

No. 25-5598

**In the
Supreme Court of the United States**

MARY MARTHA MCCOMAS,

Petitioner,

v.

PHH MORTGAGE CORPORATION,

Respondent.

**ON PETITION FOR A WRIT
OF CERTIORARI TO THE
UNITED STATES COURT
OF APPEALS FOR THE
NINTH CIRCUIT**

**SUPPLEMENTAL BRIEF OF
PETITIONER IN SUPPORT OF
REVIEW BY CERTIORARI**

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**OFFICE OF THE CLERK
SUPREME COURT, U.S.**

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STATEMENT

Petitioner Mary Martha Mccomas, by reference thereto in this Supplemental Brief, hereby adopt and include herein the following matters from her Petition for the Writ of Certiorari and Brief in support thereof:

(a) Petition: Summary Statement of Matters Involved, Statement of Jurisdiction of this Court, Questions Presented, and Reasons Relied on for Granting the Writ of Certiorari.

(b) Supporting Brief: Specification of Errors, Summary of the Argument, and the Argument.

The main purpose of this Supplemental Brief is to call to the attention of the Court further matters relating to the questions presented and the issues implicit in this case, and additional decisions and authorities bearing upon the merits of the case which were not stressed in the original Brief of petitioner, believing that petitioner may thereby assist the Court to a clearer understanding of the matters relied upon by petitioner, and her contentions in regard to the principles of law governing the same.

To that end the following Summary of the Argument, the Argument, together with supporting authorities, are herewith submitted.

ADDITIONAL SUMMARY OF THE ARGUMENT

- I. The District Court and Ninth Circuit Court of Appeals erred by denying petitioner leave to file a second amended complaint despite more issue-responsive causes of action and allegations concerning violations of the following laws: Fair Debt Collection Practices Act, Or. Rev. Stat. § 646.639, Unfair Deceptive Trade Practices Act, and under Or. Rev. Stat. § 646.605.**

(a) There is no evidence of the duly formed existence the "Assignee Trust."

There has been one assignment of the subject deed of trust (DOT) recorded in the land records which purports the following:

Instrument: #2020-019665

Recorded: 06/15/2020

Executed: 06/15/2020

Assignor: Bank of America, NA as successor by merger to Merrill Lynch Credit Corporation, by PHH Mortgage Corporation, its Attorney-in-Fact.

Assignee: HSBC Bank USA National Association as Trustee for Merrill Lynch Mortgage Investors Trust, Series MLCC 2006-2.

In search of the named assignee trust "Merrill Lynch Mortgage Investors Trust, Series MLCC 2006-2," with the Securities & Exchange Commission (SEC), a link to the entity's "Pooling & Servicing Agreement" was found to have been filed on May 15, 2006.

Upon review of the aforementioned filing, it showed that it was not signed nor executed, and as such, there is no evidence to show this named assignee trust was ever legally established or formed, and that it ever

purchased and held any assets such as the subject DOT and Note in this case.

*(b) Dubious Assignment; Lack of Authority of signor
“Jackelynn Medero – Vice President of PHH”*

The assignment was executed by “Jackelyn Medero – Vice President” for PHH Mortgage Corporation but failed to identify any Power of Attorney document authorizing Medero and PHH to function as agent for Bank of America, N.A. In this regard, petitioner filed a complaint with the CFCB regarding Medero’s alleged lack of authority to execute the assignment.

Pursuant to the complaint, on July 6, 2022, PHH through counsel, sent a responsive letter which ¶2 stated: [citing in part]

“Please be informed that Ms. Medero has been appointed as a vice president of PHH on September 19, 2019, as evidenced by the PHH Mortgage Corporation Unanimous Written Consent of the Board of Directors inn Lieu of a Meeting, a true and correct redacted copy of which is attached hereto as Exhibit A. As a result, Ms. Medero was authorized to execute the Assignment as vice president of PHH.”

Upon review of the attached Exhibit A provided in the response letter, page 1 states that each of the Employees of NTC (Medero) were appointed as either “assistant vice president” or “assistant secretary” of the corporation, not as “Vice President” as claimed on the letter.¹

¹ ¶14 of private investigator Paatalo’s Declaration dated July 21, 2022 has attached a portion of the said Exhibit fully stating the exact paragraph regarding the true appointment of NTC’s employees as limited purpose which stated “assistant vice president” or “assistant secretary” of

Thus, the authority of Medero is deceptive because it failed to identify that she is employed by Nationwide Title Clearing acting as agent for PHH, not that Medero is an agent for Bank of America, NA, through PHH.

The person who signed the assignment did not have the proper legal authority to act on behalf of Bank of America. Without proper authorization, the assignment is invalid, and the respondent PHH cannot use it to justify foreclosure.

(c) Assignment of PHH violates PHH Settlement & Consent Order with the State of Oregon entered on December 29, 2017.

The Unanimous Consent document PHH counsel has provided in their response letter as Exhibit A includes a statement that PHH and NTC entered into a "Master Servicing Agreement" dated February 16, 2017. Upon verifying it with the State of Oregon's governmental website through the Department of Financial Regulation, it showed that PHH entered into a settlement & consent order on December 29, 2017 which appears to be still active.

However, in page 12 of said Consent Order states for "Servicing Standards" which provides for *Restrictions and Oversight Duties Related to Affiliated Third-Party Providers*, [citation in part]:

"Servicer shall not enter into a contractual relationship for Servicing Activities with a Third Party Provider unless it is the result of an arm's length transaction among unrelated entities (omitted)."

