

BEFORE THE UNITED STATES SUPREME COURT

No. A _____

JOHN EARL ERICKSON AND
SHELLEY ANN ERICKSON,
Applicants/Plaintiffs/Prospective Petitioners,

v.

VANESSA POWER AND STOEL AND
RIVES AND SELECT PORTFOLIO
SERVICING, JOHN GLOWNEY AND
WILL EIDSON, THOMAS REARDON,
AND LANCE OLSEN,
Defendants/Respondents.

EMERGENCY
APPLICATION FOR EXTENSION OF TIME TO FILE
PETITION FOR WRIT OF CERTIORARI UNDER
28 U.S.C. SEC. 1257(a) AND SUPREME COURT RULES 13.3
FROM JANUARY 10, 2023 TO MARCH 10, 2022
DUE TO EXTRAORDINARY CIRCUMSTANCES PURSUANT
TO SUPREME COURT RULE 13.5

TO: The Honorable Elena Kagan
Circuit Justice for the Ninth Circuit
1 First Street, NE
Washington, DC 20543

JURISDICTIONAL STATEMENT

John Earl Erickson and Shelley Ann Erickson (“Applicants”
or “Prospective Petitioners”) intend to file a Petition for Writ of
Certiorari to the Supreme Court of the State of Washington under 28

U.S.C. sec. 1257(a) and Supreme Court Rule 13.3. This Application is brought under Rule 13.3, Rule 13.5, and Rule 22 of the Rules of the United States Supreme Court. Movant seeks an extension of time to file the Petition for Writ of Certiorari (the “Petition”) from October 12, 2022 to March 11, 2023, pursuant to Rule 13.5 of the Rules of the United States Supreme Court under what is believed in good faith to be extraordinary circumstances set forth herein.

The Petition for Certiorari will seek to have this Court review the April 25, 2022 UNPUBLISHED Opinion of the Court of Appeals for the State of Washington (Exhibit A attached hereto). Applicants sought reconsideration on May 12, 2022 which was denied on May 24, 2022 (Exhibit B attached hereto). Applicants sought discretionary review by Petition for Review to the Washington Supreme Court on June 23, 2022. On October 12, 2022, the Washington Supreme Court entered the Order denying the Petition for Review (Exhibit C attached hereto). The Petition for Writ of Certiorari is presently due to be filed on January 10, 2022 under Rule 13.1 of the Rules of the United States Supreme Court.

The requested extension to March 10, 2023 provides Prospective Petitioner’s counsel with ample time from the date of

entry of the October 12, 2022 Order Terminating Review by the Washington Supreme Court (Exhibit C) to prepare and file Applicants' Petition for Writ of Certiorari.

The issues for review are of extraordinary importance to the jurisprudence of the United States of America because Applicants are uniquely situated to present the issue of violations of Due Process Rights under the Fourteenth Amendment to the United States Constitution.

Applicants, after years of trying to locate the individual whose initials appear on an endorsement stamp placed on their March 3, 2006 Promissory Note (the Note), were finally able to locate the purported endorser of a document purporting to be Applicant's original Note who declared under penalty of perjury that he had no recollection of authorizing the creation of a stamp displaying his name and did not authorize the use of his identity as the endorser of the challenged document because he had not been physically present at the location of Washington Mutual Bank for approximately nine (9) months before Applicants were induced to enter into the securitization scheme without disclosure of the true nature of the transaction which they were led to believe was a conventional

mortgage loan. See Exhibit D attached hereto. The Declaration of Jess G. Almanza is uncontroverted evidence that the endorsement appearing on Applicants' Note was unauthorized and is a forgery as defined in RCW 9A.60.010 in violation of RCW 9A.60.010.

CASE STATUS

A. Status of the proceedings

The status of the proceedings is set forth in the Jurisdictional Statement.

B. Constitutional Issue of Deprivation of Due Process in the Washington proceedings

The Prospective Petitioners were deprived of their Due Process Rights when the King County Superior Court ("Superior Court") entered an Order Granting Summary Judgment in favor of the Defendants based on the doctrine of collateral estoppel (issue preclusion) by ignoring newly discovered evidence that the required endorsement on Applicants' Note was a forgery. The Washington Court of Appeals refused to recognize Applicants' right to seek relief from a judgment allegedly procured by fraud on the court committed by counsel for the prevailing party upon false pleadings, supported by fabricated documents and authenticated by opposing counsel's perjured Declaration long permitted to be sought by Independent

Action.

The Superior Court refused to consider the Prospective Petitioner's Independent Action for relief from a judgment based on allegations of fraud on the court and the Court of Appeals affirmed the application of the doctrine of collateral estoppel. The identity of the party actually represented by opposing counsel was falsely represented to the Superior Court and the Prospective Petitioners. The proceedings below deprived the Applicants of their Due Process Rights.

C. Anticipated Questions for Review

Prospective Petitioners anticipate that the questions for review by this Court may include the following questions or similar questions. Applicants respectfully submit the prospective issues for review with a brief statement of the legal authority in support of the anticipated questions are set forth below:

1. Does fraud on the court committed by officers of the Court violate civil litigants' Due Process Rights guaranteed by the Fourteenth Amendment to the Constitution of the United States?

2. Did the Washington Court of Appeals violate the Applicants' Due Process Rights by applying the doctrine of collateral estoppel to an Independent Action seeking relief from judgment procured by fraud on the court?

3. Does the use of fabricated documents and perjured affidavits in a civil action by counsel for a party and upon which a

trial court relies violate Due Process Rights guaranteed by the Fourteenth Amendment to the Constitution of the United States?

4. Did the Washington Court of Appeals violate Petitioners' Due Process Rights when it refused to address the misrepresentation of the identity of the prevailing party?

D. The importance of the issues

The issues proposed to be addressed in Applicants' Petition for Writ of Certiorari are of extreme importance because the use of false pleadings, supported by forged documents and authenticated by perjured declarations and oral misrepresentations of opposing counsel in open court proceedings in civil actions will be shown to be an all too common practice in foreclosure actions throughout the nation. Throughout the Residential Mortgage Crisis in which millions of homeowners have lost their homes, this Court has not previously accepted review of state court proceedings which involved fraud on the court by the uttering of forged documents, authenticated by perjured declaration committed by counsel for the prevailing party in a civil action as violation of the losing party's Due Process Rights, which was and still is ubiquitous.

E. Since October 12, 2022, Applicants have been engaged in intensive litigation to protect their home in which deadlines were been met.

On July 20, 2022, Applicant John Earl Erickson's Chapter 13

Petition by which he sought to sell Applicants' homestead in order to pay the party entitled to receive payment of any obligation secured thereby was dismissed with a two (2) year filing bar by the United States Bankruptcy Court for the Western District of Washington in Case No. 22-10784. Appeal is pending before the Ninth Circuit Bankruptcy Appellate Panel as No. 22-1186. Appellant's Opening Brief was filed on January 3, 2023. At the same time, two (2) different entities, neither of which was not the party entitled to enforce the August 27, 2015 Foreclosure Judgment entered in Superior Court No. 14-2-00426-5 KNT sought to enforce the August 27, 2015 Judgment by Sheriff's Sale conducted on October 14, 2022 and sought an Order Confirming Sale by Motion dated November 15, 2022 which Applicants' strenuously opposed. The challenged Sheriff's Sale was confirmed on December 12, 2022 and Applicants' Motion for Reconsideration based on an credit bid submitted by an entity which was not entitled to submit a credit bid was filed and is pending.

Counsel for Applicants provides services to Applicant John Earl Erickson pursuant to the Americans with Disabilities Act as Amended effective January 1, 2009 as 42 U.S.C. §12101, et seq. (the "ADAA") and technological and word processing support to both

Applicants, who are elderly, and lack the technological skills to prepare documents for filing. Additionally, counsel for Applicants was preparing documents for the appeal to the Bankruptcy Appellate Panel for the Ninth Circuit Court for review by counsel admitted to practice before the Ninth Circuit Court of Appeals as legal assistant to counsel for John Earl Erickson because she is in possession of electronic copies of voluminous documentary record in multiple related state and federal court proceedings.

