in 2007 or the end of 2006, right?  
 24 A. The end of 2007.  
 25 Q. It's not dated, but it's got a file -- recorded

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1 stamp date of October of 2006 on the top.  
 2 A. Well, if you go down further in section one,  
 3 this is for the amendment to the modification to convert  
 4 to a permanent finance, would make it August 1st, 2007.  
 5 Regular monthly payment. So it increased the  
 6 interest-only payments up to August 1st, 2007.  
 7 Q. I'm sorry. What was supposed to happen on  
 8 August 1st, 2007, then?  
 9 A. It automatically converts to a permanent  
 10 finance.  
 11 Q. And what was your understanding as to why that  
 12 did not happen?  
 13 A. They extended the period of time for  
 14 construction and the interest-only period.  
 15 Q. And that's because the construction wasn't  
 16 completed as of July 1st, 2007?  
 17 A. Right.  
 18 Q. Seeing this document, does it refresh your  
 19 recollection of anything that occurred, other than what  
 20 you've told us today?  
 21 A. That's what it is.  
 22 Q. And if you look at Exhibit J. It's the same as  
 23 Exhibit T, which we looked at earlier.  
 24 A. Uh-huh.  
 25 Q. And does that refresh your recollection as to

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1 anything that occurred, other than what you told us  
 2 today?  
 3 A. No, this is in regards to cost overruns.  
 4 Q. And it was in or about December of 2008 that  
 5 you stopped dealing with this loan; is that right?  
 6 A. Correct.  
 7 Q. Exhibit K. What is Exhibit K?  
 8 A. Their deficiency list. They have requested  
 9 funds, and they did not have all the items that were  
 10 necessary to disburse funds.  
 11 Q. Do you know if Mr. Jolley ever provided all the  
 12 items requested?  
 13 A. I have no clue.  
 14 Q. Does this document refresh your recollection as  
 15 to any communications about Mr. Jolley's loan, other  
 16 than what you've told us today?  
 17 A. No. Just that I had notified him what Mabette  
 18 had told me.  
 19 Q. Exhibit L, I don't know that it has anything to  
 20 do with you. Have you seen it before?  
 21 A. No.  
 22 Q. Exhibit M, have you seen this document before?  
 23 A. Yeah, this is one of their extensions.  
 24 Q. Do you know if it was ever signed by  
 25 Mr. Jolley?



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1 A. I believe so. This is 2008.  
 2 Q. If you look at Exhibit N, it also appears to be  
 3 an extension, but that one seems to be signed. It is  
 4 signed.  
 5 A. Yeah, this would have been the extension, then,  
 6 yes.  
 7 Q. Exhibit --  
 8 A. N is the same as M but signed.  
 9 Q. And you told us everything you recall about the  
 10 extensions, right?  
 11 A. Right.  
 12 Q. Exhibit O, please. Have you seen Exhibit O  
 13 before?  
 14 A. I may or may not. I don't particularly recall  
 15 this. But Jed and I may have spoke about it. Jed  
 16 usually called me whenever he received something.  
 17 Q. So you don't recall seeing it back in 2008,  
 18 right?  
 19 A. Right.  
 20 Q. Now that you've read it, did you agree with the  
 21 statements in this letter at the time of March of 2008?  
 22 A. Which statements?  
 23 Q. The ones that Mr. Bradley puts in there. Let's  
 24 say one through 11, if you have an opinion.  
 25 A. One, yes; two, yes; three, yes; four, yes;

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1 five, yes; six, yes; seven, yes; eight, yes; nine, yes;  
 2 ten, yes; and 11, yes. That was a bad storm year.  
 3 Q. Do you agree with the first sentence -- did you  
 4 agree with the first sentence of the last paragraph in  
 5 Exhibit O?  
 6 A. There were delays on WaMu's behalf that slowed  
 7 the project, yes. I don't know whether it's 16 months  
 8 or not. But there was -- there was delays because of  
 9 WaMu's funding.  
 10 Q. Okay. Exhibit P, please. Does Exhibit P  
 11 refresh your recollection as to anything occurring,  
 12 other than what you've told us about?  
 13 A. No. That was the extension.  
 14 Q. Exhibit Q, I don't know if you've seen that  
 15 before.  
 16 A. I knew these were sent out to all construction  
 17 borrowers. As to whether Mr. Jolley got one, I didn't  
 18 know.  
 19 Q. Back in May of 2008, was it WaMu's practice or  
 20 procedure to grant a construction extension only one  
 21 time?  
 22 A. No.  
 23 Q. Was there any number of times that extensions  
 24 were typically granted?  
 25 A. There were numerous times, depending on the

