

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTHERN NEW YORK**

RAHI Real Estate Holdings, LLC
Debtor

Bruce DeMustchine
Plaintiff

-v-

RAHI Real Estate Holdings, LLC
Defendant

CASE NO. 12-12020 (Southern NY)

**CHAPTER 11
ADV. PROC.NO. ____**

COMPLAINT

1. Bruce DeMustchine, the Plaintiff herein, by Thomas R. Mason, its undersigned counsel for its Complaint against the Defendant, alleges as follows:

INTRODUCTION

2. This is a core proceeding over which this Court has jurisdiction under 28 U.S.C., Sec. 157(b).
3. RAHI Real Estate Holdings, LLC ("Defendant") is the debtor in this Chapter 11 case. The Plaintiff is a creditor of the Defendant. The Defendant is a wholly owned affiliated entity of Residential Capital LLC, et al. ("Residential Capital"). Residential Capital LLC and its affiliated entities declared Chapter 11 Bankruptcy in the United States Bankruptcy Court Southern District of New York.



4. The Defendant's bankruptcy petition was filed on May 14, 2012 with a docket number of 12-12020.
5. Schedules of assets and liabilities relating to the bankruptcy petition for Residential Capital and the Defendant were filed on June 30, 2012.
6. This is an adversary proceeding to determine whether the Defendant has violated the Automatic Stay under 11 USC § 362, seek declaratory relief, and to object to the Defendant's and Residential Capital's discharge of its entire debt and the debt owed to the Plaintiff.
7. The Plaintiff filed a Verified Complaint against the Defendant in Essex County, Massachusetts Superior Court on July 2, 2010. The complaint is appended to this complaint and marked as "Exhibit A".
8. The case was removed to the United States First District Court by Chase Bank, one of the defendants in the Superior Court case, on July 26, 2010. The Verified Complaint alleges that there are numerous deficiencies in the mortgage loan and assignments. The official docket sheet is appended to this complaint as marked as "Exhibit B".
9. The Plaintiff alleges that the Defendant does not own or hold a mortgage or a note on his primary residence located at 6 Vernon Street in Newburyport, Massachusetts.
10. The Plaintiff alleges that he has been victimized as a result of a predatory refinancing mortgage loan on his primary residence located in Newburyport, Massachusetts in the amount of \$618,750.00 that closed in July 2003.

11. The Plaintiff claims that he was pressured by an overly aggressive loan officer who prepared a mortgage application that the Plaintiff never reviewed before signing off on the mortgage.
12. The Verified Complaint alleged that the appraisal of the Plaintiff's home was falsified and inflated to induce the Plaintiff to agree to pay an unaffordable mortgage.
13. The Verified Complaint alleged that mortgage payments made by the Plaintiff were not properly credited to his account by the Defendant causing the alleged deficiency to be inflated.
14. The appraised value of the Plaintiff's home at the time of the closing, in July 2003, was \$ 985,000.00
15. A subsequent appraisal obtained by the Plaintiff in September 2008 indicated that his home's actual value was \$550,000.00.
16. The Plaintiff alleges that the closing of the mortgage refinancing took place in his car.
17. The Plaintiff learned that the appraisal of his residence was over-inflated, and that certain payments he made to WMB were never credited to his mortgage loan account when the servicer changed to "GMAC," leaving the Plaintiff's balance to be more than he actually owed.
18. The Plaintiff attempted to obtain a reasonable loan modification from the Defendant but was ignored.
19. The Plaintiff asked the Defendant and its servicer, GMAC, to properly credit him for payments made but was denied.
20. On March 23, 2010, the Plaintiff sent a certified letter to GMAC's and the Defendant's legal counsel requesting that he be provided with a verified and certified copy of his original mortgage and note as required under M.G.L. c. 140, s.90B.

21. The Defendant and its agent, GMAC, did not fulfill its legal obligation to provide actual evidence, namely verified and certified copies of the mortgage and note, to the Plaintiff that prove it actually owns and the note and mortgage on his house.
22. Upon information and belief, the Defendant does not have any ownership rights to the Plaintiff's property.
23. The Defendant was unable to provide the original note and mortgage to the Plaintiff as legally required.
24. There is no evidence that Defendant has any ownership interest on the Plaintiff's home.
25. Instead of working with the Plaintiff to resolve issues regarding its failure to properly account for mortgage payments made, the Defendant initiated a number of steps to foreclose on Plaintiff's home.
26. Foreclosure proceedings on the Plaintiff's mortgage loan were commenced by the Defendant in January 2010.
27. The Plaintiff was making payments to the Defendant for a mortgage but stopped, under advice of counsel, when it would not credit him for payments made and stop the foreclosure of his home.
28. A foreclosure sale of Plaintiff's home was scheduled for August 27, 2010.
29. On July 14, 2010, the Plaintiff's attorney properly served the Verified Complaint regarding the above-referenced matter to the Defendant in Lawrence Superior Court.

30. The Verified Complaint was properly served to Defendant - RAHI at its resident agent's office in Massachusetts. The Plaintiff's Complaint had claims against the Defendant and sought to stop the foreclosure.
31. The Plaintiff's case was removed to federal court by another defendant to the case, Chase Bank, on July 26, 2010.
32. The Defendant was served notice by Chase's counsel that this lawsuit was being removed to federal court.
33. The Plaintiff's attorney filed a motion for a preliminary injunction to stop the foreclosure in federal court on August 16, 2010. The injunction, that was allowed on August 23, 2010, is appended to this complaint and marked as "Exhibit C".
34. On August 16, 2010, the Plaintiff's attorney also filed a motion to default the Defendant for failing to respond to the Verified Complaint by applicable deadlines.
35. After the motions to default and for a preliminary injunction were filed, the motions were scheduled to be heard by Judge Douglas Woodlock on August 23, 2010.
36. Plaintiff's attorney was ordered by Judge Woodlock to properly serve RAHI notice of the default and injunction.
37. The Plaintiff's attorney complied with Judge Woodlock's order and provided proper notice of the motions filed to RAHI.
38. Defendant- RAHI's counsel, Mr. Jeffrey Bovarnick of the law firm of Cohn and Dussi, received notice of the motion for a default and request for preliminary relief.
39. The Plaintiff's attorney discussed potential resolutions and a possible continuance of the case with Mr. Bovarnick.

40. The Plaintiff's attorney had only one condition before agreeing to continue the scheduled motions to default and stop the scheduled foreclosure. He asked that, before any agreement was made, that Mr. Bovarnick and his firm file an appearance with the Court to certify that he was actually representing the Defendant.
41. Mr. Bovarnick did not file an appearance as the attorney of record, as he said he would, in August 2010, for this matter.
42. No one appeared on behalf of the Defendant in court to argue against the motion to default and for a preliminary injunction in a hearing on August 23, 2010 at federal district court.
43. The Plaintiff's motion for a restraining order was granted by Judge Woodlock on August 23, 2010. Judge Woodlock's ruling is appended to this complaint and marked as "Exhibit C".
44. The official case docket states: "Judge Douglas P. Woodlock: RESTRAINING ORDER entered that Defendants RAHI Real Estate Holdings, LLC, and JP Morgan Chase Bank National Association, and their agents, servants, employees, attorneys and all persons in active concern or participation with them are restrained and enjoined pending further order of this Court from directly or indirectly holding a foreclosure sale (which had been scheduled on August 27, 2010) or any other sale of the plaintiffs residence, located at 6 Vernon Street in, Newburyport, Massachusetts, until the question of RAHIs ownership of the mortgage and note is adjudicated and IT IS FURTHER ORDERED that there being no just reason for delay, the Clerk shall enter this Order forthwith and without further notice. It shall be the responsibility of the plaintiff to insure that all addressees of and interested parties in this Order receive notice. No bond shall be required of plaintiff. (Woodlock, Douglas) (Entered: 08/23/2010)"
45. The Defendant did not contest the Plaintiff's motion for a default and for a preliminary injunction.

46. Plaintiff's attorney filed a motion for a default judgment on September 13, 2011. The motion is appended to this complaint and marked as "Exhibit D".
47. The Defendant, its attorney, and its law firm of Cohn and Dussi did not contest the Plaintiff's motion for a default judgment.
48. The Defendant was defaulted on December 15, 2010. The default is appended to this complaint and marked as "Exhibit E".
49. The Court issued a default judgment against the Defendant on December 20, 2011. The default judgment is attached to this complaint and marked as "Exhibit F".
50. The Plaintiff's attorney had no communication from RAHI, Attorney Bovarnick, or his law firm, Cohn and Dussi, until approximately June 2011.
51. The Plaintiff's counsel, in the June 2011 phone call, again asked Attorney Bovarnick and his firm to file an appearance for this case.
52. On or about August 12, 2011, Attorney Bovarnick filed an appearance for the Defendant in federal district court.
53. Plaintiff's counsel asked Attorney Bovarnick why it took so long for RAHI's attorney to file an appearance or try to have the default removed.
54. Attorney Bovarnick responded that his client, RAHI, and GMAC, its agent, had "screwed up."

55. The time to appeal the default judgment in federal district court expired on December 20, 2011 without any pleadings or motions filed by either the Defendant or its counsel to contest the outcome of the Plaintiff's case.
56. The case was officially closed by the court on December 20, 2010 and the default judgment is currently final according to the United States First District Court docket. The docket sheet is appended to this complaint and marked as "Exhibit B".
57. The deadline for vacating the default judgment has expired.
58. The Defendant's new counsel Richard Briansky of Prince Lobel Tye LLP filed a motion to vacate the final decision of Judge Woodlock on February 17, 2012 even though the deadline to appeal the judgment had passed. The docket is appended to this complaint and marked as "Exhibit G."
59. The Defendant's motion to vacate was denied by Judge Woodlock on September 24, 2012. Judge Woodlock's ruling is appended to this complaint and marked as "Exhibit H."
60. The Defendant's new counsel, Richard Briansky, filed a second motion to vacate this closed case on October 17, 2012 in federal district court. The docket is appended to this complaint and marked as "Exhibit B".
61. On its second motion to vacate its appeal, the Defendant's counsel, Richard Briansky, submitted a falsified document purportedly to demonstrate that the Defendant owns the mortgage on the Plaintiff's home.
62. The purported assignment of Plaintiff's home was signed by Jeffrey Stephan of GMAC Mortgage.

63. Jeffery Stephan signed an assignment that was recorded in Essex County Registry of Deeds, from WAMU to JP Morgan Chase on January 19, 2010 that was not witnessed by a notary. The assignment is appended to this complaint and marked as "Exhibit I".
64. According to the assignment, the document was actually notarized on January 15, 2010 but was signed by Jeffery Stephan on January 19, 2010. The assignment is appended to this complaint and marked as "Exhibit I".
65. Upon information and belief, Jeffrey Stephan, while employed by GMAC signed thousands of foreclosure affidavits and property assignment without any actual knowledge of any of the cases therein.
66. Under oath, in court proceeding(s) in other jurisdictions, Mr. Stephan has testified that, during his employment as a GMAC "robo-signer," he signed off on thousands of foreclosures a month without once looking at the paperwork demonstrating that the transfers occurred.
67. Upon information and belief, employees at the Defendant do not know whether or not the note and mortgage to Plaintiff's home were purchased by the Defendant.
68. There is no evidence that the Defendant ever acquired the note and mortgage of the Plaintiff's home.
69. Upon information and belief, Mr. Stephan falsely and fraudulently certified under oath that he had actual knowledge of the assignment of the Plaintiff's home to the Essex County Registry of Deeds.
70. Upon information and belief, agents of the Defendant, including its previous counsel, Orleans Morgan, have falsely claimed that it had actual knowledge of the purported assignment of the Plaintiff's mortgage to the Defendant.

71. The Defendant then appealed Judge Woodlock's decision not to reopen the case to the First Circuit Court of Appeals on October 23, 2012. The docket is appended to this complaint and marked as "Exhibit B".
72. Judge Woodlock's order, dated August 23, 2012, required RAHI to prove it actually owns the mortgage on the Plaintiff's home.
73. The Defendant has not proven that it owns the mortgage and note on the Plaintiff's home.
74. The Defendant does not have an executed original of the mortgage and the loan on Plaintiff's home.
75. The Defendant has no information about how much the Plaintiff has paid toward the mortgage on his home.
76. To date, the Defendant has no evidence that it holds a mortgage, or even has any authority to foreclose, on the Plaintiff's home.
77. The Defendant has no evidence of how, how much, or who was paid to purportedly purchase Mr. DeMustchine's mortgage and whether it actually owned the mortgage.
78. Under F.R.C.P. Rule 60(c)(1), the one year deadline for the Defendant to contest its default judgment has passed.
79. F.R.C.P. Rule 6(b)(1) specifically prohibits reopening default judgments past the one year deadline.
80. Defendant RAHI Real Estate Holdings, LLC and its parent entity, Resolution Trust LLC, filed for a Chapter 11 bankruptcy on May 14, 2012.

81. James Whitlinger, CFO of the Defendant, submitted an affidavit, under the pains and penalties of perjury, that stated that the Defendant's bankruptcy petitions and schedules were true and accurate. The affidavit is attached to this complaint and marked as "Exhibit J".
82. According to the schedule of assets and liabilities regarding RAHI Real Estate Holdings, LLC, submitted on June 30, 2012, this case was not been listed under the Defendant's Schedule of Assets and Liabilities as required. The schedule is attached to this complaint and marked as "Exhibit K".
83. Upon information and belief, RAHI's schedule of assets and liabilities does not have any information about the Plaintiff's claim and his judgment against the Defendant.
84. Upon information and belief, potential malpractice claims against Cohn and Dussi, the law firm that originally represented the Defendant, are not listed on RAHI or Residential Capital's schedule of assets and liabilities.
85. Upon information and belief, legal expenses owed to its current legal counsel, Prince Lobel Tye LLP, and its previous counsel, Cohn and Dussi, are not listed anywhere on RAHI's and Residential Capital's schedules of its assets and liabilities.
86. Upon information and belief, Resolution Capital and the Defendant have filed false, untrue, and inaccurate bankruptcy petitions with the Court.

COUNT I (Violation of Automatic Bankruptcy Stay)

87. The Plaintiff repeats and realleges Paragraphs 1 through 86, herein and hereby incorporates the same by reference as set forth herein.
88. Defendant knew or should have known that the Plaintiff had obtained a final judgment in federal district court.

- C) the Defendant shall immediately convey a valid deed and title of 6 Vernon Street in Newburyport, Massachusetts to the Plaintiff;
- D) the Defendant shall immediately void any notes and mortgages it may hold against the property and file notice of its actions to void its assignment with the Essex County Registry of Deeds;
- E) the Defendant and its successors and assigns shall immediately comply with Judge Woodlock's final order dated December 20, 2010;
- F) the time to contest Judge Woodlock's default judgment has expired and is final;
- G) all to appeal or remove default judgments in this matter shall be immediately withdrawn by the Defendant ;
- H) the Defendant and its counsel have filed frivolous appeals with the Court to harass the Plaintiff;
- I) the Defendant and its legal counsel at Prince Lobel Tye LLC have violated the automatic stay and are in contempt of this Honorable Court;
- J) in light of the Defendant's failure to properly and accurately disclose its assets, liabilities, any debt owed to the Plaintiff shall not be discharged;
- K) the Defendant and its parent entity Resolution Capital shall immediately amend its bankruptcy schedule and petitions to accurately reflect all assets, liabilities, contingencies, legal matters, and all matters that relate to the above- referenced bankruptcy. If the Defendant and Resolution Capital do not comply with an Order of the Court by a date certain, all bankruptcy petitions filed will be dismissed with prejudice;
- L) the Plaintiff have judgment against the Defendant in the sum of \$ 550,000.00, or in an amount to be proven at trial, that said sum be trebled, compensatory damages, damages for intentional infliction of emotional distress, punitive damages and attorney's fees awarded, and that the Plaintiff have such other and further relief as is just, including costs and interest and in amounts to be determined.

Respectfully Submitted,

Bruce Clark DeMustchine
By his Attorneys

/s/Thomas R. Mason/s/
Thomas R. Mason, Esq.
Law Office of Thomas Mason
15 New England Executive Park
Burlington, MA 01803
(781) 238-0260
BBO# 553968

December 14, 2012

89. Defendant knew or should of known that the Plaintiff is currently a creditor in a bankruptcy and, as such, all proceedings regarding its case in federal court are automatically stayed under 28 U.S.C., Sec. 157(b).
90. Defendant knew or should have known that Plaintiff's right to appeal the final judgment by Judge Woodlock had expired on December 20, 2010.
91. On October 17, 2012, the Defendant violated the automatic stay by filing a second motion to vacate the final judgment of the case in federal court without leave of the Court.
92. On October 23, 2012 the Defendant violated the automatic stay by filing an appeal of Judge Woodlock's decision, dated September 24, 2012, in the First United States District Court of Appeals without obtaining leave of the Court.
93. The Defendants have failed to obey a lawful order and are currently in contempt of the bankruptcy court.
94. As a result of the Defendant's conduct, the Plaintiff has been damaged.

WHEREFORE, the Plaintiff demands judgment against the Defendant in the sum of \$ 550,000.00, or in an amount to be proven at trial, that said sum be trebled, compensatory damages, punitive damages and attorney's fees awarded, and that the Plaintiff have such other and further relief as is just, including costs and interest and in amounts to be determined.

COUNT II (Filing Untrue and Inaccurate Bankruptcy Petitions and Schedules)

95. The Plaintiff repeats and realleges Paragraphs 1 through 94, herein and hereby incorporates the same by reference as set forth herein.
96. The Plaintiff is a creditor of the Defendant.
97. The Plaintiff, as a creditor, has an interest in ensuring that assets in the bankruptcy estate are properly maintained and preserved for his own benefit.
98. The Defendant and its attorneys have attempted to foreclose on the Plaintiff's home without having any legal title or rights.
99. The Defendant and its attorneys have presented a fraudulently prepared assignment to the Court to assert its rights to appeal the Plaintiff's judgment.
100. The Defendant has knowingly misrepresented and concealed the fraudulent assignment of the Plaintiff's mortgage from its creditors and the United States Bankruptcy Trustee.
101. The Defendant has intentionally not disclosed anything about the money that may be owed to the Plaintiff on RAHI's schedule of assets and liabilities.
102. The Defendant has intentionally not disclosed potential malpractice claims against Cohn and Dussi for not filing responses to Plaintiff's motions and pleadings within applicable deadlines.
103. The Defendant has intentionally not disclosed how much is being paid to Prince Lobel Tye LLC to appeal the Plaintiff's previously closed case.
104. The Defendant has not kept and produced accurate financial records in the course of the bankruptcy proceedings.

105. The Defendant has provided false information on its bankruptcy petition and schedules to perpetuate fraud in selling these assets bankruptcy.

106. The Defendant has provided false information on its petition and schedules to avoid including it in the bankruptcy estate.

107. The Defendant has provided false information on its bankruptcy petition and schedules to conceal the nature and extent of its potentially fraudulent and illegal activities regarding its property foreclosures from its creditors.

108. As a result of the Defendant's conduct, the Plaintiff has been damaged.

Wherefore, the Plaintiff demands judgment against the Defendant in the sum of \$ 550,000.00, or in an amount to be proven at trial, that said sum be trebled, compensatory damages, punitive damages and attorney's fees awarded, and that the Plaintiff have such other and further relief as is just, including costs and interest and in amounts to be determined.