The extraordinary efforts to prepare and assist in the filing of the challenge to the Sheriff's Sale and Appellant's Opening Brief to the Bankruptcy Appellate Panel for the Ninth Circuit Court was so time-consuming that this is the first opportunity to file the necessary Motion for Extension of Time to File the Petition for Writ of Certiorari. Although the filing of Appellant's Opening Brief and Appendix for the Bankruptcy Appellate Panel for the Ninth Circuit Court was finally completed on January 4, 2023, Applicants' counsel was exposed to COVID-19 on New Year's Day, 2023 and was symptomatic on January 4, 2023 and January 5, 2023. Applicants' counsel believes that the circumstances set forth herein are extraordinary good cause for the filing of this Application on this date.

REASONS FOR GRANTING THE EXTENSION

I. Applicants' Prospective Petition will raise important issues for review.

The Fourteenth Amendment to the Constitution of the United States guarantees full and fair proceedings before an important liberty or property interest may be taken by judicial action. *Napue v. Illinois*, 360 U.S. 264 (1959); *Armstrong v. Manzo*, 380 U.S. 545 (1965); *Board of Regents v. Roth*, 408 U. S. 564 (1972); *Logan v. Zimmerman Brush Co.*, 455 U.S. 422 (1982). Fraud on the court committed by officers of the court, upon which a court relies in awarding judgment to the prevailing party, warrants relief. *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S. 238 (1944). Fraud on the court committed by officers of the Court violates the Due Process Rights of the losing party. Cf. *McDonough v. Smith*, 139 S. Ct. 2149; 204 L. Ed. 2d 506 (2019).

II. If the extension is not granted, Applicants will lose their opportunity to have their Petition considered by the Court, but the opposing party will not suffer any loss if the extension is granted.

The requested extension of 60 additional days from the date of entry of the Order Terminating Review by the Supreme Court of Washington. If the extension is not granted, Applicants will lose their right to file their Petition which is terminal. If the Application

for Extension of Time to submit Applicant's Petition for Writ of Certiorari is granted, it is believed in good faith that the opposing party will suffer no loss whatsoever.

CONCLUSION

The Circuit Justice is asked to exercise her discretion to allow Applicants to file their Petition on or before March 10, 2023 in view of the extraordinary circumstances of Applicants having been engaged in intensive litigation and briefing since October 12, 2022.

Dated at Madison, Wisconsin this 6th day of January, 2023.

Respectfully submitted,

/s/ Wendy Alison Nora

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*Admitted to practice before the United States Supreme Court only and not admitted to practice in any other jurisdiction

**Providing research, investigative, technical, filing and process services at the direction of qualified attorneys in all U.S. states exclusive of the State of Wisconsin

DECLARATION OF COUNSEL FOR APPLICANTS

Wendy Alison Nora declares, under penalty of perjury of the United States pursuant to 28 U.S.C. sec. 1746, that the facts set forth in the foregoing Application for Extension of Time to File Petition for Writ of Certiorari are true and correct to the best of her

knowledge, information and belief.

/s/ Wendy Alison Nora

Wendy Alison Nora

CERTIFICATE OF COMPLIANCE

This Motion complies with Rule 33.2 of the Rules of the United States Supreme Court.

/s/ Wendy Alison Nora

Wendy Alison Nora

DECLARATION OF SERVICE

Wendy Alison Nora declares, under penalty of perjury of the United States pursuant to 28 U.S.C. sec. 1746, that I directed that service of the Application of Time to File Petition for Writ of Certiorari with Exhibits A, B, C, and D with the Declaration of counsel included herein to be served by UPS on counsel for Respondent on January 6, 2023 at her address of record in the proceedings as set forth below:

Attorney Vanessa Power
STOEL RIVES LLP
600 University Street, Suite 3600
Seattle, Washington 98101-4109

/s/ Wendy Alison Nora

Wendy Alison Nora

EXHIBIT A

IN THE COURT OF APPEALS OF THE STATE OF WASHINGTON
DIVISION ONE

JOHN EARL ERICKSON and	)	No. 82755-3-I
SHELLEY ANN ERICKSON,)	
)	
Appellants,)	
)	
v.)	
)	
VANESSA POWER, STOEL &	)	UNPUBLISHED OPINION
RIVES, SELECT PORTFOLIO)	
SERVICING, JOHN GLOWNEY,)	
WILL EIDSON, THOMAS REARDON,)	
LANCE OLSEN HOLTHUS &)	
MCCARTHY,)	
)	
Respondents.)	
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VERELLEN, J. — This is the third appeal before this court regarding John and Shelley Erickson’s 2009 default on their mortgage. The trial court granted summary judgment against the Ericksons, concluding collateral estoppel barred relitigation of their claims. Because the un rebutted evidence established that the Ericksons are attempting to relitigate the same issues previously resolved in several final prior adjudications, the trial court did not err by granting summary judgment.

The Ericksons argue the trial court erred by denying their CR 56(f) motion to continue the summary judgment hearing. Because the Ericksons failed to establish good cause existed to delay the hearing, the trial court did not abuse its discretion.

For the first time on appeal, the respondents request that we find the Ericksons to be vexatious litigants. Because this presents a fact-specific question affecting the Ericksons' ability to file claims in trial court, such a request should be pursued in trial court.

Therefore, we affirm.

FACTS

The Ericksons purchased a house in 2006 with a loan secured by a deed of trust from Long Beach Mortgage Company, which was part of Washington Mutual.¹ Long Beach soon sold the loan into a trust, and Deutsche Bank National Trust Company was the trustee.² When Washington Mutual failed, its assets were purchased by JP Morgan Chase.³

The Ericksons defaulted in 2009.⁴ They brought a lawsuit against Deutsche Bank in August of 2010 (Erickson I).⁵ The suit was removed to federal court.⁶ The Ericksons sought an injunction against foreclosure, arguing the bank lacked standing to enforce the note because it was not the original creditor and could not

¹ Deutsche Bank Nat'l Tr. Co. for Long Beach Mort. Loan Tr. 2006-4 v. Erickson, No. 73833-0-I, slip op. at 2 (Wash. Ct. App. Feb. 13, 2017), <http://www.courts.wa.gov/opinions/pdf/738330.pdf> (Erickson II).

² Id.

³ Id.

⁴ Id. at 3.

⁵ Erickson v. Deutsche Bank Nat'l Tr. Co. for Long Beach Mort. Loan Tr. 2006-4, No. 81648-9-I, slip op. at 2 (Wash. Ct. App. Nov. 29, 2021) <http://www.courts.wa.gov/opinions/pdf/816489.pdf> (Erickson III).

⁶ Id.

produce the original note.⁷ The court granted summary judgment in favor of Deutsche Bank, concluding it held the note.⁸

In 2013, J.P. Morgan Chase assigned its interest in the Erickson's loan to Deutsche Bank, and Deutsche Bank filed suit in King County Superior Court to foreclose on the note (Erickson II).⁹ Deutsche Bank moved for summary judgment, arguing that it was entitled to foreclosure because it held the note.¹⁰ In 2015, the trial court granted summary judgment in favor of Deutsche Bank.¹¹ This court affirmed, concluding both that collateral estoppel prevented the Ericksons from relitigating whether Deutsche Bank held the note and that, regardless, as a matter of law, Deutsche Bank held the note.¹²

In 2019, the Ericksons filed a CR 60 motion in superior court to vacate the 2015 superior court judgment (Erickson III).¹³ The trial court granted summary judgment for Deutsche Bank, dismissing the Erickson's claims.¹⁴ This court affirmed,¹⁵ concluding collateral estoppel barred the Ericksons from "present[ing]

⁷ Erickson v. Long Beach Mortg. Co., No. 10-1423 MJP, 2011 WL 830727, at *3 (W.D. Wash. Mar. 2, 2011) (Erickson I).

⁸ Id.

⁹ Erickson III, No. 81648-9-I, slip op. at 2.

¹⁰ Erickson II, No. 73833-0-I, slip op. at 3.

¹¹ Id.

¹² Id. at 7.

¹³ Erickson III, No. 81648-9-I, slip op. at 2.

¹⁴ Id. at 3.

