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EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

BEFORE THE GRAND JURY IMPANELED BY THE AFORESAID
DISTRICT COURT

THE STATE OF NEVADA,)
)
Plaintiff,)
)
vs.) No. 11AGJ037AB
)
GARY TRAFFORD, GERRI SHEPPARD,)
)
Defendants.)
_____)

Taken at Las Vegas, Nevada
Tuesday, November 8, 2011
8:35 a.m.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

VOLUME 1

Reported by: Danette L. Antonacci, C.C.R. No. 222

1 GRAND JURORS PRESENT ON NOVEMBER 8, 2011

2

3 LORNA RAMSEY, Foreperson

4 KATHLEEN BRONSON, Secretary

5 NORANNE BRUMAGIN, Assistant Secretary

6 DANIEL COOK

7 DENNIS DUNN

8 RICHARD FAH

9 LAWRENCE FELDMAN

10 FERNANDO GARCIA

11 BYRON GEORGE

12 MARIO GOMEZ

13 CHRISTOPHER HALLEN

14 ROSA MERGY

15 LARRY SEIBERT

16 MARGARETE SORRICK

17 ROBERT WISEMAN

18

19 Also present at the request of the Grand Jury:

20 John Kelleher, Robert Giunta,
21 Sam Kern, Helene Lester,
Deputy Attorney General

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1 LAS VEGAS, NEVADA, NOVEMBER 8, 2011

2 * * * * *

3
4 DANETTE L. ANTONACCI,

5 having been first duly sworn to faithfully
6 and accurately transcribe the following
7 proceedings to the best of her ability.
8

9 THE FOREPERSON: Let the record reflect
10 that I have canvassed the waiting area and no one has
11 appeared in response to Notice of Intent to Seek
12 Indictment.

13 MR. KELLEHER: Good morning everyone. My
14 name is John Kelleher. I'm a chief deputy attorney
15 general with the Nevada Attorney General's Fraud Unit
16 and I head up the Mortgage Fraud Strike Force. With me
17 today are, I have deputy attorney general Sam Kern and
18 senior deputy attorney general Robert Giunta. I also
19 have another attorney that is going to be helping us
20 present this case, Helene Lester, she hasn't arrived
21 yet.

22 You may be wondering why we have four
23 attorneys on this case. There's a significant amount of
24 documentary evidence that we're going to be presenting
25 and we also have numerous trials and other preliminary

1 hearings going on this week and over the next week as
2 well so we've kind of all coordinated to work together
3 to present the case. We promise to keep the evidence
4 presentation as painless as possible. We've tried to
5 organize it in a way that will help you to follow along.

6 We're presenting Grand Jury Case Number
7 11AGJ037AB, and the case number can be found on the last
8 page of the proposed Indictment which I ask the record
9 reflect that we've -- okay. We'll be presenting to the
10 Grand Jury probably at the next proceeding.

11 We have premarked the exhibits. The name
12 of the case is the State of Nevada versus Gary Trafford
13 and Gerri Sheppard. Case contains as I said numerous
14 documentary exhibits and what the case deals with is
15 documents that have been filed with the county recorders
16 office by notaries and their supervisors with respect to
17 foreclosures in the county. The defendants in this
18 case, Gary Trafford and Gerri Sheppard, are charged with
19 the following crimes: Gary Trafford is charged with
20 notarization of signature of a person not in the
21 presence of a notary public, aiding and abetting, which
22 is a gross misdemeanor, violation of NRS 240.155. He's
23 also charged with offering false instruments for filing
24 or recording, a category C felony, in violation of NRS
25 239.330, and he's charged with false certification on

1 certain instruments, aiding and abetting, a category D
2 felony, a violation of NRS 205.120.

3 The aforementioned crimes constitute
4 technological crimes as defined in 205A.030 which states
5 that the property which was derived from, realized
6 through or used or intended for use in the course of a
7 technological crime is subject to forfeiture pursuant to
8 NRS 179.1219.

9 Defendant Gerri Sheppard is charged with
10 notarization of signature of person not in the presence
11 of a notary public, aiding and abetting, a gross
12 misdemeanor, a violation of NRS 240.155. She's also
13 charged with offering false instruments for filing or
14 recording, a category C felony, in violation of NRS
15 239.330, and she's charged with false certification on
16 certain instruments, aiding and abetting, a category D
17 felony, in violation of NRS 205.120. These crimes also
18 constitute technological crimes as defined in NRS
19 205A.030.

20 I'll read the specifics of the statutes
21 that we're alleging. Both defendants are charged with
22 each of these crimes as I just stated.

23 NRS 240.155, Notarization of signature of
24 person not in presence of notary public unlawful;
25 penalty. Number 1: A notary public who is appointed

1 pursuant to this chapter shall not willfully notarize
2 the signature of a person unless the person is in the
3 presence of the notary public and: (a) Is known to the
4 notary public; or (b) If unknown to the notary public,
5 provides a credible witness or documentary evidence of
6 identification to the notary public.

7 2. A person who: (a) Violates the provision
8 of subsection 1; or (b) Aids and abets a notary public
9 to commit a violation of subsection 1, is guilty of a
10 gross misdemeanor.

11 NRS 239.330: Offering false instrument for
12 filing or record. A person who knowingly procures or
13 offers any false or forged instrument to be filed,
14 registered or recorded in any public office, which
15 instrument, if genuine, might be filed, registered or
16 recorded in a public office under any law of this State
17 or of the United States, is guilty of a category C
18 felony and shall be punished as provided in NRS 193.130.

19 NRS 205.120: False certificate to certain
20 instruments punishable as forgery. A person who is
21 authorized to take a proof or acknowledgment of an
22 instrument which by law may be recorded, who willfully
23 certifies falsely that the execution of the instrument
24 was acknowledged by any party thereto, or that the
25 execution thereof was proved, is guilty of a category D

1 felony, and shall be punished as provided in NRS
2 193.130.

3 (At this time, Deputy Attorney General
4 Helene Lester enters the proceedings.)

5 MR. KELLEHER: Are there any questions with
6 regard to the elements of the charged offenses?

7 Ask the record to reflect that there's no
8 questions. And with that I'd like to call the State's
9 first -- oh. Sorry.

10 Before I call the State's first witness, I
11 would like to read a list of the witnesses we intend to
12 call in this proceeding and if any of the grand jurors
13 are familiar with these people if you could please let
14 us know.

15 State will be calling Bru Ethridge, Eugene
16 Mendiola, Romy Ashjian, Meghan Bloecker, Tracy Lawrence,
17 State Investigator Todd Grosz, Jennifer Lowe, Debra
18 Watkins, Joseph Noel and Peter Horn.

19 I'd ask the record to reflect that I have
20 one grand juror --

21 A JUROR: Tracy Lawrence, is that male or
22 female?

23 MR. KELLEHER: Tracy Lawrence is a female.

24 A JUROR: I had a co-worker who was married
25 to a Tracy Lawrence. I'm not sure if that's her or not.

1 MR. KELLEHER: Is there any reason that
2 relationship with your co-worker would in any way
3 impact --

4 A JUROR: None whatsoever.

5 MR. KELLEHER: Okay. You could be fair and
6 impartial in this proceeding?

7 A JUROR: Yes.

8 MR. KELLEHER: When we do call her, if you
9 do recognize her would you let us know that?

10 A JUROR: Absolutely.

11 MR. KELLEHER: And now the State would like
12 to call its first witness, Bru Ethridge.

13 THE FOREPERSON: Please raise your right
14 hand.

15 You do solemnly swear the testimony you are
16 about to give upon the investigation now pending before
17 this Grand Jury shall be the truth, the whole truth, and
18 nothing but the truth, so help you God?

19 THE WITNESS: I do.

20 THE FOREPERSON: Please be seated.

21 You are advised that you are here today to
22 give testimony in the investigation pertaining to the
23 offenses of notarization of signature of person not in
24 presence of notary public, offering false instruments
25 for filing or recording, and false certification on

1 certain instrument, involving Gary Trafford and Gerri
2 Sheppard.

3 Do you understand this advisement?

4 THE WITNESS: Yes, I do.

5 THE FOREPERSON: Please state your first
6 and last name and spell both for the record.

7 THE WITNESS: My first name is Laura,
8 L-A-U-R-A, my last name is Ethridge, E-T-H-R-I-D-G-E,
9 but professionally I'm known as Bru, B-R-U.

10 THE FOREPERSON: Thank you.

11 You may proceed.

12 LAURA "BRU" ETHRIDGE,

13 having been first duly sworn by the Foreperson of the
14 Grand Jury to testify to the truth, the whole truth,
15 and nothing but the truth, testified as follows:

16

17 EXAMINATION

18

19 BY MR. KELLEHER:

20 Q. Miss Ethridge, are you currently employed?

21 A. Yes, I am.

22 Q. Where do you work?

23 A. I work for the Nevada Secretary of State's
24 office.

25 Q. And how long have you been employed there?

1 A. I've been employed there since July of
2 1989.

3 Q. What is your title?

4 A. I'm the notary administrator for the State
5 of Nevada.

6 Q. What do your duties entail?

7 A. I oversee the process of appointing
8 notaries and all the components. Verifying the
9 application form when we do changes, during a
10 legislative year and we decide that we need to make a
11 correction towards the notary statutes then I will draw
12 up the laymen's language for the change in the statute
13 and then we submit it to the legislature who kind of
14 fine tunes it and puts it in statutory language.

15 Q. Okay. So would it be fair to say then that
16 you are personally involved with the drafting of the
17 requirements that the State of Nevada holds for notary
18 publics?

19 A. I have been since 1993, yes.

20 Q. Can you define what a notary public is and
21 what a notary public does?

22 A. A notary public is an individual whose been
23 given the authority by the Secretary of State's office
24 to witness and identify the document signer's signature
25 on documents. The authority of the notary is to witness

1 the signing of a document and to identify the document
2 signers on documents that have been indicated the
3 signatures need to be notarized.

4 Q. Oh. And I would like the record to reflect
5 that deputy attorney general Helene Lester has joined
6 us.

7 What is the purpose of a notary public in
8 the State of Nevada?

9 A. The purpose of the notary is to identify
10 document signers and attempt to deter fraud.

11 Q. And how does a notary public assist in
12 attempting to deter fraud?

13 A. One of the notary's responsibilities is to
14 identify a document signer through an ID card. We do
15 allow them -- an ID card must have the individual's
16 picture and signature on it, or in some cases we allow a
17 notary to notarize an individual's signature that's
18 personally known to them without requiring an ID. But
19 basically their function is to identify the document
20 signer.

21 Q. When you say personally known to them,
22 would that require them to have met the person?

23 A. While it's not defined in statute, what we
24 instruct notaries to do is that they have to have a
25 significant amount of interaction with that person over

1 a significant amount of time to eliminate any reasonable
2 doubt as to what their true identity is. So you
3 couldn't or you shouldn't be introduced to a person one
4 time and then say well, I personally know them, because
5 you don't really know them.

6 Q. If a notary had never met a person and it
7 was just say a voice on a telephone or someone that was
8 sending them an email, would that be sufficient to meet
9 the known to the notary public requirement?

10 A. No, it is not. The statute is very clear
11 and it says that the document signer must present the
12 document to the notary and must present the document to
13 the notary in person.

14 Q. What are the steps for becoming a notary?
15 How does someone in Nevada become a notary public?

16 A. Currently they are required to take an
17 education course that's offered by the Secretary of
18 State's office. They must purchase a 10,000-dollar
19 surety bond from a private insurance company licensed to
20 do business in the State of Nevada.