..Arm's length transaction means a transaction in which both parties are acting

the corporation, not as "Vice President".

independently and in their own self-interest."

Here, PHH and NTC entered into a Master Servicing Agreement contract and NTC appears to have not been granted agency with PHH which violates the Consent Order. Furthermore, pursuant to continued investigation, NTC is not licensed in any state to act as mortgage servicer.²

(d) PHH lack of legal standing and lack of valid authority to service the subject loan, collect debts, and enforce a foreclosure against the subject property.

According to the supplemental declaration of private investigator William J. Paatalo ("investigator") which he executed October 25, 2025 (attached hereto as **Exhibit 1**, 10/25/2025, *Paatalo Decl.*), where the papers filed by Defendant PHH raises significant concerns regarding its validity. The investigator's review on the Appointment of Successor Trustee document executed by PHH Mortgage Corporation "as attorney-in-fact" for HSBC Bank USA, N.A., found to contain several issues as follows:

(1) Substantial lack of supporting documentation. According to the investigator's declaration, the *Appointment of Successor Trustee* **does not reference, attach, or identify any underlying Power of Attorney (POA) or written delegation authorizing PHH to execute the document.** As a matter of fact, there is **no identifiable evidence of a valid POA or written delegation was found even in public records that authorizes PHH to act for HSBC Bank USA, N.A., as Trustee for Merrill Lynch Mortgage Investors Trust Series MLCC 2006-2.** (at page 3 of Ex. 1)

² ¶¶16-19 of Paatalo's Declaration dated July 21, 2022.

(2) There is huge authority gaps with respect to PHH being servicer of the mortgage loan involved in this case. The background investigation revealed that the **last verifiable Limited Power of Attorney between PHH and the Merrill/MLCC platform date back to 2014.** There are absolutely **no records of any filed POA after 2014 was found to renew or extend PHH's authority to act for the MLCC 2006-2 trustee at the time of the appointment.** (at page 4 of Ex. 1)

Lastly, (3) is the ultimate question to the legitimacy of the operative status between HSBC Bank USA, N.A., and PHH Mortgage, establishing principal-agent relationship. The investigation found **no evidence of the duly formed existence and operative capacity of the assignee trust (HSBC Bank USA, N.A., as Trustee for MLCC 2006 2).** Absent credible evidence of the existence of trust, the principal-agent relationship between HSBC Bank USA, N.A., and PHH Mortgage Corporation is thus unsupported. (at page 5 of Ex. 1)

It is further noted that these findings of private investigator William Paatalo are consistent with his previous report which was expressed in his prior declaration which was used in the litigation of the previous case (case no. 1:22-cv-00435-CL). (attached hereto as **Exhibit 2**, 07/22/2022, *Paatalo Decl.*) (at pages 5-6, Id.)

Thus, in light of the foregoing, PHH has no direct interest and legal standing to be litigating in the previous case, and the judgment rendered in its favor does not bound Plaintiff, nor were the determinations on the issues in the previous case (no.1:22-cv-00435-CL) can be applied and executed against Plaintiff where in fact Defendant had not possessed legitimate authority to act

as an agent on behalf of the HSBC Bank USA, N.A., as Trustee for MLCC 2006, nor was PHH vested with any legitimate operative capacity to service the mortgage loan of Mr. McComas and execute foreclosure procedures against “the Property” that Plaintiff McComas had rightfully succeeded to sole ownership in fee simple, free of any encumbrance or claims that her father’s creditors may pursue by virtue of the “Bargain and Sale Deed with rights of survivorship” that was executed in 2004, a year before the loan was ever contracted.

II. The Requirement of Valid Beneficiary

The “benefit” of the trust deed, like a mortgage, is security for an underlying obligation. Indeed, that understanding of the “benefit” of the trust deed—security of an obligation owed to the beneficiary—permeates the statutory scheme.

It is present in the definition of “trust deed”: “a deed executed in conformity with ORS 86.705 to 86.795, and conveying an interest in real property to a trustee in trust to secure the performance of an obligation owed by the grantor or other person named in the deed to a beneficiary,” ORS 86.705(5) (emphasis and underscoring added); in the definition of “grantor”: “the person conveying an interest in real property by a trust deed as security for the performance of an obligation,” ORS 86.705(2) (emphasis added).

In the statute authorizing trust deeds: “Transfers in trust of an interest in real property may be made to secure the performance of an obligation of a grantor, or any other person named in the deed, to a beneficiary,” ORS 86.710 (emphasis and underscoring added); and in the statute deeming trust deeds to be mortgages: “the beneficiary is deemed the mortgagee,” ORS 86.715.

Nothing in the text, context, or legislative history of the OTDA suggests that the legislature intended the “person for whose benefit a trust deed is given” to refer to anyone other than the party to whom the secured obligation was originally owed. ORS 86.705(1). And, as a matter of historical context, defendants' construction of the statute is not consistent with how security instruments in the nature of mortgages functioned. By the time the OTDA was enacted in 1959, it was well established that the mortgage was merely an incident to the underlying debt. See *Beauchamp v. Jordan*, 176 Or 320, 327, 157 P.2d 504 (1945) (“They were merely an incident to the debts evidenced by the above-mentioned notes and the transfer of the notes effected a transfer of these mortgages.”)