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1 size of the project.  
 2 Q. So it was on a case-by-case basis?  
 3 A. Yes. They were portfolioing these loans.  
 4 Q. I'm sorry. What did you just say?  
 5 A. They were portfolioing the loans. So they were  
 6 keeping them on their books. So they weren't selling  
 7 them off, securitizing them. So they sort of did what  
 8 they wanted to with them until they were completed  
 9 loans, and then securitize them off and sell them off.  
 10 Q. Exhibit R, please.  
 11 A. I don't know if he's applying that one or not.  
 12 Q. Exhibit S. May I see what you have for S?  
 13 A. (Indicating.)  
 14 Q. Oh, okay. You saw that exhibit earlier in the  
 15 deposition, right?  
 16 A. Yes.  
 17 Q. Okay. Exhibit T. You saw that exhibit earlier  
 18 in the deposition as well, right?  
 19 A. Yes.  
 20 Q. And that's an email exchange between you and  
 21 Mabette, right?  
 22 A. Uh-huh.  
 23 Q. (Indicating.)  
 24 A. Yes. I'm sorry.  
 25 Q. Exhibit U, have you seen that one before?

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1 A. No, I have not.  
 2 Q. And Exhibit V are documents you provided to me  
 3 on Friday last?  
 4 A. Right.  
 5 Q. If you look down a number of pages to a memo  
 6 that starts with: Good Morning All. It's an email to  
 7 Mr. Jolley from you, I gather.  
 8 A. Okay.  
 9 Q. Can you tell me approximately when this was  
 10 written?  
 11 A. Probably September '07. That's the best I can  
 12 do. I'm trying to remember when the NCUA called me on  
 13 the institution in Minnesota. I believe that's about  
 14 right. That's about August, September. Yeah.  
 15 Q. Do you recall about when you started dealing  
 16 with Mr. Bradley as compared to Mr. Jolley about this  
 17 loan?  
 18 A. It was -- Mr. Bradley called a lot of the time.  
 19 Mr. Jolley would call when it had to do with more of his  
 20 financial stuff. More on the project Mr. Bradley would  
 21 call me because he was closer to the project and could  
 22 get stuff done. Mr. Jolley was in the Utah area. So he  
 23 didn't have hands-on what exactly what was going on. So  
 24 I could get more information quicker from Mr. Bradley.  
 25 Q. So you dealt with both of them --



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1 A. Yeah.

2 Q. -- during the same time period?

3 A. Yeah.

4 Q. After you left Washington Mutual, did you ever

5 ask Washington Mutual for any information regarding

6 Mr. Jolley's loan that wasn't provided to you?

7 A. Yes.

8 Q. And what was that?

9 A. Current inspection sheets of what work had been

10 done.

11 Q. So that's -- you asked Washington Mutual for

12 those?

13 A. Mm-hmm, yes.

14 Q. Yes?

15 A. Sorry.

16 Q. And who did you ask for those?

17 A. Mabelle, usually.

18 Q. Did she not provide them or there was a delay

19 in providing that information?

20 A. Oh, they usually provided them. I would just

21 have to call and get copies of them. Or as soon as they

22 were ordered and came in, she would fax it to me.

23 Q. Did she ever refuse to give you anything that

24 you asked for?

25 A. No.

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1 Q. Did she ever fail to give you anything that you

2 asked for?

3 A. No.

4 Q. Did you ever ask Chase for any information that

5 it refused to give you?

6 A. Well, Mabelle was part of Chase after the

7 takeover. So, no.

8 Q. Did you ever ask WaMu to take any action that

9 was not taken?