COUNT III (Intentional Infliction of Emotional Distress)

109. The Plaintiff repeats and realleges Paragraphs 1 through 108, herein and hereby incorporates the same by reference as set forth herein.

110. The illegal actions taken by the Defendant and its counsel to reopen a closed case and violate this Court's automatic stay have caused excessive stress to the Plaintiff and his companion who live in the Plaintiff's property.

111. Because of its actions and bullying, the Defendant has caused the Plaintiff and his companion to be hospitalized on multiple occasions due to excessive stress.

112. The Defendant's and its law firms' actions have caused Plaintiff many sleepless nights which have required medication. As a result of the Defendant's actions, the Plaintiff has had nightmares, depression, use of alcohol, flooding emotions, apathy, tension headaches, anxiety, and chronic back pain. In addition, due to the Defendant's actions, the Plaintiff has continued to have difficulty focusing and making decisions.
113. The Defendant's actions have contributed to at least one, if not two, of the Plaintiff's companion's heart attacks during this period. She also had and still has chronic back pain which reoccurs when stress levels have been elevated due to the actions of the Defendant and its law firm, Prince Tye Lobel LLC.
114. The Defendant's actions, by falsely publishing the Plaintiff's mortgage default, have publicly humiliated the Plaintiff causing him embarrassment in the community and loss of professional opportunities.
115. Excessive stress caused by the Defendant has exacerbated the Plaintiff's ongoing health issues.
116. The law firm of Prince Lobel Tye has harassed the Plaintiff and his family by continuing to file frivolous motions on an already closed case.
117. The Defendant and its counsel, Prince Lobel Tye LLC have made false representations to the Court regarding title to the Plaintiff's property and has engaged in activities designed to frighten the Plaintiff and his family.
118. The Defendant hired Prince Lobel Tye, LLC in order to inflict severe emotional distress on the Plaintiff and his family.
119. The conduct of the Defendant, through Prince Lobel Tye, LLC and others, has been so extreme that it exceeded all possible bounds of human decency.
120. The conduct of the Defendant and its agents has been atrocious and is utterly intolerable in a civilized community.

121. The Defendant's actions have caused Plaintiff and his family to suffer emotional distress so severe that no reasonable man could be expected to endure it.

122. As a result of the Defendant's conduct, the Plaintiff has been damaged.

WHEREFORE, the Plaintiff demands judgment against the Defendant in the sum of \$ 550,000.00, or in an amount to be proven at trial, that said sum be trebled, compensatory damages, punitive damages and attorney's fees awarded, and that the Plaintiff have such other and further relief as is just, including costs and interest and in amounts to be determined.

COUNT IV (Abuse of Process)

123. Plaintiff repeats and realleges Paragraphs 1 through 122, herein and hereby incorporates the same by reference as set forth herein.

124. The Defendant and its attorneys have attempted to foreclose on the Plaintiff's home without having any title or legal rights.

125. The Defendant and its attorneys have presented a fraudulently prepared assignment to assert its rights to appeal the Plaintiff's judgment.

126. The Defendant has knowingly misrepresented and concealed the fraudulent assignment of the Plaintiff's mortgage from its creditors and the United States Bankruptcy Trustee.

127. The Defendant has not disclosed anything about what may be owed to the Plaintiff on its schedule of assets and liabilities.

128. As a result of the Defendant's conduct, the Plaintiff has been damaged.

WHEREFORE, the Plaintiff demands judgment against the Defendant in the sum of \$ 550,000.00, or in an amount to be proven at trial, that said sum be trebled, compensatory damages, punitive damages and attorney's fees awarded, and that the Plaintiff have such other and further relief as is just, including costs and interest and in amounts to be determined.

COUNT V (Declaratory Judgment)

129. The Plaintiff repeats and realleges Paragraphs 1 through 129, herein and hereby incorporates the same by reference as set forth herein.
130. A judgment in favor of the Plaintiff was made final in the First United District Court which is appended to this Complaint and marked "Exhibit F."
131. The Defendant has not made a timely appeal of the final judgment that was rendered by the United States First District Court and it no longer has any right to appeal.
132. The Defendant, due to its declaration of bankruptcy, is prohibited from taking action to overturn this judgment.
133. The Defendant and its law firm, Prince Lobel Tye, LLC, have violated the Court's automatic stay by acting on the above-referenced case after a declaration of bankruptcy was filed and without leave of the Court.
134. Under the final judgment, the Defendant has no ownership rights to the Plaintiff's home at 6 Vernon Street in Newburyport, Massachusetts.
135. As a result of the Defendant's conduct, the Plaintiff has been damaged.

WHEREFORE, the Plaintiff demands judgment against the Defendant on all Counts and requests that this Honorable Court rule, by reason of the foregoing, that:

- A) the Plaintiff possesses the complete and unfettered right to own and possess the property without any encumbrances imposed by the Defendant at 6 Vernon Street in Newburyport, Massachusetts;
- B) the Defendant and its agents shall cease and desist from taking further action in any jurisdiction to assert any ownership of 6 Vernon Street in Newburyport, Massachusetts;

CERTIFICATE OF SERVICE

I hereby certify that on December 14, 2012, this document was filed through the ECF system electronically and to any registered participants and/or a paper copy was sent by mail to those indicated as non-registered participants.

/s/ Thomas R. Mason/s/

Exhibit A

MASXP-20071107

sullikell

Commonwealth of Massachusetts

ESSEX SUPERIOR COURT

Case Summary

Civil Docket

07/28/20

12:06

ESCV2010-01498
DeMustchine v RAHI Real Estate Holdings LLC et al

File Date	07/12/2010	Status	Disposed: transfered to other court (dtrans)
Status Date	07/28/2010	Session	D - Civil-CiRm 2 (Lawrence)
Origin	1 - Complaint	Case Type	C99 - Misc real property
Track	F - Fast track	Lead Case	Jury Trial Unknown

DEADLINES

	Service	Answer	Rule 12/19/20	Rule 15	Discovery	Rule 56	Final PTC	Judgment
Served By			11/09/2010	11/09/2010	05/08/2011	09/07/2011		
Filed By	10/10/2010	11/09/2010	12/09/2010	12/09/2010		07/07/2011		05/02/2012
Heard By			01/08/2011	01/08/2011			11/04/2011	

PARTIES

Plaintiff

Bruce Clark DeMustchine
Active 07/12/2010

He

Li

Pr

Defendant

RAHI Real Estate Holdings LLC
Service pending 07/12/2010

Private Counsel 553968

Thomas R Mason
Law Office of Thomas R Mason
25 Burlington Mall Rd., Ste 300
Burlington, MA 01803
Phone: 781-238-0260
Active 07/12/2010 Notify

Defendant

JP Morgan Chase Bank National Association
as successor-in-interest to Washington Mutual Bank
f/k/a Washing
Service pending 07/12/2010

Wk

Li

Pr

Private Counsel 555778

J Patrick Kennedy
Bulkley Richardson & Gellinas LLP
98 North Washington Street
P.O. Box 9750
Boston, MA 02114-9750
Phone: 617-368-2500
Fax: 617-368-2525
Active 07/28/2010 Notify

ENTRIES

Date	Paper	Text
07/12/2010	1.0	Complaint & civil action cover sheet filed
07/12/2010		Origin 1, Type C04, Track X.
07/12/2010		Track changed to F, Origin 1, Type C99.
07/28/2010	2.0	Notice for Removal to the United States District Court filed by JP Morgan Chase Bank National Association
07/28/2010		Case REMOVED this date to US District Court of Massachusetts

EVENTS

1. TRUE COPY TEST

Case 1:10-cv-11245-DPW Document 10-3 Filed 08/16/10 Page 2 of 21

su
MASXP-20071107
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Case 1:10-cv-11245-DPW Document 2 Filed 07/30/10 Page 2 of 20

Commonwealth of Massachusetts
ESSEX SUPERIOR COURT
Case Summary
Civil Docket

07/28/20
12:06 I

ESCV2010-01498
DeMustchine v RAHI Real Estate Holdings LLC et al

Date	Session	Event	Result
08/12/2010	Civil-CIRm 2 (Lawrence)	Status: Clerk Follow UP service	Event canceled not re-scheduled

COMMONWEALTH OF MASSACHUSETTS

Essex, ss

Superior Court

Bruce Clark DeMustchine,
Plaintiff

C.A. No. 10-1498-D

RAHI Real Estate Holdings LLC,
JP Morgan Chase Bank National Association, as successor-
in-interest to Washington Mutual Bank f/k/a Washington Mutual
Bank successor-in-interest to Long Beach Mortgage Company)

As Defendants

FILED
IN THE SUPERIOR COURT
FOR THE COUNTY OF ESSEX

NOV 12 2010

VERIFIED COMPLAINT

INTRODUCTION

1. The Plaintiff seeks compensation, to rescind a predatory mortgage loan that is currently held on Plaintiff's residence, and enjoin the Defendants from foreclosing on his home. The Plaintiff alleges that the Defendants have violated of M.G.L. c. 183C, 1 et seq., the Massachusetts Anti-Predatory Mortgage Law, M.G.L. c.140, s. 90B, and other laws. M.G.L. c.183C was passed overwhelmingly by the Massachusetts legislature to curb abuses of consumers by mortgage lenders. Violations of c. 183C are also deemed to be violations of the Massachusetts Consumer Protection Law, c. 93A. The Plaintiff alleges that the Defendants have engaged in illegal lending practices which may result in the Plaintiff losing his home.

2. In 1992, the Attorney General of Massachusetts promulgated 940 CMR 8.00 relating to mortgage lenders and mortgage brokers pursuant to the Attorney General's authority in M.G.L. c. 93A, s. 2(c). These regulations were designed to protect Massachusetts consumers seeking residential mortgage loans and ensure that the mortgage industry is operating fairly and honestly.

3. 940 CMR 8.06(16) states that: "it is an unfair or deceptive act or practice for a mortgage broker or lender to process or

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[Signature]

make a mortgage loan without documentation to verify the borrower's income (a so-called "no documentation," "no doc," "stated income" or "limited documentation" loan) unless the broker or lender, as applicable, first provides a written document to the borrower, which must be signed by the borrower in advance of the closing, and which: (a) identifies the borrower's income and the source of the income; and (b) provides detailed information, if true, that by applying for a mortgage loan on a no- or limited documentation basis, the consumer will pay a higher interest rate or increased charges, or have less favorable terms for the mortgage loan (including information concerning the precise increase interest rate, charges, or the nature of the less favorable terms)."

4. 940 CMR 8.06 (17) states that: "it is an unfair or deceptive act or practice for a mortgage broker to process, make or arrange a loan that is not in the borrower's interest. Where the financial interest of a mortgage broker conflicts with the interests of the borrower (for example, where the broker's compensation will increase directly or indirectly if the borrower obtains a loan with higher interest rates, increased charges or less favorable terms than those for which a borrower would otherwise qualify), the broker shall disclose the conflict and shall not proceed to process, make or arrange the loan so long as such a conflict exists. It is an unfair or deceptive act or practice for a mortgage broker to disclaim the duty established by 940 CMR 8.06(17) in a written contract or to assert in oral representations that a broker does not have such a duty in communications with the borrower."

PARTIES

5. Bruce Clark DeMustchine, (the "Plaintiff"), is an individual who resides and owns a home at 6 Vernon Street in Newburyport, Massachusetts. The Plaintiff is a borrower who used the services of Washington Mutual Bank as a mortgage lender to refinance a mortgage on his residence located at 6 Vernon Street in Newburyport, Massachusetts.

6. Defendant JP Morgan Chase Bank National Association ("Chase") is successor-in-interest to Washington Mutual Bank (f/k/a Washington Mutual Bank ("Wamu") successor-in-interest to Long Beach Mortgage Company). The Plaintiff used the services of Wamu to secure a mortgage on his residence at 6 Vernon Street in Newburyport, Massachusetts. At the time of the mortgage, Wamu was a licensed mortgage lender in the Commonwealth of Massachusetts. Wamu was licensed by the Massachusetts Division

of Banks to make residential loans. Mortgage Lender or Lender means any person engaged in the business of making mortgage loans or issuing commitments for mortgage loans, including, but not limited to, mortgage lenders licensed or regulated by M.G.L. c. 255E, § 2 or by the Commissioner, and shall include all individuals who work on behalf of such lenders.

7. Defendant RAHI Real Estate Holdings LLC ("RAHI") has claimed that it has acquired and is presently the holder in due course of the Note and Mortgage on the Plaintiff's property. RAHI claims that it has acquired the Note and Mortgage from Chase which was the successor-in-interest to Wamu. RAHI is attempting to collect an outstanding balance that is purportedly owed by the Plaintiff. RAHI has filed a notice of foreclosure for the Plaintiff's home at 5 Vernon Street in Newburyport.

FACTS

8. On or about June 26, 1991, the Plaintiff and his former wife, Judith Anne De Mustchine, purchased a home at 6 Vernon Street in Newburyport, Massachusetts for a purchase price in the amount of \$ 80,000.00 and a mortgage loan in the amount of \$ 180,000.00 with Provident Institution of Savings (Book 10846, Page 130).

9. On or about April 9, 1996, Judith Anne De Mustchine conveyed through a quitclaim deed all of her rights to the 6 Vernon Street property to the Plaintiff in return for consideration of \$1.00 (Book 13500, Page 580).

10. From the time he first purchased his home until he refinanced his home mortgage with Wamu on July 22, 2003, the Plaintiff refinanced his home on a number of occasions.

11. On or about June 2003, Plaintiff needed to use equity that he had accumulated on his house to finance a divorce settlement from his former spouse.

12. On or about June 2003, Plaintiff was referred by a friend to Wamu's sales executive, Bev Bernard, to refinance his home to pay for his divorce settlement. Mr. Bernard, through the Massachusetts office of Washington Mutual ("Wamu"), arranged for the refinancing of the Plaintiff's home.

13. On or about June and July 2003, Mr. Bernard, on behalf of Wamu, aggressively contacted and baited the Plaintiff numerous times via email solicitations to establish a relationship of

trust to induce the Plaintiff to take out and refinance the mortgage on his residence on terms and conditions he could not afford. Mr. Bernard invited the Plaintiff to spend a weekend on his boat as sign of friendship.

14. Plaintiff truthfully provided Wamu his income and all financial information requested on his mortgage application.

15. Plaintiff relied upon Mr. Bernard and Wamu to submit truthful and accurate representations of his finances to obtain the mortgage. Wamu indicated to the Plaintiff that it would use truthful and accurate information when completing and submitting the mortgage applications.

16. Plaintiff did not fill out, complete, or review the contents of Wamu's mortgage application. According to information and belief, the mortgage application was completed by Mr. Bernard or another employee of Wamu.

17. Wamu encouraged Plaintiff to put his home at risk by making "too good to be true" promises. Wamu indicated that it would be able to refinance the Plaintiff's property for monthly payments which was roughly equal to his current mortgage payments.

18. Mr. Bernard recommended that the Plaintiff receive an adjustable rate mortgage loan with an initial interest rate of 1.95% for seven years. Mr. Bernard told the Plaintiff that the terms of the mortgage were so good that he, himself, took advantage of the refinancing program offered by Wamu.

19. Upon information and belief, Wamu and its agents fraudulently inflated the appraised value of the Plaintiff's home to induce him to take a mortgage that he was unable to afford.

20. Mr. Bernard told the Plaintiff that the appraisal commissioned by Wamu valued the Plaintiff's residence at \$ 985,000.00. The Plaintiff was never provided with a copy of Wamu's appraisal. A subsequent appraisal of the Plaintiff's house, in September 2008, indicated that the value of the house was really \$ 550,000.00. Wamu used fraudulent and inflated appraisals when it refinanced Plaintiff's home.

21. On or about July 22, 2003, relying upon Wamu's representations regarding the terms and conditions of the Note and Mortgage, the Plaintiff refinanced his home at 6 Vernon

Street in Newburyport, Massachusetts in the amount of \$ 618,750.00 (Book 21363, Page 284).

22. On July 23, 2003, Wamu's agent held the closing for the refinancing of the Plaintiff's home outside of a coffee shop in the Plaintiff's car at approximately 7:00 am.

23. On July 23, 2003, a representative of Wamu sat in the Plaintiff's car and instructed the Plaintiff where to sign. Plaintiff, relying upon the representations of Wamu's agent, signed the paperwork provided at the closing.

24. The type of mortgage with Wamu was a so-called "no documentation" loan. The Plaintiff was not required to provide verification of his income.

25. Wamu executed the mortgage on the 6 Vernon Street home without first providing the Plaintiff with a written document that was supposed to be signed in advance of the closing which: (a) identifies the borrower's income and the source of the income; and (b) provides detailed information, if true, that by applying for a mortgage loan on a no- or limited documentation basis, the consumer will pay a higher interest rate or increased charges, or have less favorable terms for the mortgage loan (including information concerning the precise increase in interest rate, charges, or the nature of the less favorable terms).

26. Upon information and belief, Wamu failed to verify the accuracy of the information on loan applications and intentionally disregarded discrepancies between the assessed and appraised values of the Plaintiff's residence.

27. Wamu's agent, Bev Bernard, told the Plaintiff that under the terms and conditions of the mortgage with Wamu, the loan was a no documentation adjustable rate mortgage for seven years starting with a rate of 1.950%.

28. The Plaintiff's monthly payment, including escrows, started at \$ 2,271.58 a month. The mortgage loan was for \$ 618,750.00.

29. After the closing occurred on July 23, 2003, the Plaintiff made numerous requests to Wamu, GMAC, and RAHI to see a copy of his completed mortgage application and the paperwork he purportedly signed at the closing.

30. After discovering that the real terms of the loan, the Plaintiff realized that the loan was not affordable. Plaintiff contacted Wamu and attempted to modify or cancel the loan.

31. The Defendants have not complied with Plaintiff's request to receive a copy of the completed loan application and the paperwork he purportedly signed at the closing.

32. On or about October 2006, the Plaintiff received a notification from GMAC that it was servicing the mortgage.

33. On or about October 19, 2006, GMAC claimed that Plaintiff had fallen behind on his monthly mortgage payments. The reason the Plaintiff had fallen behind on this monthly payment was because a payment of \$ 4,883.00 to Wamu was not properly credited by GMAC.

34. On or about October 19, 2006, GMAC's legal counsel acknowledged that Plaintiff has paid the \$ 4,883.00.

35. Plaintiff has asked on numerous occasions that GMAC and Wamu to inform him whether the \$ 4,883.00 had been credited to his account.

36. GMAC and Wamu have not properly credited \$ 4,883.00 paid by Plaintiff to his outstanding mortgage.

37. Due to serious illnesses, the Plaintiff was unable to make regular payments on his mortgage and has fallen behind on his mortgage payments.

38. On January 13, 2010, the Plaintiff received a letter from GMAC indicating that it intended to initiate foreclosure proceedings.

39. On March 23, 2010, the Plaintiff sent a certified letter to GMAC's and RAHI's legal counsel requesting that he be provided with a verified and certified copy of his original mortgage and note as required under M.G.L. c. 140, s.90B.