In sum, the “benefit” of the trust deed is security for the underlying obligation, and that **“the person named or otherwise designated in a trust deed as the person for whose benefit a trust deed is given” refers to the person named or designated in the trust deed as the party to whom the underlying, secured obligation is owed.**

Here, there was no genuine issue of material fact regarding the requirement in ORS 86.735(1) because there was no trustee that was duly created or formed thus have not existed from the beginning. Neither was there any valid assignment of the DOT nor PHH Mortgage had a valid authority and operative capacity on behalf of the HSBC Bank USA, N.A. as the supposed assigned trust.

Accordingly, the Oregon Court of Appeals in *Niday v. GMAC Mortgage, LLC* (2012) **established that a foreclosing party must be the actual beneficiary to whom the underlying debt is owed**, and that interest must be publicly recorded.

III. Petitioner has Standing to Challenge Void Assignments in a Non-judicial Foreclosures as held by majority of the Courts within the Ninth District.

In view of the materials facts revealed by the investigation and evaluation of the necessary papers and agreements relating to the assignment of trust and operative capacity of respondent PHH as third-party loan servicer, its foreclosure actions to the subject property was evidently “wrongful.”

Accordingly, in Oregon, an entity cannot use the non-judicial foreclosure process *unless* it is the valid beneficiary of the trust deed and all assignments have been publicly recorded. **All assignments of notes and trust deeds must be recorded to utilize the non-judicial foreclosure process. An entity that avoids publicly recording assignments cannot use this expedited foreclosure method.**

Here, Petitioner even though she wasn’t the borrower of the loan, but her father now has the legal standing to challenge foreclosure. To challenge that **a non-judicial foreclosure if the foreclosing entity cannot prove it is the valid beneficiary with proper, recorded documentation.**

In summary, **if the trust formation is invalid as it is in the case, the designated entity cannot meet the legal requirements to initiate a non-judicial foreclosure under Oregon law.**

In the landmark case of *Ts v. tana YVANOVA*, 62 Cal.4th 919 (2016), the Supreme Court of California addressed a pivotal issue arising

from the 2008 housing crisis: the standing of borrowers to challenge the validity of assignments in the nonjudicial foreclosure process. Tsvetana Yvanova, the plaintiff, sought to establish that certain assignments of her deed of trust were void, thereby rendering the foreclosure wrongful. This case not only scrutinizes the intricacies of foreclosure law but also sets a new precedent regarding borrower rights in foreclosure disputes.

The Supreme Court of California reversed the Court of Appeal's decision, **holding that a borrower retains standing to challenge a nonjudicial foreclosure on the grounds that the assignment of the deed of trust was void.**

Among other legal precedents held were the cases of *Glaski v. Bank of America* which established that borrowers can challenge assignments deemed void, granting them standing in wrongful foreclosure actions. Likewise in *Culhane v. Aurora Loan Services*: Supported *Glaski* by affirming that borrowers have standing to challenge void assignments to foreclosing entities.

Central to the Court's reasoning was the distinction between void and voidable assignments. A void assignment has no legal effect from inception, whereas a voidable assignment can be invalidated by one of the parties involved. The Court reasoned that challenging a void assignment does not infringe upon third-party interests but rather serves the borrower's legitimate interest in preventing unauthorized loss of property.

Furthermore, the Court addressed the concept of prejudice, rejecting the argument that

borrowers in default suffer no prejudice from wrongful foreclosures.

It asserted that the foreclosure itself represents a concrete and personal injury, sufficient to establish standing. Hence, which is what happened here that Petitioner must go through.

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ADDITIONAL REQUESTED RELIEF


WHEREFORE, PREMISES CONSIDERED, the Petitioner hereby requests from this Honorable Supreme Court further relief, as follows:

- 1) Grant the relief requested in petitioner's original brief in support of petition for the writ of certiorari;
- 2) Grant further additional relief as requested herein this Supplemental Brief;
 - (a) To declare the assignment of the Deed of Trust is invalid due to the lack of authority, regulatory violations, and problems with the assignee trust.
 - (b) To determine issues directly affect the Respondent's ability to enforce foreclosure and resolve it in favor of the petitioner.
 - (c) To grant further review and intervene as necessary to ensure a fair and just resolution of this case.

DATED: November 3, 2025

Respectfully submitted:

By:


Mary Martha McComas
480 Scottsdale Circle
Medford, OR 97504
Tel: 541-292-3914
mccomasmm@gmail.com
Plaintiff, *In Pro Se*

ATTACHED EXHIBITS

**SUPPLEMENTAL DECLARATION OF PRIVATE INVESTIGATOR -
WILLIAM J. PAATALO**

I, William J. Paatalo, declare as follows:

1. Qualifications and Background

I am an Oregon-licensed private investigator (PSID #49411) under ORS 703.430, qualified pursuant to ORS 703.415. I have over seventeen years of combined experience in law enforcement and the mortgage industry, and I have spent the last fifteen years conducting over 1,200 investigations specific to residential mortgage securitization, chain-of-title, and foreclosure practices. My CV is attached as Exhibit 1.

I have been recognized as an expert and/or expert fact witness in both state and federal courts across multiple jurisdictions in the United States. My areas of specialized expertise include:

- Analysis of Pooling and Servicing Agreements (PSAs), Prospectus Supplements (Form 424B5), and related SEC filings for mortgage-backed securitized trusts;
- Chain-of-title reconstruction using recorded documents and securitization schedules;
- Identification of defective assignments, robo-signing, and false declarations;
- Investigation of REMIC trust compliance with IRS, SEC, and state trust law requirements.