¹⁵ Id. at 1.

identical issues as they did in a federal proceeding in 2010, and again in a superior court action in 2014.”¹⁶

The law firm Stoel Rives, LLP, and several of its attorneys represented Deutsche Bank in both Erickson II and Erickson III. In May of 2020, the Ericksons filed a 190-page complaint and accompanying appendix of over 1,500 pages in superior court against Stoel Rives and the attorneys who worked on those past cases.¹⁷ The Ericksons alleged “OUR ENTIRE RESIDENCE IS BEING SEIZED, AND TRESPASSED BY FRAUDS WITH A WRONGFUL FORECLOSURE AND SALE AT AUCTION BY FRAUDS WITH NO PERMISSION TO REPRESENT ANOTHER FRAUD WHOM NEVER HELD OUR NOTE.”¹⁸

Stoel Rives moved for summary judgment, arguing collateral estoppel barred the Ericksons from relitigating whether Deutsche Bank held the note securing their loan. The Ericksons filed a CR 56(f) motion to continue, arguing more time was required to depose Jess Almanza, a former Washington Mutual employee whose signature appears on the back of the note, indorsing it in his capacity as a vice president of Long Beach. The trial court denied the CR 56(f) motion and granted summary judgment for Stoel Rives.

The Ericksons appeal.

¹⁶ Id. at 7.

¹⁷ We refer to defendants collectively as “Stoel Rives.”

¹⁸ Clerk’s Papers (CP) at 3-4.

ANALYSIS

I. CR 56(f) Motion to Continue

The Ericksons contend the trial court relied upon inadmissible evidence to deny their motion to continue.¹⁹ We review denial of a CR 56(f) motion for abuse of discretion.²⁰ A court abuses its discretion when it acts based on untenable evidentiary grounds or on untenable legal reasons.²¹

Under CR 56(f), a court can grant a continuance to provide a party opposing summary judgment more time to conduct discovery.²² The court can deny the motion when “(1) the requesting party fails to offer a good reason for the delay, (2) the requesting party does not state what evidence is desired, or (3) the desired evidence will not raise a genuine issue of material fact.”²³

In Coggle v. Snow, this court held a trial court abused its discretion by denying a CR 56(f) motion.²⁴ A patient sued his doctor for malpractice, alleging a particular mixture of drugs caused a respiratory problem.²⁵ The doctor filed for

¹⁹ Appellant’s Br. at 15, 35-37.

²⁰ MRC Receivables Corp. v. Zion, 152 Wn. App. 625, 629, 218 P.3d 621 (2009) (citing Coggle v. Snow, 56 Wn. App. 499, 504, 784 P.2d 554 (1990)).

²¹ Coggle, 56 Wn. App. at 507 (quoting State ex rel. Carroll v. Junker, 79 Wn.2d 12, 26, 482 P.2d 775 (1971)).

²² Bavand v. OneWest Bank, 196 Wn. App. 813, 821-22, 385 P.3d 233 (2016).

²³ Kozol v. Wash. State Dep’t of Corr., 192 Wn. App. 1, 6, 366 P.3d 933 (2015) (citing Tellevik v. 31641 W. Rutherford St., 120 Wn.2d 68, 90, 838 P.2d 111 (1992)).

²⁴ 56 Wn. App. 499, 504, 784 P.2d 554 (1990).

²⁵ Id. at 501.

summary judgment and included an affidavit from a respiratory physician who declared that the doctor was not negligent for administering the drugs.²⁶ Less than one week later, the patient's counsel filed a CR 56(f) motion for a 15-day continuance.²⁷ The patient's counsel explained a continuance was necessary because, first, the patient's original counsel was retiring and he had replaced him days earlier, and, second, he had just met the patient's new physician and needed more time to file a declaration rebutting the respiratory physician's affidavit.²⁸ The trial court denied the motion and granted summary judgment for the doctor.²⁹ This court reversed, explaining good cause existed under CR 56(f) for the continuance because the patient's first counsel was "dilatory" in conducting discovery, the patient's new counsel associated after the summary judgment motion was filed, and the new counsel needed more time to gather the evidence necessary to rebut the respiratory physician's affidavit.³⁰

In Bavand v. OneWest Bank, by contrast, this court affirmed the trial court's denial of a CR 56(f) motion.³¹ A borrower fell behind on her payments, and her bank sent a notice of default.³² The borrower filed a complaint against her bank in

²⁶ Id. at 501-02.

²⁷ Id. at 502.

²⁸ Id.

²⁹ Id. at 503.

³⁰ Id. at 508.

³¹ 196 Wn. App. 813, 821, 385 P.3d 233 (2016).

³² Id. at 820.

superior court, alleging federal claims and a state claim.³³ The case was removed to federal court, and it dismissed all of the federal claims on summary judgment.³⁴ The state claim was remanded to the superior court, and the bank moved for summary judgment.³⁵ The borrower requested a continuance under CR 56(f).³⁶ The superior court denied the CR 56(f) motion and granted summary judgment.³⁷ This court affirmed. It explained the borrower failed to explain why good cause existed for a continuance requested almost four years after first filing her complaint and more than two years after the federal court granted summary judgment.³⁸ And the borrower failed to explain why she had been unable to discover the evidence identified in her motion.³⁹

Here, the trial court denied the Erickson's CR 56(f) motion because, among other reasons, they "did not exercise diligence in seeking any such discovery."⁴⁰ On January 19, 2021, the Ericksons requested a continuance of the summary judgment hearing scheduled for January 29⁴¹ in order to depose former

³³ Id. at 821.

³⁴ Id.

³⁵ Id.

³⁶ Id.

³⁷ Id.

³⁸ Id. at 822-23.

³⁹ Id. at 823.

⁴⁰ CP at 3513.

⁴¹ The hearing was continued to March of 2021 because the judge set to hear the motion recused herself.

Washington Mutual employee Almanza.⁴² But their motion fails to explain why they could not have located and deposed him earlier. In their opposition to summary judgment, the Ericksons admitted they first learned of Almanza and his potential significance to their legal theory during their 2015 case against Deutsche Bank.⁴³ In another opposition to summary judgment, the Ericksons explained they “discovered that Jess Almanza was never employed by and was never ‘Vice President’ of Long Beach Mortgage Company” in August of 2018 when they found his LinkedIn profile.⁴⁴ And in a November 31, 2020 filing from the instant case, the Ericksons listed Almanza as a potential witness, explaining he was “expected to testify that he was never a Vice President of or even an employee of Long Beach Mortgage Company.”⁴⁵ Despite learning his significance in 2015, finding him on LinkedIn in 2018, and concluding by November 2020 that he could be a witness,

⁴² CP at 2389-90.

⁴³ CP at 3237-38.

⁴⁴ CP at 2297. The Ericksons allege the trial court erred because it took judicial notice of LinkedIn’s messaging functions and based its decision on that fact. Appellant’s Br. at 15, 35-36; Reply Br. at 28-29. The record does not support them. Before the trial court mentioned LinkedIn, it denied the CR 56(f) motion, explaining the Erickson’s did not “identify a single thing that you haven’t been able to obtain in discovery [or] explain why you haven’t been able to obtain it in discovery.” Report of Proceedings (Mar. 26, 2021) at 9, 11. The court mentioned the messaging function on LinkedIn merely to illustrate the Ericksons’ failure to explain their alleged inability to depose Almanza. The Ericksons fail to establish the court took judicial notice of a fact and, even if it did, that the court relied on that fact to make its decision.

⁴⁵ CP at 1929-30.

the Ericksons did not serve Almanza with a deposition subpoena until February 5, 2021.⁴⁶

Unlike the patient in Coggle and like the borrower in Bavand, the Ericksons knew of Almanza's potential significance and of his potential testimony years before requesting a continuance. Like Bavand, their motion failed to explain what prevented them from deposing Almanza or, at least, obtaining a declaration from him between August of 2018 and January of 2021. Indeed, Almanza provided a declaration only a few weeks after being served.⁴⁷ Contrary to the Erickson's belief,⁴⁸ CR 56(f) requires more than belated diligence. The party requesting a continuance must offer a good reason for the delay in discovering their desired evidence.⁴⁹ Because the Ericksons did not do so, they fail to show the trial court abused its discretion by denying the CR 56(f) motion.⁵⁰

II. Summary Judgment

The trial court granted summary judgment for Stoel Rives and dismissed the Ericksons claims with prejudice because "the issues raised in the Complaint

⁴⁶ CP at 2892.

⁴⁷ Id.

⁴⁸ Reply Br. at 29.

⁴⁹ Kozol, 192 Wn. App. at 6 (citing Tellevik, 120 Wn.2d at 90).