40. On April 12, 2010, the Plaintiff received a notice of intention to foreclose and deficiency after foreclosure upon his home from RAHI's counsel.

41. On April 16, 2010, the Plaintiff received a response from RAHI and GMAC that did not include certified copies of original note or mortgage on his home.

42. On April 22, 2010, the Plaintiff again demanded that the Defendants provide him with an original copy of the mortgage and note.

43. There were many defects on the documents sent to the Plaintiff by RAHI. The purported assignment of the Plaintiff's mortgage and note, which was recorded on January 28, 2010 (Book 29243, Page 284) in the Essex County Registry of Deeds, has several irregularities.

44. The documents that supposedly indicate that the Note and Mortgage were assigned to RAHI were not properly witnessed.

45. Upon information and belief, there is no documentation to support RAHI's assertion that it is the holder in due course of the Plaintiff's note and mortgage.

46. The date of the notary's witnessing of execution, January 15, 2009, of the assignment is different than the date RAHI alleges that the assignment occurred, January 19, 2009.

47. The date of certification by a notary of the assignment is dated January 15, 2009.

48. The assignment of the assignment prepared by Jeffrey Stephan, a Limited Signing Officer for RAHI, indicates that the transfer of the Note and Mortgage purportedly occurred on January 19, 2010.

49. On or about November 2007, Plaintiff was unable to continue paying his mortgage and contacted Wamu and its servicing agent, GMAC, about modifying the terms of his loan.

50. The Plaintiff has contacted RAHI and RAHI's agent, GMAC, and advised them about his situation and requested a rescission, forbearance, loss mitigation assistance, and/or a special repayment plan to avoid the loss of his home through foreclosure.

51. The Plaintiff has made good faith efforts to access foreclosure prevention services and to pay the loan, however, the RAHI and its agents, specifically GMAC, have denied the Plaintiff the opportunity to access and obtain the mortgage servicing options required by federal regulations and designed to avoid foreclosure of this HUD insured mortgage.

52. The Defendants have failed to comply with their legal responsibilities the terms of the subject mortgage and as a proximate result, the Plaintiff's delinquency has been improperly inflated by mortgage foreclosure filing, service and other fees and inspections costs, and by foreclosure attorney's fees in amounts that the Plaintiff cannot afford to pay. Therefore, the Plaintiff remains at the risk of losing his home.

53. A holder in due course for a personal residence is required under Massachusetts law to possess an original Note and Mortgage in which it has a secured interest.

54. RAHI's attorney has claimed that he has seen a copy of the original note and mortgage but has failed to produce the originals.

55. Upon information and belief, there is no information about how the Plaintiff's note and mortgage were supposedly transferred to RAHI.

56. Upon information and belief, RAHI, GMAC, Chase, and Long Beach Mortgage are not the holders in due course of the Mortgage and Note upon Plaintiff's home at 6 Vernon Street in Newburyport, Massachusetts and have no legal right to foreclose upon his property.

COUNT I (Violation of Chapter 140, Section 90B)

57. Plaintiff realleges and incorporates herein his statement of facts set forth hereinabove and the allegations contained in paragraphs 1 through 56 of this Complaint herein.

58. Defendants have violated M.G.L. c.140, s.90B by failing to respond to the Plaintiff's request to be provided with a true copy of the mortgage and note on his primary residence.

59. RAHI, GMAC, Chase, and Long Beach Mortgage have not demonstrated that they are the holders in due course of the Mortgage and Note upon Plaintiff's home at 6 Vernon Street in Newburyport, Massachusetts and have no legal right to foreclose or enforce mortgages or notes upon his property.

60. As a result of its failure to provide Plaintiff with a true copy of its original note and mortgage, any rights the

Defendants may have to foreclose upon Plaintiff's home are suspended.

61. As a result of this conduct, Plaintiff has suffered damages and harm for which the Defendants are liable.

COUNT II (Collusion)

62. Plaintiff realleges and incorporates herein his statement of facts set forth hereinabove and the allegations contained in paragraphs 1 through 61 of this Complaint herein.

63. Defendants operated by mutual agreement to deceive, mislead, and defraud Plaintiff of his legal rights to own his residence and obtain through fraud to gain an unfair advantage to foreclose on Plaintiff's residence.

64. Defendant, RAHI, is attempting to foreclose upon the Plaintiff's mortgage without being able to produce any evidence that it was the holder in due course of the mortgage.

65. As a result of this conduct, Plaintiff has suffered damages and harm for which the Defendants are liable.

COUNT III (Massachusetts Consumer Protection Act)

66. Plaintiff realleges and incorporates herein his statement of facts set forth herein above and the allegations contained in paragraphs 1 through 65 of this Complaint herein.

67. This is an action for relief and for damages pursuant to the Massachusetts General Laws Chapter 93A, the Massachusetts Consumer Protection Act, (hereinafter "the Act").

68. At all times relevant, the Plaintiff was a "consumer" as defined by M.G.L. c.93A.

69. At all times relevant, the Defendant was engaged in "trade or commerce" as defined by M.G.L. c. 93A.

70. Violations of the Act are defined as unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.

71. Defendants have violated the Act by engaging in unfair and deceptive acts and practices including not limited to breaching Defendants' duty of good faith and fair dealing based upon standards imposed by the residential mortgage lending and servicing industries.

72. Defendants' violations of Chapter 183C, as described below, are also deemed to be violations of the Act.

73. As a direct result of the Defendants' unfair and deceptive acts and practices, the Plaintiff has been damaged. Such damages have been proximately caused by the Defendants' unfair and deceptive acts which have directly resulted in the Plaintiff being threatened with the loss of his homestead and the equity therein and an additional layer of foreclosure fees and costs that have been added to the delinquency and reinstatement balance.

COUNT IV (Violation of M.G.L. c. 167)

74. Plaintiff realleges and incorporates herein his statement of facts set forth herein above and the allegations contained in paragraphs 1 through 73 of this Complaint herein.

75. Defendants have violated M.G.L c. 167 by, as a bank, engaging in this commonwealth in unfair methods of competition or unfair or deceptive acts or practices involving consumer transactions.

76. As a direct result of the Defendants' unfair and deceptive acts and practices, the Plaintiff has been damaged and such damages have been proximately caused by the Defendants' unfair and deceptive acts which have directly resulted in the Plaintiff being threatened with the loss of his homestead and the equity therein and an additional layer of foreclosure fees and costs which have been added to the delinquency and reinstatement balance.

77. As a result of this conduct, Plaintiffs have suffered damages and harm for which the Defendants are liable.

COUNT V (Violation of M.G.L. c.183C PREDATORY HOME LOAN PRACTICES)

78. Plaintiff realleges and incorporates herein his statement of facts set forth hereinabove and the allegations contained in paragraphs 1 through 77 of this Complaint herein.

79. Defendants have violated this chapter by making a home mortgage loan without documentation without first providing a written document to the borrower, which must be signed by the borrower in advance of the closing, and which: (a) identifies the borrower's income and the source of the income; and (b) provides detailed information, if true, that by applying for a mortgage loan on a no- or limited documentation basis, the consumer will pay a higher interest rate or increased charges, or have less favorable terms for the mortgage loan (including information concerning the precise increase interest rate, charges, or the nature of the less favorable terms).

80. As a result of this conduct, Plaintiff has suffered damages and harm for which the Defendants are liable.

COUNT VI (Violation of M.G.L. c.183: Section 28C by Failing to Act in the Plaintiff's Best Interests)

81. Plaintiff realleges and incorporates herein his statement of facts set forth hereinabove and the allegations contained in paragraphs 1 through 80 of this Complaint.

82. Defendants have violated Chapter 183 by knowingly making a home loan to the Plaintiff when the home loan when the loan refinancing was not in the the "borrower's interest".

83. Defendants have violated Chapter 183 by failing to demonstrate that its loan refinancing was in the borrower's interest.

84. As a result of this conduct, Plaintiff has suffered damages and harm for which the Defendants are liable.

COUNT VII (Rescission)

85. Plaintiff repeats the allegations contained in paragraphs 1 - 84 and, by this reference, incorporates them herein.

86. Plaintiff alleges that RAHI and the Defendants are concealing material misrepresentations of facts by attempting to foreclose on a mortgage that it does not actually own.

87. Defendants are attempting, after concealing material misrepresentations and facts regarding the mortgage and notes, to foreclose upon a property that they have never actually owned.

88. Plaintiff requests, in light of the Defendants lack of proof of ownership of the Property, that the mortgage loans currently on record be deemed to be null and void and that all agreements between the Plaintiff and the Defendant be rescinded as a matter of law.

89. As a result of this conduct, Plaintiff has suffered damages and harm for which the Defendants are liable.

COUNT VIII (Fraud)

90. Plaintiff realleges and incorporates herein his statement of facts set forth hereinabove and the allegations contained in paragraphs 1 through 89 of this Complaint.

91. Plaintiff alleges that Defendants intentionally misrepresented material terms of the mortgage loan and note by attempting to collect fees and foreclose upon a property it does not actually own.

92. Plaintiff alleges that Defendants used forgery and fraud when it completed mortgage applications for him with the intent to deceive and misrepresent the Plaintiffs' real financial situation.

93. As a result of this conduct, Plaintiffs have suffered damages and harm for which the Defendants are liable.

COUNT IX (Misrepresentation)

94. Plaintiff realleges and incorporates herein his statement of facts set forth hereinabove and the allegations contained in paragraphs 1 through 93 of this Complaint.

95. Plaintiff alleges that the Defendants deliberately hid and falsified material facts, including the actual owner in due course and the mortgage refinancing agreement which, if known by the Plaintiff would have aborted, or at least significantly altered the basis of the mortgage loans.

96. As a result of this conduct, Plaintiff has suffered damages and harm for which the Defendants are liable..

COUNT X (Negligence)

97. Plaintiff realleges and incorporates herein his statement of facts set forth hereinabove and the allegations contained in paragraphs 1 through 96 of this Complaint.

98. Plaintiff alleges that Defendants violated their duty of care and their legal obligation to adhere to a standard of reasonable care as mortgage brokers and lenders while dealing with Plaintiff as a consumer.

99. Plaintiff alleges that the Defendants knowingly exposed the Plaintiff to a substantial risk of loss in the mortgage lending transactions described herein.

100. Plaintiff alleges that the acts or omissions of the Defendant caused the losses and damages he sustained.

COUNT XI (Breach of Fiduciary Duty)

101. Plaintiff realleges and incorporates herein his statement of facts set forth hereinabove and the allegations contained in paragraphs 1 through 100 of this Complaint.

102. Plaintiff alleges that Defendants are supposed to have a relationship of trust and confidence with him.

103. By entering into an Agreement with Plaintiff, Defendants owed a fiduciary duty to Plaintiff.

104. By their conduct as set forth above, Defendants have breached their fiduciary duties to the Plaintiff causing him damages and harm for which the Defendants are liable.

REQUESTS FOR RELIEF

WHEREFORE, Plaintiffs request that this Court:

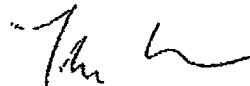
1. Enter judgment for the Plaintiff on all Counts of its Complaint;
2. Order the Defendants to provide the Court with original copies of the original Mortgage and Note for the property at 6 Vernon Street, Newburyport, Massachusetts;
3. Order the Defendants to provide an accounting of all earnings wrongfully gained by breach of their fiduciary duties to Plaintiff;
4. Issue an order or injunction rescinding the home mortgage loan contract and barring the lender from collecting money under any home mortgage loan relating to the Plaintiff's residence at 6 Vernon Street, Newburyport, Massachusetts ;
5. Issue an order or injunction barring any judicial or non judicial foreclosure or other lender action under the mortgage or deed of trust relating to the Plaintiff's residence at 6 Vernon Street, Newburyport, Massachusetts;
6. Issue an order or injunction reforming the terms of the home mortgage loans at 6 Vernon Street, Newburyport, Massachusetts to conform to applicable laws;

7. Issue an order or injunction enjoining the Defendants, as lenders, from engaging in any prohibited conduct;
8. Impose such other relief, including injunctive relief, as the court may consider just and equitable;
9. Award Plaintiff damages as determined at trial, plus interest and costs as provided by law;
10. Award this Plaintiff actual damages and attorney's fees and costs to Plaintiff's counsel;
11. Award ancillary relief, including, but not limited to, rescission of contracts, restitution, and the disgorgement of ill-gotten monies, to prevent and remedy injury caused by Defendants' violations law; and
12. Grant Plaintiff such other and further relief as the Court deems just and proper.

JURY DEMAND

Plaintiffs demand a jury trial on all issues so triable.

Respectfully submitted by
Bruce de Mustchine's Attorney,



Thomas R. Mason, Esq.
Law Offices of Thomas R.
Mason
15 New England Executive Park
Burlington, MA 01803
781-238-0260
BBO # 553968

Dated: July 12, 2010

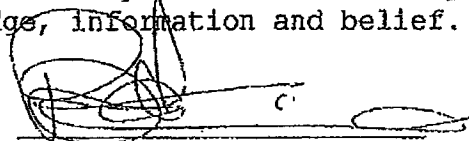
Case 1:10-cv-11245-DPW Document 10-3 Filed 08/16/10 Page 18 of 21

Case 1:10-cv-11245-DPW Document 2 Filed 07/30/10 Page 18 of 20

VERIFICATION

I, Bruce Clark DeMuschine, state that I have read the allegations set forth in the Verified Complaint and that they are true to the best of my knowledge, information and belief.

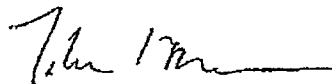
Date: 7/9/2010.

A handwritten signature in black ink, appearing to read "Bruce deMustchine", written over a horizontal line.

Bruce deMustchine

CERTIFICATE OF SERVICE

I, Thomas R. Mason, the attorney of record in this matter,
do hereby certify that I served the Complaint in this
matter to the Plaintiffs and Essex Superior Court on July
12, 2010 via Deputy Sheriff.



Thomas R. Mason, Esq.
Law Offices of Thomas R.
Mason
15 New England Executive Park
Burlington, MA 01803
781-238-0260
BBO # 553968

CIVIL ACTION COVER SHEET		DOCKET NO. (S) 10-1498-D	Trial Court of Massachusetts Superior Court Department County: _____	
PLAINTIFF(S) Bruce Clark DeMishchive		DEFENDANT(S) RATH Real Estate Holdings LLC 77 Main Street, Chatham, MA		
ATTORNEY, FIRM NAME, ADDRESS AND TELEPHONE Thomas R. Mason 15 Allen Street, Executive Park Burlington, MA 01803 781-238-0260		ATTORNEY (If known) _____		
Board of Bar Overseers Number: #553968		Origin code and track designation		
Place an x in one box only: <input checked="" type="checkbox"/> 1. F01 Original Complaint <input type="checkbox"/> 2. F02 Removal to Sup.Ct. C.231,s.104 (Before trial) (F) <input type="checkbox"/> 3. F03 Retransfer to Sup.Ct. C.231,s.102C (X)		<input type="checkbox"/> 4. F04 District Court Appeal c.231, s. 97 & 104 (After trial) (X) <input type="checkbox"/> 5. F05 Reactivated after rescript; relief from judgment/Order (Mass.R.Civ.P. 60) (X) <input type="checkbox"/> 6. E10 Summary Process Appeal (X)		
TYPE OF ACTION AND TRACK DESIGNATION (See reverse side)				
CODE NO. C04	TYPE OF ACTION (specify) Enjoin Foreclosure	TRACK (X)	IS THIS A JURY CASE? (X) Yes () No	
The following is a full, itemized and detailed statement of the facts on which plaintiff relies to determine money damages. For this form, disregard double or treble damage claims; indicate single damages only				
TORT CLAIMS (Attach additional sheets as necessary)				
A. Documented medical expenses to date:				
1. Total hospital expenses				\$
2. Total Doctor expenses				\$
3. Total chiropractic expenses				\$
4. Total physical therapy expenses				\$
5. Total other expenses (describe)				\$
Subtotal \$				
B. Documented lost wages and compensation to date				\$
C. Documented property damages to date				\$
D. Reasonably anticipated future medical and hospital expenses				\$
E. Reasonably anticipated lost wages				\$
F. Other documented items of damages (describe)				\$
G. Brief description of plaintiff's injury, including nature and extent of injury (describe)				\$
TOTAL \$				
CONTRACT CLAIMS (Attach additional sheets as necessary)				
Provide a detailed description of claim(s): Plaintiff seeks damages and to stop foreclosure on home by RATH. RATH has not proven that it owns Plaintiff's Residence				
				TOTAL \$ #50,000
PLEASE IDENTIFY, BY CASE NUMBER, NAME AND COUNTY, ANY RELATED ACTION PENDING IN THE SUPERIOR COURT DEPARTMENT				
"I hereby certify that I have complied with the requirements of Rule 5 of the Supreme Judicial Court Uniform Rules of Dispute Resolution (SJC Rule 1:18) requiring that I provide my clients with information about court-connected dispute resolution services and discuss with them the advantages and disadvantages of the various methods."				
Signature of Attorney of Record (Thomas R. Mason) 3/12/10				

Exhibit B

Kennedy, J. Patrick

From: ECFnotice@mad.uscourts.gov

Sent: Friday, July 30, 2010 2:02 PM

To: CourtCopy@mad.uscourts.gov

Subject: Activity in Case 1:10-cv-11245-DPW DeMustchine v. RAHI Real Estate Holdings LLC et al State Court Record

This is an automatic e-mail message generated by the CM/ECF system. Please DO NOT RESPOND to this e-mail because the mail box is unattended.

*****NOTE TO PUBLIC ACCESS USERS***** Judicial Conference of the United States policy permits attorneys of record and parties in a case (including pro se litigants) to receive one free electronic copy of all documents filed electronically, if receipt is required by law or directed by the filer. PACER access fees apply to all other users. To avoid later charges, download a copy of each document during this first viewing. However, if the referenced document is a transcript, the free copy and 30 page limit do not apply.

United States District Court

District of Massachusetts

Notice of Electronic Filing

The following transaction was entered by Kennedy, J. on 7/30/2010 at 2:02 PM EDT and filed on 7/30/2010

Case Name: DeMustchine v. RAHI Real Estate Holdings LLC et al

Case Number: 1:10-cv-11245-DPW

Filer:

Document Number: 2

Docket Text:

STATE COURT Record JPMorgan Chase Bank, N.A. served on 7/14/2010, answer due 8/4/2010.. (Kennedy, J.)

1:10-cv-11245-DPW Notice has been electronically mailed to:

J. Patrick Kennedy pkennedy@bulkley.com, mkirousis@bulkley.com, mvanderwalt@bulkley.com

1:10-cv-11245-DPW Notice will not be electronically mailed to:

Thomas R. Mason
15 New England Executive Park
Burlington, MA 01803

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:yes

Electronic document Stamp:

[STAMP dcecfStamp_ID=1029851931 [Date=7/30/2010] [FileNumber=3462718-0]
] [c33205977ee2c2415908b78f00cdb9e4324677877b3a5848e0ff467fd5df192e728
9afbe95d4f24271be609a0b131fb632bf448d74bda759bc6c8bfeaf64e904]]

**United States District Court
District of Massachusetts (Boston)
CIVIL DOCKET FOR CASE #: 1:10-cv-11245-DPW**

DeMustchine v. RAHI Real Estate Holdings LLC et al
Assigned to: Judge Douglas P. Woodlock
Case in other court: First Circuit, 12-02267
Essex County Superior Court, 10-01498-D
Cause: 28:1441 Notice of Removal

Date Filed: 07/26/2010
Date Terminated: 12/20/2010
Jury Demand: Plaintiff
Nature of Suit: 290 Real Property: Other
Jurisdiction: Diversity

Plaintiff

Bruce Clark DeMustchine

represented by **Thomas R. Mason**
Law Office of Thomas R. Mason
15 New England Executive Park
Burlington, MA 01803
781-238-0260
Email: attytmason@gmail.com
ATTORNEY TO BE NOTICED

V.