2. Scope and Purpose of Declaration

2.1 I have been retained again by Plaintiff Mary Martha McComas to conduct a focused review of the recently recorded Appointment of Successor Trustee associated with the deed of trust for the subject property. The instrument was executed by PHH Mortgage Corporation purporting to act “as attorney-in-fact” for HSBC Bank USA, N.A., as Trustee for Merrill Lynch Mortgage Investors Trust Series MLCC 2006-2 Mortgage Pass-Through Certificates (the “MLCC 2006-2 trustee”). My assignment is to evaluate, from an investigative and documentary-evidence standpoint, whether that appointment is supported by contemporaneous written authority authorizing PHH to act in that capacity.

2.2 In performing this engagement, I reviewed: (a) Jackson County land records for the subject chain, including the recorded Appointment of Successor Trustee; (b) publicly available SEC filings and transaction materials for MLCC 2006-2; and (c) powers of attorney, limited powers of attorney, and related delegations historically used between PHH and the MLCC/Merrill platforms. I also considered my prior declaration and work product in this matter regarding authority gaps and consent-order concerns.

2.3 Objective.

My objective is to present factual findings about: (i) what the recorded appointment says and does not say, (ii) whether a current, identifiable Power of Attorney (POA) or other written delegation authorizing PHH exists in public

records after 2014, and (iii) how these facts relate to the question of whether the named trustee had authorized the signatory/agent that executed the appointment.

2.4 No legal conclusions.

I do not offer legal conclusions or opinions on enforceability. Any references to case authorities are included solely to frame the factual relevance of authority. I am aware of an Oregon appellate decision commonly cited as *Wolf v. GMAC*, which discusses the significance of a trustee's authority in nonjudicial foreclosure practice. My analysis is directed to the factual predicates that such authority questions typically turn on (e.g., existence and scope of a valid written POA/delegation), without opining on the law or ultimate legal effect.

2A. Materials Considered

2A.1 County Land Records (Jackson County, Oregon).

Complete chain for the subject deed of trust, including the Appointment of Successor Trustee recorded September 17, 2025 as Document No. 2025-019788, executed by PHH Mortgage Corporation "as attorney-in-fact" for HSBC Bank USA, N.A., as Trustee for Merrill Lynch Mortgage Investors Trust Series MLCC 2006-2 Mortgage Pass-Through Certificates.

2A.2 SEC Filings and Transaction Materials (Public).

Annual and current reports, transaction summaries, and servicing/Reg AB materials available for MLCC 2006-2 and the Merrill/MLCC shelf registration.

3. SUPPLEMENTAL DECLARATION OF PRIVATE INVESTIGATOR - WILLIAM J. PAATALO

2A.3 Powers of Attorney / Delegations.

Publicly available Limited Powers of Attorney historically used between PHH and the Merrill/MLCC platform (approximately 2008–2014).

2A.4 Prior Work Product in This Matter.

My declaration dated July 21, 2022 and supporting notes, including discussion of authority gaps and prior consent-order concerns raised therein.(Exhibit 2).

2A.5 Public Directories/Indexes.

Recorder grantor–grantee indices and SEC filing indices used to confirm the absence of any post-2014 POA or re-authorization for PHH to act for the MLCC 2006-2 trustee.

2B. Methodology

2B.1 Document Acquisition & Authentication.

Retrieved certified/official copies where available; verified recording data (instrument numbers, dates, parties, notarial information) against the county index.

2B.2 Authority Trace.

For any instrument signed “as attorney-in-fact,” traced the claimed principal → agent relationship to locate a written delegation (POA, limited agency, corporate resolution) that was (a) in force as of the execution date and (b) applicable to the act performed.

2B.3 Temporal Scope Check.

Compared execution/recording dates of the Appointment of Successor Trustee (Exhibit 3) to the lifecycle of any known POAs; flagged gaps where the claimed authority post-dates the last verifiable delegation.

2B.4 Cross-System Corroboration.

Cross-checked county-recorded delegations against SEC transaction/servicing disclosures for congruence in parties, roles, and effective dates.

2B.5 Consistency & Control Indicators.

Noted control-environment disclosures (e.g., historic Reg AB findings) as contextual risk indicators affecting the reliability of authority representations (no legal conclusions drawn).

3. Overall Expert Opinion (Documents & Authority)

Based on my review of the Jackson County land records, publicly available SEC materials, and my prior work in this matter, it is my expert opinion that there is no documentary evidence demonstrating:

- (a) the duly formed existence and operative capacity of the assignee trust identified here as HSBC Bank USA, N.A., as Trustee for Merrill Lynch Mortgage Investors Trust Series MLCC 2006-2 Mortgage Pass-Through Certificates;
- (b) any extant Power of Attorney or written delegation authorizing PHH Mortgage Corporation to execute assignments into that trust; or

(c) any current written authority authorizing PHH to appoint or substitute a successor trustee in this matter.

The Appointment of Successor Trustee recorded in Jackson County identifies PHH signing “as attorney-in-fact” for the named trustee/beneficiary, yet does not reference or attach a Power of Attorney or other contemporaneous delegation. In sum, no evidence of such authority has been produced or located in the public records I reviewed, and the authority claimed in the recorded instrument remains unsupported on the face of the record.