10 A. There were times that they would not waive the

11 extension fee, that I requested the extension fee be

12 waived.

13 Q. Anything else?

14 A. Other than that, no. In fact, they even -- I

15 requested that they go over their 90 percent

16 disbursement level to a 95, and they granted that.

17 Q. Were there any other requests that you made

18 that were granted by WaMu or Chase that were outside of

19 their typical policy guidelines?

20 A. No.

21 Q. Did you ever ask Chase to take any action which

22 it did not take?

23 A. To waive the extension and grant a larger loan

24 based on a new appraisal to finish the project based on

25 cost overruns.

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1 Q. And Chase would not agree to do that, right?

2 A. Correct.

3 MS. KELLY: I don't have any other questions.

4 MR. BRADLEY: Okay if we could take like a

5 five-minute break? I think I can finish up in

6 30 minutes and we'll all get out of here.

7 MS. KELLY: Works for me.

8 (Recess.)

9 EXAMINATION

10 BY MR. BRADLEY:

11 Q. Okay. Mr. Thorne, let's digress to the

12 beginning of the loan. In a letter here to Jed

13 Sonstroem on May 8th, 2006, I describe to him a document

14 that was produced by Washington Mutual that said if you

15 want to be reimbursed for these prepaids, check a box,

16 and that Mr. Jolley had checked the box and requested

17 that he get reimbursed for \$381,461.33.

18 Do you recall that in the documents?

19 A. Yes.

20 Q. Was Jolley misled by the initial loan people

21 and would that be Henpenny and Rocelios? (Phonetic)

22 A. It would have been the loan consultant that

23 when they wrote up the document request, they would have

24 had to specify that those items that were checked were

25 reimbursable items.

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1 Q. All right. And then do you recall the ladies,

2 was it one woman named Rocelios and another one

3 Henpenny?

4 A. I don't remember their names.

5 Q. Or Bunepenny?

6 A. Bune -- I honestly don't remember the names.

7 Q. Okay. And do you know whether they were

8 construction loan brokers?

9 A. I do know they were not approved to do

10 construction loans.

11 Q. Okay. And as a result -- you say in the normal

12 construction loan there are several ways of doing a

13 construction loan. It's ground-up, where you buy a

14 piece of land and you have plans prepared for the

15 construction and they make a loan to you on the basis of

16 the purchase of the land and the construction costs?

17 A. Correct.

18 Q. Okay. And the instance where Jolley had a

19 preexisting house that he had purchased where he put

20 down a downpayment -- I believe the initial purchase

21 price was a million six, and he put down 20 percent down

22 or approximately \$330,000 -- would a construction loan

23 be different with that scenario?

24 A. Yes.

25 Q. How?



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1 MS. KELLY: Mr. Bradley, are you asking this  
 2 witness being a percipient witness or an expert witness?  
 3 MR. BRADLEY: Well, he -- no, I'm just talking  
 4 about for now the loan from its inception. He's  
 5 testified to these facts during your direct. I'm only  
 6 asking him to amplify on what he previously testified to  
 7 you. And that was, he described the difference in the  
 8 two different loans.  
 9 And we've, you know -- he described the down  
 10 payments and the reimbursables. But that didn't happen.  
 11 And so I'm just amplifying what your deposition  
 12 testimony was. If that was, in your opinion, expert  
 13 testimony, we need a check from you.  
 14 MS. KELLY: No, I wasn't asking as an expert  
 15 witness. But I need clarification from you that this is  
 16 not an expert deposition. So don't ask hypotheticals.  
 17 Okay?  
 18 MR. BRADLEY: I don't think I am. I'm asking  
 19 for --  
 20 MS. KELLY: Okay.  
 21 MR. BRADLEY: -- evidence related to this case  
 22 and his interpretation of that evidence. Because he  
 23 participated in the modification of the initial loan.  
 24 MS. KELLY: Well, you can ask about  
 25 interpretation, as far as what he did in response to