Defendant

RAHI Real Estate Holdings LLC

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ATTORNEY TO BE NOTICED

Defendant

JPMorgan Chase Bank, N.A.
*as successor-in-interest to Washington
Mutual Bank f/k/a Washington Mutual
Bank successor-in-interest to Long Beach
Mortgage Co*
TERMINATED: 10/07/2010

represented by **Donn A. Randall**
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Boston, MA 02114-0016
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Fax: 617-368-2525
Email: drandall@bulkley.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

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Fax: 617-368-2525
Email: pkennedy@bulkley.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Date Filed	#	Docket Text
07/26/2010	<u>1</u>	NOTICE OF REMOVAL by JPMorgan Chase Bank, N.A. from Essex Superior Court, case number 2010-01498-D. (Filing fee: \$ 350, receipt number 0101-3000469 Fee Status: Filing Fee paid) (Attachments: # <u>1</u> Exhibit A - State Court Record, # <u>2</u> Exhibit B - Civil Cover Sheet, # <u>3</u> Exhibit C - Category Form)(Kennedy, J.) (Entered: 07/26/2010)
07/26/2010		ELECTRONIC NOTICE of Case Assignment. Judge Douglas P. Woodlock assigned to case. If the trial Judge issues an Order of Reference of any matter in this case to a Magistrate Judge, the matter will be transmitted to Magistrate Judge Marianne B. Bowler. (Abaid, Kimberly) (Entered: 07/26/2010)
07/26/2010		Certified Copy of Notice of Removal Provided to Defense Counsel by mail (Abaid, Kimberly) (Entered: 07/26/2010)
07/27/2010		ELECTRONIC NOTICE of Duplicate Filing Fee and Credit for Refund re <u>1</u> Notice of Removal,, for \$350.00 paid on 07/26/2010, receipt number 0101-3000387. (Adam, Lucien) (Entered: 07/27/2010)
07/30/2010	<u>2</u>	STATE COURT Record JPMorgan Chase Bank, N.A. served on 7/14/2010, answer due 8/4/2010.. (Kennedy, J.) (Entered: 07/30/2010)
07/30/2010	<u>3</u>	CORPORATE DISCLOSURE STATEMENT by JPMorgan Chase Bank, N.A.. (Kennedy, J.) (Entered: 07/30/2010)
07/30/2010	<u>4</u>	NOTICE of Appearance by Donn A. Randall on behalf of JPMorgan Chase Bank, N.A. (Randall, Donn) (Entered: 07/30/2010)
08/02/2010	<u>5</u>	Assented to MOTION for Extension of Time to August 25, 2010 to File Answer <i>or Response to the Verified Complaint</i> by JPMorgan Chase Bank, N.A..(Kennedy, J.) (Entered: 08/02/2010)
08/03/2010		Judge Douglas P. Woodlock: ELECTRONIC ORDER entered granting <u>5</u> Assented to MOTION for Extension of Time to August 25, 2010 to File Answer or Response to the Verified Complaint by JPMorgan Chase Bank, N.A. (Lovett, Jarrett) (Entered: 08/03/2010)
08/03/2010		Mail Returned as Undeliverable. Mail sent to J. Patrick Kennedy (Certified copy of Notice of Removal returned) (York, Steve) (Entered: 08/03/2010)
08/04/2010	<u>6</u>	(This entry was entered in error) (York, Steve) Modified on 8/4/2010 (York, Steve). (Entered: 08/04/2010)
08/04/2010		Notice of correction to docket made by Court staff. Correction: Entry number 6 was entered in error as to this case: Judge Bowler is still assigned as Magistrate Judge as to this case (York, Steve) (Entered: 08/04/2010)
08/11/2010	<u>7</u>	SUMMONS Returned Executed RAHI Real Estate Holdings LLC served on 7/14/2010, answer due 8/4/2010. (Mason, Thomas) (Entered: 08/11/2010)
08/11/2010	<u>8</u>	SUMMONS Returned Executed (Mason, Thomas) (Entered: 08/11/2010)

08/11/2010	<u>9</u>	MOTION for Entry of Default by Bruce Clark DeMustchine. (Attachments: # <u>1</u> Affidavit Attorney Affidavit of No Answer, # <u>2</u> Exhibit with Affidavit of No Answer)(Mason, Thomas) (Entered: 08/11/2010)
08/16/2010	<u>10</u>	Emergency MOTION for Temporary Restraining Order by Bruce Clark DeMustchine. (Attachments: # <u>1</u> Memorandum in Support of Temporary Restraining Order, # <u>2</u> Text of Proposed Order Proposed Order, # <u>3</u> Exhibit Verified Complaint, # <u>4</u> Exhibit Application for Default, # <u>5</u> Exhibit Affidavit of No Answer, # <u>6</u> Exhibit Exhibit with Affidavit of No Answer, # <u>7</u> Exhibit Notice of Foreclosure)(Mason, Thomas) (Entered: 08/16/2010)
08/17/2010		ELECTRONIC NOTICE Setting Hearing on Motion <u>10</u> Emergency MOTION for Temporary Restraining Order, <u>9</u> MOTION for Entry of Default : Motion Hearing set for 8/23/2010 11:30 AM in Courtroom 1 before Judge Douglas P. Woodlock. The defendants brief the issues no later than 5 pm the evening before the hearing (Lovett, Jarrett) Modified text on 8/17/2010 (Lovett, Jarrett). (Entered: 08/17/2010)
08/23/2010		ELECTRONIC Clerk's Notes for proceedings held before Judge Douglas P. Woodlock: Motion Hearing held on 8/23/2010 re <u>9</u> MOTION for Entry of Default filed by Bruce Clark DeMustchine, <u>10</u> Emergency MOTION for Temporary Restraining Order filed by Bruce Clark DeMustchine. A representative of or attorney for RAHI Real Estate Holdings, LLC does not appear; atty Mason informs the Court that he spoke with possible counsel for RAHI who plans to file an appearance, but is currently on vacation; Chase plans on filing a Motion to Dismiss; <u>9</u> Plaintiff's Motion for Entry of Default is GRANTED; <u>10</u> Plaintiff's Motion for TRO is GRANTED as modified on record. (Court Reporter: Brenda Hancock at 617-439-3214)(Attorneys present: Mason for the plttf; Kennedy for JPMorgan Chase Bank, N.A.) (Lovett, Jarrett) (Entered: 08/23/2010)
08/23/2010	<u>11</u>	Judge Douglas P. Woodlock: RESTRAINING ORDER entered that Defendants RAHI Real Estate Holdings, LLC, and JP Morgan Chase Bank National Association, and their agents, servants, employees, attorneys and all persons in active concern or participation with them are restrained and enjoined pending further order of this Court from directly or indirectly holding a foreclosure sale (which had been scheduled on August 27, 2010) or any other sale of the plaintiffs residence, located at 6 Vernon Street in, Newburyport, Massachusetts, until the question of RAHIs ownership of the mortgage and note is adjudicated and IT IS FURTHER ORDERED that there being no just reason for delay, the Clerk shall enter this Order forthwith and without further notice. It shall be the responsibility of the plaintiff to insure that all addressees of and interested parties in this Order receive notice. No bond shall be required of plaintiff.. (Woodlock, Douglas) (Entered: 08/23/2010)
08/23/2010	<u>12</u>	NOTICE: Clerk's ENTRY OF DEFAULT as to RAHI Real Estate Holdings LLC. (Lovett, Jarrett) (Entered: 08/23/2010)
08/23/2010	<u>13</u>	Judge Douglas P. Woodlock: ORDER entered. STANDING ORDER on motions for default judgment re <u>12</u> Notice: Clerk's Entry of Default. (Lovett, Jarrett) (Entered: 08/23/2010)

08/25/2010	<u>14</u>	MOTION to Dismiss <i>for Failure to State a Claim</i> by JPMorgan Chase Bank, N.A.. (Kennedy, J.) (Entered: 08/25/2010)
08/25/2010	<u>15</u>	MEMORANDUM in Support re <u>14</u> MOTION to Dismiss <i>for Failure to State a Claim</i> filed by JPMorgan Chase Bank, N.A.. (Kennedy, J.) (Entered: 08/25/2010)
08/30/2010	<u>16</u>	(Re-Docketed) Memorandum in Support re <u>10</u> Emergency Motion for Temporary Restraining Order filed by Bruce Clark DeMustchine. (NOTE to COUNSEL: Motions and Memorandums must be filed as separate entries on the docket sheet) (York, Steve) (Entered: 08/30/2010)
09/05/2010	<u>17</u>	Joint MOTION for Extension of Time to October 8, 2010 to File Response/Reply as to <u>14</u> MOTION to Dismiss <i>for Failure to State a Claim</i> , <u>15</u> Memorandum in Support of Motion by Bruce Clark DeMustchine.(Mason, Thomas) (Entered: 09/05/2010)
09/07/2010		Judge Douglas P. Woodlock: ELECTRONIC ORDER entered granting <u>17</u> Joint Motion for Extension of Time to File Response/Reply re <u>14</u> MOTION to Dismiss <i>for Failure to State a Claim</i> : Response is due by 10/8/2010. (Lovett, Jarrett) (Entered: 09/07/2010)
09/13/2010	<u>18</u>	MOTION for Default Judgment as to RAHI Real Estate Holdings LLC by Bruce Clark DeMustchine. (Attachments: # <u>1</u> Affidavit, # <u>2</u> Text of Proposed Order)(Mason, Thomas) (Entered: 09/13/2010)
09/13/2010	<u>19</u>	MEMORANDUM in Support re <u>18</u> MOTION for Default Judgment as to RAHI Real Estate Holdings LLC filed by Bruce Clark DeMustchine. (Mason, Thomas) (Entered: 09/13/2010)
10/07/2010	<u>20</u>	STIPULATION of Dismissal <i>with Prejudice Pursuant to Fed.R.Civ.P. 41(a)(1)(A)(ii) as to Defendant JPMorgan Chase Bank, N.A.</i> by JPMorgan Chase Bank, N.A.. (Kennedy, J.) (Entered: 10/07/2010)
10/07/2010		Judge Douglas P. Woodlock: ELECTRONIC ORDER entered finding as moot <u>14</u> MOTION to Dismiss for Failure to State a Claim by JPMorgan Chase Bank, N.A., in light of filing <u>20</u> STIPULATION of Dismissal with Prejudice Pursuant to Fed.R.Civ.P. 41(a)(1)(A)(ii) as to said defendant. (Lovett, Jarrett) (Entered: 10/07/2010)
10/11/2010	<u>21</u>	STIPULATION of Dismissal by Bruce Clark DeMustchine.(Mason, Thomas) Modified on 10/13/2010 (to correct entry type) (York, Steve). (Entered: 10/11/2010)
10/13/2010		Motions terminated: <u>21</u> Joint MOTION to Dismiss <i>case against Chase</i> filed by Bruce Clark DeMustchine. (This entry was incorrectly filed as a motion) (York, Steve) (Entered: 10/13/2010)
10/14/2010	<u>22</u>	NOTICE of Voluntary Dismissal by Bruce Clark DeMustchine (Mason, Thomas) (Entered: 10/14/2010)
12/15/2010		Judge Douglas P. Woodlock: ELECTRONIC ORDER entered granting <u>18</u> Motion for Entry of Default Judgment (York, Steve) (Entered: 12/15/2010)
12/15/2010	<u>23</u>	NOTICE: Clerk's ENTRY OF DEFAULT as to RAHI Real Estate Holdings LLC (York, Steve) (Entered: 12/15/2010)

12/15/2010	<u>24</u>	Judge Douglas P. Woodlock: ORDER entered. STANDING ORDER on motions for default judgment (York, Steve) (Entered: 12/15/2010)
12/20/2010	<u>25</u>	Judge Douglas P. Woodlock: ORDER entered. DEFAULT JUDGMENT (York, Steve) (Entered: 12/20/2010)
12/20/2010		Civil Case Terminated. (York, Steve) (Entered: 12/20/2010)
08/12/2011	<u>26</u>	NOTICE of Appearance by John J. Dussi on behalf of RAHI Real Estate Holdings LLC (Dussi, John) (Entered: 08/12/2011)
02/16/2012	<u>27</u>	NOTICE of Appearance by Richard E. Briansky on behalf of RAHI Real Estate Holdings LLC (Briansky, Richard) (Entered: 02/16/2012)
02/16/2012	<u>28</u>	NOTICE of Appearance by Young B. Han on behalf of RAHI Real Estate Holdings LLC (Han, Young) (Entered: 02/16/2012)
02/16/2012	<u>29</u>	NOTICE of Appearance by Virginia Hope Johnson on behalf of RAHI Real Estate Holdings LLC (Johnson, Virginia) (Entered: 02/16/2012)
02/17/2012	<u>30</u>	MOTION to Vacate <u>23</u> Notice: Clerk's Entry of Default by RAHI Real Estate Holdings LLC.(Johnson, Virginia) (Entered: 02/17/2012)
02/17/2012	<u>31</u>	AFFIDAVIT in Support re <u>30</u> MOTION to Vacate <u>23</u> Notice: Clerk's Entry of Default of <i>Jeffrey S. Bovarnick</i> . (Attachments: # <u>1</u> Exhibit Exhibits A-B, # <u>2</u> Exhibit Exhibits C-J)(Johnson, Virginia) (Entered: 02/17/2012)
03/02/2012	<u>32</u>	MEMORANDUM OF LAW by Bruce Clark DeMustchine to <u>30</u> MOTION to Vacate <u>23</u> Notice: Clerk's Entry of Default . (Attachments: # <u>1</u> Certificate of Service, # <u>2</u> Affidavit, # <u>3</u> Exhibit)(Mason, Thomas) (Entered: 03/02/2012)
09/24/2012	<u>33</u>	Judge Douglas P. Woodlock: MEMORANDUM AND ORDER entered denying <u>30</u> Motion to Vacate (Woodlock, Douglas) (Entered: 09/24/2012)
10/17/2012	<u>34</u>	MOTION to Set Aside Default <i>Judgment</i> by RAHI Real Estate Holdings LLC. (Attachments: # <u>1</u> Exhibit A- Note, # <u>2</u> Exhibit B-Mortgage, # <u>3</u> Exhibit C-Assignment, # <u>4</u> Exhibit D-Notice of Entry of Default, # <u>5</u> Exhibit E-Default Judgment)(Briansky, Richard) (Entered: 10/17/2012)
10/19/2012	<u>35</u>	NOTICE OF APPEAL Re <u>33</u> Memorandum and Order by RAHI Real Estate Holdings LLC Filing fee: \$ 455, receipt number 0101-4167119 Fee Status: Not Exempt. NOTICE TO COUNSEL: A Transcript Report/Order Form, which can be downloaded from the First Circuit Court of Appeals web site at http://www.ca1.uscourts.gov MUST be completed and submitted to the Court of Appeals. Counsel shall register for a First Circuit CM/ECF Appellate Filer Account at http://pacer.psc.uscourts.gov/cmecf . Counsel shall also review the First Circuit requirements for electronic filing by visiting the CM/ECF Information section at http://www.ca1.uscourts.gov/efiling.htm . US District Court Clerk to deliver official record to Court of Appeals by 11/8/2012. (Briansky, Richard) Modified

		of 9 on 10/22/2012 to include document link (Moore, Kellyann). (Entered: 10/19/2012)
10/19/2012	<u>36</u>	Certified and Transmitted Abbreviated Electronic Record on Appeal to US Court of Appeals re <u>35</u> Notice of Appeal, (Ramos, Jeanette) (Entered: 10/19/2012)
10/23/2012	<u>37</u>	USCA Case Number 12-2267 for <u>35</u> Notice of Appeal, filed by RAHI Real Estate Holdings LLC. (Ramos, Jeanette) (Entered: 10/23/2012)

PACER Service Center			
Transaction Receipt			
11/13/2012 09:05:02			
PACER Login:	tm3655	Client Code:	
Description:	Docket Report	Search Criteria:	1:10-cv-11245-DPW
Billable Pages:	5	Cost:	0.50

Exhibit C

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

BRUCE CLARK DEMUSTCHINE,)	
)	
Plaintiff,)	
)	
v.)	CIVIL ACTION NO.
)	10-11245-DPW
)	
RAHI REAL ESTATE HOLDINGS, LLC,)	
JP MORGAN CHASE BANK NATIONAL)	
ASSOCIATION, as successor-in-interest)	
to WASHINGTON MUTUAL BANK f/k/a)	
WASHINGTON MUTUAL BANK)	
successor-in-interest to Long Beach)	
Mortgage Company)	
)	
Defendants.)	

RESTRAINING ORDER

After hearing, I find:

(1) that the defendant RAHI Real Estate Holdings, LLC, has been served properly by the plaintiff; but has not answered the Complaint despite the deadline of August 4, 2010;

(2) that a default should consequently be entered against RAHI;

(3) that the title to the plaintiff's residence located at 6 Vernon Street, Newburyport, Massachusetts has not yet been adjudicated; and

(4) that (a) the defendant, JP Morgan Chase Bank National Association, has interposed no objection, and (b) the defendant, RAHI has failed, after notice, to appear at the hearing regarding, this restraining order. Accordingly,

IT IS ORDERED that Defendants RAHI Real Estate Holdings, LLC, and JP Morgan Chase Bank National Association, and their agents, servants, employees, attorneys and all persons in active concern or participation with them are restrained and enjoined pending further order of this Court from directly or indirectly holding a foreclosure sale (which had been scheduled on August 27, 2010) or any other sale of the plaintiff's residence, located at 6 Vernon Street in, Newburyport, Massachusetts, until the question of RAHI's ownership of the mortgage and note is adjudicated.

IT IS FURTHER ORDERED that there being no just reason for delay, the Clerk shall enter this Order forthwith and without further notice. It shall be the responsibility of the plaintiff to insure that all addressees of and interested parties in this Order receive notice. No bond shall be required of plaintiff.

/s/ Douglas P. Woodlock
DOUGLAS P. WOODLOCK
UNITED STATES DISTRICT JUDGE

Dated: August 23, 2010

Exhibit D

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

Bruce Clark DeMustchine,

Plaintiff

CA No. 10-11245-DPW

v.