⁵⁰ Because we affirm on this basis, we do not reach the trial court's conclusion that Almanza's declaration did not present a genuine issue of material fact. See Bavand, 196 Wn. App. at 825 ("We may affirm on any basis supported by the record.") (citing First Bank of Lincoln v. Tuschoff, 193 Wn. App. 413, 422, 375 P.3d 687 (2016)).

are barred by collateral estoppel.”⁵¹

We review a grant of summary judgment de novo.⁵² Summary judgment is proper when “there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law.”⁵³ “A genuine issue of material fact exists if reasonable minds could differ on the facts controlling the outcome of the litigation.”⁵⁴

We review de novo whether collateral estoppel bars relitigation of an issue.⁵⁵ “The doctrine of collateral estoppel prevents relitigation of an issue after the party estopped has had a full and fair opportunity to present its case.”⁵⁶ Collateral estoppel, also called issue preclusion, “promotes judicial economy and prevents inconvenience or harassment of parties”⁵⁷ by “preventing needless litigation.”⁵⁸ The party asserting collateral estoppel must establish four elements:

⁵¹ CP at 3512.

⁵² Bavand, 196 Wn. App. at 825 (citing Ranger Ins. Co. v. Pierce Cty., 164 Wn.2d 545, 552, 192 P.3d 886 (2008)).

⁵³ CR 56(c).

⁵⁴ Bavand, 196 Wn. App. at 825 (quoting Knight v. Dep’t of Labor & Indus., 181 Wn. App. 788, 795, 321 P.3d 1275 (2014)) (internal quotation marks omitted).

⁵⁵ Schibel v. Eymann, 189 Wn.2d 93, 98, 399 P.3d 1129 (2017) (citing Christensen v. Grant County Hosp. Dist. No. 1, 152 Wn.2d 299, 305, 96 P.3d 957 (2004)).

⁵⁶ Hanson v. City of Snohomish, 121 Wn.2d 552, 561, 852 P.2d 295 (1993) (citing Malland v. Dep’t of Retirement Sys., 103 Wn.2d 484, 489, 694 P.2d 16 (1985); Beagles v. Seattle-First Nat’l Bank, 25 Wn. App. 925, 929, 610 P.2d 962 (1980)).

⁵⁷ Schibel, 189 Wn.2d at 98 (citing Christensen, 152 Wn.2d at 306).

⁵⁸ State Farm Fire & Cas. Co. v. Ford Motor Co., 186 Wn. App. 715, 722, 346 P.3d 771 (2015) (quoting Parklane Hosiery Co. v. Shore, 439 U.S. 322, 326, 99 S. Ct. 645, 58 L. Ed. 2d 552 (1979)).

(1) the issue sought to be precluded is identical to that involved in the prior action; (2) the issue was determined by a final judgment on the merits; (3) the party against whom the plea is asserted must have been a party to or in privity with a party to the prior adjudication; and (4) application of the doctrine must not work an injustice on the party against whom the doctrine is to be applied.^[59]

The Ericksons dispute that any of the four elements were met.

To satisfy the first element and establish that the issues were identical, Stoel Rives had to show “substantial similarity between the facts in this case and the prior cases” and that “the controlling legal rules are the same in this case and the prior cases.”⁶⁰ The basis of the Ericksons’ present complaint against Stoel Rives is that it perpetrated fraud upon the court by representing entities without the authority to foreclose because the note was not properly held by Deutsche Bank.⁶¹

In Vanessa Power’s declaration in support of summary judgment,⁶² Stoel Rives presented un rebutted evidence that this is the same issue presented and resolved already in Erickson I and Erickson II. In Erickson I, the federal court concluded Deutsche Bank held the note and had the authority to foreclose.⁶³ In

⁵⁹ Id. (citing Hadley v. Maxwell, 144 Wn.2d 306, 311-12, 27 P.3d 600 (2001)).

⁶⁰ Id. at 723 (citing Thompson v. Dep’t of Licensing, 138 Wn.2d 783, 791-92, 982 P.2d 601 (1999); LeMond v. Dep’t of Licensing, 143 Wn. App. 797, 805-06, 180 P.3d 829 (2008); Cloud v. Summers, 98 Wn. App. 724, 730-31, 991 P.2d 1169 (1999)).

⁶¹ CP at 49-50; see also CP at 8 (“Stoel and Rives have made false pleadings from the start of their case in [Deutsche Bank National Trust Company] v. Ericksons [Erickson II]. Defendants mislead the courts. Misleading the courts to be defending a false defendant with false jurisdictional pleadings is no mistake and it VOIDS THEIR CASES FILED.”).

⁶² CP at 2022-24.

⁶³ CP at 2069-70 (Erickson I decision).

Erickson II, this court applied Washington law and concluded Deutsche Bank held the note and had the authority to foreclose.⁶⁴ And after the trial court granted summary judgment in the instant case, this court considered Erickson III and concluded the issues presented were identical to those decided in Erickson II.⁶⁵ Stoel Rives clearly established the first element for collateral estoppel.

As to the second element, the Ericksons contend Stoel Rives failed to establish final judgments were entered in the previous cases because “[n]o judgment on the merits has ever entered on the allegations of fraud arising from the concealed identity of [Select Portfolio Servicing, Inc.], the actual client of the STOEL RIVES attorneys.”⁶⁶ But the basis of this argument is that Deutsche Bank and its agents committed fraud by foreclosing without holding the note. Final judgments entered in the previous cases already resolved this issue.

The Ericksons also argue no final judgments were ever entered because no “court ever heard or determined the new evidence discovered in the course of the proceedings in the action on appeal.”⁶⁷ But the Ericksons presented evidence and argument about Almanza’s signature in their Erickson III complaint to allege Deutsche Bank committed fraud.⁶⁸

⁶⁴ CP at 2270-71 (Erickson II decision).

⁶⁵ No. 81648-9-I, slip op. at 7.

⁶⁶ Appellant’s Br. at 25-26.

⁶⁷ Id. at 26.

⁶⁸ CP at 1517-19 (Nora Decl.); CP at 2040-42 (complaint). Even if the Erickson III litigation had not already considered the Almanza evidence, the Ericksons fail to explain why new evidence of an issue already resolved should be considered in new litigation rather than in a CR 60 motion. Indeed, Erickson III was a CR 60 motion, and the Ericksons fail to explain why the Almanza

Stoel Rives established final judgments were entered in Erickson I, Erickson II, and Erickson III.

For the third element, the Ericksons contend collateral estoppel does not apply because there was not privity between Stoel Rives and Deutsche Bank or other parties to past cases.⁶⁹ But they misunderstand this requirement.

Washington law used to require mutuality of parties, “meaning there had to be identity or privity of parties in the same antagonistic relationship in both proceedings.”⁷⁰ But it now requires that only the party being estopped be the same, or, at least, be in privity with another party in both proceedings.⁷¹ Because it is undisputed that the Ericksons were party to each of the past proceedings and they are the party being estopped, Stoel Rives established this element.

As to the fourth element, the Ericksons contend application of collateral estoppel would be unjust because no court has held a full hearing based upon the Almanza declaration.⁷² But the Almanza declaration is merely an extension of the same argument and evidence presented in Erickson III. And, unlike the defendant

declaration should be considered now when, without explanation, they failed to obtain it after recognizing Almanza’s alleged significance in 2018 before filing Erickson III.

⁶⁹ Appellant’s Br. at 30-31; Reply Br. at 26-27.

⁷⁰ State v. Mullin-Coston, 152 Wn.2d 107, 113, 95 P.3d 321 (2004) (citing Owens v. Kuro, 56 Wn.2d 564, 568, 354 P.2d 696 (1960)).

⁷¹ Id. at 113-14 (citing Kyreacos v. Smith, 89 Wn.2d 425, 428-30, 572 P.2d 723 (1977); Nielson v. Spanaway Gen. Med. Clinic, Inc., 135 Wn.2d 255, 258, 269, 956 P.2d 312 (1998)).

⁷² Appellant’s Br. at 32-34.

in State Farm Fire & Casualty Co. v. Ford Motor Co.,⁷³ the Ericksons are being defensively, rather than offensively, collaterally estopped after having addressed a legally and factually identical issue in several past cases that included the opportunity to discover and present the Almanza evidence. Stoel Rives satisfied the fourth element.

Because Stoel Rives provided unrebutted evidence to establish the four elements of collateral estoppel, the trial court did not err by granting summary judgment on that basis.⁷⁴

III. Vexatious Litigation

For the first time on appeal, Stoel Rives requests that we find that the Ericksons are vexatious litigants.