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1 that interpretation. Does that make sense?  
 2 MR. BRADLEY: Not really. Let me try to go on  
 3 here.  
 4 MS. KELLY: Okay.  
 5 Q. BY MR. BRADLEY: If the loan was done right  
 6 initially, I think you testified, would he be reimbursed  
 7 those reimbursable items?  
 8 A. Yes, he would.  
 9 Q. Okay. And there is a requirement, I'm told  
 10 from the documents, and at least from Washington Mutual,  
 11 that there had to be -- Mr. Jolley had to have something  
 12 in the game. He had to have money in the game.  
 13 Would his downpayment that he made on the  
 14 initial purchase where he bought the property with a  
 15 WaMu loan, would his downpayment qualify for having  
 16 money in the game as a downpayment?  
 17 A. Based on the numbers that I have, he gained  
 18 some equity based on the purchase of the property, the  
 19 construction of the work that is to be done, which  
 20 creates a new value. So he has -- because of the market  
 21 at that point, he has gained equity value at that point.  
 22 Q. So it wasn't necessary he come up with new cash  
 23 or cash down?  
 24 A. There was no need for additional cash.  
 25 Q. So the use of this disburseables, as it were,

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1 was a wrong decision on the part of Washington Mutual?  
 2 A. The disburseables, there should not have been --  
 3 the disburseable money should have been disbursed at the  
 4 close of escrow.  
 5 Q. To him?  
 6 A. To him.  
 7 Q. Right.  
 8 A. And not placed in who-knows-what categories  
 9 that they placed them in.  
 10 Q. All right. And then in the process of doing  
 11 the original loan, they arbitrarily assigned money to  
 12 categories where weren't requested money and had further  
 13 cut down the balance of the loan available or the cash  
 14 available to him?  
 15 A. Taking the money that he was to receive from  
 16 what I could see is they placed those monies in  
 17 categories, which to my best recollection were arbitrary  
 18 categories that possibly had nothing to do with the  
 19 construction, which lowered the amount of money he had  
 20 to build the home.  
 21 Q. Okay. Is there a standard in the industry that  
 22 if you make a construction loan you want to make sure  
 23 that there's enough money to actually do the  
 24 construction?  
 25 MS. KELLY: Objection. This is expert witness

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1 testimony.  
 2 MR. BRADLEY: I'm just asking for his  
 3 background. He was head of the construction department  
 4 for WaMu, and I'm asking for his understanding of the  
 5 policy of WaMu Bank that aren't they supposed to make a  
 6 construction loan knowing all the facts that a person  
 7 can actually build the house out with that money;  
 8 there's enough money available to finish the project.  
 9 I'm asking about if that was a policy --  
 10 MS. KELLY: Okay.  
 11 MR. BRADLEY: -- of the bank.  
 12 MS. KELLY: As long as we're not turning this  
 13 into an expert deposition, we can go ahead. Okay.  
 14 MR. BRADLEY: Sure.  
 15 MS. KELLY: Okay.  
 16 THE WITNESS: It was the policy of Washington  
 17 Mutual to make sure that you were within 110 to 115  
 18 percent of the Marshall & Swift cost.  
 19 Q. BY MR. BRADLEY: Okay. And had anybody run  
 20 this loan initially through Marshall & Swift to  
 21 establish what that number would be?  
 22 A. No one runs it through Marshall & Swift. The  
 23 appraiser gives a figure when they do the appraisal as  
 24 to what that Marshall & Swift number --  
 25 Q. Is.





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1 A. -- should be.  
 2 Q. Okay. So do you have knowledge when the  
 3 initial loan was made and the loan documents prepared,  
 4 did Washington Mutual lose the loan documents for a  
 5 period of 18 months?  
 6 A. That I have no knowledge of.  
 7 Q. Okay. And did you tell me that you attended a  
 8 conference of banks at a resort area, I believe Hawaii,  
 9 but at a resort area where Washington Mutual got up in  
 10 front of a group of lenders and explained what training  
 11 they put their people through to do loans?  
 12 A. That was done by a colleague of mine in  
 13 construction lending. I believe the seminar was held in  
 14 San Diego. And they said no.  
 15 Q. Washington Mutual got up before all their  
 16 fellow lenders and explained that they had no training  
 17 at all for their people?  
 18 A. Right. They used to, and they disbanded that  
 19 training.  
 20 Q. Would you expect that there would be a standard  
 21 in the industry that you would train your loan people  
 22 how to make loans?  
 23 A. That's why there was a limited number of people  
 24 that were allowed to do construction loans, because they  
 25 were -- when you were a hired -- if you had background