21 Q. What's the purpose of that bond?

22 A. The bond is a 10,000-dollar bond and it's
23 to assist in recouping losses to the injured party. And
24 then they are to submit an application to the Secretary
25 of State's office. Now that is the criteria for a

1 resident notary, but we do have what we call, they're
2 called non-resident notaries. Their process is a little
3 bit different in the sense that they still have to take
4 an education course if it's the first time they're being
5 appointed a notary in the State of Nevada, do the bond,
6 the application, but they're also required to submit an
7 affidavit both from their employer and an affidavit that
8 they sign saying that they are a resident of a bordering
9 state and that they are permanently employed in the
10 State of Nevada.

11 Q. I just want to go back to the bond briefly.

12 A. Uh-huh.

13 Q. What type of instances in your experience
14 would someone submit a claim under the bond, for what
15 type of activity would the bond insure?

16 A. The issuance of a claim and a payment of a
17 claim is done strictly through the insurance company.
18 The Secretary of State's office really isn't involved in
19 that. But what I have learned over time is if an
20 individual files a complaint against a notary and the
21 Secretary of State sanctions the notary through a fine
22 that the notary did not follow Nevada law, that the
23 injured party who may have lost a vehicle through the
24 signing of a document and notarized that was not done in
25 accordance with law, the injured party lost a portion of

1 a piece of property, they can file a claim against the
2 surety bond and recoup some of their losses.

3 Q. And would the Secretary of State also have
4 the authority to administer any other sanctions against
5 a notary?

6 A. By statute we can suspend their
7 appointment, we can revoke their appointment and then we
8 do, we can cancel and we do impose fines.

9 Q. Now you stated previously that currently
10 the procedure is to undergo an education course. Did
11 the requirements for becoming a notary change at any
12 time?

13 A. The requirements for the education course
14 changed in 2007, as of October 1st, 2007. The
15 legislators decided that it was a requirement that a new
16 notary had to take an education course offered by the
17 Secretary of State's office. Prior to that they were
18 not required to take an education course. We did offer
19 them as a voluntary program and we offered voluntary
20 education since 1993.

21 Q. And prior to the mandatory education course
22 did your office or did you do anything to inform the
23 notaries of what the requirements were under the Nevada
24 Revised Statutes?

25 A. Yes, each and every time we sent a notary,

1 an individual their notary commission, we would always
2 send them a copy of the statutes or a notary handbook.
3 If we were out of the handbook what we did was we made
4 copies of the statutes and included them in with their
5 appointment.

6 Q. And if you had the handbooks handy, are the
7 statutes part of the handbook?

8 A. Yes, the handbook is in two parts. The
9 first part is the most frequently asked questions and
10 then the second part is the Nevada Revised Statutes.

11 Q. I'd ask you to look at State's Exhibit 9.
12 We have that broken up into four sections, 9A, B, C and
13 D.

14 A. Okay.

15 Q. Could you take a moment and look through
16 that exhibit and let the Grand Jury know if you are
17 familiar with those documents?

18 A. Yes. These are copies, the first page is a
19 copy of a breakdown of the changes that were added to
20 the statutes, notary statutes by year. And then the
21 following is a copy of a notary handbook.

22 Q. So for the record the first page that the
23 witness is referring to is Exhibit 9, bate stamp number
24 893.

25 And looking at that first page, it shows

1 changes were made in 1993, '95, '97, '99, 2001, 2005,
2 2007 and 2009; is that correct?

3 A. You forgot 2003.

4 Q. And 2003. Is that correct?

5 A. Yes, it is.

6 Q. Were you involved in the process of
7 adopting those changes through the legislature?

8 A. Yes, I was.

9 Q. Okay. Let's look at Exhibit 9
10 specifically. Not 9A but 9. What year is that handbook
11 for?

12 A. 1997.

13 Q. Okay. And then 9A?

14 And for the record Exhibit 9, the 1997
15 handbook, is bates stamp numbers 894 through 909.

16 And then Exhibit 9A?

17 A. That is a copy of the statute book for
18 2001.

19 Q. Okay. And for the record that is Exhibit
20 9A, bates 909 through 922.

21 Turn to 9B.

22 A. 9B is a copy of the notary handbook for
23 2003.

24 Q. Okay. For the record that is bates numbers
25 923 through 941.

1 9C?

2 A. It's a copy of the notary statute, the
3 notary handbook, excuse me, for 2005 through 2006.

4 Q. For the record that is bates number 855
5 through 890.

6 And then lastly 9D.

7 A. That would be the notary handbook for 2007.

8 Q. And that is bates numbers 942 through 950.

9 With respect to these various notary
10 handbooks, do the general requirements for becoming a
11 notary change between 1997 and 2007? I'm sorry, between
12 1993 and 2007.

13 A. Well, no, the general requirements -- well,
14 let's see.

15 Q. Probably poorly phrased question. If I
16 could maybe ask it more specifically.

17 A. Okay.

18 Q. You testified previously the procedure --
19 can you tell us one more time what is the procedure for
20 someone to become a notary, what steps would they have
21 to take?

22 A. Okay. Currently since 2007 they have to
23 attend a notary education course offered by the Nevada
24 Secretary of State's office. They need to submit an
25 application that is prescribed by the Secretary of

1 State's office. They need to file a 10,000-dollar
2 surety bond with the county clerk. The county clerk
3 then returns to the individual what we call a bond
4 filing notice which is a confirmation that the bond was
5 filed by the individual. And then they need to submit
6 their certificate of completion of the course with the
7 bond filing notice and the application and their fee to
8 the Secretary of State's office. Now that is for what
9 we call a resident notary.

10 Q. For the record, in our Grand Jury
11 proceeding here we're only going to deal with resident
12 notaries.

13 A. Okay.

14 Q. Anymore? Any other requirements?

15 A. I think I covered them.

16 Q. Now you said that the educational
17 requirement was instituted in 2007 I believe?

18 A. Yes, October 1st, 2007.

19 Q. When was the bond requirement?

20 A. The bond requirement as far as I know has
21 been a requirement, well, since 1989, it was there when
22 I came to Secretary of State's office and it was there
23 prior, but I don't know when it originally was
24 implemented.

25 Q. Has there always been an application that

1 had to be submitted?

2 A. To my knowledge, yes.

3 Q. And how about the certificate of completion
4 of the course, would that, obviously that would be
5 subsequent to --

6 A. 2007.

7 Q. So prior to initiating the educational
8 mandatory course, what was the steps; to submit an
9 application and a bond?

10 A. Yes, they would submit an application and a
11 bond.

12 Q. Okay. So when we look at all these various
13 handbooks --

14 A. Uh-huh.

15 Q. -- those procedures that you just testified
16 to, with the exception of the educational requirement,
17 were they pretty consistent throughout? There's always
18 been an application, there's always been a bond as far
19 as when you've been there?

20 A. Correct.

21 Q. Okay. Any others?

22 A. No, I believe that's it.

23 Q. Okay. When you get the application and the
24 bond, what does your office do then? What do you send
25 to the notary?

1 A. Okay. If they meet the requirements we
2 would send them a certificate of appointment and a copy
3 of what we have, either the notary handbook or if we
4 don't have the handbook we would send them a copy of the
5 current statutes.

6 Q. What about a notary stamp?

7 A. We do not issue notary stamps.

8 Q. Where would --

9 A. The individual has to purchase their own
10 stamp or their company will purchase their stamp for
11 them.

12 Q. Who do they purchase them from?

13 A. Well, rubber stamp stores or some of your
14 stationary supply stores will have availability to
15 purchase a stamp.

16 Q. You said that you send out the statutes and
17 the handbooks, you've always done that, whatever
18 incarnation of the handbook is at that time, since the
19 time you've been there; is that correct?

20 A. That is correct, except for a short period
21 of time in 2010 when we were in the process of changing
22 legislature, but because the class was mandatory I would
23 always tell them at the class you need to get on the web
24 site, you need to print the statutes so that you can
25 familiarize yourself with them, but as soon as the

1 statutes become available we will send you the current
2 statutes in the form of a handbook, yes.

3 Q. With respect to the process of notarizing a
4 document, what does a notary do? Can you walk us
5 through what notarization includes?

6 A. The individual is --

7 Q. And we're dealing in state now.

8 A. In state.

9 Q. Resident.

10 A. Oh, resident notaries. Okay.

11 When a document, when an individual
12 approaches the notary and wants their significant
13 notarized, the notary needs to see the document because
14 they need to locate the notary language on the document.
15 We instruct them to read the language. Now currently
16 they're not supposed to be reading the contents of the
17 document but they are supposed to read the notary
18 language because the notary language tells the notary
19 what they're supposed to do. It identifies what the
20 recipient of that document wants the notary and the
21 document signer to do. So the notary is supposed to
22 hold the document in her hand, read the language,
23 they're supposed to ask for their ID, because typically
24 they probably are notarizing first signature, notarizing
25 a signature of a person they have never met. So they

1 hold the ID in their hand, they give the document signer
2 their notary journal and they're supposed to ask the
3 document signer to sign in the journal.

4 Q. What is a notary journal?

5 A. The journal is a written record of the
6 transactions that the notaries have completed or maybe
7 haven't completed but a transaction of an attempt to do
8 a notarization.

9 Q. Is that required under the statutes?

10 A. Yes, it is.

11 Q. What's the purpose of keeping a notary
12 journal?

13 A. The purpose of the journal is to have a
14 record of the signature on the document, a record of the
15 identification used to identify the document signer and
16 the notary journal is a silent witness to the
17 notarization. We can't remember what we did maybe last
18 week but if you log it in your journal you have a
19 written record of the notarization that took place.

20 Q. Based on your knowledge of the statutes and
21 the handbook, are you aware of any provisions personally
22 that allow a notary to notarize without entering,
23 memorializing the notarization in the journal?

24 A. No, there isn't any.

25 Q. Would that be something that your office

1 would investigate?

2 A. Our investigation capabilities are very
3 small, but if we were to receive a complaint from a
4 document signer that said they believe the notarization
5 wasn't done accurately, they didn't sign a journal,
6 Secretary of State's office would ask to see a copy of
7 the notarized document. That's so we have a basis to
8 contact the notary. And then we would contact the
9 notary and ask to see intraced in their journal for a
10 30-day period. That 30-day period would encompass the
11 date this document was notarized. Then we would review
12 the journal to see if this particular notarization was
13 in there. If the journal was not kept accurately and
14 the entry was not in the journal then we would sanction
15 the notary for not being in compliance with Nevada law.

16 Q. Is it permissible for a notary to charge a
17 fee for the notarization?

18 A. Yes, it is.

19 Q. Are there any restrictions on what the cost
20 would be of the fee?

21 A. The fee is set by Nevada law and it's in
22 the statutes. There is a group of, there's a business
23 venture out there called Loan Signing Documents or,
24 let's see, they call them Loan Signing, Loan Signing, I
25 can't think of it. Loan Signers. And what they do is

1 they may go to the document signer's location.
2 Typically when it's done with real estate transactions,
3 sometimes the documents are mailed to the notary and
4 sometimes the client has the documents and the notary
5 will go to the client and witness the signing of a
6 document. It's this little business venture that we
7 have found that notaries are being duped into collecting
8 a fee greater than what is allowed by Nevada law to
9 perform the notarization. They believe because they're
10 a loan signing agent and therefore they're entitled to
11 an additional fee for witnessing the signing of all
12 these documents and they are in violation of Nevada law.

13 Q. I'm going to ask you now to look at State's
14 Exhibit, we're going to be dealing with State's Exhibits
15 5, 6, 7 and 8, but we'll take them one at a time. Can
16 you look at Exhibit 5 and let us know if you can
17 identify that document.

18 A. Yes, this is a copy of an application for
19 one of our notaries, Joseph Noel, N-O-E-L.

20 Q. For the record this is Exhibit 5, bates 842
21 and 850. Has this application form changed
22 significantly over time?