Courts have the inherent discretion to “place reasonable restrictions on any litigant who abuses the judicial process.”⁷⁵ When a court limits a vexatious litigant’s ability to file claims, it imposes an injunction on the litigant.⁷⁶ Under CR 65(d), a party seeking such an injunction must demonstrate a “specific and detailed showing of a pattern of abusive and frivolous litigation.”⁷⁷ Accordingly, “CR 65(d) requires every injunction to set forth the reasons for its issuance.”⁷⁸

⁷³ 186 Wn. App. 715, 725-27, 346 P.3d 771 (2015).

⁷⁴ Because we can affirm on this ground alone, we decline to reach the question of whether the Ericksons failed to establish fraud.

⁷⁵ Yurtis v. Phipps, 143 Wn. App. 680, 693, 181 P.3d 849 (2008) (citing In re Marriage of Giordano, 57 Wn. App. 74, 78, 787 P.2d 51 (1990)).

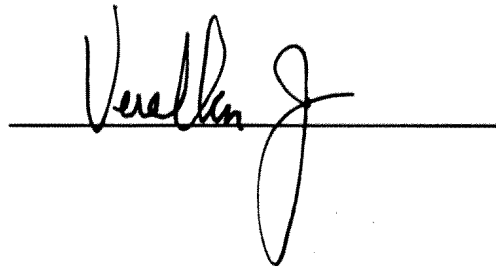
⁷⁶ Whatcom County v. Kane, 31 Wn. App. 250, 253, 640 P.2d 1075 (1981).

⁷⁷ Yurtis, 143 Wn. App. at 693 (quoting Kane, 31 Wn. App. at 253).

⁷⁸ Kane, 31 Wn. App. at 253.

Whether to impose an injunction is a fact-specific question,⁷⁹ and the typical role of an appellate court is to review trial court actions and not to take or weigh evidence.⁸⁰ Unlike Yurtis v. Phipps, where an appellate court enjoined a litigant shown to be abusing the appellate judicial process,⁸¹ Stoel Rives seeks to restrict the Ericksons' ability to file in trial court. Despite an ample record of the Ericksons' repetitive claims, a trial court is best positioned to make the fact-specific determination about whether they are vexatious litigants. We decline to consider Stoel Rives's request.

We affirm the trial court's grant of summary judgment and decline to consider Stoel Rives's vexatious litigants motion.

A handwritten signature in cursive, appearing to read "Verellen J.", written over a horizontal line.

WE CONCUR:

A handwritten signature in cursive, appearing to read "Brunner, J.", written over a horizontal line.A handwritten signature in cursive, appearing to read "Smith, J.", written over a horizontal line.

⁷⁹ See Proctor v. Huntington, 169 Wn.2d 491, 503, 238 P.3d 1117 (2010) (court's equitable power to enter an injunction "is inherently flexible and fact-specific") (citing Young v. Young, 164 Wn.2d 477, 495, 191 P.3d 1258 (2008)).

⁸⁰ Bale v. Allison, 173 Wn. App. 435, 458, 294 P.3d 789 (2013) (quoting Quinn v. Cherry Lane Auto Plaza, Inc., 153 Wn. App. 710, 717, 225 P.3d 266 (2009)).

⁸¹ 143 Wn. App. 680, 181 P.3d 849 (2008).

EXHIBIT B

IN THE COURT OF APPEALS OF THE STATE OF WASHINGTON
DIVISION ONE

JOHN EARL ERICKSON and
SHELLEY ANN ERICKSON,

Appellants,

v.

VANESSA POWER, STOEL &
RIVES, SELECT PORTFOLIO
SERVICING, JOHN GLOWNEY,
WILL EIDSON, THOMAS REARDON,
LANCE OLSEN HOLTHUS &
MCCARTHY,

Respondents.

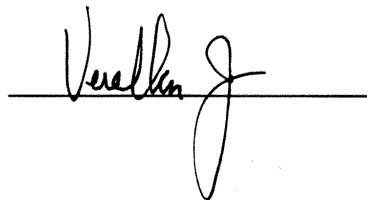
No. 82755-3-I

ORDER DENYING MOTION
FOR RECONSIDERATION

Appellants filed a motion for reconsideration of the court's April 25, 2022 opinion. The panel has determined the motion should be denied. Now, therefore, it is hereby

ORDERED that the appellants' motion for reconsideration is denied.

FOR THE PANEL:



A handwritten signature in black ink, appearing to read 'Vanessa Power', is written over a horizontal line.

EXHIBIT C

THE SUPREME COURT OF WASHINGTON

JOHN ERICKSON, et ano.,	)	No. 101047-8
)	
Petitioners,	)	ORDER
)	
v.	)	Court of Appeals
	)	No. 82755-3-I
STOEL RIVES, LLP et al.,)	
)	
Respondents.)	
)	
_____)	

Department I of the Court, composed of Chief Justice González and Justices Johnson, Owens, Gordon McCloud, and Montoya-Lewis, considered at its October 11, 2022, Motion Calendar whether review should be granted pursuant to RAP 13.4(b) and unanimously agreed that the following order be entered.

IT IS ORDERED:

That the “Respondents’ Motion to Strike Appellant’s Reply and Request for Judicial Notice” is granted and the petition for review is denied.

DATED at Olympia, Washington, this 12th day of October, 2022.

For the Court


CHIEF JUSTICE

EXHIBIT D

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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR KING COUNTY

_____)	
JOHN AND SHELLEY ERICKSON,)	No. 20-2-08633-9 KNT
<i>In Propria Persona,</i>)	
Plaintiffs,)	
	)	PRELIMINARY DECLARATION OF
v.	)	JESS G. ALMANZA
)	
VANESSA POWER AND STOEL AND)	
RIVES AND SELECT PORTFOLIO))	
SERVICING, JOHN GLOWNEY AND)	
WILL EIDSON, THOMAS REARDON,)	
AND LANCE OLSEN HOLTHUS, AND)	
MCCARTHY,)	
Defendants.)	
_____)	

Jess G. Almanza declares under penalty of perjury pursuant to RCW 9.72.085:

1. I am an adult resident of the State of California.
2. I am fully competent to make this Declaration of my own personal knowledge and to the best of my ability to recollect this information.
3. If called to testify at trial, I would testify under oath to the best of my ability to recollect the facts as best as I remember set forth below.
4. I was employed by Washington Mutual Bank from August, 1995 until July, 2006.

1 5. I was Vice President of Washington Mutual Bank for Capital Markets/National
2 Post Closing Operations.

3 6. From August, 1995 until July, 2005, I worked for Washington Mutual Bank
4 (“WaMu”) in Stockton, California.

5 7. I was offered and accepted a non-working retainer for a period of twelve (12)
6 months in July, 2005 after having been notified the Stockton, CA Post Closing Operation was
7 to have been closed and I was to be laid off; however during this time the bank (WaMu)
8 reserved the right to call me in the office and perform various operational duties in support of
9 the ordinary course of business or business as usual (“BAU”) processes and the pending
10 closure of the Stockton, CA operational site.

11 8. Payments to me from Washington Mutual Bank under the non-working retainer
12 terminated in July, 2006.

13 9. After July, 2005, I performed no work for Washington Mutual Bank and was not
14 physically present in the Stockton, California location.

15 10. At the time of my pending layoff, the bank (WaMu) offered all employees who
16 were slated for a layoff vendor assistance creating resumes, profiles, training and posting these
17 in LinkedIn; over the years I updated my profile periodically but I have not had the need to do
18 so since I have not had the need for new employment , I authorized the creation of my
19 LinkedIn profile, which has been published at [https://www.linkedin.com/in/jess-almanza-](https://www.linkedin.com/in/jess-almanza-6645456/)
20 [6645456/](https://www.linkedin.com/in/jess-almanza-6645456/).

21 11. I have reviewed a copy of my LinkedIn profile is attached hereto as Exhibit 1 and
22 compared it to the information retrievable at [https://www.linkedin.com/in/jess-almanza-](https://www.linkedin.com/in/jess-almanza-6645456/)
[6645456/](https://www.linkedin.com/in/jess-almanza-6645456/).

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12. Exhibit 1 is an accurate screenshot of the information on the LinkedIn profile.

13. When I worked for Washington Mutual Bank in Stockton, California, I managed a team that performed a systemic loan data field review, comparing a limited of loan data information from the Servicing system against various imaged documents one of which included the Mortgage Note for the stated loan terms and details at the Stockton, California location; this information was performed on all loans what were originated and also as a basis of a QA check in support of loan sales. Any discrepancies were queued to the corresponding Servicing departments which were responsible for fixing the noted issues and also to the origination centers in order for the loans to meet the terms and conditions as required by the investor selling guidelines and/or contractual terms.