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1 in construction lending, you were allowed to do  
 2 construction loans. At the time, if you did not have  
 3 the background, and significant background, you were not  
 4 allowed to do them.  
 5 There was a list. Somehow Mr. Jolley's loan --  
 6 I believe his loan consultant was tied to a very  
 7 powerful loan group and got pushed through the system.  
 8 Q. That was a powerful group within the bank?  
 9 A. Very powerful.  
 10 Q. So they just ignored their own internal  
 11 standards and requirements and just pushed it through?  
 12 A. Happened every day. There was a little list  
 13 called priority. And if their name was on priority, it  
 14 just went through.  
 15 Q. How did you get to get on that list, priority?  
 16 A. I don't know. But it stopped when I got there.  
 17 Q. Okay. And were the people that made up that  
 18 list, did they stand to benefit by these loans going  
 19 through? Did they get commissions or --  
 20 A. Well, they got commissions, but they got faster  
 21 turn times on their underwriting, faster turn times on  
 22 their docs, faster turn times on their disbursements.  
 23 Q. Okay. Now, when the FDIC came in, you -- after  
 24 leaving Washington Mutual, you went to work for the  
 25 FDIC?

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1 A. Right.  
 2 Q. You mentioned a document. It was 118 pages  
 3 long. Can you describe that document? Is there a  
 4 heading on it?  
 5 A. Let me clarify my employment with the FDIC.  
 6 Q. Okay.  
 7 A. I went to work for a company called RSM  
 8 McGladery --  
 9 Q. Okay.  
 10 A. -- as a contract employee to the FDIC that  
 11 required me to pass all FDIC clearance requirements. I  
 12 was one of the very few that did have FDIC signing  
 13 authority at the time that I was working under contract  
 14 with them.  
 15 Q. And what did that signing authority give you  
 16 power to do?  
 17 A. I could sign out reconveyances, deeds, release  
 18 notes, sign titles, sign checks for the FDIC. It was a  
 19 pretty powerful pen.  
 20 Q. Okay. And how would you characterize a  
 21 construction loan in the FDIC world; was a construction  
 22 loan considered a mortgage, considered debt, considered  
 23 lines of credit? What kind of animal was it?  
 24 A. A construction loan at the FDIC, when a bank  
 25 failed, it was considered a line of credit.

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1 Q. Okay. And for the FDIC to insulate the new  
 2 lender from any liability from the old lender, is there  
 3 some document that the new lender would have to send out  
 4 to the borrower to absolve them from liability?  
 5 A. No. The -- well, the FDIC repudiated anything  
 6 that was a line of credit, construction loan or letter  
 7 of credit, which then stopped any further liability from  
 8 the new purchaser of the bank.  
 9 Q. Okay. But was there something that Chase had  
 10 to do to the borrower to cut off liability?  
 11 A. Chase didn't have to do anything. The FDIC --  
 12 Q. Okay.  
 13 A. -- did.  
 14 Q. FDIC. And if they didn't send out this  
 15 repudiation letter -- is that it?  
 16 A. Uh-huh.  
 17 Q. -- then the new bank would be on the hook for  
 18 any acts or liability of the old bank?  
 19 A. Because it would then be considered a mortgage  
 20 at that time.  
 21 Q. Okay. So not debt, but a mortgage?  
 22 A. Right.  
 23 Q. Okay. And when Chase took over, they took over  
 24 the responsibility of either rolling this loan into  
 25 permanent financing or increasing the loan amount to