23 A. We've had additions to the application over
24 the years but the main core information has always
25 stayed the same. The core information would be their

1 name, a mailing address, the day time phone, the county
2 in which they're commissioned to notary, are they a
3 resident, are they within a specific age or older than
4 18 years of age, are they a U.S. citizen. We have made
5 some additions over the years and that would be if
6 they've been convicted of a felony, they would have to
7 answer that, and their mother's maiden name were
8 additions since probably 1993.

9 Q. And is Exhibit 5, is this, do you typically
10 keep the application for appointment as a notary public
11 in the normal course of business at your office?

12 A. Yes, we keep them in our office where the
13 notary device is housed for six years. After six years
14 then they are forwarded on to state library in archives.

15 Q. Is there a way to show in looking at
16 Exhibit 5 whether this application was in fact received
17 by your office?

18 A. Over in the lower right hand corner there's
19 these little numbers. The first group of numbers,
20 5/24/07 is the date in which we received it. Then
21 there's the time and the amount was \$35. And then the
22 number below it -- the initials are the initials of the
23 staff member who receipted the monies into the
24 accounting system for this application. And then what
25 we call the G number, those digits there is the digits,

1 their receipt. If we needed to go back into the
2 accounting system it would show that this receipt was
3 posted out in the amount of \$35.

4 Q. So based on your review was this record
5 filed with your office? Was this application filed with
6 your office?

7 A. Yes, it is. It's currently in our office.

8 Q. And the witness is referring to Exhibit 5,
9 bates number 842.

10 Can we turn the page to bates number 850,
11 the second page of Exhibit 5. Can you identify that
12 document?

13 A. Yes. This is a copy of the computer
14 print-out of our notary data base. And this is in the
15 search screen which tells us, gives us the notary's
16 name, where we mailed his application, his phone number,
17 his commission dates, his commission number, the type of
18 notary he holds, he holds a notary public, his mother's
19 maiden name and the history of his appointments. If he
20 had more than one appointment the other dates would be
21 listed down below.

22 Q. Okay. And based on your review of this
23 record can you tell us what the commission dates for
24 Joseph Noel were?

25 A. Joseph was, his appointment ran from

1 April 14, 2007 until April 14, 2011.

2 Q. Let's turn to Exhibit 6.

3 Can you take a look at that document and
4 let us know if you're familiar with it and what it is?

5 A. Yes. This again is a notary application
6 that is currently in our office and it's for Stacy,
7 excuse me, Tracy N. Lawrence, L-A-W-R-E-N-C-E.

8 Q. And for the record we're referring to
9 State's Exhibit 6, bate stamps 838, 839, 840, 841, 853,
10 and 854.

11 Now this Exhibit 6, the form looks a little
12 bit different than the one on Exhibit 5; is that
13 correct?

14 A. Yes, it does.

15 Q. Do you know whether there were any
16 significant changes or is it just a formatting change?

17 A. It appears to be, the change is we've asked
18 for a residence address. No, it's a formatting change.

19 Q. So the information is the same that you're
20 asking for, it's just set up differently on the page?

21 A. Correct.

22 Q. Okay. And who does this application apply
23 to; who is this for?

24 A. Tracy Lawrence.

25 Q. And is there a way to tell from looking at

1 Exhibit 6 whether this was filed with your office and
2 kept in the course of business?

3 A. The number on the right hand side is
4 handwritten in and we received this on March 1, 2006 in
5 the amount of \$35.

6 Q. So based on your review of this document
7 was this in fact filed with your office?

8 A. Yes, it was.

9 Q. And can you tell us what the commission
10 date for Tracy Lawrence is?

11 A. According to the application, in the upper
12 right hand corner you'll see where it says 4-26-06, that
13 is her commission date, so it would have been April 26,
14 2006. Our appointments run for four years so it would
15 have expired April 26, 2010.

16 Q. Let's turn to the next page of Exhibit 6
17 which is bated stamped 839. Can you tell us what that
18 is?

19 A. This is the filing notice that the
20 individual receives from the county clerk's office after
21 they file the bond, the 10,000-dollar surety bond with
22 the county clerk. The county clerk fills out this form
23 which gives us our commission dates, that's where we got
24 the April 26th date from, and it tells us that the bond
25 was filed in the County Clerk's office on the 24th day

1 of February, 2006.

2 Q. And let's turn the page to the next page,
3 bates number 840. Can you identify that document?

4 A. Yes, this is another application for Tracy
5 Lawrence. This commission started April 26, 2002 and
6 ran to April 26, 2006.

7 Q. So in comparing this page, bates stamped
8 840, to the first application of Exhibit 6 that we
9 talked about, bates 838, would it be fair to say that
10 the one you're looking at right now, bates 840, was her
11 first application, and then the 838 was the second one?

12 A. Correct.

13 Q. Okay. So basically a renewal?

14 A. The 4-26-06 was the renewal application.

15 Q. Okay. And in looking at these, comparing
16 the two applications from April 26, 2002, which is bates
17 stamp number 840, to the one on April 26, 2006, which is
18 bates stamped 838, the signatures of Miss Lawrence
19 look -- do they look the same?

20 A. No, they do not.

21 Q. Does your office do anything to verify or
22 record or memorialize the signature of the notary public
23 so that you can use it for comparative purposes?

24 A. No, we rely on the application because we
25 keep it in paper form.

1 Q. Okay. So if a notary public sends in an
2 application and signs their name a certain way, are they
3 required to sign it that way when they notarize
4 documents?

5 A. Yes, that's the intent that the signature
6 on this application would be the signature on the
7 documents. The Secretary of State has another process
8 that's called an authentication of signatures.

9 Q. What is that?

10 A. Okay. Typically it's done when documents
11 are being sent out of the United States and are going to
12 be used in foreign countries for maybe adoptions, or if
13 the notary, if the document signer had a family member
14 living in another country and that property was willed
15 to them, the government of the other country requires
16 legal red tape, special process to verify that the
17 giving, the bequeathing of the property is given to the
18 right person. So if a document was submitted to the
19 Secretary of State's office during 2006 to 2010 for
20 Tracy Lawrence and the signature came in looking like
21 the application on 2002's application, we would have
22 rejected it because the only application we're dealing
23 with is the one for the April 26, 2006 application. So
24 if she were to change her signature from the signature
25 on the application of 2006 to anything than what is on

1 this application we would not authenticate the
2 signature. We would think that it was forged. So this
3 is why we keep the current application on file because
4 as human beings we do change our signatures from time to
5 time and it's not uncommon for an individual who is
6 first appointed a notary to sign like Tracy did on the
7 application dated 2002, very nice, very clear, but as a
8 notary you don't realize how many documents you're going
9 to be signing, so they sometimes quickly change their
10 signature and you may end up with the signature on the
11 application on 2006.

12 Q. When these applications were submitted to
13 your office, is it a requirement that the person
14 complete the application at your office or can they mail
15 this in or email it; how do they submit it?

16 A. They can submit it through the mail.

17 Q. Would there be any way to know whether the
18 person submitting the application is in fact the person
19 applying or is it possible that someone could submit an
20 application on behalf of someone else without them
21 knowing?

22 A. It is possible for an individual to submit
23 an application using a fictitious name.

24 Q. Let's turn now to the next page, Exhibit 6,
25 bates stamp number 841. Can you identify that document?

1 A. This is the bond filing notice that was
2 submitted with the first application for Tracy Lawrence
3 and this is the documentation that the county clerk
4 gives to the individual after they file the bond.

5 Q. Okay. How about the next two pages, 853
6 and 854, what are they?

7 A. 853 is the screen shot of our notary data
8 base under the search screen for Tracy Lawrence.

9 Q. And 854?

10 A. And it appears that 854 is a duplicate.

11 Q. Okay. Now let's turn to Exhibit 7. Can
12 you identify that document? And this is bates 843, 844,
13 and 852.

14 A. Yes, this is a notary application submitted
15 for Jennifer Lowe, L-O-W-E, and her commission was
16 February 24, 2004.

17 Q. And is there a way to tell whether this was
18 in fact filed with your office?

19 A. Well, the receipt number on the right hand,
20 lower right hand corner, it's a little difficult to read
21 but I recognize the digits and such.

22 Q. Okay. So this was filed with your office?

23 A. Yes, it was.

24 Q. 844.

25 A. It's the bond filing notice that we

1 received from the county clerk confirming that Jennifer
2 Lowe did in fact file her bond with the county clerk.

3 Q. And 852?

4 A. It is the screen shot of the notary data
5 base in the search mode for Jennifer Lowe.

6 Q. And look at 852. It shows that her
7 commission is from?

8 A. February 24, 2004, expiring February 24,
9 2008.

10 Q. Okay. And let's turn to Exhibit 8.
11 Basically the same questions I'm going to ask here.

12 A. Uh-huh. This is an application for Meghan
13 Bloecker, B-L-O-E-C-K-E-R. And she was commissioned in
14 November 15th, the year 2000. Her confirmation -- this
15 apparently was faxed into us on October 14, 2000 --
16 let's see. She must have received an application from
17 us or her company did through the fax machine.

18 Q. So the fax history at the top on bate stamp
19 number 845 shows that your office --

20 A. We must have faxed an application to
21 somebody that she knew back in 1997 and they used the,
22 or were photocopying the application.

23 Q. And can you tell whether this application
24 was actually filed with your office?

25 A. Well, we don't have the same accounting

1 system as we did back then but the number in the upper
2 right hand corner tells us that her commission started
3 on November 15, 2000. The next page is the bond filing
4 confirmation notice.

5 Q. And the next page. 847 bates.

6 A. This is a renewal application for Meghan
7 Bloecker. This commission was renewed on November 15,
8 2004. In the lower right hand corner is the accounting
9 system stamp confirming received her money.

10 Q. Next page? Bate stamp 848.

11 A. This is the bond filing notice to confirm
12 that the bond was filed with the Clark County Clerk's
13 Office for this commission.

14 Q. And last one bate stamp, number 851.

15 A. 851 is the screen shot of the search screen
16 of the notary data base for Meghan Bloecker.

17 Q. So based on your review of all these
18 documents, would it be fair to say that Joseph Noel,
19 Tracy Lawrence, Jennifer Lowe and Meghan Bloecker were
20 all licensed notaries with the State of Nevada?

21 A. That is correct.

22 Q. Okay. And were they all resident notaries?

23 A. Yes, they were.

24 MR. KELLEHER: I have no further questions.

25 Grand Jury have any questions?

1 THE FOREPERSON: Jurors, questions?

2 By law -- pardon me. I'm sorry.

3 BY A JUROR:

4 Q. On the bond, you've got a 10,000-dollar
5 bond, can the individual file for more? I mean can
6 there be a bond greater than 10,000?

7 A. If the individual wanted to purchase their
8 own bond it couldn't be a surety bond because a surety
9 bond is required by the state in the amount of 10,000.
10 Insurance companies typically don't like to issue a bond
11 greater than 10,000 under the surety, but there is an
12 option for the notary to purchase what they call an E&O
13 or it's always called an Errors and Omissions policy.
14 Those policies can be purchased in any amount. I
15 believe they are an annual policy and the cost for them
16 varies from company to company. But that is an option,
17 it is not required by Nevada law.

18 Q. I have a couple more questions too. Can
19 anyone purchase a stamp without permission of the state?
20 You say they're usually purchased from stationary
21 stores.

22 A. The statute says that in order to
23 manufacture a notary stamp the manufacturer is supposed
24 to get a certified copy of the notary certificate or at
25 least see the original certificate. But there are

1 forgers out there that are making stamps.

2 Q. But with the certified copy that means that
3 they have, that there's state permission for the person
4 to have, to request a stamp?

5 A. It would, I would assume it would mean that
6 they do have a commission. The manufacturers do not
7 have to register with the state in order to manufacture
8 stamps.

9 Q. Is the journal provided by the state? Is
10 it a standard form or is it a standard form you pick up
11 in a stationary store, a standard book, booklet?