4. Summary of Core Findings (Factual)

4.1 The Appointment of Successor Trustee executed by PHH “as attorney-in-fact” for the MLCC 2006-2 trustee does not reference, attach, or identify any underlying Power of Attorney or written delegation authorizing PHH to execute that instrument as of its execution/recording dates.

4.2 Based on recorder and SEC searches, the last verifiable Limited Power of Attorney between PHH and the Merrill/MLCC platform appears in 2014. I located no recorded or filed POA after 2014 renewing, extending, or otherwise authorizing PHH to act for the MLCC 2006-2 trustee when the appointment was executed.

4.3 Logical dependency observation (records-based).

From a documentary/records standpoint, if there is no competent evidence the referenced trust was duly formed and existed with capacity at the relevant times, then there would be no principal from which agent authority could flow for the acts

claimed. I make no legal conclusion on formation or enforceability; I simply note that no formation/existence evidence has been produced in the records I reviewed, and agent authority—as a factual matter—depends on a principal that exists and delegates.

4.4 Continuity with prior concerns.

The present authority gap is consistent with the issues I raised in my July 21, 2022 declaration, including potential consent-order compliance concerns previously identified there. From an investigative viewpoint, the same categories of missing proof (existence/formation; extant delegation; scope) persist with respect to PHH's claimed role in executing the appointment.

5. Verification

I declare under penalty of perjury under the laws of the State of Oregon that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed on **October 14, 2025**, at Whitefish, Montana.

William J. Paatalo

Oregon Private Investigator, PSID #49411

Exhibits

- **Exhibit 1:** Curriculum Vitae of William J. Paatalo.
- **Exhibit 2:** Prior Declaration July 21, 2022
- **Exhibit 3: Appointment of Successor Trustee, Jackson County, Oregon, Document No. 2025-019788, recorded September 17, 2025 (PHH executing “as attorney-in-fact” for HSBC Bank USA, N.A., as Trustee for Merrill Lynch Mortgage Investors Trust Series MLCC 2006-2 Mortgage Pass-Through Certificates; no POA referenced/attached).**

1
2 **IN THE UNITED STATES DISTRICT COURT**
3 **DISTRICT OF OREGON – MEDFORD DIVISION**
4

5 **MARY MARTHA McCOMAS,**

6 **Plaintiff.**

7 **Vs.**

8 **PHH MORTGAGE**

9 **Defendant.**
10
11

Case No. 1:22-cv-00435-CL

**DECLARATION OF
PRIVATE INVESTIGATOR
WILLIAM J. PAATALO**

12 I, William J. Paatalo, hereby declares as follows:
13

14 1. I am an Oregon licensed private investigator under ORS 703.430 and
15 have met the necessary requirements under ORS 703.415. My Oregon PSID
16 number is 49411.

17 2. I am over the age of eighteen years, am of sound mind, having never
18 been convicted of a felony or a crime or moral turpitude. I am competent in all
19 respects to make this Declaration. I have personal knowledge of the matters
20 declared herein, and if called to testify, I could and would competently testify
21 thereto.

22 3. I have 17 years combined experience in law enforcement and the
23 mortgage industry, as well as ten years as a private investigator. My Resume
24 (“CV”) is attached as “Exhibit 1.”

25 4. I have worked exclusively over the last 12– years, and have spent more
26 than 15,000 hours, conducting investigatory research and interviews related to
27 mortgage securitization and chain of title analyses. Typically, my investigations

1 are at the request of homeowners or their counsel with the objective of determining
2 whether there are facts that corroborate both the actual assertions and implied
3 statements contained in various documents that purport to transfer, deliver, or
4 otherwise imply possession or ownership of a debt, note or mortgage (deed of trust
5 in nonjudicial states).

6 5. I have performed such analyses for residential real estate located in
7 many states, including, but not limited to Washington, Oregon, California,
8 Arizona, Nevada, Florida, Ohio, Montana, New Jersey, and several others.

9 6. As of this date, I have conducted more than 1,200 investigations in
10 this area.

11 7. Because of my education and experience I am familiar with and have
12 sufficient training and expertise to qualify as an expert, and I have testified as an
13 expert and/or expert "fact witness" in state and federal judicial proceedings in
14 various jurisdictions throughout the United States.

15 8. Most recently, I testified at trial on May 18, 2022, in Re:
16 U.S. Bank National Association as Trustee for SAIL 2005-7 v. Beggin, Court of
17 Common Pleas, Montgomery County Case No. 2014-04007

18 9. My specific areas of expertise that have been deemed qualified by the
19 courts are as follows:

20 • Knowledge of the "Pooling & Servicing Agreements" and
21 various Securities & Exchange Commission (SEC) filings associated with
22 mortgage-backed securitized trusts.

23 • Specific language in the PSA's and Prospectus / Prospectus
24 Supplements involving securitization participants, key dates, "Servicer Advances,"
25 sources of third-party payments, and transfer and conveyancing requirements to
26 name a few.

27 • Knowledge and use of ABSNet / MBSData and the
interpretation of its internal accounting data showing "advance payments" made to

1 the certificate holders / investors, as well as other information specific to
2 accounting, chain of title, and other aspects of securitization.