14. The system used to perform the Quality Assurance (“QA”) review was proprietary to Washington Mutual Bank. To my recollection, this review was uploaded with new origination information into I believe to have been an MS Access based system for the selected loan fields granting the Post Closing Operations team the ability to perform the QA limited loan field review and compare against the corresponding imaged documents for validation. If any discrepancies were found related to the terms of the Notes, these were queued to the Servicing Modification Department for resolution.

15. I signed many documents while employed by Washington Mutual Bank in accordance of the transaction authority terms given to me as a bank officer but I never placed my signature on any Notes to the best of my recollection. I did rendered assistance to the Document Custodian at times at their request with signing various documents and forms in the capacity as an officer or WaMu; however the Document Custodian was ultimately responsible

1 for all the document maintenance, transfer and management supporting all loan sales
2 transactions and new originations.

3 16. At the time I was interviewed by the investigator for Attorney Scott E. Stafne of
4 the State of Washington on February 5, 2021, in advance of making this Declaration, I did not
5 know what she meant by the term "endorsement".

6 17. Although it has been more than fifteen (15) years since I worked for Washington
7 Mutual Bank, I do not recall ever being asked to provide and I do not recall ever having
8 provided a sample of my signature for the purpose of creating a signature stamp to be used to
9 endorse Notes.

10 18. I was sent five (5) documents in PDF format by Attorney Stafne's investigator for
11 review which are titled "Note" (Exhibits 3 and 5) or "Fixed/Adjustable Rate Note" (Exhibits 2,
12 4, and 6) which are attached hereto.

13 19. I was told by Attorney Stafne's investigator that endorsements appear on the last
14 page of each PDF document titled "Note" or "Fixed/Adjustable Rate Note" attached hereto as
15 Exhibits 2, 3, 4, 5, and 6.

16 20. While my signature is displayed on what appear to be signature stamps on the last
17 page of each PDF document titled "Note" attached hereto as Exhibits 2, 3, 4, and 6 and on the
18 bottom of page 3 of Exhibit 5, I did not place the endorsement stamps on Exhibit 2, 3, 4, 5
19 or 6.

20 21. I do not recall giving give anyone permission to use my signature to create a
21 stamp displaying my signature as "Vice President" of Long Beach Mortgage Company.

22 22. I do not recall giving anyone permission to place what appears to be a

1 signature stamp displaying my signature on the documents attached hereto as Exhibits 2, 3, 4,
2 5, and 6 or any other Note.

3 23. The custodian of the loan documents would have been responsible for placing
4 endorsements on the Notes and the key document transfer process supporting any
5 corresponding loan sale.

6 24. Washington Mutual Bank acquired a number of financial institutions during the
7 period of my employment.

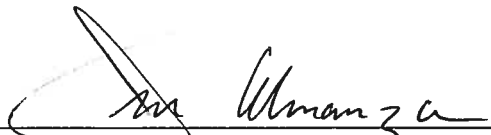
8 25. I recall the names of Bank United, Dime Bank Savings Bank, HomeSide Lending
9 and Long Beach Mortgage Company all of which were synonymous with WaMu and
10 integrated as part of Washington Mutual Bank Post Closing process during my employment.

11 26. In the course of all the bank integrations and acquisitions, my title carried over as a
12 Vice President to all companies which became part of Washington Mutual Bank during the
13 term of my employment; this is to the best of my recollections since Washington Mutual Bank
14 acquired several banks and mortgage companies during my tenure.

15 27. Other employees of Washington Mutual Bank were also given the title of Vice
16 President of those companies.

17 FURTHER YOUR DECLARANT SAYETH NAUGHT.

18 Dated at Lodi, California this 21 day of February, 2021.

19 
20 _____
21 Jess G. Almanza
22

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR KING COUNTY

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4	JOHN AND SHELLEY ERICKSON, in) No. 20-2-08633-9 KNT
	Propria Persona,)
5	Plaintiffs,) LIST OF EXHIBITS TO
		) PRELIMINARY DECLARATION OF
6	v.	) JESS G. ALMANZA
)
7	VANESSA POWER AND STOEL AND)
	RIVES AND SELECT PORTFOLIO)
8	SERVICING, JOHN GLOWNEY AND)
	WILL EIDSON, THOMAS REARDON,)
9	AND LANCE OLSEN HOLTHUS, AND)
	MCCARTHY,)
10	Defendants.)
	_____)

EXHIBIT 1: Screenshot of LinkedIn Profile of Jess Almanza retrievable at <https://www.linkedin.com/in/jess-almanza-6645456/>

EXHIBIT 2: Copy of a Fixed/Adjustable Rate Note dated March 3, 2006 displaying the signatures of John E. Erickson and Shelley A. Erickson

EXHIBIT 3: Copy of a Note dated March 7, 2005 displaying the signatures of Thomas G. Kibler and Stephanie L. Kibler


EXHIBIT 4: Copy of a Fixed/Adjustable Rate Note dated September 30, 2005 displaying the signatures of Stephane Marquis and Collette Ann Marquis

EXHIBIT 5: Copy of a Note dated August 1, 2003 displaying the signature of Anthony Malveto

EXHIBIT 6: Copy of a Note dated June 20, 2005 displaying the signature of Harry Lawrence Donenfeld



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EXHIBIT 1



Message ⋮

Jess Almanza · 3rd
 Director, Secondary Marketing at Bank of America
 Simi Valley, California, United States · 285 connections · [Contact info](#)

 Bank of America
 University of the Pacific

Activity
 285 followers

Posts Jess created, shared, or commented on in the last 90 days are displayed here.

[See all activity](#)

Experience

 **Director, Secondary Marketing Operations**
 Bank of America
 Sep 2006 – Present · 14 yrs 6 mos
 Westlake Village, California

 **Vice President - Capital Markets/National Post Closing Operations**
 Washington Mutual
 Aug 1995 – Jul 2006 · 11 yrs

Education

 **University of the Pacific**
 Finance

Skills & endorsements


Risk Management

Mortgage Lending

Portfolio Management


Industry Knowledge


Business Process Improvement


[Show less](#) 





Recommendations

[Received \(2\)](#) [Given \(1\)](#)

 **Scott Bledsoe** *Jess is a true professional.*
 Due Diligence Underwriter at
 MIAC - Mortgage Industry
 Advisory Corporation
 November 18, 2011, Jess worked
 with Scott in the same group


 **SHIREESH JOSHI** *I had the pleasure of working with Jess at WAMU. Jess has the ability to manage people and encourage them to think about*
 Management Consulting





 Home  My Network  Jobs  Messaging No


 **Jess Almanza**
 Director, Secondary Marketing at Bank of America


Interests


 **PwC**
 3,323,821 followers

 **Union Bank**
 61,830 followers

 **WaMullans Networking**
 7,664 members


 **Accenture**
 118,034 members

 **Bank of America**
 1,640,902 followers

 **JPMorgan Chase & Co.**
 2,426,856 followers


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 Advertising
 Small Business

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 Visit our Help Center.

 **Manage your account and privacy**
 Go to your Settings.

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EXHIBIT 2

FIXED/ADJUSTABLE RATE NOTE

(LIBOR Index - Rate Caps)

THIS NOTE PROVIDES FOR A CHANGE IN MY FIXED RATE TO AN ADJUSTABLE INTEREST RATE. THIS NOTE LIMITS THE AMOUNT MY ADJUSTABLE RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE I MUST PAY.

March 3, 2006
[Date]

ANAHEIM
[City]

CA
[State]

5421 PEARL AVE SE
AUBURN, WA 98092
[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 476,000.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is

LONG BEACH MORTGAGE COMPANY

I understand that the Lender may transfer this Note. The Lender or anyone who makes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of 9.200 %. The interest rate I will pay may change in accordance with Section 4 of this Note.

The interest rate required by this Section 2 and Section 4 of this Note is the rate I will pay both before and after any default described in Section 7(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making payments every month.

I will make my monthly payments on the first day of each month beginning on May 1, 2006. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on April 1, 2036, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at: P.O. Box 2441, Chatsworth CA 91313-2441

or at a different place if required by the Note Holder.

(B) Amount of My Initial Monthly Payments

Each of my initial monthly payments will be in the amount of U.S. \$ 3,898.70. This amount may change.