12 A. The journal is the responsibility of the
13 notary to purchase. They come in very many forms.
14 Every manufacturer decides, they sort of review what is
15 most asked by all the states. Every notary state has
16 different notary laws.

17 Q. It's pretty much a standard form then in
18 that respect?

19 A. The information that is in there may be
20 somewhat standard. But our notaries have to find a
21 journal that meet our standards or at least alter the
22 journal to make it meet our standards.

23 Q. What are the parameters of the fees; is it
24 a set price or does it float?

25 A. It is a set fee currently. The fee that a

1 notary may charge for an acknowledgment is \$5. To
2 administer a jurat, a jurat is where the notary language
3 says that the document was signed in front of the notary
4 and that they are given an oath, that's also \$5. To
5 make a certified copy of a document the notary may
6 charge \$2.50, to administer an oath without a signature
7 is also \$2.50.

8 Q. That has been pretty much of a standard fee
9 for quite a while, isn't it?

10 A. It's been standard for several years. I'd
11 have to look at my notes in order to find out when they
12 changed it. I don't remember off the top of my head.
13 But prior to that the fee was like \$2 to do an
14 acknowledgment.

15 Q. One more question. Are the bonds legal
16 beyond the parameters of the United States in its
17 protectorance (sic)?

18 A. I don't know the answer to that question.

19 Q. Thank you.

20 BY A JUROR:

21 Q. I have a question. Is there any sort of
22 background check done on anyone that tries to become a
23 notary?

24 A. Prior to 2010, no. The legislators gave us
25 the authority to initiate -- let's see. We have the

1 statute that says we can ask for it. We haven't
2 developed the procedures to require background checks.
3 But we were only given that authority as of 2010.

4 Q. Thank you.

5 THE FOREPERSON: Additional questions?

6 BY A JUROR:

7 Q. When a person gets a renewal notary do you
8 guys send out a handbook with the updated information to
9 that notary person?

10 A. Yes. During a legislative year, and if we
11 have a bill before the legislature that may change or
12 add requirements to the notary, what we typically, what
13 we have done in the past is we have sent them a copy of
14 the current statutes and then after the law was codified
15 and it is written in the statute form we would do a mass
16 mailing and send it to all the notaries and give them
17 the current updates. We also add the current updates on
18 the Secretary of State's web page and any time I held a
19 notary class, whether it was mandatory or voluntary, I
20 always tell the participants of the class what the
21 updates are.

22 THE FOREPERSON: Question.

23 BY A JUROR:

24 Q. Why are you asking for their mother's
25 maiden name?

1 A. The mother's maiden name is a qualifier
2 because believe it or not we do have notaries of the
3 same name, first name, middle initial and last name, and
4 the only distinguishing difference would be the mother's
5 maiden name. Because we are not allowed to ask for the
6 date of birth anymore and that's what we use it as a
7 qualifier.

8 THE FOREPERSON: Additional questions?

9 BY A JUROR:

10 Q. Just one. When the class became mandatory
11 in 2007 were the notaries previous to that made to take
12 that class or was it just when they came up for renewal
13 they were made to take the course?

14 A. Notaries that were currently appointed
15 October 1st, 2007 were grandfathered in, unless they had
16 a violation that the Secretary of State imposed a
17 violation upon them. That would initiate the
18 requirement for them to take a class. Or if their
19 appointment had been expired for more than 365 days. If
20 their appointment expired and it had only been six
21 months then we could not require them to take the
22 education course. So there is sort of a net there to
23 catch some of them, but if they don't have their
24 appointment expired or they don't make a violation then
25 they are not required to take education course.

1 THE FOREPERSON: Additional questions?

2 By law, these proceedings are secret and
3 you are prohibited from disclosing to anyone anything
4 that has transpired before us, including evidence and
5 statements presented to the Grand Jury, any event
6 occurring or statement made in the presence of the Grand
7 Jury, and information obtained by the Grand Jury.

8 Failure to comply with this admonition is a
9 gross misdemeanor punishable by a year in the Clark
10 County Detention Center and a \$2,000 fine. In addition,
11 you may be held in contempt of court punishable by an
12 additional \$500 fine and 25 days in the Clark County
13 Detention Center.

14 Do you understand this admonition?

15 THE WITNESS: Yes, I do.

16 THE FOREPERSON: Thank you for your
17 testimony. You are excused.

18 THE WITNESS: Thank you.

19 MR. KELLEHER: Madame Forewoman, at this
20 time I'd like to request a five minute restroom break if
21 that's possible.

22 THE FOREPERSON: Certainly.

23 MR. KELLEHER: Thank you.

24 (Recess.)

25 MR. KELLEHER: The next witness the State

1 is going to call is Eugene Mendiola.

2 THE FOREPERSON: Please raise your right
3 hand.

4 You do solemnly swear the testimony you are
5 about to give upon the investigation now pending before
6 this Grand Jury shall be the truth, the whole truth, and
7 nothing but the truth, so help you God?

8 THE WITNESS: I do.

9 THE FOREPERSON: Please be seated.

10 You are advised that you are here today to
11 give testimony in the investigation pertaining to the
12 offenses of notarization of signature of person not in
13 presence of notary public, offering false instruments
14 for filing or recording, and false certification on
15 certain instruments, involving Gary Trafford and Gerri
16 Sheppard.

17 Do you understand this advisement?

18 THE WITNESS: Yes, I do.

19 THE FOREPERSON: Please state your first
20 and last name and spell both for the record.

21 THE WITNESS: Eugene Mendiola.

22 E-U-G-E-N-E, M-E-N-D-I-O-L-A.

23 THE FOREPERSON: Thank you.

24 Please proceed.

25

1 EUGENE MENDIOLA,
2 having been first duly sworn by the Foreperson of the
3 Grand Jury to testify to the truth, the whole truth,
4 and nothing but the truth, testified as follows:

5

6 EXAMINATION

7

8 BY MS. LESTER:

9 Q. Can you please tell the Grand Jury who you
10 work for?

11 A. I work for the Clark County Recorder's
12 Office.

13 Q. And can you tell them a little bit about
14 your educational background?

15 A. I have a four year degree with an emphasis
16 in accounting and I also have an MBA with an emphasis in
17 business.

18 Q. Can you tell them a little bit about your
19 professional background before you came to the
20 recorder's office?

21 A. I'm a 24-year Marine Corp veteran and after
22 I retired I worked for the State of California, the
23 Administrative Office of the Courts. And once I
24 relocated to Nevada I also worked for the Household
25 Credit Card Services as an audit manager where we

1 collected, audited collection agencies. And then I
2 started working with the County audit department and I
3 was a staff auditor with the internal audit department
4 and then I started working with the Clark County
5 Recorder's Office from there.

6 Q. What year did you begin working for the
7 recorder's office?

8 A. I started in October of 2007.

9 Q. What is your title at the recorder's
10 office?

11 A. I'm currently the assistant county
12 recorder.

13 Q. Has that been your title the whole time
14 you've been there?

15 A. No. When I first started in the recorder's
16 office I was the recordation manager where I managed the
17 operations.

18 Q. Can you tell the Grand Jury a little bit
19 about the purpose or role of the recorder's office?

20 A. The recorder's office is entrusted to
21 record documents that are presented for recording and
22 once those documents are recorded then we have to make
23 them available for the public's inspection because they
24 become public record at that time.

25 Q. Can you talk a little bit about, you know,

1 some of the goals of, you know, what recorder's offices,
2 their main goals are with regard to recorded documents?

3 A. The main duties of the recorder's office is
4 to ensure that the documents are recordable. And what
5 we say recordable, we mean that they meet the recording
6 requirements. For example, that the documents are
7 legible, the documents have the information that is
8 required for us to index the information so it allows
9 the document to be looked up and researched, and then
10 again like I said we make them available to the public
11 in the easiest way possible. So right now we have
12 public search computers in our main public area where
13 the public can come in and look at documents that have
14 been recorded.

15 Q. Have you ever had to testify in court
16 before in relation to your job in the recorder's office?

17 A. Yes, I have.

18 Q. And have you testified before grand juries
19 before too?

20 A. Yes, I have.

21 Q. Is the recorder's office an official
22 department within the county government?

23 A. Yes, it is.

24 Q. Can you describe the types of documents
25 that get filed in the recorder's office?

1 A. We record documents such as deed documents
2 for property, mortgages, like deeds of trust, liens,
3 affidavits, homesteads, marriage certificates. Those
4 kind of documents.

5 Q. On a typical day how many documents are
6 filed in your office?

7 A. We can record anywhere between 3000 to 4000
8 documents a day.

9 Q. How does that filing compare to other
10 recorder's offices in the State of Nevada?

11 A. In comparison to the next highest volume
12 county, which is Washoe County up in Reno, they record
13 about 600 documents a day.

14 Q. What about in relation to other county
15 recorder's offices across the country?

16 A. We probably match up equivalent to San
17 Diego County in California, and Broward County in
18 Florida.

19 Q. So by saying that you match up with them,
20 do you mean that they're other high volume?

21 A. Right. They are considered the high volume
22 counties in the country.

23 Q. Okay. Did there come a point in time when
24 your office added electronic recording in addition to
25 the regular manual recording?

1 A. Yes, we did. We started recording
2 electronically in January of 2008.

3 Q. Can you explain the difference so they
4 understand between manual recording and electronic
5 recording?

6 A. Electronic recording basically allows the
7 customer to scan the document in in an electronic mode
8 and what they do is they go through a third party
9 recording company where they transmit electronically the
10 information, the document itself, the images to the
11 recorder's office.

12 In comparison to manual recording, customer
13 would bring the document across the counter or send it
14 in through the mail and then the recorder's office would
15 then scan the document into our recording system to
16 capture that image and then we record the document that
17 way.

18 So the difference is we do the scanning on
19 the manual side. If it's electronic the customer is the
20 one that actually scans the documents in.

21 Q. Can you briefly describe, you know, why
22 your office decided to add electronic recording?

23 A. Basically the E recording started because
24 technology-wise equipment for recording and recording
25 systems have advanced to the stage where all recorders

1 are looking at a more efficient way to record documents
2 and electronic recording was one of those technologies
3 that has come a long way where we're able to capture the
4 document image with a good quality and also it allows
5 for a more timely processing of the documents. For
6 example, if you were to bring a document in, or let's
7 say you mailed a document in to record and we had to
8 reject that document, it would take so many days for the
9 customer to get that document back to record and to
10 correct the problems and then send it back in, whereas
11 in electronic recording we can send it back to the
12 customer the same day, they can fix it the same day and
13 then turn it right back to us.

14 Q. You mentioned something about requirements
15 and that's kind of what I want to talk about next. Does
16 your office maintain certain requirements for the
17 documents to be filed within it?

18 A. Yes, we do. When we get documents in to
19 record, all our deputy recorders are required to look at
20 the documents to look for the recording requirements.
21 For example, if it's a document that's related to
22 property, we require that an assessor's parcel number be
23 included in the upper left corner of the document, the
24 first page. There should be a 1-inch margin around each
25 page. The documents should be on white paper. It

1 should be on an 8 1/2 by 11 paper. And we also look for
2 signatures and notary signatures if a document is
3 required to be notarized. If we don't find those
4 requirements that provides us with the reason to reject
5 the document and to have the customer correct it and
6 then resubmit for recording.

7 Q. Who determines the requirements, the things
8 that you were just talking about?

9 A. That is in Nevada Revised Statutes.

10 Q. Can your office add any additional
11 requirements on to the ones that are laid out in the
12 law?

13 A. No, basically we just have to follow what
14 is in the Nevada Revised Statutes.

15 Q. And do the requirements vary depending on
16 the document type?

17 A. Correct. Certain documents, for example
18 like mechanics liens, those have certain requirements
19 that say they have to be notarized, so we would, you
20 know, always look for that to be part of the document,
21 as well as the parties' names and the amount of the lien
22 that's being put on the document.