RAHI Real Estate Holdings LLC and JPMorgan Chase Bank, N.A. as the acquirer of certain assets
and liabilities of Washington Mutual Bank ("WMB") from the Federal Deposit Insurance
Corporation acting as WMB's Receiver

As Defendants

MOTION FOR ISSUANCE AND ENTRY OF DEFAULT JUDGMENT

Plaintiff Bruce DeMustchine hereby moves this Court, pursuant to Local Rule 7.1 and Rule 55(b)(2) of the Federal Rules of Civil Procedure, enter a default judgment on all Counts of his Complaint and issue a permanent injunction enjoining **Defendant RAHI Real Estate Holdings** and its agents, servants, employees, attorneys, and all persons in active concert or participation with them from directly or indirectly holding a foreclosure sale or any other sale and collecting any past due amounts on mortgages, or taking any collection action against the Plaintiff related to 6 Vernon Street in Newburyport, Massachusetts.

Plaintiff Bruce DeMustchine also moves that this Honorable Court award reasonable attorney fees and costs that have been incurred and all costs to collect the debt incurred.

Dated: September 12, 2010

Respectfully submitted,

/s/ Thomas R. Mason
Thomas R. Mason, Esq.
Law Offices of Thomas R. Mason
15 New England Executive Park
Burlington, MA 01803
781-238-0260
Fax: 781-270-9318
BBO # 553968
Email: attytmason@gmail.com

CERTIFICATE OF SERVICE

I, Thomas R. Mason, hereby certify that a true and correct copy of the foregoing document was served on all counsel of record via this Court's CM/ECF system or, if not registered on this Court's CM/ECF system, then via first class mail, postage prepaid on this 12th day of September, 2010.

/s/ Thomas R. Mason
Thomas R. Mason

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

Bruce Clark DeMustchine,

Plaintiff

CA No. 10-11245-DPW

v.

RAHI Real Estate Holdings LLC and JPMorgan Chase Bank, N.A. as the acquirer of certain assets and liabilities of Washington Mutual Bank ("WMB") from the Federal Deposit Insurance Corporation acting as WMB's Receiver

As Defendants

AFFIDAVIT IN SUPPORT OF MOTION FOR ENTRY OF DEFAULT JUDGMENT

I, Thomas R. Mason, being duly sworn, state as follows:

1. I am the attorney for the plaintiff in the above-entitled action and I am familiar with the file, records and pleadings in this matter.
2. The summons and complaint were served upon the Defendant RAHI Real Estate Holdings LLC on July 14, 2010.
3. An answer to the complaint was due on August 4, 2010. No response was served within the time allowed by law nor has the Defendant RAHI Real Estate Holdings LLC sought additional time within which to respond.
4. The default of Defendant RAHI Real Estate Holdings LLC was entered on August 23, 2010.
5. As required by the Servicemembers Civil Relief Act of 2003, I have confirmed that the Defendant RAHI Real Estate Holdings LLC is not currently in active military service.

6. To my best information and belief, Defendant RAHI Real Estate Holdings LLC is not an infant or incompetent person.

7. The claim of the Plaintiff(s) asks that this Honorable Court order:

- A) A default judgment against **Defendant RAHI Real Estate Holdings LLC** on all Counts of Plaintiff DeMustchine's Complaint;
- B) **Defendant RAHI Real Estate Holdings** and its agents, servants, employees, attorneys, and all persons in active concert or participation with them are permanently restrained and enjoined from directly or indirectly holding a foreclosure sale or any other sale of the Plaintiff's residence, located at 6 Vernon Street in, Newburyport, Massachusetts;
- C) **Defendant RAHI Real Estate Holdings LLC** and its agents, servants, employees, attorneys, and all persons in active concert or participation with them be permanently restrained and enjoined from directly or indirectly collecting any amounts on mortgages or taking any collection action against the Plaintiff related to 6 Vernon Street in Newburyport, Massachusetts.
- D) **Defendant RAHI Real Estate Holdings LLC** shall pay reasonable attorney fees and costs plus interest at the legal rate incurred by the Plaintiff Bruce DeMustchine within thirty days of the issuance of this default judgment. Interest shall accrue until the debt to the Plaintiff is satisfied.

8. The attorney fees incurred by the Plaintiff, as of this date, are 33.5 hours x \$ 250.00 per hour for Attorney Thomas R. Mason and 15.25 hours x \$ 250.00 per hour for Attorney Michael Goldstein plus costs of \$ 367.00 for a total of \$ 12,654.50.

Signed under pains and penalties of perjury, this 12th day of September 2010.

/s/ Thomas R. Mason

Exhibit E

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

Bruce Clark DeMustchine
Plaintiff

CIVIL ACTION

NO. 1:10-cv-11245-DPW

V.

RAHI Real Estate Holdings LLC et al.
Defendant

NOTICE OF DEFAULT

Upon application of the Plaintiffs, Bruce Clark DeMustchine for an order of Default for failure of the Defendant, Hi-Rise, Inc., to plead or otherwise defend as provided by Rule 55(a) of the Federal Rules of Civil Procedure, notice is hereby given that the Defendant has been defaulted this 15 day of December .

**SARAH A. THORNTON
CLERK OF COURT**

By: /s/ Steve York
Deputy Clerk

Notice mailed to:

Exhibit F

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

Bruce Clark DeMustchine,

Plaintiff

CA No. 10-11245-DPW

v.

RAHI Real Estate Holdings LLC and JPMorgan Chase Bank, N.A. as the acquirer of certain assets
and liabilities of Washington Mutual Bank ("WMB") from the Federal Deposit Insurance
Corporation acting as WMB's Receiver

As Defendants

DEFAULT JUDGMENT

The Court finds that the Defendant, RAHI Real Estate Holdings LLC, has failed to appear, plead or otherwise defend in this action causing a default to be entered on August 23, 2010. Counsel for Plaintiff having requested judgment against the defaulted Defendant RAHI Real Estate Holdings LLC and filed a proper motion and affidavits in accordance with Federal Rule of Civil Procedure 55 (a) and (b), the Court hereby enters Judgment in favor of Plaintiff Bruce DeMustchine and against Defendant RAHI Real Estate Holdings LLC and ORDERS the following:

- 1) That a default judgment against Defendant RAHI Real Estate Holdings LLC be entered on all Counts of Plaintiff DeMustchine's Complaint;
- 2) IT IS ORDERED that Defendant RAHI Real Estate Holdings and its agents, servants, employees, attorneys, and all persons in active concert or participation with them are

permanently restrained and enjoined from directly or indirectly holding a foreclosure sale or any other sale of the Plaintiff's residence, located at 6 Vernon Street in, Newburyport, Massachusetts.

- 3) IT IS ORDERED that Defendant RAHI Real Estate Holdings LLC and its agents, servants, employees, attorneys, and all persons in active concert or participation with them are permanently restrained and enjoined from directly or indirectly collecting any amounts on mortgages or taking any collection action against the Plaintiff related to 6 Vernon Street in Newburyport, Massachusetts.
- 4) IT IS ORDERED that Defendant RAHI Real Estate Holdings LLC shall pay reasonable attorney fees and costs plus interest at the legal rate incurred by the Plaintiff Bruce DeMustchine within thirty days of the issuance of this default judgment. Interest shall accrue until the debt to the Plaintiff is satisfied.



District Judge

December 17, 2010

Exhibit G

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

BRUCE CLARK DEMUSTCHINE,

Plaintiff,

v.

RAHI REAL ESTATE HOLDINGS, LLC and
JP MORGAN CHASE BANK NATIONAL
ASSOCIATION, as successor-in-interest to
WASHINGTON MUTUAL BANK f/k/a
WASHINGTON MUTUAL BANK
successor-in-interest to LONG BEACH
MORTGAGE COMPANY,

Defendants.

Civil Action No. 10-11245-DPW

**DEFENDANT RAHI REAL ESTATE HOLDINGS, LLC'S
MOTION TO VACATE DEFAULT JUDGMENT**

(Memorandum of Law Incorporated)

Defendant RAHI Real Estate Holdings, LLC ("RAHI") respectfully moves this Court, pursuant to Fed. R. Civ. P. 60(b), to vacate the default judgment entered against it on or about August 23, 2010 (the "Default Judgment"). As reasons for this Motion, RAHI states that a default order is not warranted in this case because RAHI can demonstrate strong substantive defenses to the claims asserted against it in the verified complaint (the "Complaint" or "Compl."), and can further demonstrate good cause for why a response to the Complaint was not timely filed.¹ Accordingly, RAHI respectfully requests that the Court vacate the Default Judgment and afford RAHI an opportunity to respond, substantively, to Plaintiff's Complaint.

¹ Submitted herewith is the Affidavit of Jeffrey S. Bovarnick in Support of RAHI Real Estate Holdings, LLC's Motion to Vacate the Default Judgment (the "Bovarnick Aff.").

STATEMENT OF FACTS

The Underlying Loan Transaction

On or about July 22, 2003, Plaintiff executed a promissory note payable to Washington Mutual ("WAMU") in the original principal amount of \$618,750 (the "Note") and a mortgage granting WAMU a security interest (the "Mortgage") in the property located at 6 Vernon Street in Newburyport, Massachusetts (the "Property"). See Compl. at ¶¶ 21-23. A copy of the Note and Mortgage are attached hereto as Exhibit 1 and Exhibit 2, respectively. Plaintiff received \$92,983.25 in cash from this "cash out" refinance loan (see Settlement Statement, attached hereto as Exhibit 3) and reportedly used these funds to satisfy certain obligations in his divorce settlement. See Compl. at ¶ 12.

At some point thereafter, Plaintiff defaulted on his loan. See id. at ¶ 37. Some seven years after the loan's origination, Plaintiff alleged that he was unlawfully induced into entering the purportedly unaffordable loan and that the only reason why the loan was able to be underwritten was because WAMU artificially inflated the value of the Property. See id. at ¶¶ 16, 17, 20. Plaintiff further alleges that at the closing, he was not provided certain disclosures which he asserts were required with the origination of his "no-documentation" loan. See id. at ¶ 25.

On or about January 19, 2010, the Mortgage was assigned to RAHI. See Assignment, attached hereto as Exhibit 4; see also Compl. at ¶¶ 43-45. On or about April 12, 2010, Plaintiff received notice from RAHI of its intention to foreclose on the Mortgage. See Compl. at ¶ 40.

Procedural History of the Instant Matter

Plaintiff filed the Complaint on July 12, 2010 in the Massachusetts Superior Court, Essex County. The Complaint named RAHI and JP Morgan Chase Bank National Association, as successor-in-interest to Washington Mutual Bank f/k/a Washington Mutual Bank successor-in-

interest to Long Beach Mortgage Company ("JP Morgan") as defendants. On or about July 30, 2010, JP Morgan removed the action to this Court.

As a result of unintentional inadvertence, then-counsel for RAHI, Jeffrey S. Bovarnick, Esq., of Cohn & Dussi LLC, did not enter an appearance on behalf of RAHI or otherwise respond to the Complaint. See Bovarnick Aff. ¶¶ 3, 12, 27.

On August 23, 2010, the Court entered a restraining order enjoining RAHI and JP Morgan "from directly or indirectly holding a foreclosure sale ... or any other sale of the plaintiff's residence ... until the question of RAHI's ownership of the mortgage and note is adjudicated." In that Order, the Court also found that the Default Judgment should be entered against RAHI because RAHI had been properly served by Plaintiff but RAHI failed to respond to the Complaint by the August 4, 2010 deadline.

On October 14, 2010, Plaintiff and JP Morgan executed a Stipulation of Dismissal With Prejudice Pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii) as to JP Morgan (the "JP Morgan Stipulation").

On December 17, 2010, this Court entered the Default Judgment against RAHI as to all counts in Plaintiff's Complaint. Pursuant to the Default Judgment, RAHI is "permanently restrained and enjoined from directly or indirectly collecting any amounts on mortgages or taking any collection action against the Plaintiff" relating to the Property.

When RAHI became aware that the Default Judgment had been entered against it, RAHI consulted with its then-counsel, Mr. Bovarnick, and discovered that, through inadvertence, he had failed to timely respond to Plaintiff's Complaint. See Bovarnick Aff. ¶¶ 3, 12. During this time period, however, Mr. Bovarnick had been engaged in negotiations with Plaintiff's counsel concerning efforts modify the terms of Plaintiff's loan. See id. at ¶¶ 4, 8-10, 13-15, 17-21, 23.

Despite that those discussions continued over a period of several months into late 2011, Mr. Bovarnick neglected to file a responsive pleading on behalf of RAHI, as it was his understanding that Plaintiff's claims would be resolved in the event a loan modification was executed.

Ultimately, no agreement as to a loan modification was reached. See id. at ¶ 25. Subsequently, RAHI transferred this matter from Cohn & Dussi to the undersigned counsel.

ARGUMENT

Rule 60(b) of the Federal Rules of Civil Procedure provides:

(b) On motion and just terms, the court may relieve a party or its legal representative from a final judgment, order, or proceeding for the following reasons ... (5) applying [the judgment] it prospectively is no longer equitable; or (6) any other reason that justifies relief.

Fed. R. Civ. P. 60(b). In considering a motion under Rule 60(b)(6), "a judge may consider whether the moving party has a meritorious ... defense, whether extraordinary circumstances warrant relief and whether the substantial rights of the parties in the matter in controversy will be affected by granting the motion." Parrell v. Keenan, 389 Mass. 809, 815 (1983) (citations and internal quotations omitted). Here, granting RAHI's request to vacate the Default Judgment is appropriate because (i) RAHI has substantial meritorious defenses to the claims asserted in Plaintiff's Complaint, (ii) RAHI can demonstrate good cause as to why a response to the Complaint was not timely filed in August 2010, and (iii) Plaintiff will not be prejudiced by the grant of RAHI's motion.

I. RAHI HAS MERITORIOUS DEFENSES TO PLAINTIFF'S CLAIMS

In his Complaint, Plaintiff alleges, inter alia, that WAMU engaged in unfair and deceptive conduct in connection with the origination of his residential mortgage loan, that RAHI should not be permitted to foreclose on the Mortgage because it does not hold the Note, and that

RAHI and JP Morgan acted unlawfully to conceal the identities of the owner of the Note/holder of the Mortgage.² By his Complaint, Plaintiff seeks to rescind the loan, to enjoin the defendants from foreclosing on the Mortgage, and an award of compensatory damages.

Each and every one of Plaintiff's counts are legally insufficient and are subject to dismissal under Fed. R. Civ. P. 12(b)(6).³ As a threshold matter, Plaintiff's assertion that RAHI cannot foreclose on the Mortgage because RAHI does not hold the Note is an incorrect statement of law. Under Massachusetts law, it is well-settled that the mortgagee need only hold the mortgage in order to foreclose. See Peterson v. GMAC Mortgage, LLC, No. 11-11115, 2011 WL 5075613, at *4 n. 3 (D. Mass. Oct. 25, 2011) (Zobel, J.) ("To foreclose in Massachusetts, GMAC need only hold the mortgage, not both the mortgage and the promissory note"); Rosa v. Mortgage Electronic Registration Systems, Inc., 2011 WL 5223349, at *7 (D. Mass. Sept. 29, 2011) ("Massachusetts law does not require a unity of ownership of a mortgage and its underlying note prior to foreclosure"); Archambault v. Aurora Loan Serv., LLC, 2011 WL 4062379, at *1 (D. Mass. Sept. 13, 2011) ("In Massachusetts, a foreclosing entity must be the current record mortgagee and holder of the mortgage; it need not be the note holder"); Carlson v. Wells Fargo Bank, N.A., as Trustee, No. 10-41291, 2011 WL 3420436, at *6 (Bankr. D. Mass.

² The Complaint includes eleven causes of action: Violation of M.G.L. ch. 140 § 90B (Count I); Collusion (Count II); Violation of M.G.L. ch. 93A (Count III); Violation of M.G.L. ch. 167 (Count IV); Violation of M.G.L. ch. 183C (Count V); Violation of M.G.L. ch. 183 § 28C (Count VI); Rescission (Count VII); Fraud (Count VIII); Misrepresentation (Count IX); Negligence (Count X); and Breach of Fiduciary Duty (Count XI).

³ Should the Court grant RAHI's Motion, RAHI intends to file a dispositive motion fully briefing the legal deficiencies in each of the Plaintiff's causes of action.

Aug. 2, 2011) (Hoffman, J.).⁴ Therefore, to the extent that Plaintiff seeks redress on the basis that RAHI does not hold the Note, any such claims fail.

Additionally, a number of Plaintiff's claims are subject to dismissal for his failure to timely file the Complaint. Plaintiff entered into this refinance transaction in July 22, 2003, but did not file his Complaint until nearly seven years later, on July 12, 2010. As a result, the following causes of action in the Complaint are barred by the statute of limitations:

- Count V: violation of M.G.L. ch. 183C. See M.G.L. ch. 183C § 15(b)(1) ("A borrower may bring an original action for a violation of this chapter in connection with the loan within 5 years of the closing..."); Martins v. U.S. Bank, N.A., 2011 WL 4459135, at *1 (D. Mass. Sept. 26, 2011) (noting Chapter 183C's five year statute of limitations).
- Count VI: violation of M.G.L. ch. 183. See M.G.L. ch. 260 § 2; Micera v. Newworld Bank, 412 Mass. 728 (1992).
- Count VII: rescission. To the extent that Plaintiff seeks rescission based upon irregularities of loan disclosures or in connection with the closing, this claim would be subject to a four-year statute of limitations, as provided for under the

⁴ RAHI acknowledges that the matter of Fed. Nat'l Mortg. Ass'n v. Eaton, Docket No. SJC-11041, currently on appeal with the Massachusetts Supreme Judicial Court, is slated to settle the issue of whether reunification of the note and mortgage is required in order to foreclose. To the extent this Court is inclined to stay any decision pending a ruling in Eaton, RAHI respectfully directs the Court's attention to the several Massachusetts opinions that have expressly stated that the trial court's ruling in Eaton (holding that reunification is required) was incorrectly decided. See Juarez v. U.S. Bank, N.A., 2011 WL 5330465, at *5 (D. Mass. Nov. 4, 2011) (stating that the holding in Eaton was an incorrect statement of Massachusetts law); In re Marron, 2011 WL 3800040, at *1-2 (Bankr. D. Mass. Aug. 29, 2011) (same); Wells Fargo Bank, N.A. v. McKenna, 2011 WL 6153419 (Mass. Land Ct. Dec. 8, 2011) (same).

v. Center for Addictive Behaviors, 426 Mass. 541, 544-45 (1998) (“a clear legislative intent is necessary to infer a private cause of action from a statute”).

- Counts VIII-XI: Plaintiff’s tort-based claims all fail as a matter of law because they seek only monetary damages and thus are barred by the Economic Loss Doctrine. An economic loss is defined as “damages for inadequate value, cost of repair ... or loss of profit, without any allegation of personal injury or damage to other property.” Cruickshank v. Clean Seas Co., 346 B.R. 571, 582 (D. Mass. 2006). Massachusetts courts prohibit recovery for economic loss based solely on actions sounding in tort.⁶
- Plaintiff’s allegations of wrongdoing are directed almost exclusively at the conduct of WAMU during the loan origination process. However, the actions of WAMU cannot be imputed to RAHI, which is a bona fide mortgagee. See Terrill v. Planning Board of Upton, 71 Mass. App. Ct. 171, 176 (2008); New Bedford Institution for Savings v. C.L. Gildroy, 36 Mass. App. Ct. 647, 654-55 (1994).

For these reasons, and additional reasons that will be fully briefed by RAHI in a dispositive motion in the event the Court grants its request to vacate the Default Judgment, RAHI has established that it has meritorious defenses to the claims asserted against it in Plaintiff’s Complaint.