(C) Monthly Payment Changes

Changes in my monthly payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my monthly payment in accordance with Section 4 of this Note.

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate I will pay will change to an adjustable interest rate on the first day of April, 2011, and on that day every 6th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the average of the London interbank offered rates for six month dollar deposits in the London market based on quotations at five major banks ("LIBOR"), as set forth in the "Money Rates" section of *The Wall Street Journal*, or if the Money Rates section ceases to be published or becomes unavailable for any reason, then as set forth in a comparable publication selected by the Lender. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

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 me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding Six and Three Fourths percentage point(s) (6.750 %) 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 my 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 I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 12.200 % or less than 9.200 %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than One percentage points (1.000 %)

MULTISTATE FIXED/ADJUSTABLE RATE NOTE - LIBOR

Page 1 of 3

4140265 (0111)

VMP MORTGAGE FORMS - (800)521-7291

41402651 (01/25/02) LG

from the rate of interest I have been paying for the preceding 6 months. My interest rate will never be greater than 15.200 %, which is called the "Maximum Rate" or less than 9.200 % which is called the "Minimum Rate".

(E) Effective Date of Changes

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

(F) Notice of Changes

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

5. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal before they are due. Any payment of principal, before it is due, is known as a "prepayment." A prepayment of only part of the unpaid principal is known as a "partial prepayment." A prepayment of the full amount of the unpaid principal is known as a "full prepayment."

If I make a full prepayment at any time during the first 3 year(s) of the loan, I may be charged a fee as follows:

If Noteholder receives a prepayment on or before the first anniversary of the date of the Note, the prepayment fee shall be equal to three percent (3.000 %) of the original loan amount. If Noteholder receives a prepayment after the first anniversary but on or before the second anniversary of the date of the Note, the prepayment fee shall be two percent (2.000 %) of the original loan amount. If Noteholder receives a prepayment after the second anniversary but on or before the third anniversary of the date of the Note, the prepayment fee shall be one percent (1.000 %) of the original loan amount. Thereafter, prepayment of the Note shall be permitted without any prepayment fee.

The prepayment fee shall be payable upon full prepayment, voluntary or involuntary; including but not limited to a prepayment resulting from Noteholder's permitted acceleration of the balance due on the Note. Notwithstanding the foregoing, nothing herein shall restrict my right to prepay at any time without penalty accrued but unpaid interest that has been added to principal.

When I make a full or partial prepayment, I will notify the Noteholder in writing that I am doing so. Any partial prepayment of principal shall be applied to interest accrued on the amount prepaid and then to the principal balance of the Note which shall not reduce the amount of monthly installments of principal and interest (until reamortized as set forth in the Note at the next Payment Change Date) nor relieve me of the obligation to make the installments each and every month until the Note is paid in full. Partial prepayments shall have no effect upon the due dates or the amounts of my monthly payments unless the Noteholder agrees in writing to such changes.

6. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me that exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

7. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of FIFTEEN calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 6.000 % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal that has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver by Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Unless the Note Holder requires a different method, any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

MULTISTATE FIXED/ADJUSTABLE RATE NOTE - LIBOR

9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

10. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

11. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

(A) Until my initial fixed rate changes to an adjustable interest rate under the terms stated in Section 4 above, Uniform Covenant 17 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 it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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 delivered or mailed 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.

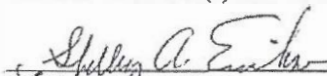
(B) When my initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section 4 above, Uniform Covenant 17 of the Security Instrument described in Section 11(A) above shall then cease to be in effect, and Uniform Covenant 17 of the Security Instrument shall instead provide as follows:

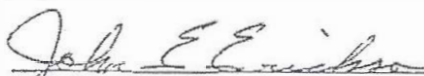
Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its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

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.


 _____ (Seal)
 SHELLEY A. ERICKSON -Borrower


 _____ (Seal)
 JOHN E. ERICKSON -Borrower

 _____ (Seal)
 -Borrower

 _____ (Seal)
 -Borrower

[Sign Original Only]

Pay to the order of
Without Recourse
Long Beach Mortgage Company
Jess Almiraz, Vice President
Kimberly A. Smith, Officer

EXHIBIT 3

NOTE

March 7, 2005
[Date]ANAHEIM
[City]CA
[State]1694 VALERIE LANE
NEW BRIGHTON, MN 55112
[Property Address]**1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$ 323,000.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is

LONG BEACH MORTGAGE COMPANY

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of 7.200 %.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS**(A) Time and Place of Payments**

I will pay principal and interest by making payments every month.

I will make my monthly payments on the first day of each month beginning on May 1, 2005. I will make these payments every month until I have paid all the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on April 1, 2035, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at P.O. Box 2441, Chatsworth CA 91313-2441 or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ 2,192.49

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due. A prepayment of all of the unpaid principal is known as a "full prepayment." A prepayment of only part of the unpaid principal is known as a "partial prepayment."

If within 3 year(s) from the date of execution of the Security Instrument I make a full prepayment, I will pay a prepayment charge in an amount equal to the lesser of either two percent (2%) of the unpaid principal balance at the time of prepayment or 60 days interest on the unpaid principal balance at the time of prepayment.

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED**(A) Late Charge for Overdue Payments**


If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.000 % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

MINNESOTA FIXED RATE NOTE

41403431 (12/06/02) LG


 4140343 (9805)

Page 1 of 2

ELECTRONIC LASER FORMS, INC. - (800)327-0545

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.


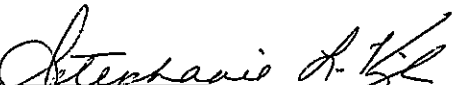
10. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

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

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 delivered or mailed 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.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

	(Seal)		(Seal)
THOMAS G KIBLER	-Borrower	STEPHANIE L KIBLER	-Borrower
SSN: [REDACTED]		SSN: [REDACTED]	

	(Seal)		(Seal)
	-Borrower		-Borrower
SSN:		SSN:	

[Sign Original Only]

MINNESOTA FIXED RATE NOTE

41403432 (03/31/01) PC

LOAN NO. 6408675-7890

Pay to the order of

Without Recourse
Long Beach Mortgage Company


Jess Almanza, Vice President



Angela Shepard, Assistant Vice President

EXHIBIT 4

FIXED/ADJUSTABLE RATE NOTE
(LIBOR Index - Rate Caps)

069671173

THIS NOTE PROVIDES FOR A CHANGE IN MY FIXED RATE TO AN ADJUSTABLE INTEREST RATE. THIS NOTE LIMITS THE AMOUNT MY ADJUSTABLE RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE I MUST PAY.



September 22, 2005
(Date)

ANAHEIM
(City)

CA
(State)

3624 STOKES DRIVE
SARASOTA, FL 34232
(Property Address)

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 212,000.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is

LONG BEACH MORTGAGE COMPANY

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of 9.300 %. The interest rate I will pay may change in accordance with Section 4 of this Note.

The interest rate required by this Section 2 and Section 4 of this Note is the rate I will pay both before and after any default described in Section 7(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making payments every month.

I will make my monthly payments on the first day of each month beginning on November 1, 2005

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on October 1, 2035, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at: P.O. Box 2441, Chatsworth CA 91313-2441

or at a different place if required by the Note Holder.

(B) Amount of My Initial Monthly Payments

Each of my initial monthly payments will be in the amount of U.S. \$ 1,751.76. This amount may change.

(C) Monthly Payment Changes

Changes in my monthly payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my monthly payment in accordance with Section 4 of this Note.

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate I will pay will change to an adjustable interest rate on the first day of October, 2008, and on that day every 6th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the average of the London interbank offered rates for six month dollar deposits in the London market based on quotations at five major banks ("LIBOR"), as set forth in the "Money Rates" section of *The Wall Street Journal*, or if the Money Rates section ceases to be published or becomes unavailable for any reason, then as set forth in a comparable publication selected by the Lender. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

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 me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding Four and Ninety Nine Hundredths percentage point(s) (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 my 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 I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 12.300 % or less than 9.300 %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than One percentage points (1.000 %)



from the rate of interest I have been paying for the preceding 6 months. My interest rate will never be greater than **15.300 %**, which is called the "Maximum Rate" or less than **9.300 %** which is called the "Minimum Rate".