23 Q. So the main thing that you're looking at at
24 the recorder's office is just that the document,
25 whatever it may be, that it meets all the requirements

1 that it's supposed to for that particular type of
2 document?

3 A. That's correct. We look for the recording
4 requirements. We can't verify the accuracy or the
5 completeness of that document content, all we're looking
6 for is the basic requirements that we're required to
7 look for.

8 Q. Generally how soon after a document has
9 been submitted for recording is it officially recorded?

10 A. Right now with our current system, once a
11 document is recorded it's available right after that
12 document has been completely recorded.

13 Q. Talk a little bit about the process that
14 you go through.

15 A. When we get a document in, like I said
16 earlier, we review the documents for the recording
17 requirements. Once we see that all the recording
18 requirements have been met we then enter that
19 information into our recording system. The document is
20 scanned in, the deputies will review the information to
21 make sure that the information is what's on the
22 document, the image that is scanned in, we look to make
23 sure it's legible. Once everything has been verified,
24 the recording fees, the image, that document, the system
25 will ask do you want to complete recording and we say

1 yes, the document then is recorded and the recording
2 instrument number is stamped in the upper three-by-three
3 area of the first page.

4 Q. And did that process or even the time
5 period change from when you just allowed manual
6 recording to when you went to the electronic recording?

7 A. Well, just about right after we did the
8 electronic recording we also switched over to a new
9 recording system in August of 2009. So prior to that
10 system change we used to scan the documents after we
11 entered the recording information in, after it had been
12 recorded and assigned the instrument number. Now with
13 the current system that we have, we scan the document in
14 and we hand the document back to the customer, or we
15 mail them back if they mailed them in. So the big
16 change there was that we didn't scan it after we
17 recorded it, we scanned it before we actually record the
18 document. So that was a big change for us because we
19 didn't have a bunch of documents that we had to process
20 at the end, we were just handing them right back to the
21 customer.

22 Q. Do your requirements sometimes include that
23 a document needs to be notarized?

24 A. Yes, like I said documents like mechanics
25 liens, those are required to be notarized.

1 Q. Can you explain to the Grand Jury, you
2 know, what the acknowledgment, what the notary
3 acknowledgment means to your office?

4 A. Usually when we look at the documents and
5 they're notarized that's like a sign for us to say that
6 the person that actually signed those documents had been
7 verified by the notary and validating that signature of
8 that was the person that submitted the document and that
9 signed that document.

10 Q. So basically you're relying on the notary
11 to, you know, do all the checking with regard to the
12 signer of the document?

13 A. That's correct.

14 Q. Does the recorder's office have any kind of
15 duty to review the contents of the documents, any of the
16 language within them or verify the signatures or
17 anything like that?

18 A. No, we're not required to verify like I
19 said the content of the document information. We are
20 just allowed to look for the recording requirements and
21 as long as that is met we have to record the documents.
22 Again that's by the NRS requirements.

23 Q. And that's why you place, you know, some
24 importance on the notary acknowledgments on the
25 documents?

1 A. That's correct.

2 Q. Can you describe the significance of a
3 recorded document once it's been recorded to the general
4 public?

5 A. Once the document has been recorded in the
6 recorder's office that becomes now an official record.
7 So if a customer needed a copy of that document we would
8 provide a certified copy to that customer and that
9 becomes in essence an original.

10 Q. And we touched on this a little bit but I
11 just want to go into a little more detail. Does your
12 office have any way of knowing whether or not the signer
13 of the document actually signed the document?

14 A. No, unless the customer did it right in
15 front of our deputies at that time there is no way they
16 would be able to say that that was the person. And
17 that's why we rely on the notary's acknowledgment to
18 verify that that person had signed that document was in
19 fact that person.

20 Q. Does your office have any way of verifying
21 the notary's signature?

22 A. No.

23 Q. Does your office have any duty to verify
24 the notary's signature?

25 A. No.

1 Q. Can you talk, and again you touched on this
2 a little bit but I just want to go into a little bit
3 more detail on it. What exactly then would cause a
4 document to be rejected from the recording process?

5 A. If they did not include the required
6 information like I said earlier. Let's say for example
7 it's a property, a document related to property. We
8 would require the assessor's parcel number on that
9 document. If the document was missing signatures we
10 would also reject it for that. If it was a document
11 that required a notary acknowledgment we would reject it
12 for that. If the document was illegible, we couldn't
13 read the information, we would also reject it for that
14 reason.

15 Q. Is certifying documents also a part of your
16 job duties?

17 A. That's correct.

18 Q. Okay. And were you asked by our office to
19 certify documents with regard to this case?

20 A. Yes, we were.

21 Q. Okay. And just I'm going to let the record
22 reflect that we do have the original certified documents
23 available for the Grand Jury here if anybody wants to
24 see them, but they're also included in the packet of
25 exhibits and I believe they start on Exhibit 10.

1 Can you go ahead and look at Exhibit 10 and
2 explain to the Grand Jury what those documents are?

3 A. Okay. Exhibit 10 shows a document with the
4 instrument number. If you look on the upper right
5 corner of the page that Exhibit 10 is showing, the very
6 top number there is the instrument number and that
7 instrument number starts out with the first eight being
8 the date. So the first four is the year, 2008, the
9 second is the month, which is September, and the last
10 two is the day, which is the 26th. And then the last
11 seven characters of that number is the actual number of
12 the instrument. And on that document you'll also see
13 that the instrument comes from our office because we
14 have distinct information on there that is generic to
15 the recorder's office in Clark County. So we'll have
16 the recorder's fees, the date and time that the document
17 was submitted for recording, right below that is again
18 the transaction number, the requester, in this case
19 Fidelity National, and then the Clark County Recorder
20 Debbie Conway, and then the initials RMS. That's the
21 actual deputy that recorded that document. And on this
22 particular document, this was a notice of default with
23 an election to sell under deed of trust, and this, since
24 this pertained to property we, right behind the
25 unofficial stamp here you would see the APN number which

1 is the assessor's parcel number and that's an 11-digit
2 parcel number on that document. So that's one of the
3 things that we would be looking at.

4 Q. And the way that the general public could
5 tell that a document has been filed with your office is
6 by the presence of the recording stamp being on the
7 document?

8 A. That's correct.

9 Q. Can you take a look through just the
10 exhibits, and I believe it's 10 through 16 I think is in
11 that packet, and just to verify that those look like the
12 documents that you certified for us that are available?

13 A. Yes, they all look like they're from our
14 office.

15 Q. So they're all true and accurate copies of
16 the original record?

17 A. Yes.

18 Q. And they are generally kept in the ordinary
19 course of business?

20 A. Yes.

21 Q. Can you explain a little bit to the Grand
22 Jury what you do when you do the certification?

23 A. When we get a request for a certified copy
24 of a document, we would make a copy of the document
25 right from our recording system, we would then stamp the

1 last page of that document with a signature stamp which
2 has the recorder's name, which says Clark County
3 Recorder, Debbie Conway, Clark County Recorder, and then
4 we would also emboss that page with a raised seal that
5 again signifies Clark County Recorder and then that
6 completes the certification process. So that whenever
7 an agency or some other entity would look at that they
8 would know that that came from the recorder's office in
9 Clark County.

10 Q. Generally who in your office does the
11 certifications?

12 A. Anybody that's deputized by the recorder
13 can do the certifications. We lock those stamps up at
14 the end of the work day so that no one that's not
15 authorized to act on behalf of the recorder can use
16 those stamps. So each and every day we lock those
17 stamps up.

18 Q. And with regard to the documents that you
19 certified in this case, do you have any way of knowing
20 whether or not the signer on those documents actually
21 signed the documents?

22 A. Are you talking about the customer
23 themselves signing the document?

24 Q. The signer, whoever it may be, whoever
25 signed the document, whoever's signature the notary was

1 notarizing?

2 A. No.

3 Q. Do you have any way of knowing whether or
4 not the signer personally appeared in front of the
5 notary?

6 A. No, we don't.

7 Q. And do you have any way of verifying
8 whether or not the signature on the documents of the
9 notary actually belongs to that notary?

10 A. No, we don't.

11 Q. With regard to all of those documents, have
12 you formed any kind of opinion of whether or not, if
13 there was notary fraud involved in the process, how that
14 would affect the recording process overall?

15 A. That would probably create a problem with
16 the document's validity itself and that would then start
17 to create a problem when people are doing title searches
18 and looking at the title history of that property. So
19 it could bring into question, you know, the whole title
20 ownership and cloud the title is what the industry would
21 say.

22 Q. And what do you base your opinion on?

23 A. This is based on our customers, the title
24 companies that come in and, you know, they would be
25 asking questions about the documents that are recorded,

1 that are on file, you know, if they maybe doubt that
2 that document was a good document. Well, it was
3 submitted for recording and we have to take the document
4 as long as it met all the recording requirements.

5 MS. LESTER: I don't have any further
6 questions. Thank you.

7 THE FOREPERSON: Jurors?

8 BY A JUROR:

9 Q. Earlier you said everything is on an 8 1/2
10 by 11 sheet of paper with a 1-inch border.

11 A. Yes, sir, that's --

12 Q. I know when I did my property title and
13 everything it was on legal paper. How do they get it to
14 the recorder's office in your form? Do they reduce it
15 and then it's still legal?

16 A. It's first required on an 8 1/2 by 11. You
17 can submit it on an 8 1/2 by 14, but that is the maximum
18 size that you can submit. If you don't submit it within
19 that size we would reject it. Now if it's an 8 1/2 by
20 14 there is a non, what is known as a noncompliance fee
21 of a \$25 fee and so that allows you to record a document
22 on a 8 1/2 by 14 paper.

23 Q. Okay.

24 A. As long as the noncompliance fee is paid.

25 THE FOREPERSON: Additional questions?

1 BY A JUROR:

2 Q. Yeah. I don't want to get ahead of myself
3 or ask the wrong question, but could you go to Exhibit
4 10 and page 892. I just want to make sure I understand
5 what this document is all about.

6 It appears like Gary Trafford signed this
7 document in front of, allegedly in front of a notary
8 Tracy Lawrence; is that correct?

9 A. Yes.

10 Q. Okay. I presume later you're going to, one
11 of these signatures may be forged; is that correct? Or
12 is that a question I shouldn't ask right now?

13 MR. KELLEHER: We'll submit evidence that
14 will answer your question sufficiently with Tracy
15 Lawrence who will be testifying later today.

16 A JUROR: Okay. Thank you very much.

17 THE FOREPERSON: Question?

18 BY A JUROR:

19 Q. Yeah. I have a question. This Gary guy
20 who signed this, do you guys check through the Secretary
21 of State to see if he's a managing member for this
22 company to sign documents? Do you guys do that or do
23 you just process it through?

24 A. Again we can't verify the information and
25 we're not required to verify that information.

1 Q. Okay. The other thing is you guys do it
2 electronically so that means you don't take originals
3 anymore? I mean it used to be where you had to turn in
4 an original document signed. Now electronically now you
5 don't have to do that anymore?

6 A. No. The electronic process just means that
7 the documents, we don't get the original documents
8 submitted into our office, but the original documents
9 still has to be processed by the originator and per user
10 agreements they're validating that those were originals
11 that have been submitted electronically.

12 Q. Okay.

13 THE FOREPERSON: Questions?

14 By law, these proceedings are secret and
15 you are prohibited from disclosing to anyone anything
16 that has transpired before us, including evidence and
17 statements presented to the Grand Jury, any event
18 occurring or statement made in the presence of the Grand
19 Jury, and information obtained by the Grand Jury.