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1 provide necessary funding or basically to act in the  
 2 stead of Washington Mutual?  
 3 MS. KELLY: Objection. You're asking for a  
 4 legal conclusion.  
 5 MR. BRADLEY: Well, I'm asking for a  
 6 consequential conclusion. I mean, he was in between the  
 7 two banks, and because there's no letter of repudiation  
 8 from the FDIC ever given to Jolley, nor exists,  
 9 Washington Mutual's sins are visited upon Chase,  
 10 contrary to your theory. It's the law.  
 11 MS. KELLY: Okay. It's a legal issue.  
 12 MR. BRADLEY: Well, it's also a factual issue,  
 13 because I'm now going to ask him: Did you participate  
 14 in the bridge between Washington Mutual and Chase as far  
 15 as Jolley was concerned?  
 16 MS. KELLY: You can ask that question.  
 17 MR. BRADLEY: Yes.  
 18 Q. Did you?  
 19 A. No, I did not.  
 20 Q. Did you know that Jolley requested of Chase an  
 21 additional \$400,000 to finish the project?  
 22 A. Yes, I did.  
 23 Q. And were you aware that Chase turned him down?  
 24 A. Yes, I knew that it was turned down.  
 25 Q. And you say at that point all Chase was

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1 concerned about or concerned with was just foreclosing?  
 2 A. That was my understanding.  
 3 Q. In a normal construction loan, the mortgage  
 4 payments or the monthly payments, aren't they taken out  
 5 of the loan proceeds as the construction progresses?  
 6 A. On a construction loan, funds are set aside for  
 7 an interest reserve that during the construction period  
 8 the interest payments on the loan are made from that  
 9 interest reserve until the funds are exhausted.  
 10 Q. Okay. And then when the funds are exhausted,  
 11 what happens then?  
 12 A. Then it's the borrower's responsibility to make  
 13 the interest payments.  
 14 Q. Just interest, not principal?  
 15 A. Correct.  
 16 Q. Okay. And --  
 17 A. Well, wait. Let me clarify. When -- in some  
 18 situations, depending upon the lender, they can ask for  
 19 principal and interest payments. And that's dependent  
 20 upon how the note reads.  
 21 Q. And would Chase be aware that filing a notice  
 22 of default would impair Jolley's credit?  
 23 A. I would imagine.  
 24 Q. And would it cause a cascading effect of  
 25 prohibiting him from getting funds elsewhere because of

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1 the notice of default?  
 2 MS. KELLY: You're asking if it did, not if it  
 3 would, right?  
 4 MR. BRADLEY: Yeah.  
 5 MS. KELLY: Could you rephrase the question?  
 6 MR. BRADLEY: Well, let's start off with would.  
 7 Q. Would it create a cascading effect that the  
 8 filing of a notice of default would cascade down to the  
 9 point that he would be isolated in the lending world and  
 10 not be able to acquire necessary funds?  
 11 MS. KELLY: But you're asking for an expert  
 12 opinion, not a percipient witness.  
 13 MR. BRADLEY: No. He's in the banking  
 14 industry. He reviews people's credit to make a  
 15 determination of whether they're eligible for a loan.  
 16 He did it in this instance. Said Jolley's credit was  
 17 excellent, and it had improved. And I'm only asking for  
 18 his understanding of the aftereffect of Chase's notice  
 19 of default.  
 20 MS. KELLY: With respect to Mr. Jolley.  
 21 MR. BRADLEY: Yeah.  
 22 Q. Would that have isolated him in the credit  
 23 world so as not being able to access funds elsewhere?  
 24 MS. KELLY: So the question, though, has to be  
 25 did it actually affect him, not --

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1 MR. BRADLEY: Well, Jolley had --  
 2 MS. KELLY: -- would it in theory?  
 3 MR. BRADLEY: -- testified that it certainly  
 4 did. His excellent credit deteriorated overnight.  
 5 MS. KELLY: Okay. Well, that might be an  
 6 appropriate question for Mr. Jolley, but not this  
 7 witness.  
 8 MR. BRADLEY: I'm only asking him for his  
 9 understanding because he's in the industry, he reviewed  
 10 his credit.  
 11 Q. And a notice of the default from a bank, would  
 12 that have a substantial impact on a person's credit?  
 13 MS. KELLY: But that's testifying as an expert.  
 14 As long as we're not turning this into an expert  
 15 deposition. Okay?  
 16 MR. BRADLEY: Well, I mean, I assume that at  
 17 some point you're going to want to ask these questions,  
 18 and I frankly don't -- do you have an expert that you're  
 19 going to name?  
 20 MS. KELLY: I don't know at this time.  
 21 MR. BRADLEY: Well, time's kind of passed your  
 22 notice, so -- okay.  
 23 Q. Anyway, would a notice of default impair  
 24 Jolley's ability to obtain borrowing elsewhere?  
 25 A. Yes.