(E) Effective Date of Changes

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

(F) Notice of Changes

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

5. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal before they are due. Any payment of principal, before it is due, is known as a "prepayment." A prepayment of only part of the unpaid principal is known as a "partial prepayment." A prepayment of the full amount of the unpaid principal is known as a "full prepayment."

If I make a full prepayment at any time during the first **3** year(s) of the loan, I may be charged a fee as follows:

If Noteholder receives a prepayment on or before the first anniversary of the date of the Note, the prepayment fee shall be equal to **three** percent (**3.000** %) of the original loan amount. If Noteholder receives a prepayment after the first anniversary but on or before the second anniversary of the date of the Note, the prepayment fee shall be **two** percent (**2.000** %) of the original loan amount. If Noteholder receives a prepayment after the second anniversary but on or before the third anniversary of the date of the Note, the prepayment fee shall be **one** percent (**1.000** %) of the original loan amount. Thereafter, prepayment of the Note shall be permitted without any prepayment fee.

The prepayment fee shall be payable upon full prepayment, voluntary or involuntary, including but not limited to a prepayment resulting from Noteholder's permitted acceleration of the balance due on the Note. Notwithstanding the foregoing, nothing herein shall restrict my right to prepay at any time without penalty accrued but unpaid interest that has been added to principal.

When I make a full or partial prepayment, I will notify the Noteholder in writing that I am doing so. Any partial prepayment of principal shall be applied to interest accrued on the amount prepaid and then to the principal balance of the Note which shall not reduce the amount of monthly installments of principal and interest (until reamortized as set forth in the Note at the next Payment Change Date) nor relieve me of the obligation to make the installments each and every month until the Note is paid in full. Partial prepayments shall have no effect upon the due dates or the amounts of my monthly payments unless the Noteholder agrees in writing to such changes.

6. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me that exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

7. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of **FIFTEEN** calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be **6.000** % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal that has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver by Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Unless the Note Holder requires a different method, any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

10. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

11. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

(A) Until my initial fixed rate changes to an adjustable interest rate under the terms stated in Section 4 above, Uniform Covenant 17 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 it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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 delivered or mailed 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 my initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section 4 above, Uniform Covenant 17 of the Security Instrument described in Section 11(A) above shall then cease to be in effect, and Uniform Covenant 17 of the Security Instrument shall instead provide as follows:

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

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

Stephane Marquis (Seal)
STEPHANE MARQUIS -Borrower

Colette Ann Marquis (Seal)
COLETTE ANN MARQUIS -Borrower

____ (Seal)
____ -Borrower

____ (Seal)
____ -Borrower

[Sign Original Only]

Pay to the order of

Without Recourse
Long Beach Mortgage Company

Jess Almsnes, Vice President

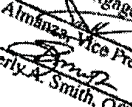

Kimberly A. Smith, Officer

EXHIBIT 5

NOTE

August 01, 2003
[Date]

College Place
[City]

Washington
[State]

790 Smith Dr
College Place, WA 99324
[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 112,000.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is Washington Mutual Bank, a Bank

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 5.375 %.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the 1st day of each month beginning on October 1, 2003. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on September 1, 2033, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at P.O. Box 91006, SAS0702, Seattle, WA 98111

or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ 627.17

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

0048580583

MULTISTATE FIXED RATE NOTE-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

VMP -5N (0005)

Form 3200 1/01

VMP MORTGAGE FORMS - (800)521-7291

Page 1 of 3

Initials: 

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this 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 me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.000% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

0048580583

10. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

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.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

Anthony Malveto (8-1-03) (Seal)
Anthony Malveto -Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

Pay to the order of

[Sign Original Only]

Without Recourse
Washington Mutual Bank

Jess Almanza
Jess Almanza, AVP

0048580583

EXHIBIT 6

FIXED/ADJUSTABLE RATE NOTE

(LIBOR Index - Rate Caps)

THIS NOTE PROVIDES FOR A CHANGE IN MY FIXED RATE TO AN ADJUSTABLE INTEREST RATE. THIS NOTE LIMITS THE AMOUNT MY ADJUSTABLE RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE I MUST PAY.

June 20, 2005
[Date]

ANAHEIM
[City]

CA
[State]

82 LEIE STREET
MAKAWAO, HI 96768

[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 396,000.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is

LONG BEACH MORTGAGE COMPANY

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of 7.300 %. The interest rate I will pay may change in accordance with Section 4 of this Note.

The interest rate required by this Section 2 and Section 4 of this Note is the rate I will pay both before and after any default described in Section 7(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making payments every month.

I will make my monthly payments on the first day of each month beginning on August 1, 2005

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on July 1, 2035, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at: P.O. Box 2441, Chatsworth CA 91313-2441

or at a different place if required by the Note Holder.

(B) Amount of My Initial Monthly Payments

Each of my initial monthly payments will be in the amount of U.S. \$ 2,714.86. This amount may change.

(C) Monthly Payment Changes

Changes in my monthly payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my monthly payment in accordance with Section 4 of this Note.

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate I will pay will change to an adjustable interest rate on the first day of July, 2007, and on that day every 6th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the average of the London interbank offered rates for six month dollar deposits in the London market based on quotations at five major banks ("LIBOR"), as set forth in the "Money Rates" section of *The Wall Street Journal*, or if the Money Rates section ceases to be published or becomes unavailable for any reason, then as set forth in a comparable publication selected by the Lender. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

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 me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding Four and Ninety Nine Hundredths (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 my 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 I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 9.300 % or less than 7.300 %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than One percentage points (1.000 %)

from the rate of interest I have been paying for the preceding 6 months. My interest rate will never be greater than 13.300 %, which is called the "Maximum Rate" or less than 7.300 % which is called the "Minimum Rate".

(E) Effective Date of Changes

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

(F) Notice of Changes

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

5. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal before they are due. Any payment of principal, before it is due, is known as a "prepayment." A prepayment of only part of the unpaid principal is known as a "partial prepayment." A prepayment of the full amount of the unpaid principal is known as a "full prepayment."

If I make a full prepayment at any time during the first 2 year(s) of the loan, I may be charged a fee as follows:

If Noteholder receives a prepayment on or before the first anniversary of the date of the Note, the prepayment fee shall be equal to three percent (3.000 %) of the original loan amount. If Noteholder receives a prepayment after the first anniversary but on or before the second anniversary of the date of the Note, the prepayment fee shall be two percent (2.000 %) of the original loan amount. Thereafter, prepayment of the Note shall be permitted without any prepayment fee.

The prepayment fee shall be payable upon full prepayment, voluntary or involuntary; including but not limited to a prepayment resulting from Noteholder's permitted acceleration of the balance due on the Note. Notwithstanding the foregoing, nothing herein shall restrict my right to prepay at any time without penalty accrued but unpaid interest that has been added to principal.

When I make a full or partial prepayment, I will notify the Noteholder in writing that I am doing so. Any partial prepayment of principal shall be applied to interest accrued on the amount prepaid and then to the principal balance of the Note which shall not reduce the amount of monthly installments of principal and interest (until reamortized as set forth in the Note at the next Payment Change Date) nor relieve me of the obligation to make the installments each and every month until the Note is paid in full. Partial prepayments shall have no effect upon the due dates or the amounts of my monthly payments unless the Noteholder agrees in writing to such changes.

6. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me that exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

7. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of FIFTEEN calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 6.000 % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal that has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver by Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Unless the Note Holder requires a different method, any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

10. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

11. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

(A) Until my initial fixed rate changes to an adjustable interest rate under the terms stated in Section 4 above, Uniform Covenant 17 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 it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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 delivered or mailed 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.

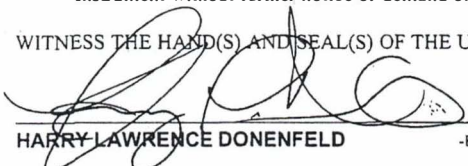
(B) When my initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section 4 above, Uniform Covenant 17 of the Security Instrument described in Section 11(A) above shall then cease to be in effect, and Uniform Covenant 17 of the Security Instrument shall instead provide as follows:

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

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.



HARRY LAWRENCE DONENFELD (Seal)
-Borrower

(Seal)
-Borrower

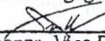
(Seal)
-Borrower

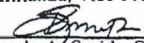
(Seal)
-Borrower

[Sign Original Only]

Pay to the order of :

Without Recourse
Long Beach Mortgage Company


Jess Almanza, Vice President


Kimberly A. Smith, Officer