20 Failure to comply with this admonition is a
21 gross misdemeanor punishable by a year in the Clark
22 County Detention Center and a \$2,000 fine. In addition,
23 you may be held in contempt of court punishable by an
24 additional \$500 fine and 25 days in the Clark County
25 Detention Center.

1 Do you understand this admonition?

2 THE WITNESS: Yes.

3 THE FOREPERSON: Thank you for your
4 testimony. You are excused.

5 THE WITNESS: Thank you.

6 MR. GIUNTA: The State's next witness is
7 going to be Meghan Bloecker. Her testimony is going to
8 refer to Counts 4 through 15 of the two Grand Jury
9 Indictments that we have out here. She's also going to
10 be testifying about Exhibit 11.

11 THE FOREPERSON: Please raise your right
12 hand.

13 You do solemnly swear the testimony you are
14 about to give upon the investigation now pending before
15 this Grand Jury shall be the truth, the whole truth, and
16 nothing but the truth, so help you God?

17 THE WITNESS: I do.

18 THE FOREPERSON: Please be seated.

19 You are advised that you are here today to
20 give testimony in the investigation pertaining to the
21 offenses of notarization of signature of person not in
22 presence of notary public, offering false instruments
23 for filing or recording, and false certification on
24 certain instruments, involving Gary Trafford and Gerri
25 Sheppard.

1 Do you understand this advisement?

2 THE WITNESS: Yes.

3 THE FOREPERSON: Please state your first
4 and last name and spell both for the record.

5 THE WITNESS: Meghan Shaw. M-E-G-H-A-N,
6 S-H-A-W.

7 THE FOREPERSON: Thank you.

8 You may proceed.

9 MR. GIUNTA: Thank you.

10 MEGHAN SHAW,

11 having been first duly sworn by the Foreperson of the
12 Grand Jury to testify to the truth, the whole truth,
13 and nothing but the truth, testified as follows:

14

15 EXAMINATION

16

17 BY MR. GIUNTA:

18 Q. Meghan, are you also known as Meghan
19 Bloecker or were you at one time known as Meghan
20 Bloecker?

21 A. I was.

22 Q. Meghan, where do you live?

23 A. I live in Morgan, Utah.

24 Q. So you've come in to testify in front of
25 this Grand Jury from out of state?

1 A. I have.

2 Q. Okay. And you did that pursuant to a
3 subpoena?

4 A. Yes.

5 Q. What's the extent of your education?

6 A. Semester of college.

7 Q. Okay. During the period of 2000 to 2007
8 were you employed?

9 A. Yes.

10 Q. How so?

11 A. I was employed with Fidelity National
12 Default Solutions.

13 Q. In what capacity were you working at
14 National Fidelity?

15 A. I was a title searcher until July of 2003
16 and then I was an examiner.

17 Q. Okay. What does a title searcher do?

18 A. Various jobs, date downs, beneficiary
19 checks, title searches.

20 Q. What's a date down?

21 A. A date down is just, it's computer run
22 print-out of anything that's happened to a certain
23 property since the last time you've done anything with
24 it.

25 Q. You said something else, I'm sorry, I can't

1 write that fast. You said something else that you did.

2 A. Beneficiary checks.

3 Q. Can you tell us what a beneficiary check
4 is?

5 A. Yeah, it's a search on the property to see
6 who the current beneficiary is in case anything has been
7 changed since the deed of trust.

8 Q. Anything else that you did while you were
9 employed at Fidelity National?

10 A. Recording documents. Or setting them up to
11 be recorded. I didn't take them down.

12 Q. So recording them meaning someone actually
13 took the documents that you worked on and brought them
14 over to the Clark County Recorder's Office?

15 A. Yes.

16 Q. All right. Did you ever work in a position
17 as a notary public at Fidelity National?

18 A. I did.

19 Q. Do you remember what period of time you did
20 that?

21 A. I got my notary sometime in 2000, had it
22 through, through the time I left in 2007.

23 Q. You said you got your notary. Did you
24 actually send the application in yourself or is that
25 something that the employer did for you?

1 A. I think my employer did it. I don't recall
2 setting it up.

3 Q. Do you remember getting a bond?

4 A. No. What I do remember is going down and
5 taking an oath and then my stamp and book was sent to
6 me.

7 Q. Okay. So you didn't have to purchase the
8 book or the stamp?

9 A. No.

10 Q. Do you remember what the oath was?

11 A. I do not.

12 Q. Could you tell us how you came to be
13 employed at National Fidelity?

14 A. My dad worked for Fidelity National Title
15 and I started to work part time for Fidelity National
16 Title and part time for Fidelity National Default
17 Solutions just doing basic, like pulling documents,
18 basic stuff, and then I just got moved up to that
19 position.

20 Q. What do those companies do if you know?

21 A. Mortgages and foreclosures.

22 Q. Okay. And during the entire period of time
23 that you were working there from, when was it, you said
24 2000 to --

25 A. 2007.

1 Q. 2007. That's what you were involved in?

2 A. Mainly foreclosures.

3 Q. Who actually hired you?

4 A. Gerri Sheppard.

5 Q. Okay. And your offices were located where?

6 A. At 500 North Rainbow, Suite 300.

7 Q. Is that Clark County, Nevada?

8 A. Yes, it is.

9 Q. Okay. And you say you were hired by Gerri
10 Sheppard. Was Gerri Sheppard here to hire you or was
11 this --

12 A. No, it was over the phone.

13 Q. Do you know where Gerri Sheppard's offices
14 are?

15 A. Tustin, California.

16 Q. Tustin, California. Okay. Have you ever
17 met Gerri Sheppard?

18 A. I have.

19 Q. Okay. And she's the one, I'm assuming as
20 your supervisor she described what your job duties were?

21 A. She did. I was trained by someone else but
22 I did speak with her too. Like I know she knows what I
23 did.

24 Q. Who was it that trained you actually?

25 A. John Madrid.

1 Q. Okay. And what was John Madrid's position
2 if you know?

3 A. He was a title searcher.

4 Q. Okay. You mentioned other positions that
5 you were working. And then you started working as a
6 notary?

7 A. Yes.

8 Q. For Fidelity National?

9 A. Yes.

10 Q. How did that come about?

11 A. Well, it was part of the job duties. John
12 Madrid was leaving the company and that's what he did so
13 I became a notary so I could take over his position.

14 Q. And what kind of documents did he notarize?

15 A. Mainly notice of defaults.

16 Q. You said you worked for Fidelity National
17 Default?

18 A. Yes.

19 Q. Can you describe the difference in Fidelity
20 National Default and Fidelity National Title?

21 A. Yeah. All I know is, I believe they're
22 just sister companies. It's kind of like Fidelity's
23 main name owns a bunch of different companies as I
24 understand it. Chicago Title, United Title, Fidelity
25 National Default Solutions. They're just sister

1 branches, they have different presidents and people that
2 run them.

3 Q. Physically where are they located?

4 A. Fidelity National Default Solutions?

5 Q. Yes.

6 A. From my knowledge, Tustin, California.

7 Q. Your office was located you said on
8 Rainbow?

9 A. Yes.

10 Q. Were there any other offices that were
11 associated with Fidelity National in that building?

12 A. Fidelity National Title was in that
13 building on the first floor.

14 Q. Okay. So you were on the fourth floor and
15 they were on the first floor?

16 A. I was on the third floor.

17 Q. Third floor. I'm sorry.

18 All right. Getting back to your position
19 or your job duties as a notary. Can you estimate how
20 many times you notarized documents during the course of
21 your employment?

22 A. My main notary duties were from August of
23 2000 to July of 2003 and on average I would probably
24 notarize 20 documents a day. After that time in 2003 I
25 only notarized when I needed to fill in for somebody.

1 Q. So is that about 500 documents, a little
2 bit more?

3 A. Probably more. I mean that's a hundred a
4 week for three years basically.

5 Q. Can you tell us what kind of documents you
6 notarized?

7 A. Any documents that were e-mailed to us.
8 Mainly notice of defaults, sometimes substitutions of
9 trustee.

10 Q. Was there a time when you were employed by
11 National Fidelity when you were asked to notarize a
12 document prior to you being actually certified as a
13 notary in Nevada?

14 A. Yes.

15 Q. Can you describe that or tell us what
16 happened at that point?

17 A. Well, I was told by Gerri Sheppard that I
18 could use John Madrid's notary stamp to notarize
19 documents, sign his name and sign her name as the
20 signer.

21 Q. So on these documents, for example if you
22 look at, let's say how about Exhibit Number 11, take a
23 look at that document, bate stamped 774 and through 776.

24 A. What was your question?

25 Q. Could you just take a look at that

1 document?

2 Are these the type of documents that you
3 were notarizing?

4 A. Yes.

5 Q. Okay. And you said prior to actually even
6 receiving a notary stamp from Fidelity National you
7 actually notarized Gerri Sheppard's name?

8 A. Yes.

9 Q. And that was using John Madrid's notary?

10 A. Yes.

11 Q. So in that instance whose signature did you
12 sign?

13 A. I would sign Gerri Sheppard's and then I
14 would sign John Madrid as notary.

15 Q. So you signed Gerri Sheppard as the signer
16 and then John Madrid as the notary?

17 A. Yes.

18 Q. Okay. When you performed these
19 notarizations of these documents, did you realize that
20 the individual that was signing these documents was
21 required to be present in front of you?

22 A. I didn't realize that. I know I had spoken
23 to my boss and she told me that this is okay to do so I
24 just went with it.

25 Q. When you say your boss, who is that?

1 A. Gerri Sheppard.

2 Q. Okay. So Gerri Sheppard instructed you to
3 sign her name and then to notarize --

4 A. Yes.

5 Q. -- her name with your signature?

6 A. Yes.

7 Q. And when did you learn that that was not a
8 proper procedure?

9 A. I think it was about two months ago when I
10 got a call from the attorneys here.

11 Q. From Investigator Grosz maybe?

12 A. Yes.

13 Q. Did you maintain a notary journal?

14 A. I had one. I didn't use it for this job.

15 Q. Did you use it at all?

16 A. I used it five times when I notarized
17 things outside of my job, different people that asked me
18 to notarize I would use the book.

19 Q. But when you were notarizing the notices of
20 default for National Fidelity you never used the notary
21 book?

22 A. No.

23 Q. Have you ever had occasion to meet Gerri
24 Sheppard?

25 A. Yes.

1 Q. If I could have you take a look at Exhibit
2 Number 4.

3 Could you take a look at that exhibit.
4 What's that a picture or who is that a picture of?

5 A. Gerri Sheppard.

6 Q. Okay. You recognize her from working with
7 her?

8 A. Yes.

9 Q. Okay. And can you look -- that's her
10 driver's license I guess it looks to be?

11 A. Yeah.

12 Q. Okay. Can you look at her signature?

13 A. Yes.

14 Q. Does that appear to be a true and accurate
15 replication of her signature?

16 A. Yes.

17 Q. How do you know that?

18 A. Well, I had seen her signature on documents
19 that were sent to us. I can't say I've ever seen her
20 personally sign her signature but they did send
21 documents that she had signed so.

22 Q. And that's the signature you would see
23 when --

24 A. Well, it looks like she wrote her whole
25 name. She would just write Gerri. But yes, it's the

1 same signature.

2 Q. Okay. Did there come a time when you were
3 asked by Gerri to sign her name to certain documents?

4 A. Yes.

5 Q. When you did that would you try to sign
6 like Gerri signed or did you just sign any which way?

7 A. I tried to make it look like hers.

8 Q. All right. Can I ask you to take a look at
9 State's Exhibit Number 11 please. Exhibit 11 and bate
10 stamps 774 through 776. Are you familiar with that
11 document?