II. RAHI CAN DEMONSTRATE GOOD CAUSE JUSTIFYING THE GRANT OF ITS MOTION TO VACATE, AND PLAINTIFF WILL NOT SUFFER PREJUDICE IF THE DEFAULT JUDGMENT IS VACATED

RAHI did not act with a deliberate strategy or intent to delay in responding to the Complaint. Rather, RAHI’s failure to timely respond to the Complaint was due solely to

⁶ See McGlashing v. Dunlop Equip. Co., 89 F.3d 932, 937 (1st Cir. 1996) (“the absence of ... personal injury, or of physical damage to property ... forecloses recovery for economic losses stemming from tort-based strict liability or negligence...”); FMR Corp. v. Boston Edison Co., 415 Mass. 393, 395 (1993).

Massachusetts Consumer Credit Cost Disclosure Act, M.G.L. ch. 140D, § 1, *et. seq.*

See M.G.L. c. 140D § 10(f); 209 CMR § 32.15.⁵

- Counts IX and X: misrepresentation and negligence. These claims are time-barred to the extent they arise in connection with the closing. See M.G.L. ch. 260 §2A; Passatempo v. McMenimen, 461 Mass. 279, 292 (2012); Khatchatourian v. Encompass Ins. Co. of Massachusetts, 78 Mass. App. Ct. 53, 56 (2010).

Further, aside from RAHI's statute of limitations defenses, Plaintiff's claims fail on the following additional grounds:

- Count I: violation of M.G.L. ch. 140 § 90B. To the extent Plaintiff's allegations are true, they do not provide grounds for relief because there is no foreclosure pending, and whatever error allegedly occurred can be easily remedied by providing Plaintiff with the requested information.
- Count III: violation of M.G.L. ch. 93A. This claim fails because Plaintiff does not allege that he sent a demand letter to RAHI. See Rita v. Carella, 394 Mass. 822, 826 (1985) ("In order to recover under c. 93A, a plaintiff must allege and prove that the 'demand letter' requirement was satisfied"); Schwartz v. Independent Appraisals, LLC, 2011 WL 5593108, at *6 (D. Mass. Nov. 17, 2011) (same).
- Count IV: violation of M.G.L. ch. 167. This claim fails because there is no private right of action under this Chapter. See M.G.L. ch. 167 *generally*; see also Lofredo

⁵ Plaintiff's rescission claim would also fail should he be unable to establish that he could tender the total amount borrowed (including the \$92,983.25 in cash that he received at closing). See Wells Fargo Bank, N.A. v. Jaaskelainen, 407 B.R. 449, 460 (D. Mass. 2009) (noting that "the majority of circuit courts to consider the issue agree that courts have the equitable power to condition rescission on tender by the borrower"); see also Am. Mortg. Network, Inc. v. Shelton, 486 F.3d 815, 820-21 (4th Cir. 2007); Yamamoto v. Bank of New York, 329 F.3d 1167, 1172-73 (9th Cir. 2003); In re Potter, 961 F.2d 1066, 1077 (3d Cir. 1992) (Unquestionably "when a borrower rescinds a loan, he or she must return the money borrowed").

inadvertent oversight and miscommunication between it and its former counsel, Cohn & Dussi. See Bovarnick Aff. ¶¶ 3, 12, 27. RAHI respectfully submits that the inadvertent failure of its former counsel to properly defend the action should not now prevent RAHI from responding to the Complaint and advancing its viable defenses to the claims asserted therein. See, e.g., Ruma Enter., Inc. v. Big Mac's Packing, Inc., 1994 Mass. App. Div. 110, at *3 (where "the neglect in question was unquestionably that of the defendants' former counsel ... courts are properly reluctant to attribute to the parties the errors of their legal representatives") (internal quotation omitted).

As more fully set forth in the Bovarnick Affidavit, submitted herewith, following the Court's entry of the Default Judgment in 2010, RAHI's then-counsel, Mr. Bovarnick, was actively engaged in discussions with Plaintiff's counsel regarding a modification of Plaintiff's loan as a means of resolving this action. See Bovarnick Aff. ¶¶ 4, 8-10, 13-15, 17-21, 23. Mr. Bovarnick later filed an appearance on RAHI's behalf with the intent of taking appropriate measures to defend the action in the event the parties' loan modification negotiations were unsuccessful. See Notice of Appearance filed on August 12, 2011 (Dkt. Entry No. 26). When it became evident that Plaintiff was no longer willing to negotiate a loan modification, RAHI filed the instant Motion to Vacate.

Finally, Plaintiff will not be prejudiced by the grant of this Motion. Plaintiff concedes that he defaulted under the terms of the Note and Mortgage. See Compl. at ¶ 37. Upon information and belief, Plaintiff has not made a single payment under the loan for over five years. Despite this, RAHI has continued to make escrow payments on the Property, keeping real estate taxes and insurance premiums current. For the reasons articulated above, RAHI believes that it will prevail on the merits; and should this occur, the net result will be that Plaintiff will

have resided at the Property absolutely rent-free during the pendency of this action, despite that he had no legal right to do so. Denial of RAHI's Motion to Vacate will potentially confer a substantial and unjustified windfall on Plaintiff.

CONCLUSION

For the foregoing reasons, RAHI respectfully requests that the Court grant its Motion to Vacate the Default Judgment, and allow RAHI to respond, substantively, to Plaintiff's Complaint.

Respectfully submitted,

RAHI REAL ESTATE HOLDINGS, LLC,

By its attorneys,

/s/ Virginia H. Johnson

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PRINCE LOBEL TYE LLP

100 Cambridge Street, Suite 2200

Boston, MA 02114

(617) 456-8000

Dated: February 17, 2012

CERTIFICATE OF SERVICE

I, Virginia H. Johnson, hereby certify that this document(s) filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants on February 17, 2012.

/s/ Virginia H. Johnson

Exhibit H

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

BRUCE CLARK DEMUSTCHINE,)	
)	
Plaintiff,)	CIVIL ACTION NO.
)	10-11245-DPW
v.)	
)	
RAHI REAL ESTATE HOLDINGS, LLC)	
and JP MORGAN CHASE BANK)	
NATIONAL ASSOCIATION, as)	
successor-in-interest to)	
WASHINGTON MUTUAL BANK)	
successor-in-interest to)	
LONG BANK MORTGAGE COMPANY)	
)	
Defendants.)	

MEMORANDUM AND ORDER
September 24, 2012

The defendant RAHI Real Estate Holding LLC, over a year after entry of a default judgment against it in this case, seeks to vacate the judgment on grounds that under Fed. R. Civ. P. 60(b)(5) applying the judgment prospectively is no longer equitable and under Rule 60(b)(6), the Rule's catch-all provision for "any other reason that justifies relief." The reason for this belated response to the requests for default and default judgment is said to be "inadvertent oversight and miscommunication between it and its former counsel." This oversight concededly consisted of a failure to defend legal action of which the defendant was at least constructively aware,

while attempting to negotiate a settlement of the underlying dispute between the parties.

I find no reason that justifies relieving a sophisticated defendant, well aware of the potential for litigation in the mortgage context, from the consequences of the failure of the attorney it chooses to take necessary steps to defend ongoing litigation. *Cf. KPS & Assoc. v. Designs by FMC, Inc.*, 318 F.3d 1, 16 (1st Cir. 2003). To the degree that the defendant suffered harm, any claim it may have must be found in the realm of legal malpractice and not in the reopening of litigation it knowingly neglected.

The text of Rule 60(b), of course, is plain that there is no categorical limit of one year to the assertion of a motion to vacate under either Rule 60(b)(5) or 60(b)(6). Nevertheless, the Rule does require that such a motion for relief "be made within a reasonable time." Especially here, where the grounds are a vain effort to recast what is essentially a claim of inadvertence - a matter governed by Rule 60(b)(1), which does have a one year limitation - there is nothing reasonable about the time the defendant took to get around to addressing its default and the judgment which flowed from it.

As to the merits, the defendant continues to decline to demonstrate that it holds both the mortgage and the note. As the Supreme Judicial Court has made clear, *Easton v. Federal National Mortgage Ass'n.*, 462 Mass. 569 (2012), in order for a party to be

able to foreclose at this point, the party must hold both the mortgage and the note.

There is nothing inequitable in holding a sophisticated but neglectful defendant to the consequences of its failure to defend. I note only that while this defendant may not be in a position to foreclose under the judgment in this case, an independent third party holding both the mortgage and the note may still be able to do so under my reading of the permanent injunction that is part of the default judgment entered here. To be sure, the defendant may not be able to negotiate with such a party a particularly advantageous arrangement for the sale of whatever interest it still has. But that difficulty is one of the defendant's own making and not a grounds for disturbing a judgment that the defendant took well over a year to challenge.

Accordingly, the defendant's motion to vacate (#30) is hereby DENIED.

/s/ Douglas P. Woodlock
DOUGLAS P. WOODLOCK
UNITED STATES DISTRICT JUDGE

Exhibit I

E.
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JS 6



ASSIGNMENT

Washington Mutual Bank, FA, a federal association

holder of mortgage from

Bruce C. DeMustchine aka Bruce Clark DeMustchine

to Washington Mutual Bank, FA, a federal association

dated July 22, 2003

recorded with Essex County (Southern District) Registry of Deeds in Book 21363, Page 538
assigns said mortgage and the note and claim secured thereby to RAHI Real Estate Holdings
LLC, 1100 Virginia Drive, Fort Washington, PA 19034

In witness whereof the said JPMorgan Chase Bank, National Association, successor in interest to
Washington Mutual Bank f/k/a Washington Mutual Bank FA successor in interest to Long Beach
Mortgage Company

Has caused its corporate seal to be hereto affixed and these presents to be signed, in its name and
behalf by

Jeffrey Stephan its LSO

* JPMorgan Chase Bank, National
Association, successor in interest to
Washington Mutual Bank f/k/a Washington
Mutual Bank FA successor in interest to
Long Beach Mortgage Company

BY: _____

Jeffrey Stephan
Limited Signing Officer

* as Document of LPOA shows
authority Registered with Grafton
County
BK 3674
Pg 834
JANUARY 19TH, 2010

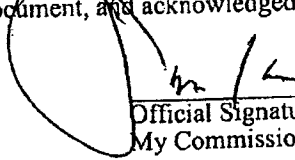
Case 1:10-cv-11245-DPW Document 34-3 Filed 10/17/12 Page 3 of 3

STATE OF

COUNTY OF

PA
Montgomery

On this 15 day of Jan, 2010, before me, the undersigned notary public, personally appeared Jeffrey Stephan as LSO, of JPMorgan Chase Bank, National Association, successor in interest to Washington Mutual Bank f/k/a Washington Mutual Bank PA successor in interest to Long Beach Mortgage Company, who I have personal knowledge of identity, to be the person whose name is signed on the proceeding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose.


Official Signature and Seal of Notary
My Commission Expires: _____

File No. 618.3154

Return to:
Orlans Moran PLLC
P.O. Box 5041
Troy, MI 48007-5041

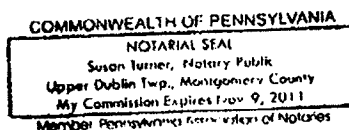


Exhibit J

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK, NEW YORK

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

DECLARATION CONCERNING DEBTOR'S SCHEDULES

I, James Whitlinger, Chief Financial Officer of the corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 39 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date 6/30/2012

Signature: / s / James Whitlinger

James Whitlinger

Chief Financial Officer

Exhibit K

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X

In re	:	Chapter 11
RESIDENTIAL CAPITAL, LLC, et al., ¹	:	Case No. 12-12020 (MG)
	:	
	:	
	:	(Jointly Administered)
Debtors.	:	

-----X

**SCHEDULES OF ASSETS AND LIABILITIES FOR
RAHI REAL ESTATE HOLDINGS, LLC (CASE NO. 12-12050)**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Residential Capital, LLC (0738); ditech, LLC (7228); DOA Holding Properties, LLC (4257); DOA Properties IX (Lots-Other), LLC (3274); EPRE LLC (7974); Equity Investment I, LLC (2797); ETS of Virginia, Inc. (1445); ETS of Washington, Inc. (0665); Executive Trustee Services, LLC (8943); GMAC Model Home Finance I, LLC (8469); GMAC Mortgage USA Corporation (6930); GMAC Mortgage, LLC (4840); GMAC Residential Holding Company, LLC (2190); GMAC RH Settlement Services, LLC (6156); GMACM Borrower LLC (4887); GMACM REO LLC (2043); GMACR Mortgage Products, LLC (6369); GMAC-RFC Holding Company, LLC (3763); HFN REO Sub II, LLC (N/A); Home Connects Lending Services, LLC (9412); Homecomings Financial Real Estate Holdings, LLC (6869); Homecomings Financial, LLC (9458); Ladue Associates, Inc. (3048); Passive Asset Transactions, LLC (4130); PATI A, LLC (2729); PATI B, LLC (2937); PATI Real Estate Holdings, LLC (5201); RAHI A, LLC (3321); RAHI B, LLC (3553); RAHI Real Estate Holdings, LLC (5287); RCSFJV204, LLC (2722); Residential Accredited Loans, Inc. (8240); Residential Asset Mortgage Products, Inc. (5181); Residential Asset Securities Corporation (2653); Residential Consumer Services of Alabama, LLC (5449); Residential Consumer Services of Ohio, LLC (4796); Residential Consumer Services of Texas, LLC (0515); Residential Consumer Services, LLC (2167); Residential Funding Company, LLC (1336); Residential Funding Mortgage Exchange, LLC (4247); Residential Funding Mortgage Securities I, Inc. (6294); Residential Funding Mortgage Securities II, Inc. (8858); Residential Funding Real Estate Holdings, LLC (6505); Residential Mortgage Real Estate Holdings, LLC (7180); RFC Asset Holdings II, LLC (4034); RFC Asset Management, LLC (4678); RFC Borrower LLC (5558); RFC Constructing Funding, LLC (5730); RFC REO LLC (2407); RFC SFJV-2002, LLC (4670); RFC-GSAP Servicer Advance, LLC (0289)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____)	
In re:)	Case No. 12-12020 (MG)
)	
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,)	Chapter 11
)	
Debtors.)	Jointly Administered
_____)	

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY AND
DISCLAIMERS REGARDING THE DEBTORS' SCHEDULES OF ASSETS AND
LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

On May 14, 2012 (the “**Petition Date**”) ¹, Residential Capital, LLC (“**ResCap**”) and its affiliated debtors (each a “**Debtor**,” and collectively, the “**Debtors**”) ² commenced voluntary cases under chapter 11 of title 11, United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”).

The Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The

¹ Capitalized terms not otherwise defined herein shall have the meaning set forth in the *Affidavit Of James Whittlinger, Chief Financial Officer Of Residential Capital, LLC, In Support Of Chapter 11 Petitions And First Day Pleadings*, [Docket No. 6, Case No. 12-12020 (MG)].

² The Debtors in these chapter 11 cases, along with the last four (4) digits of each Debtor’s federal tax identification number, are: ditech, LLC (7228), DOA Holding Properties, LLC (4257), DOA Properties IX (Lots-Other), LLC (3274), EPRE LLC (7974), Equity Investment I, LLC (2797), ETS of Virginia, Inc. (1445), ETS of Washington, Inc. (0665), Executive Trustee Services, LLC (8943), GMAC-RFC Holding Company, LLC (3763), GMAC Model Home Finance I, LLC (8469), GMAC Mortgage USA Corporation (6930), GMAC Mortgage, LLC (4840), GMAC Residential Holding Company, LLC (2190), GMACRH Settlement Services, LLC (6156), GMACM Borrower LLC (4887), GMACM REO LLC (2043), GMACR Mortgage Products, LLC (6369), HFN REO SUB II, LLC (None), Home Connects Lending Services, LLC (9412), Homecomings Financial Real Estate Holdings, LLC (6869), Homecomings Financial, LLC (9458), Ladue Associates, Inc. (3048), Passive Asset Transactions, LLC (4130), PATI A, LLC (2729), PATI B, LLC (2937), PATI Real Estate Holdings, LLC (5201), RAHI A, LLC (3321), RAHI B, LLC (3553), RAHI Real Estate Holdings, LLC (5287), RCSFJV2004, LLC (2772), Residential Accredit Loans, Inc. (8240), Residential Asset Mortgage Products, Inc. (5181), Residential Asset Securities Corporation (2653), Residential Capital, LLC (0738), Residential Consumer Services of Alabama, LLC (5449), Residential Consumer Services of Ohio, LLC (4796), Residential Consumer Services of Texas, LLC (0515), Residential Consumer Services, LLC (2167), Residential Funding Company, LLC (1336), Residential Funding Mortgage Exchange, LLC (2427), Residential Funding Mortgage Securities I, Inc. (6294), Residential Funding Mortgage Securities II, Inc. (8858), Residential Funding Real Estate Holdings, LLC (6505), Residential Mortgage Real Estate Holdings, LLC (7180), RFC – GSAP Servicer Advance, LLC (0289), RFC Asset Holdings II, LLC (4034), RFC Asset Management, LLC (4678), RFC Borrower LLC (5558), RFC Construction Funding, LLC (5730), RFC REO LLC (2407), RFC SFJV-2002, LLC (4670).

Debtors' cases have been consolidated for procedural purposes only and are being jointly administered under case number 12-12020 (MG).

The Schedules of Assets and Liabilities and Statements of Financial Affairs (the "**Schedules and Statements**") were prepared pursuant to Bankruptcy Code section 521 and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") by management of the Debtors with unaudited information available as of the Petition Date.

These Global Notes and Statement of Limitations, Methodology and Disclaimers Regarding The Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs (the "**Global Notes**") are incorporated by reference in, and comprise an integral part of, each of the Debtors' Schedules, sub-Schedules, Statements and sub-Statements, exhibits and continuation sheets, and should be referred to in connection with any review of the Schedules and Statements. Disclosure of information in one Schedule, sub-Schedule, Statement, sub-Statement, exhibit or continuation sheet, even if incorrectly placed, shall be deemed to be disclosed in the correct Schedule, Statement, exhibit or continuation sheet.

The Schedules and Statements and these Global Notes should not be relied upon by any persons for information relating to current or future financial conditions, events or performance of any of the Debtors.

Reservation of Rights. The Debtors' chapter 11 cases are large and complex. The Debtors' management has made every reasonable effort to ensure that the Schedules and Statements are as accurate and complete as possible, based on the information that was available to them at the time of preparation. Subsequent information or discovery may result in material changes to these Schedules and Statements, and inadvertent errors or omissions may have occurred. Because the Schedules and Statements contain unaudited information, which is subject to further review, verification, and potential adjustment, there can be no assurance that these Schedules and Statements are accurate and/or complete.

The Debtors have made reasonable efforts to characterize, classify, categorize or designate the claims, assets, executory contracts, unexpired leases and other items reported in the Schedules and Statements correctly. Due to the complexity and size of the Debtors' businesses, however, the Debtors may have improperly characterized, classified, categorized or designated certain items. In addition, certain items reported in the Schedules and Statements could be included in more than one category. In those instances, one category has been chosen to avoid duplication. Further, the designation of a category is not meant to be wholly inclusive or descriptive of the rights or obligations represented by such item.