3 • Chain of Title analyzes based upon publicly recorded
4 documents, documents produced in discovery, and documents attached as exhibits
5 to foreclosure complaints. Documents typically included mortgages, deeds of
6 trust, assignment, notes, and allonges; in addition to documents filed under penalty
7 of perjury with the SEC.

8 10. I was retained by Plaintiff to review the chain of title to the Deed of
9 Trust (DOT) executed on November 18, 2005, with the named lender "Merrill
10 Lynch Credit Corporation" (**Exhibit 2**). I was asked to identify any anomalies,
11 defects, or issues of fraud should they exist.

12 **FACTS REVEALED**

13 **I. Dubious Assignment.**

14 **a. Authority of signor "Jackelynn Medero – Vice President."**

15 11. There has been one assignment of the subject DOT recorded in the land
16 records (**Exhibit 3**) which purports the following:

17 **Instrument # 2020-019665**

18 **Recorded: 06/15/2020**

19 **Executed: 06/15/2020**

20 **Assignor:** Bank of America, NA, as successor by merger to Merrill Lynch Credit
21 Corporation, by PHH Mortgage Corporation, its Attorney-in-Fact.

22 **Assignee:** HSBC Bank USA National Association as Trustee for Merrill Lynch
23 Mortgage Investors Trust, Series MLCC 2006-2

24 12. The assignment is executed by "Jackelynn Medero – Vice President" for
25 PHH Mortgage Corporation but fails to identify any Power of Attorney document
26 authorizing Medero and PHH to act as agent for Bank of America, N.A. Pursuant
27 to my client, a complaint was filed with the CFPB regarding Medero's alleged lack
of authority to execute this assignment.

3. Declaration of Private Investigator – William J. Paatalo

1 13. Attached as **Exhibit 4** is a copy of a responsive letter sent to my client on
2 July 6, 2022, by Defendant's counsel regarding the CFPB complaint. The
3 responsive letter states in ¶2,

4 *Please be informed that Ms. Medero has been appointed as a vice president*
5 *of PHH on September 18, 2019, as evidenced by the PHH Mortgage*
6 *Corporation Unanimous Written Consent of the Board of Directors in Lieu*
7 *of a Meeting, a true and correct redacted copy of which is attached hereto*
8 *as Exhibit A. As a result, Ms. Medero was authorized to execute the*
9 *Assignment as a vice president of PHH.*

10 14. I reviewed the attached *Exhibit A* provided in the response which states on
11 page-1 that each of the employees of NTC (Medero) were appointed as either
12 "assistant vice president" or "assistant secretary" of the corporation, not "Vice
13 President" as stated on the assignment:

14 **Appointment of NTC's Employees as Limited Purpose Signing Officers**

15 **NOW, THEREFORE, BE IT RESOLVED**, that each of the employees of
16 **NTC set forth in the attached Exhibit B individually, and each individually hereby is,**
17 **appointed assistant vice president and assistant secretary of the Corporation for the**
18 **limited and sole purpose, in the name and on behalf of the Corporation, to execute and**
19 **deliver lien release documents and related documents, allonges and mortgage**
20 **assignment documents; and further**

21 15. The authority of Medero is deceptive because it fails to identify that she is
22 employed by Nationwide Title Clearing acting as agent for PHH, not that Medero
23 is an agent for Bank of America, NA. through PHH.

24 **b. The PHH Assignment likely violates PHH Settlement & Consent**
25 **Order with the State of Oregon entered on December 29, 2017.**

26 16. In addition, the "Unanimous Consent" document produced by Defendant's
27 counsel states that PHH and NTC entered into a "Master Servicing Agreement"
dated as of "February 16, 2017" as follows:

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**PHH MORTGAGE CORPORATION
UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF DIRECTORS
IN LIEU OF A MEETING**

September 18, 2019

THE UNDERSIGNED, constituting all of the members of the Board of Directors of PHH Mortgage Corporation, a New Jersey corporation (hereinafter referred to as the "Corporation"), hereby adopt the resolutions set forth below, with the same force and effect as if such resolutions were approved and adopted at a duly constituted meeting of the Board of Directors of the Corporation.

WHEREAS, the Corporation has entered into a Master Servicing Agreement by and between the Corporation and Nationwide Title Clearing, Inc. ("NTC") dated as of February 16, 2017 (the "Agreement"); and attached hereto as Exhibit A:

17. The Master Servicing Agreement has not been produced upon the request of my client, and I need this document to continue my investigation. However, I located the following link from the State of Oregon's governmental website through the Department of Financial Regulation which shows that PHH entered into a Settlement & Consent Order on December 29, 2017 which still appears to be active.

*ORD 171229 PHH ConsentOrder Signed wExhibits.pdf (oregon.gov)

18. In the Consent Order, PHH agreed to adhere to the "Servicing Standards" outlined on *Exhibit A* which states on P.12,

B. Restrictions and Oversight Duties Related to Affiliated Third-Party Providers.

Servicer shall not enter into a contractual relationship for Servicing Activities with a Third-Party Provider unless it is the result of an arm's-length transaction among unrelated entities or any fee charged to a borrower does not exceed the lesser of (a) any fee limitation or allowable amount for the service under applicable state law, or (b) the market rate for the service. To determine the market rate, Servicer shall obtain annual market reviews of its affiliated Third-Party Provider's pricing for such services. Such market reviews shall be performed by a qualified, objective, independent third-party professional using procedures and standards generally accepted in the industry to yield accurate and

5. Declaration of Private Investigator – William J. Paatalo

1 *reliable results and shall be provided to the Executive Committee by request. The*
2 *independent third-party professional shall determine in its market survey the price*
3 *actually charged by affiliated Third-Party Providers and by independent third-*
4 *party providers. Arm's-length transaction means a transaction in which both*
5 *parties are acting independently and in their own self-interest.*

6 19. Both PHH and NTC entered into a Master Servicing Agreement contract,
7 and NTC appears to have been granted agency with PHH in violation of the
8 Consent Order. In addition, and per my investigative research, NTC is not licensed
9 in any state to act as a mortgage servicer.