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1 Q. Okay. Would the notice of liens against the  
 2 property with subsequent judgments impair his credit and  
 3 ability to borrow?  
 4 A. Yes.  
 5 MS. KELLY: And I'm maintaining a line of  
 6 objections to this.  
 7 MR. BRADLEY: Okay.  
 8 MS. KELLY: Okay?  
 9 MR. BRADLEY: That's not a problem.  
 10 MS. KELLY: Okay.  
 11 Q. BY MR. BRADLEY: Were you concerned at the time  
 12 you left WaMu that there were things that WaMu was doing  
 13 that were a violation of lending regulations put out by  
 14 the treasury department, the controller of the currency?  
 15 A. No, not necessarily.  
 16 Q. Okay. Would you say that it was simply the  
 17 negligence of WaMu's employees in creating this initial  
 18 loan that caused Jolley to have to ask for an extension  
 19 and a modification of the loan?  
 20 MS. KELLY: Objection. Expert opinion, but as  
 21 long as it's not an expert deposition, go ahead and ask  
 22 your questions.  
 23 Do you need it read back?  
 24 THE WITNESS: Yeah.  
 25 (Record read.)

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1 THE WITNESS: Yes.  
 2 Q. BY MR. BRADLEY: And do you think Chase's  
 3 refusal to lend additional funds on this loan created a  
 4 situation where Jolley ultimately went into default?  
 5 MS. KELLY: Same objection to all these  
 6 questions.  
 7 THE WITNESS: Okay. Let me word this  
 8 correctly. Due to cost overruns and the time that it  
 9 had taken to complete the home, and the rising cost of  
 10 material, Chase not giving an additional 400,000 based  
 11 on the appraisal that had been made, yes, it caused the  
 12 default, would cause the default.  
 13 Q. BY MR. BRADLEY: Okay. If he had gotten the  
 14 400,000 additional funds, in your opinion would he have  
 15 been able to complete the project and perhaps sell the  
 16 house for \$4.3 million?  
 17 MS. KELLY: Same objection.  
 18 THE WITNESS: I have no clue what he would have  
 19 been able to sell it for.  
 20 MR. BRADLEY: Right.  
 21 THE WITNESS: He would be able to complete the  
 22 house based on the numbers that were given.  
 23 Q. BY MR. BRADLEY: Assuming an appraised value of  
 24 \$4.3 million, and the underlying loan of -- well, do you  
 25 remember what it was ultimately, this modified loan?

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1 Was it two million or do you know an approximate dollar  
 2 amount?  
 3 A. The last loan I remember was 2.4.  
 4 Q. So at an appraised value of 4.3, there was  
 5 available at least \$900,000 in equity?  
 6 A. Without calculating, yeah, roughly.  
 7 Q. Okay. And then with the passage of time and  
 8 the collapse of the real estate market, that money was  
 9 lost to Jolley?  
 10 MS. KELLY: Same objections.  
 11 THE WITNESS: That I can't speculate based on  
 12 the market.  
 13 Q. BY MR. BRADLEY: Okay. Now, this 118-page  
 14 document, can you again describe to me what its contents  
 15 was?  
 16 A. There's two documents. They're the same  
 17 document. And it is the right to purchase a financial  
 18 institution. That's the purchase agreement. One of  
 19 them is 35 pages long that is recorded and made public  
 20 by the FDIC, and the other is a continuation of the 35  
 21 pages up to the 118 pages that spells out an agreement  
 22 between the purchasing institution and the FDIC as to  
 23 how they are to handle the customers upon the purchase  
 24 of the bank; i.e., how the foreclosures are to be  
 25 handled, work out agreements that they're supposed to