12 A. Yes.

13 Q. If you look at the last page I believe, is
14 that where your notarization stamp and your signature
15 is?

16 A. Yes.

17 Q. And that is in fact your signature?

18 A. It is.

19 Q. Okay. And there's a signature up on top of
20 that, the person whose signature you're notarizing.

21 A. Yes.

22 Q. Purported to be whom?

23 A. I signed it, it's Gerri Sheppard's name.

24 Q. Okay. So you signed Gerri Sheppard's name?

25 A. Yes.

1 Q. Gerri Sheppard was not there signing that
2 document in front of you?

3 A. No.

4 Q. All right. Then can I ask you to look at
5 page bates stamp 601 through 602. That probably should
6 be pretty close to where you are.

7 A. Okay.

8 Q. It should be in the same exhibit.

9 A. Yep.

10 Q. Are you familiar with that document?

11 A. I am.

12 Q. What is that document?

13 A. It's a notice of default.

14 Q. Okay. And it's signed by whom?

15 A. Well, it's Gerri Sheppard's name but I
16 signed it.

17 Q. Okay. And then --

18 A. And then I notarized it.

19 Q. That's your notary stamp and signature at
20 the bottom of the page then?

21 A. Yes.

22 Q. Okay. And again Gerri Sheppard didn't sign
23 that?

24 A. No.

25 Q. Okay. Can you take a look at bates stamp

1 603 and 604 please?

2 A. Okay.

3 Q. What's that document?

4 A. A notice of default.

5 Q. Okay. Same thing?

6 A. Yes.

7 Q. Can you look at the signature?

8 A. Yes.

9 Q. Okay. And that is whose signature?

10 A. I signed Gerri Sheppard's name and I
11 notarized it.

12 Q. Okay. And let's look at one more, page
13 721, 722. What is that document?

14 A. A notice of default.

15 Q. Okay. And on page 722 there is a notary
16 stamp and that is your signature; correct?

17 A. Yes.

18 Q. And there's a signature line for Gerri
19 Sheppard? Yes?

20 A. Yes.

21 Q. And --

22 A. I signed that.

23 Q. You signed that. Okay.

24 Now on all of these documents it's your
25 testimony that you were authorized or directed by Gerri

1 Sheppard to sign her name as the beneficiary I believe
2 it is?

3 A. Usually we were just acting as agent but.

4 Q. Okay.

5 A. Yeah, it says that we were assisting the
6 beneficiary. So we were acting as agent.

7 Q. And it's your testimony that you were
8 directed in each of those instances to sign Gerri
9 Sheppard's name and to sign it with your notary stamp?

10 A. Yes.

11 Q. Do you remember any co-workers that you
12 might have worked with?

13 A. I worked with Tracy Lawrence.

14 Q. Let me go back to the documents that you
15 had. What happens to those documents after you
16 notarize, you sign Gerri Sheppard's name and then you
17 notarize them, what happens to them?

18 A. We gave them to a runner that we hired to
19 do our recordings and she would take them down to do our
20 recording. After they were recorded she would bring
21 them back to the office and we would put them in an
22 overnight bag to go to Gerri Sheppard.

23 Q. And this was done each day?

24 A. Yes.

25 Q. Why did it have to be done every day? If

1 you know.

2 A. I don't know why. That was the process
3 that we get them recorded and send them to them. I
4 guess I didn't ask why.

5 Q. But you had a discussion with Gerri
6 Sheppard about the fact that they would be recorded the
7 same day?

8 A. Yes.

9 Q. Do you remember her telling you why they
10 would be doing that, just that they had to be done the
11 same day?

12 A. That, yeah, they just had to be done the
13 same day.

14 Q. Okay. And they were recorded at the Clark
15 County Recorder's Office?

16 A. Yes.

17 Q. Okay. You were talking about some of your
18 co-workers.

19 A. Yes.

20 Q. Do you remember their names?

21 A. I worked with Tracy Lawrence, Cheri
22 Yasatarian (phonetic) and Peter Horn, Jen Bloecker or
23 Lowe, and Jessie Bewley. Those are the individuals that
24 worked in that location at one time or another.

25 Q. Okay. When you say that location, are you

1 talking about on the third floor or on the first floor
2 or both?

3 A. On the third floor.

4 Q. All right. So they all worked for National
5 Fidelity Default Services?

6 A. Yes.

7 Q. Other than Gerri Sheppard and John Madrid,
8 are there any other names of individuals that you might
9 have forged and notarized?

10 A. Gary Trafford.

11 Q. Okay. Do you remember how many times you
12 did that?

13 A. I can't give you a number. I did it when
14 Tracy Lawrence was absent, I filled in for her.

15 Q. So you didn't work with Gary Trafford?

16 A. I did not.

17 Q. So would you say this was often or just
18 only when Tracy Lawrence was unavailable you would
19 notarize Gary Trafford's signature?

20 A. Only when she was unavailable.

21 Q. Okay. And again it would be the same
22 procedure, you would sign Gary Trafford's name and then
23 notarize it?

24 A. Yes.

25 Q. Do you know how many notaries were working

1 at Fidelity National other than yourself?

2 A. In our location I know Tracy was a notary,
3 I know I was a notary, I know at some point Cheri was a
4 notary, Jen was a notary. I don't know, I believe Peter
5 Horn was a notary.

6 Q. Okay. And to your knowledge was this
7 policy of signing an individual's name and then
8 notarizing it, was that the policy of the office?

9 A. Yes.

10 Q. So the other notaries did the same thing?

11 A. Yes.

12 Q. How long did you remain at LPS or, excuse
13 me, I'm sorry, at National Default Services?

14 A. I was there for about seven years.

15 Q. Did you quit or were you fired? How did --

16 A. I resigned. I was moving out of the state.

17 MR. GIUNTA: Okay. All right. I don't
18 think I have anymore questions. Thank you.

19 THE FOREPERSON: Jurors, questions?

20 BY A JUROR:

21 Q. Were you paid individually for these when
22 you notarized something or was that just built into you
23 paycheck or --

24 A. No, I was just salary.

25 Q. It was salary?

1 A. Uh-huh.

2 Q. You didn't receive any remuneration then?

3 A. Not at that time. When I changed positions
4 into examiner I got a bonus, but not during this period.

5 THE FOREPERSON: Jurors, questions?

6 BY A JUROR:

7 Q. When you looked at the signature for this
8 Gerri Sheppard, is Gerri Sheppard authorized to sign for
9 this title company, I mean as a managing member? Do you
10 have resolutions that say these are the people that can
11 sign for documents or not?

12 A. No.

13 THE FOREPERSON: Additional questions?

14 By law, these proceedings are secret and
15 you are prohibited from disclosing to anyone anything
16 that has transpired before us, including evidence and
17 statements presented to the Grand Jury, any event
18 occurring or statement made in the presence of the Grand
19 Jury, and information obtained by the Grand Jury.

20 Failure to comply with this admonition is a
21 gross misdemeanor punishable by a year in the Clark
22 County Detention Center and a \$2,000 fine. In addition,
23 you may be held in contempt of court punishable by an
24 additional \$500 fine and 25 days in the Clark County
25 Detention Center.

1 Do you understand this admonition?

2 THE WITNESS: I do.

3 THE FOREPERSON: Thank you for your
4 testimony. You are excused.

5 MR. GIUNTA: The next individual that's
6 going to testify in the Grand Jury proceeding will be
7 Todd Grosz.

8 THE FOREPERSON: Please raise your right
9 hand.

10 You do solemnly swear the testimony you are
11 about to give upon the investigation now pending before
12 this Grand Jury shall be the truth, the whole truth, and
13 nothing but the truth, so help you God?

14 THE WITNESS: I do.

15 THE FOREPERSON: Please be seated.

16 You are advised that you are here today to
17 give testimony in the investigation pertaining to the
18 offenses of notarization of signature of person not in
19 presence of notary public, offering false instruments
20 for filing or recording, and false certification on
21 certain instrument, involving Gary Trafford and Gerri
22 Sheppard.

23 Do you understand this advisement?

24 THE WITNESS: Yes, I do.

25 THE FOREPERSON: Please state your first

1 and last name and spell both for the record.

2 THE WITNESS: Todd Grosz. T-O-D-D,
3 G-R-O-S-Z.

4 THE FOREPERSON: Thank you.
5 Please proceed.

6 MR. GIUNTA: Thank you.

7 TODD GROSZ,

8 having been first duly sworn by the Foreperson of the
9 Grand Jury to testify to the truth, the whole truth,
10 and nothing but the truth, testified as follows:

11

12 EXAMINATION

13

14 BY MR. GIUNTA:

15 Q. Todd, how are you employed?

16 A. Criminal investigator for the Nevada
17 Attorney General's Office.

18 Q. And how long have you been employed in that
19 position?

20 A. I've been an investigator for six years
21 now.

22 Q. And your current job title is?

23 A. Investigator.

24 Q. Okay. Can you describe for us your job
25 duties as a criminal investigator with the Attorney

1 General's Office?

2 A. Well, the duties would include all aspects
3 of conducting investigations starting with reviewing
4 criminal, I'm sorry, reviewing victim complaints,
5 conducting interviews with witnesses, identifying
6 subjects, maybe conducting interviews with those
7 subjects, preparing subpoenas for a variety of records
8 leading to the execution of a search warrant in some
9 cases, execution of arrest warrants and testimony.

10 Q. What type of cases are you involved with at
11 this point?

12 A. At this point primarily mortgage-related
13 cases.

14 Q. Okay. And what's your training, education
15 and experience in this area?

16 A. I attended the police academy in Boulder
17 City and I have been working as an investigator for six
18 years, all of that being with the Attorney General's
19 Office, which would encompass Medicaid fraud,
20 Medicaid-related cases, Public Integrity was the second
21 unit I was involved in, and now the Consumer of Bureau
22 Protection which has become the fraud unit. In addition
23 to the training there was a particular class that I
24 attended focused solely on financial crime
25 investigations.

1 Q. Where was that?

2 A. Within our office.

3 Q. Okay. Are you familiar with an individual
4 by the name of Gary Trafford?

5 A. Yes, I am.

6 Q. And when did you first hear of this
7 individual?

8 A. Through the course of this investigation.

9 Q. How did you first hear of him?

10 A. The name appeared on a number of notices of
11 defaults that we had been reviewing.

12 Q. Okay. And this was in the course of your
13 employment as an investigator for the Attorney General's
14 Office?

15 A. That is correct.

16 Q. Do you know for whom he works?

17 A. I want to say LPS, Lender Processing
18 Services.

19 Q. Okay. What kind of companies -- how about
20 National, Fidelity National?

21 A. I believe that LPS is a branch or a
22 subsidiary of Fidelity National.

23 Q. Okay. And what kind of work do these
24 companies do?

25 A. Process of documents relating to

1 foreclosures.

2 Q. Okay. That would be foreclosures of
3 residential homes?

4 A. That's correct.

5 Q. Okay. Do you know some of the names of the
6 people that he supervised?

7 A. Was that complete?

8 Q. Let me go back. Do you know if
9 Mr. Trafford is associated with Chicago Title or LSI
10 Title or specifically who he's --

11 A. Through the course of this investigation
12 I've learned that the name has changed a number of
13 times. Chicago Title being one of the names that was
14 used. LPS, Lender Processing Services. LPS Default,
15 Title and Closing, LSI Title, Fidelity National Default.
16 It's a variety of names.

17 Q. Okay. Speaking of names, do you have some
18 other names that Mr. Trafford may have been a supervisor
19 of?

20 A. One in particular would have been Tracy
21 Lawrence.

22 Q. Okay. Any other names?

23 A. Jessie Bewley I believe was one that
24 directly responded to him. There's a number of
25 individuals I've spoken to that have referred to one or

1 another person as a supervisor but it was never clear
2 exactly who was officially that supervisor.