10 **c. There is no evidence the assignee "Trust" legally exists or was ever**
11 **formed.**

12 20. I ran a search of the named assignee trust "Merrill Lynch Mortgage
13 Investors Trust, Series MLCC 2006-2" with the Securities & Exchange
14 Commission (SEC) and located the following link to this entity's "Pooling &
15 Servicing Agreement" filed on May 15, 2006:

16 [https://www.sec.gov/Archives/edgar/data/0001360855/000095012306006465/y213](https://www.sec.gov/Archives/edgar/data/0001360855/000095012306006465/y21337exv4w1.txt)
17 [37exv4w1.txt](https://www.sec.gov/Archives/edgar/data/0001360855/000095012306006465/y21337exv4w1.txt)

18 21. A review of this filing shows it was not signed and executed, and as such,
19 there is no evidence to show this named assignee trust was ever legally established
20 or formed, and that it ever purchased and held any assets such as the subject DOT
21 and Note in this matter.

22 22. I can state with near 100% certainty that no party seeking to enforce the
23 remedy of foreclosure and collection of any alleged debt in this matter cannot and
24 will not produce any verifiable accounting to show the subject loan as an account
25 receivable on any books or records of the assignee trust. Formal discovery will
26 very likely confirm my opinions and is necessary to complete my investigation.

1 23. I reserve the right to change my opinion(s) based upon newly produced
2 evidence and facts.

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4 I declare under penalty of perjury, under the laws of the State of Oregon and the
5 United States that the above is true and correct, and that this declaration was
6 executed this 21st day of July 2022 for use as evidence in court.

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11 William J. Paatalo
12 Private Investigator – Oregon PSID# 49411
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Curriculum Vitae

William J. Paatalo

Private Investigator – OR PSID# 49411

BP Investigative Agency, LLC

476 Labrie Drive, Whitefish, MT 59937

Office: (406) 309-1812

Email: bill.bpia@gmail.com

Professional Summary

Licensed Private Investigator with over 17 years of combined experience in law enforcement and the mortgage industry. Nationally recognized expert in chain of title analysis, mortgage securitization, and foreclosure fraud investigations. Qualified as an expert witness in both state and federal courts, with more than 1,200 investigations and expert testimony in over 450 cases nationwide.

Areas of Expertise

- Chain of Title Analysis
 - Mortgage Securitization & Pooling and Servicing Agreements (PSAs)
 - SEC Filings Interpretation
 - Forensic Loan Auditing
 - Use of Bloomberg Terminal, ABSNet, MBSData
 - Mortgage Origination, Processing, and Underwriting
 - Litigation Support & Expert Testimony
 - Investigation of Foreclosure Fraud and Accounting Irregularities
 - Financial Record-Keeping & Derecognition (FASB ASC 860)
-

Credentials and Competency in Financial Record-Keeping & Derecognition

Although not a licensed accountant, I bring over three decades of entrepreneurial and investigative experience that has required continuous oversight of financial records and accountability systems. My qualifications in this area include:

- **Business Ownership & Management:** Former owner of a licensed mortgage company with 17 employees; founder and manager of BP Investigative Agency, LLC for more than 15 years.

- **Practical Financial Oversight:** Hands-on responsibility for payroll, receivables, payables, balance sheets, ledgers, and tax filings across multiple enterprises.
- **Applied Understanding of Derecognition:** Demonstrated ability to analyze when assets are properly or improperly recognized or removed from financial statements, based on the fundamental principle that assets cannot appear or remain on a balance sheet without evidence of consideration paid, liabilities incurred, or proper disposition.
- **Investigative Application:** Preparation of 450+ expert declarations and affidavits in state and federal courts nationwide, frequently centered on mortgage securitization practices, chain-of-title defects, and derecognition under FASB ASC 860.

Statement of Competency: Derecognition is not an esoteric accounting theory but a straightforward business principle. Through decades of experience managing companies and investigating financial misconduct, I have developed a clear and practical understanding of how assets must be recorded, transferred, or removed from balance sheets. My role is investigative: to compare what financial institutions claim with the standards they are required to follow and to highlight discrepancies that any competent business owner or regulator would recognize.

Professional Experience

Private Investigator

2009 – Present

- Over 1,200 investigations nationwide, specializing in mortgage securitization, chain of title, and foreclosure fraud.
- Expert testimony (affidavits, declarations, trial appearances) in 450+ cases in state and federal courts.
- Litigation support for attorneys and litigants in complex mortgage and foreclosure matters.

Midwestern Mortgage, LLC (f/k/a Wissota Mortgage, LLC)

President

2002 – 2008

- Oversaw origination, processing, and underwriting of mortgage loans in Wisconsin and Minnesota.
- Managed a staff of 17 employees.

