The Law Offices of
Eugene Zemp DuBose P.C.
Attorney, Counselor, Mediator
3303 Lee Parkway, Suite 210
Dallas Texas 75219

Admitted to the Bars of the
States of Texas and New York
Email gene@ezlaw.org

(214) 520-2983
Telecopier (214) 520-2985
Cellphone (214) 675-9022

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Jon Neal Prevost
Colonnade Tower II
15303 Dallas Parkway, Suite 1030
Addison, Texas 75001

Via Fax 972 239 6205
_____pages faxed
and via email

Re: *Reyna et al. vs. Washington Mutual Bank,*
Cause No. 096-219245-06

Dear Neal:

Today I received the foreclosure and eviction files on Mr. Reyna from Brown & Shapiro. He is a credit disaster. He got his mortgage loan on January 19, 2004. He has paid through June of 2004. Were the note to be presently extant he would be over 2 years in arrears. At foreclosure he was $15,558.66 behind in interest payments and $7,534.69 in the hole in his escrow account – having stopped paying for things like insurance and taxes a while ago. We bid the entire debt in at foreclosure, $146,080.27 (on what started out as a $120,785.00 loan), and got property that the 2005 Tarrant County tax rolls valued at $114,550. Not much profit in that sort of business.

His bankruptcy filing – filed the day before a foreclosure scheduled for September 6 of 2005 – reveals more. In that proceeding, the Attorney General filed two different proofs of claim for two different women to whom in was in arrears on his child support payments: the claims were for $667.12 to Rosa Flores and $4,194.93 to Claudia Lopez. Fertile and insolvent: he hits the daily double on that combo. He never made a payment under his Chapter 13 plan – nor did he make any payments on his mortgage note while in bankruptcy, even though those were payments that were to be outside of his plan. It is as clear as crystal to me that the bankruptcy was filed for only one purpose: to prevent foreclosure.

You say he didn't get loss mitigation? I only have sketchy files – I don't have the full loss mitigation file yet – but the documents I have show that he was originally contacted about loss mitigation in October of 2004, that his September 2005 foreclosure had been delayed for several

months while Washington Mutual was working with him on a potential workout, and that the foreclosure noticed for February 2006 was put off until July 2006 while he once again went into loss mitigation – where he remained until May of 2006. No loss mit? He had loss mitigation up the kazoo: no realistic chance of any workout, however, is what we're talking about. Taj Mahal had a phrase for it: a hand full o' gimme and a mouth full o' much obliged. He has been given every possible chance to show his creditworthiness. He has blown them all.

If you want to propose some kind of workout to Washington Mutual, have at it. I will convey to them any proposal you make. I cannot conceive that, with his history, Washington Mutual would under any circumstances do business with Mr. Reyna again. I will advise them in the strongest terms not to do so. In my estimation, the price of doing business with Mr. Reyna is higher than the cost of this lawsuit will ever be. But there have been instances where my client has not taken my advice. You might hit them at a particularly generous or delusional moment. Who knows?

I suppose that there is some possibility that Mr. Reyna's circumstances have substantially changed. Perhaps he has hit it big at the track. Perhaps he is willing to plunk down one horse-choking wad of cash to get this deal going again. That would, of course, change everything. Money talks. So far, though, Mr. Reyna hasn't even whispered.

I have forwarded to my client your Rule 11 with a 90-day standstill in it, but heartily recommend against it. There is not the slightest indication to me that your Rule 11 will do anything but maintain the cost-free standard of lodging to which Mr. Reyna has undoubtedly become accustomed over the past few years. If he makes it into December, he probably guesses that we'll pay this year's taxes for him. If the deal were as you indicated over the phone – that is to say, if we don't make a deal, he'll be out of the house with his suit dismissed within 30 days – that again is another story. But those aspects didn't make it into your proposed Rule 11.

I am enclosing the motion for summary judgment that I won a few weeks ago in Judge Paterson's court here in Dallas. First of all, the law is clear that failure to give a face-to-face interview does not bar a foreclosure. Moreover, Mr. Reyna was never entitled to a face-to-face interview. The obligation to attempt a face-to-face interview only arises when the borrower is closer than 200 miles to a servicing office. Our servicing offices are in in Florida, California, Wisconsin, and San Antonio, Texas, all further than 200 miles from Mr. Reyna's home. We had an office for a while, perhaps while Mr. Reyna's note was being serviced, at 9601 McAllister Freeway in San Antonio, Texas, but according the on-line calculations which I obtained from MapQuest that location is 259.81 miles from Mr. Reyna's home.

Call me if you would like to discuss all this.

Sincerely yours,

Eugene Zemp DuBose

Enclosure

cc(w/encl): Michael Tannatt **Via email**