Nothing contained in the Schedules and Statements or these Global Notes shall constitute an admission or a waiver of rights with respect to these Chapter 11 cases, including, but not limited to, any issues involving substantive consolidation for plan purposes, subordination and/or causes of action arising under the provisions of Chapter 5 of the Bankruptcy Code and other relevant non-bankruptcy laws to recover assets or avoid transfers. For the avoidance of doubt, listing a claim on Schedule D as "secured," on Schedule E as "priority," on Schedule F as "unsecured priority," or listing a contract or lease on Schedule G as "executory" or "unexpired," does not constitute an admission by the Debtors of the legal rights of the claimant, or a waiver of a

Debtor's right to recharacterize or reclassify such claim or contract. Failure to designate a claim on a given Debtor's Schedules as "disputed," "contingent," or "unliquidated" does not constitute an admission by the Debtors that such amount is not "disputed," "contingent," or "unliquidated" or that such claim is not subject to objection. The Debtors reserve their respective rights to dispute, or assert offsets, setoffs or defenses to any claim reflected on the Schedules as to the nature, amount, liability, or status or to otherwise subsequently designate any claim as disputed, contingent or unliquidated.

Reporting Date. Each Debtor's fiscal year ends on December 31. All asset and liability information, except where otherwise noted, is provided as of the Petition Date.

Currency. All amounts are reflected in U.S. dollars as of the Petition Date, unless otherwise noted. Assets and liabilities denominated in foreign currencies were translated into U.S. dollars at reasonable market exchange rates as of the Petition Date, unless otherwise noted. Subsequent adjustments to foreign currency valuation were not made to assets and liabilities denominated in foreign currencies after the Petition Date, unless otherwise noted.

Basis of Presentation. ResCap has historically prepared quarterly and annual financial statements that were audited annually and included all of the Debtors as well as the non-Debtor entities within the ResCap consolidated group. The Schedules and Statements are unaudited. Unlike the consolidated financial statements, the Schedules and Statements generally reflect the assets and liabilities of each Debtor on a non-consolidated basis. Accordingly, the amounts listed in the Schedules and Statements will likely differ, at times materially, from the consolidated financial reports prepared historically by ResCap for public reporting purposes or otherwise.

Although the Schedules and Statements may, at times, incorporate information prepared in accordance with United States generally accepted accounting principles ("GAAP"), the Schedules and Statements neither purport to represent nor reconcile to financial statements otherwise prepared and/or distributed by the Debtors in accordance with GAAP or otherwise.

Estimates and Assumptions. The preparation of the Schedules and Statements required the Debtors to make estimates and assumptions that affected the reported amounts of certain assets and certain liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expense. Actual results could differ materially from these estimates.

Undetermined or Unknown Amounts. The description of an amount as "Undetermined" or "Unknown" is not intended to reflect upon the materiality of such amount. Certain amounts may be clarified over the period of the bankruptcy proceedings and certain amounts may depend on contractual obligations to be assumed as part of a sale in a bankruptcy proceeding under section 363 of the Bankruptcy Code.

Asset Presentation and Valuation. The Debtors' assets are presented at values consistent with their books and records. Generally speaking, for assets that are valued at fair value or the lower of cost or fair value, the Debtors value these assets using modeling techniques customarily used in the industry and uses market based information to the extent possible in these valuations. These values do not purport to represent the ultimate value that would be received in the event of

a sale, and may not represent economic value as determined by an appraisal or other valuation technique. As it would be prohibitively expensive and an inefficient use of estate assets for the Debtors to obtain current economic valuations for all of their assets, unless otherwise noted, the carrying value on the Debtors' books (*i.e.*, net book value), rather than current economic values is reflected on the Schedules and Statements. The stalking-horse bids approved by the Bankruptcy Court have not been considered in determining the value of the Debtors' assets.

Contingent Assets and Causes of Action. Despite their reasonable efforts to identify all known assets, the Debtors may not have listed all of their causes of action or potential causes of action against third parties as assets in their Schedules and Statements, including, but not limited to, avoidance actions arising under chapter 5 of the Bankruptcy Code and actions under other relevant non-bankruptcy laws to recover assets. The Debtors reserve all of their rights with respect to any claims, causes of action, or avoidance actions they may have, and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any such claims, causes of actions, or avoidance actions or in any way prejudice or impair the assertion of such claims.

The Debtors may also possess contingent and unliquidated claims against affiliated entities (both Debtor and non-Debtor) for various financial accommodations and similar benefits they have extended from time to time, including, but not limited to, contingent and unliquidated claims for contribution, reimbursement, and/or indemnification arising from various (i) guarantees, (ii) indemnities, (iii) tax sharing agreements, (iv) warranties, (v) operational and servicing agreements, (vi) shared service agreements and (vii) other arrangements.

Additionally, prior to the Petition Date, each Debtor may have commenced various lawsuits in the ordinary course of its business against third parties seeking monetary damages for business-related losses. Refer to each Statement Question No. 4a or correspondent schedule for a list of lawsuits commenced prior to the relevant Petition Date in which the Debtor was a plaintiff, except as noted below.

Pledged Assets. A significant amount of the assets listed on the Debtors' Schedule B have been pledged as collateral by the Debtors and are outside of the Debtors' control. These assets include, among other things, cash, securities, servicer advance receivables, consumer mortgage loans held for sale and corporate loans, equity interests in subsidiaries, primary and master servicing rights and other licenses and intangibles.

Liabilities. Some of the scheduled liabilities are unknown, contingent and/or unliquidated at this time. In such cases, the amounts are listed as "Unknown" or "Undetermined." Accordingly, the Schedules and the Statements may not equal the aggregate value of the Debtors' total liabilities as noted on any previously issued financial statements. In addition, certain contingent, unliquidated and disputed litigation claims listed on Schedule F are subject to various settlement agreements for which the Debtors have sought Bankruptcy Court approval as reflected at Docket No. 320 on the docket maintained for ResCap (Case No. 12-12020).

Confidentiality. Addresses of current and former employees, customers and borrowers of the Debtors are generally not included in the Schedules and Statements. Notwithstanding, the Debtors will mail any required notice or other documents to the address in their books and

records for such individuals. In addition, certain schedules contain information about litigation involving individual borrowers. Except as to *pro se* plaintiffs, the Debtors have not included counter party addresses related to such actions but only the contact information for their counsel. Moreover, the Debtors have listed only the last four digits of the relevant borrower loan number and the relevant Debtor bank account.

Intercompany Transactions. Prior to the Petition Date (and subsequent to the Petition Date but only pursuant to Bankruptcy Court approval), the Debtors routinely engaged (and continue to engage) in intercompany transactions with both Debtor and non-Debtor subsidiaries and affiliates, including Ally Financial Inc. (“AFI”). With respect to prepetition transactions between Debtors, such intercompany accounts payable and receivable, if any, are reflected in the respective Debtor’s Schedules and Statements and are not necessarily indicative of the ultimate recovery on any inter-Debtor receivables or the impairment or claim status of any intercompany payable. The Debtors have made every attempt to properly characterize, prioritize and classify all intercompany transaction. Each Debtor reserves all rights to re-characterize, re-prioritize and re-classify claims against and debts owed to other Debtors and non-Debtor affiliates.

Bankruptcy Court First-Day Orders. The Bankruptcy Court has authorized the Debtors to pay various outstanding prepetition claims, including but not limited to, payments relating to the Debtors’ servicing obligations (as set forth in greater detail in Docket Nos. 87, 91, 391 and 400), employee wages and compensation, benefits, reimbursable business expenses and payroll-like taxes. Accordingly, the scheduled claims are intended to reflect sums due and owing before the Petition Date for which the Debtors did not obtain relief from the Bankruptcy Court to satisfy. The estimate of claims set forth in the Schedules, however, may not reflect assertions by the Debtors’ creditors of a right to have such claims paid or reclassified under the Bankruptcy Code or orders of the Bankruptcy Court.

Liens. The inclusion on Schedule D of creditors that have asserted liens against the Debtors is not an acknowledgement of the validity, extent, or priority of any such liens, and the Debtors reserve their right to challenge such liens and the underlying claims on any ground whatsoever. Reference to the applicable agreements and other relevant documents is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in these Global Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements. Certain liens may have been inadvertently marked as disputed but had previously been acknowledged in an order of the Court as not being disputed by the Debtors. It is not the Debtors’ intent that Schedules be construed to supersede any orders entered by the Bankruptcy Court.

Leases. In the ordinary course of its business, the Debtors lease facilities from certain third-party lessors for use in the daily operation of the businesses. Any such leases are set forth in Schedule G. The property subject to any of such leases is not reflected in either Schedule A or Schedule B as either owned property or assets of the Debtors. Neither is the property subject to any such leases reflected in the Statements as property or assets of third-parties within the control of a Debtor. Nothing in the Schedules is or shall be construed as an admission or determination as to the legal status of any lease (including whether any lease is a true lease or a financing arrangement), and the Debtors reserve all rights with respect to any of such issues.

Setoff. Prior to the Petition Date, and in the ordinary course of their businesses, the Debtors incurred setoffs in connection with, among other things, intercompany and derivative transactions. Unless otherwise stated, certain setoffs that were incurred in the ordinary course or under customary practices are not listed in the Schedules and Statements and the Debtors have not intentionally offset amounts listed on Schedules B, D or F. Nonetheless, some amounts listed may have been affected by setoffs taken of which the Debtors are not yet aware. The Debtors reserve all rights to challenge any setoff and/or recoupment rights that may be asserted.

Guarantees and Other Secondary Liability Claims. The Debtors have used their reasonable best efforts to locate and identify guarantees and other secondary liability claims (collectively, “Guarantees”) in each of their executory contracts, unexpired leases, secured financings, debt instruments and other such agreements. Where such Guarantees have been identified, they have been included in the relevant Schedule for the Debtor or Debtors affected by such Guarantees. The Debtors have placed Guaranty obligations on Schedule H for both the primary obligor and the guarantor of the relevant obligation. Such Guarantees were additionally placed on Schedule D or F for each guarantor, except to the extent that such Guarantee is associated with obligations under an executory contract or unexpired lease identified on Schedule G. Further, it is possible that certain Guarantees embedded in the Debtors’ executory contracts, unexpired leases, secured financings, debt instruments and other such agreements may have been inadvertently omitted. Thus, the Debtors reserve their rights to amend the Schedules and Statements to the extent that additional Guarantees are identified. In addition, the Debtors reserve the right to amend the Schedules and Statements to recharacterize or reclassify any such contract or claim.

Insiders. Hundreds of individuals are employed by certain of the Debtors and are given the title of either Executive Vice President, Managing Director, Senior Vice President, Vice President and Assistant Vice President. However, for its response to Statement Question Nos. 21 and 23, ResCap and certain Debtors have listed members of its Board of Directors and all employees that are, or were, Executive Officers (Chief Executive Officer, Chief Financial Officer and General Counsel) and other persons that the Debtors believe fall within the legal definition of “insiders” in terms of control of the Debtors, management responsibilities or functions, decision-making or corporate authority. In the ordinary course of the Debtors’ businesses, directors and officers of one Debtor may have been employed and paid by another Debtor or a non-Debtor affiliate. The Debtors have only scheduled payments to Insiders that were paid or reimbursed by a Debtor while the Insider was in the employ of such Debtor.

The Schedules and Statements have been signed by James Whitlinger, in his capacity as Executive Vice President and Chief Financial Officer of each Debtor or such Debtor’s managing member. In reviewing and signing the Schedules and Statements, Mr. Whitlinger has necessarily relied upon the efforts, statements and representations of other Debtor personnel and professionals. Mr. Whitlinger has not (and could not have) personally verified the accuracy of each such statement and representation, including statements and representations concerning amounts owed to creditors and their addresses.

In addition to the foregoing, the following conventions were adopted by the Debtors in the preparation of the Schedules and Statements:

Schedules of Assets and Liabilities

Schedule A Notes.

- Real property includes the Debtors' real estate held for sale, real estate held for investment, and real estate acquired through foreclosure ("**REO**") as well as land and buildings occupied by the Debtors. REO is scheduled at the legal entity that held the underlying loan and in some instances, may not be scheduled under the Debtor that holds title to such REO because the Debtors did not transfer the asset off of the original lender's books and records.
- Before the Petition Date, EPRE LLC and AFI entered into a sale and buy-back transaction for the real estate interests in the data center property known as "Shady Oak" (Eden Prairie, Minnesota). As a result of certain terms and conditions under the agreement, including, but not limited to, buy-back and assumption obligations, the Debtors accounted for this transaction as a capitalized lease obligation and has included the property as an asset on its books and records. Therefore, these financial obligations are scheduled at book value on Schedules A and D.

Schedule B Notes.

- Each Debtor's assets in Schedule B is listed at net book value unless otherwise noted and may not necessarily reflect the market or recoverable value of these assets as of the Petition Date.
- Schedule B2 – Cash accounts are presented based on the actual cash balance as of the Petition Date. It does not include any adjustments for cash in transit (e.g., ACH issued but not settled and, issued, but outstanding, checks), and also does not include sums held in lockboxes, custodial accounts and any other accounts where cash is held for the benefit of third parties.
- Schedule B13 – Only direct investments of 5% or greater in subsidiaries are listed.
- Schedule B15 – Loans "held for sale" and trading securities are listed at net carry value plus accrued interest.
- Schedule B16 – This does not include (i) certain assets that were previously sold, transferred or settled immediately after the Petition Date and (ii) certain servicing advances that were collateralized and pledged under the Barclays-sponsored nonrecourse servicing advance facility (which was refinanced postpetition) (the "**GSAP Facility**"); however, these specific categories of assets are accounted for on Debtors' books and records in accordance with GAAP.

Schedule D Notes.

- The Debtors' assets are presented at values consistent with their books and records. Generally speaking, for assets that are valued at fair value or the lower of cost or fair value, the Debtors value these assets using modeling techniques customarily used in the industry and uses market based information to the extent possible in these valuations. These values do not purport to represent the ultimate value that would be received in the event of a sale, and may not represent economic value as determined by an appraisal or other valuation technique. The Debtors reserve all rights to dispute or challenge the secured nature of any creditor's claim or the characterization of the structure of any transaction or any document or instrument (including, without limitation, any intercompany agreement) related to such creditor's claim.
- Except as otherwise agreed in accordance with a stipulation or order entered by the Bankruptcy Court, the Debtors reserve their rights to dispute or challenge the validity, perfection or immunity from avoidance of any lien listed on Schedule D purported to be granted to a secured creditor or perfected in any specific asset. Nothing in these Global Notes or in the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements or related documents.
- In certain instances, a Debtor may be a co-obligor, co-mortgagor or guarantor with respect to scheduled claims of its affiliates. No claim scheduled on Schedule D is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other Debtors.
- Co-borrowers and guarantors under the AFI LOC (two Debtor-borrowers and four Debtor-guarantors) and the AFI Senior Secured Credit Facility (two Debtor-borrowers and seven Debtor-guarantors) are jointly and severally liable under each of these credit facilities. Therefore, the full amount of obligations under these agreements is scheduled for each borrower and guarantor; however, the amounts that may ultimately be paid by the borrowers and guarantors has not yet been fixed and determined and remains subject to resolution.
- Prior to the Petition Date, the Debtors maintained the GSAP Facility to fund servicer advances (the "**Advances**") for specified PLS Trusts, and the facility was secured by the receivables relating to those Advances. The Debtors also entered into a secured financing facility with BMMZ Holdings, LLC, an indirect, wholly owned subsidiary of AFI, pursuant to which the Debtors sold assets under repurchase agreements and repurchased the assets at a later date. The BMMZ Repo Facility was secured by the assets being sold pursuant to the repurchase agreements. The Debtors did not schedule these facilities because as part of the first-day relief, the Debtors used the proceeds of the Barclays debtor-in-possession loan facility (the "**Barclays DIP**") to refinance the GSAP Facility and the BMMZ Repo Facility.

Schedule E Notes.

- The Bankruptcy Court has approved the payment of certain unsecured claims against the Debtors including, without limitation, certain claims of employees for wages, salaries, and benefits. In general, employee claims for items that were not clearly authorized to be paid by the Bankruptcy Court have been included in the Schedules and Statements.
- The listing of any claim on this Schedule E does not constitute an admission by the Debtors that such claim is entitled to priority treatment under 11 U.S.C. § 507.
- The Debtors reserve the right to take the position that any claim listed on Schedule E is not entitled to priority.
- Due to confidentiality concerns, the Debtors have suppressed the addresses of the employee claimants listed in this Schedule.

Schedule F Notes.

- The Bankruptcy Court approved the payment of certain unsecured claims against the Debtors including, without limitation, claims of critical vendors. While the Debtors have made every effort to reflect the current obligations as of the Petition Date in Schedule F, certain payments made and certain invoices received after the Petition Date may not be accounted for in Schedule F.
- To the extent that the Debtor, in its capacity as a named defendant, has only been identified in such cases as "GMAC," the action is listed in the Statement of GMAC Mortgage, LLC.

Schedule G Notes.

- While best efforts have been made to ensure the accuracy of Schedule G, inadvertent errors or omissions may have occurred. To the extent a Debtor becomes aware of additional executory contracts and unexpired leases, it will supplement this Schedule.
- The Debtors hereby reserve all rights to dispute the validity, status or enforceability of any contracts, agreements or leases set forth in Schedule G and to amend or supplement such Schedule as necessary. Additionally, the placing of a contract or lease onto this Schedule shall not be deemed an admission that such contract is an executory contract or unexpired lease, or that it is necessarily a binding, valid and enforceable contract. Any and all of the Debtor's rights, claims and causes of action with respect to the contracts and agreements listed on this Schedule are hereby reserved and preserved.
- Omission of a contract or agreement from this Schedule does not constitute an admission that such omitted contract or agreement is not an executory contract or unexpired lease. The Debtor's rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by the omission. This Schedule may be amended at any time to add any omitted contract or agreement.

- The contracts, agreements and leases listed on Schedule G may have expired or may have been rejected, terminated, assigned, modified, amended and/or supplemented from time to time by various amendments, change orders, restatements, waivers, estoppel certificates, letters and other documents, instruments, and agreements which may not be listed therein. Certain of the real property leases listed on Schedule G may contain renewal options, guarantees of payment, options to purchase, rights of first refusal, rights to lease additional space and other miscellaneous rights. Such rights, powers, duties and obligations are not set forth on Schedule G. Certain of the agreements listed on Schedule G may be in the nature of conditional sales agreements or secured financings, and the inclusion of such on Schedule G is not an admission that the agreement is an executory contract, financing agreement or otherwise.

Schedule H Notes.

- In the ordinary course of their businesses, the Debtors may be involved in pending or threatened litigation and claims. These matters may involve multiple plaintiffs and defendants, some or all of whom may assert cross-claims and counterclaims against other parties. Because all such claims are “contingent,” “unliquidated” or “disputed”, such claims have not been set forth individually on Schedule H.

Statement of Financial Affairs

Question No. 1: The Debtors scheduled Total Net Revenue and Income (Loss) Before Income Taxes and Discontinued Operation in accordance with GAAP and the Debtors’ accounting policies and procedures as described in the Residential Capital Consolidated Financial Statements for the years ended December 31, 2011 and December 31, 2010.