Mortgage Industry Roles

Branch Manager, Loan Officer – Mortgage & Investment Consultants – MN/WI and HomStar USA – MN/WI

1999 – 2002

- Managed multiple mortgage brokerage branches.
- Originated and processed residential mortgage loans.

St. Paul Police Department, MN
Police Officer / Field Training Officer
1990 – 1996

- Assigned Field Training Officer duties in second year.
 - Received multiple commendations for service.
-

Certifications & Memberships

- Licensed Private Investigator (Oregon, ORS 703.430) since 2010.
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Education

- A.A.S., Law Enforcement – Normandale Community College, Bloomington, MN (1986)
 - Marketing/Public Relations – University of North Alabama, Florence, AL (1986–1987)
 - Marketing Management Certificate – Concordia University, St. Paul, MN (2001)
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Achievements

- Fraud Investigator of the Year, *The Foreclosure Hour* with Gary Dubin, KHVH-AM, Honolulu, HI (2013)
 - Guest Speaker, Illinois Association of Foreclosure Defense Attorneys (2017)
 - Presenter, “Mastering Discovery and Evidence in Foreclosure Defense” Webinar (2018)
 - Co-Author, eBook: *Table-Funding and Securitization Go Hand in Hand* (2015)
 - Author, Abstract: “Derecognition of Mortgage Debt and the Illusion of Holder Status in Securitized Transactions,” published May 20, 2025
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Expert Testimony (Trial): Full Case List

Federal Cases

- **Montana**
 - Robert T. Fanning, Debtor – U.S. Bankruptcy Court, District of Montana – BK Case No. 10-61660
- **California**

- Rivera v. Deutsche Bank National Trust Company – U.S. Bankruptcy Court, Northern District of California (Oakland) – Case No. 14-54193-MEH-13
- **Washington D.C.**
 - Quinteros v. National Home Investors, et al. – U.S. Bankruptcy Court, District of Columbia – Case No. 19-00195-SMT
- **Oregon**
 - Brent Evan Webster aka Webster Technologies, Debtor – U.S. Bankruptcy Court, District of Oregon – Case No. 19-34090-pcm13
 - Medford, LLC, Debtor – U.S. Bankruptcy Court, District of Oregon – Case No. 23-30153-pcm11

State Cases

California

- Dang v. HSI Asset Securitization Trust 2006-OPT1, Mortgage-Pass-Through Certificates, Series 2006-OPT1 – California Superior Court, County of Alameda – Case No. RG14743930
- Koeppel v. Central Pacific Mortgage – California Superior Court, County of Monterey – Case No. M133160
- PennyMac Holdings, LLC v. Mario Carini, et al. – California Superior Court, County of San Diego – Case No. 37-2017-00039675-CL-UD-CTL

Connecticut

- JPMorgan Chase Bank, N.A. v. Geronimos et al. – Connecticut Superior Court, Stamford/Norwalk – Case No. FST-CV13-6017139-S

Florida

- U.S. Bank as Trustee for WMALT 2006-AR5 v. Paul Landers, et al. – 20th Judicial Circuit, Lee County – Case No. 14-CA-051647
- Bank of America, N.A. v. Jorge A. Castro, et al. – 17th Judicial Circuit, Broward County – Case No. 12-06339-11
- U.S. Bank Trust NA as Trustee for LSF9 Master Participation Trust v. James K. Murphy, et al. – 15th Judicial Circuit, Palm Beach County – Case No. 50-2017-CA-012236-XXXX-MB

- Deutsche Bank National Trust Co. v. Mervilus, et al. – 17th Judicial Circuit, Broward County – Case No. CACE-18-006661
- Wilmington Savings Fund Society v. LeBlanc – 20th Judicial Circuit, Charlotte County – Case No. 16-CA-1380

New Mexico

- Clemens v. BAC Home Loans Servicing, LP, et al. – First Judicial District, Santa Fe, Case No. D-101-CV-2015-00856

Ohio

- Washington Mutual Bank fka Washington Mutual Bank, F.A. v. Jon A. Smetana, et al. – Court of Common Pleas, Cuyahoga County – Case No. CV-08-652392

Oregon

- U.S. Bank, N.A. as Trustee v. Natache D. Rinegard-Guirma, et al. – Circuit Court, Multnomah County – Case No. 1112-16030
- Dysinger v. Wilmington Savings Fund Society, FSB, et al. – Circuit Court, Multnomah County – Case No. 22CV31688
- Wilmington Trust, N.A. successor Trustee to Citibank, NA, as Trustee for the Bear Stearns Asset Backed Securities Trust 2007-SD1 v. Reeves, et al. – Circuit Court, Jackson County – Case No. 22LT11014

Pennsylvania

- U.S. Bank National Association as Trustee for SAIL 2005-7 v. Beggin – Court of Common Pleas, Montgomery County – Case No. 2014-04007

New York

- Deutsche Bank National Trust Company, as Trustee v. Ledgerwood – Supreme Court, Richmond County – Case No. 135896/2016

Nevada

- Kramer v. National Default Servicing Corp. – District Court, Clark County – Case No. 18-CV-00663

Missouri

- HSBC Bank USA, N.A. v. Spence – Circuit Court, Green County – Case Nos. 3117-CC00213, 3117-CC00214, 3117-CC00215, 3117-CC00216, 3117-CC00217
- Wells Fargo Bank, N.A. v. Spence – Circuit Court, Green County – Case No. 1731-CC00228