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1 make. Are they supposed to make an offer? They have to  
 2 make certain offers in writing. They have to present  
 3 them to the FDIC to show that they're working with them  
 4 in good faith. They just can't go in and just start  
 5 foreclosing on everybody that's not paying.  
 6 Q. And it's your testimony that there was such an  
 7 agreement that Chase signed with the FDIC when it took  
 8 over WaMu, this document?  
 9 A. Yeah, at the facility that I was at, that was  
 10 one of the documents I had access to through my system,  
 11 and I saw that document.  
 12 Q. Okay. And then where would a copy of that  
 13 document be? The first 32 pages, I think you said, were  
 14 made public, but the balance of them were withheld from  
 15 the public.  
 16 A. Right. It would be at FDIC.  
 17 Q. Okay. And could those be subpoenaed?  
 18 A. I'm sure they could.  
 19 Q. And you would refer to it as the right to  
 20 purchase document?  
 21 A. Right.  
 22 MR. BRADLEY: All right. I have happily no  
 23 more questions. But we will -- I'm sure they'll want to  
 24 take your expert deposition. They like two bites at the  
 25 apple.



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1 MS. KELLY: I have one question, I think.  
 2 EXAMINATION  
 3 BY MS. KELLY:  
 4 Q. You don't know the actual training provided to  
 5 the loan consultants that dealt with Jolley with respect  
 6 to construction loans?  
 7 A. We used to have a training department that you  
 8 had to go through. It was like a three-day training  
 9 course to be certified to do construction loans. And  
 10 WaMu disbanded that. And only those people that had  
 11 that previous certification were allowed to continue on.  
 12 So, in reality, all that was left was one  
 13 individual nationwide that would sit down one day with  
 14 certain people. And we weren't really adding anybody to  
 15 the list because we have enough people to do  
 16 construction loans to train anybody else. So we had  
 17 plenty of people, and we had enough in each region  
 18 across the 38 states that would -- you were to -- the  
 19 other loan officers were to or loan consultants were to  
 20 refer them off. And to those loan consultants, because  
 21 of the payment schedule that was on those, we would pay  
 22 back the other loan consultant referred to us a portion  
 23 of our commissions.  
 24 So, no, there was no set training schedule and,  
 25 no, they were not adding anybody else. And this person

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1 that did this loan did not receive the training.  
 2 MS. KELLY: I don't have any other questions.  
 3 Do you have another question?  
 4 MR. BRADLEY: No, I don't.  
 5 MS. KELLY: Okay.  
 6 THE REPORTER: Do you need a copy, Mr. Bradley?  
 7 MR. BRADLEY: I certainly do. I just loved  
 8 this deposition.  
 9 (The deposition concluded at 1:00 p.m.)  
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1 REPORTER'S CERTIFICATION  
 2  
 3 I, Daniel E. Blair, a Certified Shorthand Reporter  
 4 in and for the State of California, do hereby certify:  
 5  
 6 That the foregoing witness was by me duly sworn;  
 7 that the deposition was then taken before me at the time  
 8 and place herein set forth; that the testimony and  
 9 proceedings were reported stenographically by me and  
 10 later transcribed into typewriting under my direction;  
 11 that the foregoing is a true record of the testimony and  
 12 proceedings taken at that time.  
 13  
 14 IN WITNESS WHEREOF, I have subscribed my name on  
 15 October 12, 2011.  
 16  
 17  
 18  
 19 Daniel E. Blair, CSR No. 4388  
 20  
 21  
 22  
 23  
 24  
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1 DEPOSITION ERRATA SHEET  
 2 Our Assignment No. 418084  
 3 Case Caption: Jolley vs. Chase Home Finance, LLC  
 4  
 5 DECLARATION UNDER PENALTY OF PERJURY  
 6 I declare under penalty of perjury that I have read  
 7 the entire transcript of my Deposition taken in the  
 8 captioned matter or the same has been read to me, and  
 9 the same is true and accurate, save and except for  
 10 changes and/or corrections, if any, as indicated by me  
 11 on the DEPOSITION ERRATA SHEET hereof, with the  
 12 understanding that I offer these changes as if still  
 13 under oath.  
 14 Signed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
 15  
 16  
 17 Jeffrey A. Thome  
 18  
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