Question No. 2: The Debtors scheduled Income Taxes and Discontinued Operations in accordance with GAAP and the Debtors’ accounting policies and procedures as described in the Residential Capital, LLC Consolidated Financial Statements for the year ended December 31, 2011 and December 31, 2010.

Question No. 3b: The Debtors have not scheduled any payments to creditors aggregating more than \$5,475 that were made during the 90 days prior to the Petition Date. Certain Debtors continue to reconcile this information and will file amended sub-Statements with this information at a later date.

Question No. 3c: The Debtors have not scheduled payments to insiders. Certain Debtors continue to reconcile this information and will file amended sub-Statements with this information at a later date.

Question No. 4: The Debtors made every effort to include on Attachment 4 a complete list of all suits and proceedings to which the Debtors were a party within the one year immediately preceding the Petition Date. However, the Debtors were unable to identify the address of certain opposing counsel for closed cases, and as a result, have scheduled the address as “unknown.” The Debtors listed the case number and jurisdiction for these cases. In addition, the Debtors are

engaged in the business of originating, selling, and servicing residential real estate mortgage loans on behalf of the Debtors, their affiliates and other third-party investors. In the ordinary course of business and at any time, a number of the mortgage loans the Debtors service are delinquent and in default. As part of the servicing function, the Debtors are required to commence foreclosure proceedings against certain borrowers and, if a foreclosure is not otherwise resolved, to complete the foreclosure sale of the mortgaged property.

The Debtors manage more than 65,000 foreclosure actions that were commenced either in the name of a Debtor or third-party investors. Attachment 4a to the Statements includes all foreclosure actions commenced where a Debtor owns the underlying mortgage loan or where the borrower-defendant contested the foreclosure by seeking a temporary restraining order or has filed a counterclaim or cross-claim against a Debtor entity.

Foreclosure actions commenced on behalf of third-party investors are not listed in Attachment 4a to the Statements, unless the borrower has contested the foreclosure or filed a counter-claim or cross-claim against a Debtor, because such proceedings are an integral part of the ordinary course of the Debtors' loan servicing business. To the extent a Debtor omitted any suits or proceedings, it will amend its Statement.

Question No. 5: While various lenders purported to exercise certain remedies under their respective agreements, the Debtors reserve all of their rights with respect to whether the remedies exercised by such lenders were proper or were properly exercised.

Question No. 7: Gifts given to customers are not scheduled because they are issued in the ordinary course of business as part of the Debtors' marketing and branding efforts.

Question No. 8: Workers' compensation claims generally have been excluded from the Schedules and Statements because the Debtors are performing their obligations as required by law and in accordance with Bankruptcy Court orders granting authority to the Debtors to satisfy those obligations in the ordinary course. In addition, ordinary property losses of *de minimus* amounts (i.e., vandalism, theft, flood damage, etc.) are identified, but the value of the loss is excluded because such information is not ordinarily maintained in the Debtors' books and records. However, the Debtors have identified any related insurance reimbursements that they received under AFI's property and casualty insurance programs.

Question No. 9: The Debtors' obligations are paid by and through ResCap. Accordingly, all payments related to debt counseling or bankruptcy for affiliated Debtors appear in the response to Question No. 9 of ResCap's Statement (Case No. 12-12020). Among the scheduled professional payments are retainer payments made to: (i) Morrison & Foerster LLP (\$3.5 million), (ii) FTI Consulting, Inc. (\$1.35 million) and (iii) Centerview Partners, LLC (\$300,000).

In addition, the Debtors made payments totaling approximately \$9.5 million to professionals and advisors on behalf of third-party creditors and Ad Hoc committees representing third party creditors as required under relevant agreements.

Question No. 10: Footnotes for Question No. 10 are contained in the respective Debtor Statement of Financial Affairs.

Question No. 12: The Debtors had no safe deposit boxes; however, bank accounts that contained cash or securities, which were closed prior to the Petition Date, are listed in response to Question No. 11. Signatories for such bank and security accounts are not disclosed in response to Question No. 12 due to confidentiality and security reasons.

Question No. 13: Certain of the Debtors have engaged in various derivative transactions in connection with their market risk management activities. In these transactions, Debtors routinely incur setoffs on collateral that has been posted or cash flows to be paid to various counterparties, including affiliates. These setoffs are consistent with the ordinary course of business in the Debtors' industries and these transactions can be particularly voluminous, making it unduly burdensome and costly for the Debtors to list all such instances. In addition, in the ordinary course, counterparties, including, but not limited to, Ally Bank, routinely setoff certain obligations owed to the Debtors in the settlement of loan sale proceeds and payment of servicing and other operational income. Therefore, these ordinary course setoffs are excluded from the Debtors' responses to Question No. 13.

Prior to the Petition Date, the Debtors, under ordinary course accounting procedures and operations processes, netted intercompany obligations to each other and with non-Debtor affiliates. The Debtors have used their reasonable best efforts to identify all known setoffs with non-Debtor affiliates.

Question No. 14: The Debtors maintain and service loan portfolios owned by various institutions. At any given time, in the ordinary course of business, the Debtors received and disbursed funds related to the loans that they serviced. In conjunction with loan servicing, the Debtors control and continue to maintain lockboxes, disbursement accounts and custodial bank accounts, which are detailed in Attachment 14 to the Statements. The Debtors reserve the right to dispute or challenge the ownership interest of assets held in such accounts.

Question No. 15: In certain instances, a Debtor was not able to identify the initial date of occupancy, and therefore used its date of incorporation as the date on which occupancy commenced at the specific premises.

Question No. 17: From time to time, the Debtors have, in the ordinary course of business, foreclosed on real estate property subject to minor problems that were subsequently resolved. The disclosures pertain only to Debtor-owned real property, not real property managed by the Debtors for the benefit of third-party investors. The Debtors have utilized their best efforts in reviewing their books and records to identify all material environmental issues, but the lists might be incomplete and will be updated should additional information become available.

Questions Nos. 19(a)-(c): The Debtors' books and records are in an integrated system and may be accessed by multiple employees of the Debtors, AFI, Ally Bank and other affiliates. The lists of firms and individuals listed in response to Question Nos. 19(a)-(c) are not intended to be exhaustive, but rather represent a listing of those firms and/or individuals that supervised or were primarily responsible for the respective tasks, since AFI had ultimate control over the Debtors' books and records.

Question No. 19d: Prior to the Petition Date, upon the occurrence of certain significant events and at the end of the Debtors' fiscal quarters and fiscal years, AFI filed reports with the Securities and Exchange Commission ("SEC") on Form 8-K Current Reports, Form 10-Q Quarterly Reports and Form 10-K Annual Reports that contained the Debtors' financial results. Because these reports are of public record, the Debtors do not have records of the parties who requested or obtained copies of any such documents. The Debtors' individual financial statements were also provided to various third parties, including, but not limited to, financial counterparties, vendors, government agencies, government sponsored entities, investors and lenders, as required under contractual arrangements and to maintain credit terms with vendors and service providers.

Question No. 20: Due to the nature of their operations, the Debtors do not hold physical inventory for sale to customers. Therefore, none has been listed in their responses to Statement question 20.

Question No. 22b: Gerald A. Lombardo has been listed as a former Treasurer for a number of the Debtors. To clarify, Mr. Lombardo was an employee of AFI who provided treasury services for certain Debtors.

Question No. 23: Prior to the Petition Date, certain of the Debtors' employees were previously employees of AFI or other non-Debtor affiliates at different times during the reporting period and were only compensated by those non-Debtor parties. Attachment 23 to the Statements only includes cash and non-cash transfers, including grants of restricted stock units, while such individuals were employees of one of the Debtors.

Question No. 24: ResCap and its limited liability subsidiaries are disregarded entities for tax purposes. ResCap's incorporated subsidiaries are part of the AFI consolidated tax group. The Debtors have provided the name and tax identification number of the taxpayer for federal tax purposes for each of the Debtors.

B6 Summary (Official Form 6 - Summary) (12/07)**UNITED STATES BANKRUPTCY COURT
Southern District of New York, New York****In re: RAHI Real Estate Holdings, LLC****Case No. 12-12050 (MG)****Chapter 11****SUMMARY OF SCHEDULES**

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors also must complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

Name of Schedule	Attached (YES/NO)	No. of Sheets	Assets	Liabilities	Other	
A - Real Property	YES	1	\$0.00			
B - Personal Property	YES	14	\$0.00			
C - Property Claimed as Exempt	NO	N/A				
D - Creditors Holding Secured Claims	YES	1				\$0.00
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)	YES	3				\$0.00
F - Creditors Holding Unsecured Nonpriority Claims	YES	2				\$0.00
G - Executory Contracts and Unexpired Leases	YES	2				
H - Codebtors	YES	1				
I - Current Income of Individual Debtor(s)	NO	N/A				
J - Current Expenditures of Individual Debtor(s)	NO	N/A				
TOTAL		24	\$0.00	\$0.00		

B6A (Official Form 6A) (12/07)

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a co-tenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether the husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "HWJC." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim."

If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION	AMOUNT OF SECURED CLAIM OR MORTGAGE
NONE			\$0.00	\$0.00
Total			\$0.00	

(Report total also on Summary of Schedules.)

B6B (Official Form 6B) (12/0

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "X" in the appropriate position in the column labeled "None". If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether the husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "HWJC." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007 (m).

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
1. Cash on hand.	X			\$0.00
2. Checking, savings or other financial accounts, certificates of deposit or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.	X			\$0.00

Subtotal (Total on this page)

\$0.00

B6B (Official Form 6B) (12/07) - Cont.

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
3. Security deposits with public utilities, telephone companies, landlords, and others.	X			\$0.00
4. Household goods and furnishings, including audio, video, and computer equipment.	X			\$0.00
5. Books; pictures and other art objects; antiques; stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			\$0.00

Subtotal (Total on this page)

\$0.00

B6B (Official Form 6B) (12/07) - Cont.

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
6. Wearing apparel.	X			\$0.00
7. Furs and jewelry.	X			\$0.00
8. Firearms and sports, photographic, and other hobby equipment.	X			\$0.00

Subtotal (Total on this page) **\$0.00**

B6B (Official Form 6B) (12/07) - Cont.

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.	X			\$0.00
10. Annuities. Itemize and name each issuer.	X			\$0.00
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).)	X			\$0.00

Subtotal (Total on this page)

\$0.00

B6B (Official Form 6B) (12/07) - Cont.

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	X			\$0.00
13. Stock and interests in incorporated and unincorporated businesses. Itemize.	X			\$0.00
14. Interests in partnerships or joint ventures. Itemize.	X			\$0.00

Subtotal (Total on this page)

\$0.00

B6B (Official Form 6B) (12/07) - Cont.

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	X			\$0.00
16. Accounts Receivable.	X			\$0.00
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	X			\$0.00

Subtotal (Total on this page)

\$0.00

B6B (Official Form 6B) (12/07) - Cont.

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	X			\$0.00
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A – Real Property.	X			\$0.00
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			\$0.00

Subtotal (Total on this page)

\$0.00

B6B (Official Form 6B) (12/07) - Cont.

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	X			\$0.00
22. Patents, copyrights, and other intellectual property. Give particulars.	X			\$0.00
23. Licenses, franchises, and other general intangibles. Give particulars.	X			\$0.00

Subtotal (Total on this page)

\$0.00

B6B (Official Form 6B) (12/07) - Cont.

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	X			\$0.00
25. Automobiles, trucks, trailers, and other vehicles and accessories.	X			\$0.00
26. Boats, motors, and accessories.	X			\$0.00

Subtotal (Total on this page)

\$0.00

B6B (Official Form 6B) (12/07) - Cont.

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
27. Aircraft and accessories.	X			\$0.00
28. Office equipment, furnishings, and supplies.	X			\$0.00
29. Machinery, fixtures, equipment, and supplies used in business.	X			\$0.00

Subtotal (Total on this page)

\$0.00

B6B (Official Form 6B) (12/07) - Cont.

In re: **RAHI Real Estate Holdings, LLC**

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
30. Inventory.	X			\$0.00
31. Animals.	X			\$0.00
32. Crops - growing or harvested. Give particulars.	X			\$0.00

Subtotal (Total on this page)

\$0.00

B6B (Official Form 6B) (12/07) - Cont.

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	H W J C	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
33. Farming equipment and implements.	X			\$0.00
34. Farm supplies, chemicals, and feed.	X			\$0.00
35. Other personal property of any kind not already listed. Itemize.		See Schedule B35 Attachment General Litigation		Unknown

Subtotal (Total on this page)

\$0.00

B6B (Official Form 6B) (12/07) - Cont.

In re: **RAHI Real Estate Holdings, LLC**

Case No. 12-12050 (MG)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Subtotal (Total on this page)	\$0.00
Total	\$0.00

(Include amounts from any continuation
sheets attached. Report total also on
Summary of Schedules.)

Description	Matter Number	Matter Caption	State/Province	Court	Docket	Case Description	Opposing Counsel with address	Address	City	State	Zip	Value
General Litigation	723938	RAHI REAL ESTATE HOLDINGS, LLC vs. STEVEN F. DUPUIS	Florida	FL, SANTA ROSA COUNTY, FIRST JUD CIR 000498, CIR CRT - PRIMARY	2010-CA-	Servicing - Mortgage	KAUFMAN, ENGLETT & LYND, PLLC	201 N. Franklin Street Suite 3050	Tampa	FL	33602	Unknown
TOTAL:											Unknown	

B6D (Official Form 6D) (12/07)

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is the creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Code debtor," include the entity on the appropriate schedule of creditors, and complete Schedule H – Code debtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "HWJC."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim Without Deducting Value of Collateral" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion, if Any" on the Statistical Summary of Certain Liabilities and Related Data.

☒ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS, INCLUDING ZIP CODE, AND AN ACCOUNT NUMBER (See Instructions Above.)	C O D E B T O R	H W J C	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
NONE							\$0.00	\$0.00
Subtotal(s) (Total(s) on this page)							\$0.00	\$0.00
Total(s) (Use only on last page)							\$0.00	\$0.00

(Report also on
Summary of Schedules)

(If applicable, report
also on Statistical
Summary of Certain
Liabilities and
Related Data)

B6E (Official Form 6E) (04/10)

In re: **RAHI Real Estate Holdings, LLC**Case No. **12-12050 (MG)****SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "HWJC." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☒ Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

TYPES OF PRIORITY CLAIM (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)☐ **Domestic Support Obligations**

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

☐ **Extensions of credit in an involuntary case**

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

☐ **Wages, salaries, and commissions**

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$11,725* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

☐ **Contributions to employee benefit plans**

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

**Amounts are subject to adjustment on 4/01/13, and every three years thereafter with respect to cases commenced on or after the date of adjustment.*

B6E (Official Form 6E) (04/10) - Cont.

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

☐ **Certain farmers and fishermen**

Claims of certain farmers and fishermen, up to \$5,775* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

☐ **Deposits by individuals**

Claims of individuals up to \$2,600* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

☐ **Taxes and Certain Other Debts Owed to Governmental Units**

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

☐ **Commitments to Maintain the Capital of an Insured Depository Institution**

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507 (a)(9).

☐ **Claims for Death or Personal Injury While Debtor Was Intoxicated**

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507 (a)(10).

**Amounts are subject to adjustment on 4/01/13, and every three years thereafter with respect to cases commenced on or after the date of adjustment.*

B6E (Official Form 6E) (04/10) - Cont.

In re: **RAHI Real Estate Holdings, LLC**

Case No. 12-12050 (MG)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS, INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See Instructions Above.)	C O D E B T O R	H W J C	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
NONE							\$0.00	\$0.00	\$0.00
Subtotals (Totals on this page):							\$0.00	\$0.00	\$0.00
Total: (Report also on the Summary of Schedules)							\$0.00		
Totals: (Report also on the Statistical Summary of Certain Liabilities Related Data)								\$0.00	\$0.00

B6F (Official Form 6F) (12/07)

In re: **RAHI Real Estate Holdings, LLC**Case No. **12-12050 (MG)****SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "HWJC."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured nonpriority claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS, INCLUDING ZIP CODE, AND ACCOUNT NUMBER <i>(See Instructions Above.)</i>	C O D E B T O R	H W J C	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
See Schedule F-3 Attachment General Litigation Claims							Unknown
Subtotal (Total on this page)							\$0.00
(Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.)							Total \$0.00

12-12020-mg Doc 563 Filed 06/30/12 Entered 06/30/12 18:38:11 Main Document
Pg 36 of 40
In re: RAHI Real Estate Holdings, LLC
Case No. 12-12050
Schedule F-3
General Litigation
Creditors Holding Unsecured Claims

Creditor's Name	Address 1	Address 2	City	State	Zip	Co-Debtor	Date claim was incurred and consideration for claim	Subject to setoffs Y/N	Contingent	Unliquidated	Disputed	Total amount of claim
Lenworth L. Roberts and Frances A. Roberts vs. RAHI Real Estate Holdings, LLC; Mortgage Electronic Registration Systems, Inc.; and McCurdy & Candler, LLC Docket: 12AO42483 Matter: 728771	2083 GREAT SHOALS CIR		LAWRENCEVILLE	GA	30045		General Litigation - Servicing - Mortgage		X	X	X	Unknown
Total:												Unknown

B6G (Official Form 6G) (12/07)

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser," "Agent," etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m)

☐ Check this box if debtor has no executory contracts or unexpired leases.

NAME AND MAILING ADDRESS, INCLUDING ZIP CODE, OF OTHER PARTIES TO LEASE OR CONTRACT	DESCRIPTION OF CONTRACT OR LEASE AND NATURE OF DEBTOR'S INTEREST. STATE WHETHER LEASE IS FOR NONRESIDENTIAL REAL PROPERTY. STATE CONTRACT NUMBER OF ANY GOVERNMENT CONTRACT
See Schedule G Attachment	

12-12020-mg Doc 563 Filed 06/30/12 Entered 06/30/12 18:38:11 Main Document
Pg 38 of 40
In re: RAHI Real Estate Holdings, LLC
Case No. 12-12050
Schedule G
Executory Contracts and Unexpired Leases

Name of other parties to lease or contract		Address 1		Address 2		City	State	Zip	Description of contract or lease and nature of debtor's interest. State whether lease is of nonresidential real property. State contract number of any government contract.
Barclays Bank PLC		Barclays Bank PLC		745 7th Avenue, 27th Floor		New York	NY	10119	Loan Security and Borrowing Collateral Agreement
GMAC-RFC Holding Company, LLC		8400 Normandale Lake Boulevard		Suite 350		Minneapolis	MN	55440	Tax Sharing Agreement

B6H (Official Form 6H) (12/07)

In re: **RAHI Real Estate Holdings, LLC****Case No. 12-12050 (MG)****SCHEDULE H - CODEBTORS**

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight-year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. Bankr. P. 1007(m)

☒ Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR	NAME AND ADDRESS OF CREDITOR
NONE	

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK, NEW YORK

In re: RAHI Real Estate Holdings, LLC

Case No. 12-12050 (MG)

DECLARATION CONCERNING DEBTOR'S SCHEDULES

I, James Whitlinger, Chief Financial Officer of the corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 39 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date 6/30/2012

Signature: / s / James Whitlinger

James Whitlinger

Chief Financial Officer