3 Q. And what period of time are you talking
4 about today?

5 A. As far as the investigation when it took
6 place or the documents referred to?

7 Q. Let's go through Mr. Trafford first. What
8 period of time was he employed by --

9 A. I'm not sure of the exact start time when
10 he became employed by this company but the documents
11 that I have reviewed with his name on it go back at
12 least to 2005 and probably before then.

13 Q. Okay. Are you familiar with an individual
14 by the name of Gerri Sheppard?

15 A. Yes, I am.

16 Q. And how did you become acquainted with Miss
17 Sheppard?

18 A. Through the course of this investigation.

19 Q. Do you know for whom she works?

20 A. I would give the same answer. LPS and then
21 the variety of names that's associated with.

22 Q. And again these are companies that are
23 involved with foreclosures?

24 A. That's correct.

25 Q. Did your investigation reveal what position

1 Miss Sheppard was in, what her title was?

2 A. I'm not clear on the title but I know that
3 it was a supervisory role.

4 Q. Are there any other individuals with whom
5 she was involved whose names you ran across during this
6 investigation?

7 A. Joseph Noel, Meghan Bloecker or Meghan Shaw
8 as she's now known, Jennifer Bloecker, Debra Watkins,
9 Heather Coleman, John Madrid, Peter Horn. I think
10 that's it.

11 Q. All right. Can you tell us when your
12 investigation of this case began?

13 A. It was earlier this year, I want to say
14 February, maybe March.

15 Q. Do you remember what precipitated the
16 investigation?

17 A. Well, the office had been receiving a large
18 volume of complaints from homeowners who had been
19 foreclosed on and were alleging that something was not
20 right with the foreclosure process itself. In
21 conjunction with that we had been receiving reports from
22 around the nation of similar investigations being
23 conducted by other Attorney Generals offices.

24 Q. Are you familiar with the term robo
25 signing?

1 A. Yes, I am.

2 Q. Can you describe for us what that is?

3 A. Robo signing would be the mass production
4 of documents in which that the signer on the document
5 would probably not have any knowledge of the information
6 in the document or have verified the information in the
7 document. It's sort of like an assembly line, as the
8 documents just come down the line you apply your
9 signature and you move onto the next document.

10 Q. And how would that apply to the case that
11 you are investigating here?

12 A. Well, as we were identifying patterns
13 through the notices of default we were seeing people
14 that were appearing on the same documents where there
15 would be, to say a hundred that were processed on the
16 same day is not a stretch of the imagination.

17 Q. So based on your examination, and I guess
18 we'll get into the exam, the records that you've
19 examined, but based on your examination of the records
20 how extensive is this practice in the mortgage
21 foreclosure industry?

22 A. It seems to have permeated the entire
23 industry.

24 Q. Okay. Can you give me, you examined
25 numerous documents during the course of your

1 investigation. Is that a fair statement?

2 A. Tens of thousands.

3 Q. Tens of thousands. Okay. And out of those
4 tens of thousands how many of those looked suspicious to
5 you?

6 A. A very large percentage. It's hard to find
7 one that you wouldn't be suspicious of.

8 Q. So it was the exception rather than the
9 rule?

10 A. That would be the exception, yes.

11 Q. Okay. So why don't you take us through and
12 tell us what steps you took in investigating this case.

13 A. The idea started with trying to find the
14 appropriate documents. We were taking the complaints,
15 seeing those who had been foreclosed on and those who
16 had filed lawsuits. So we were looking at documents
17 that had been filed with District Court Judge Donald
18 Mosley's court as he was handling all of these types of
19 documents and we were starting to see a couple of names
20 that had repeated themselves. And we were in touch with
21 the recorder's office because we had a very limited
22 access to the documents that already had been processed.
23 They, they being the recorder's office, gave us access
24 to all of their material that would be beyond what
25 someone who just pulls up information on the web site,

1 you can see a list of documents that have been filed for
2 an individual property, but we had the access to look at
3 each individual document itself.

4 Q. Let me stop you there. You said there were
5 names that were repeating when you were looking at some
6 of these documents either through Judge Mosley or the
7 recorder's office, there were names that were repeating
8 themselves?

9 A. Just looking at the documents with Judge
10 Mosley's court we had already seen names that had
11 repeated themselves.

12 Q. Do you remember what those names were?

13 A. Joseph Noel. And Jessie Bewley, we had
14 already seen that name come up a number of times.

15 Q. And as a result of that what did you do
16 next?

17 A. After we had the access to the recorder's
18 office, they had instructed us on how to pull up just
19 notices of default and filter out all the other
20 documents that had been recorded.

21 Q. Why were you looking at just notices of
22 default?

23 A. Those were the documents that would start
24 the foreclosure process in motion. Basically it would
25 be a breach of your mortgage and it would be one of the

1 first documents filed to notify the homeowner you're now
2 facing foreclosure.

3 Q. Go ahead, I'm sorry, I didn't mean to
4 interrupt you there. I just wanted to know why you were
5 looking at those documents.

6 A. Okay. So we would take one day at a time
7 and see anywhere from a couple hundred to maybe a
8 thousand or more notices of default being processed on
9 any given day and we were taking one at a time, each
10 individual document, until we had seen a larger pattern
11 emerge amongst all of those documents.

12 Q. And what pattern emerged?

13 A. More names were identified and we started
14 to group the individual names with their employers to
15 see who was producing the most.

16 Q. What did that reveal to you?

17 A. LPS was producing the most locally.

18 Q. Okay. What else, any other companies come
19 to mind?

20 A. First American National Default is one
21 company. I remember seeing Quality Loan Services,
22 National Default Service Corporation is another company,
23 and then a myriad of banks that were associated with all
24 of these.

25 Q. Okay. One of the names that was involved

1 is LSI Title. Is this a name that came through during
2 your investigation?

3 A. That name was interchangeable with LPS.

4 Q. Okay. All right. So did you subpoena any
5 records in your course of this investigation?

6 A. We did subpoena leasing files of two
7 different locations. But we also made document requests
8 to the recorder's office for certified copies of the
9 documents that evolved out of the pattern.

10 Q. Any search warrants executed?

11 A. There was one search warrant, yes.

12 Q. Where was that?

13 A. It was at a residential address of one of
14 the employees of LPS.

15 Q. Who was the employee?

16 A. Jessie Bewley.

17 Q. Do you remember what his position was?

18 A. He referred to his position as a searcher
19 or researcher.

20 Q. And that was for which company?

21 A. LPS.

22 Q. Okay. All right. Have you interviewed
23 anybody in connection with this investigation?

24 A. Several interviews, yes.

25 Q. Okay. All right. Let's get back to that.

1 Let me show you what's been marked as
2 State's, if you wouldn't mind take a look at State's
3 Exhibit Number 3 and Number 4. Would you take a look at
4 those two documents?

5 Have you had a chance to take a look at
6 those?

7 A. Yes, I have.

8 Q. Can you tell us what they are?

9 A. Document Number 3 would be a record from
10 the California Department of Motor Vehicles referring to
11 Gary Trafford.

12 Q. How about Number 4?

13 A. Number 4 would be the California Department
14 of Motor Vehicles record referring to Geraldine
15 Sheppard.

16 Q. And how did you come to obtain these
17 documents?

18 A. Through the course of the interviews with
19 the employees and former employees, they had identified
20 these two individuals as their immediate supervisors. A
21 request was made to California DMV to obtain a copy of
22 their driver's license which would identify the photo
23 and a sample of their signatures.

24 Q. Okay. I take it that you've had a chance
25 to examine the signatures on the driver's license?

1 A. Yes, I have.

2 Q. Okay. And have you compared -- let me back
3 up. I'm sorry.

4 These two individuals, Mr. Trafford and
5 Miss Sheppard, did their names appear anywhere on any of
6 the notices of default that you were examining during
7 the course of your examination?

8 A. Their names appeared on thousands of
9 notices of default that I reviewed.

10 Q. And did you have an opportunity to compare
11 the signatures of Mr. Trafford and Miss Sheppard on
12 their driver's license to the signatures that purported
13 to be their signatures on the notices of default?

14 A. Yes, I have.

15 Q. And how did they compare?

16 A. They didn't compare.

17 Q. Can you explain that?

18 A. With the name Geraldine Sheppard, as she
19 has it here it's spelled out Geraldine Sheppard, on the
20 documents I've seen Gerri Sheppard in a variety of
21 handwritings, and in some cases simply the first initial
22 G. Sheppard in a variety of handwritings, none which
23 look like this.

24 Q. So what did that tell you?

25 A. That the signatures on the notices of

1 default most likely were not made by Geraldine Sheppard.

2 Q. And you said a variety of different
3 signatures for Gerri Sheppard and a variety of different
4 signatures for Gary Trafford?

5 A. That is correct.

6 Q. Can you give us a rough estimate of how
7 many different types of signatures of those two
8 individuals you saw?

9 A. I want to say there were three distinctive
10 styles for Gary Trafford's signature and there were more
11 than that for Geraldine Sheppard's handwriting.

12 Q. You're not a handwriting expert; is that
13 correct?

14 A. No, I'm not.

15 Q. Does it seem fairly obvious to you that
16 those signatures don't match up?

17 A. It was very obvious.

18 Q. How many records did you rely on when you
19 were conducting this investigation? Can you give us an
20 estimate on that?

21 A. The certified copies that I requested, I
22 had requested 350 approximately, and that's within I
23 want to say ten documents that I had requested from the
24 recorder's office.

25 Q. Okay. You have the original documents that

1 are available to the Grand Jury to review if they wish
2 to do so?

3 A. Yes, I do.

4 Q. Are they here or at the office?

5 A. No, they are here.

6 Q. Okay. And based on your review of the
7 records and the investigation, did you make a
8 determination on this case?

9 A. I concluded that the signatures that were
10 being affixed to the documents were not the true
11 signatures of the individuals who they purported to be.

12 MR. GIUNTA: I don't have any further
13 questions.

14 THE FOREPERSON: Jurors, questions?

15 BY A JUROR:

16 Q. When you were assigned this investigation
17 what were the crimes they were looking for?

18 A. Forgery, notary fraud. Those were the two
19 that were the most obvious because we knew that the
20 documents that were being used, or we suspected, were
21 not the true, or not the true signatures of the
22 individuals who had processed them. So that was the
23 first two that we had considered. But then when we saw
24 that it had become a very large practice we thought
25 possibly even the RICO statute, organized crime statute.

1 Q. Could you explain that a little bit more?

2 A. There are certain crimes that have to be
3 committed in order to get to that. Theft and forgery
4 would be two of these. And in the process of an
5 organization it is your purpose to commit these crimes
6 for a business entity so to speak, that would be the
7 organized crime. If that was your intent to commit this
8 crime in the furtherance of a business so to speak.

9 Q. Was there any theft found or any evidence
10 of theft?

11 A. Not directly evidence of theft, but if a
12 house has been foreclosed on fraudulently you could make
13 the leap that the equity or even the home itself had
14 been stolen from the rightful owner because they no
15 longer own that piece of property, and through the
16 process of creating these fraudulent documents that
17 property has been taken from the rightful owner.

18 Q. The documents were fraudulent because the
19 signatures were forged?

20 A. Correct.

21 Q. Is that the only reason this, it was a
22 fraud, because the signatures were fraudulent, or was
23 there anything else?

24 A. I believe that there would be other
25 elements that would make them fraudulent. Addresses on

1 some of these documents were not correct, the APN number
2 on some of these documents were not correct, obviously
3 not verified by the individual who had been signing
4 them, making the information that is on them to be
5 inaccurate but yet a foreclosure has taken place and as
6 a result of the inaccurate information somebody has lost
7 their home.

8 THE FOREPERSON: Additional questions?

9 BY A JUROR:

10 Q. So the person who is in default, the owner,
11 they're the ones who brought this all about to start
12 with. And they're saying that we weren't in default? I
13 mean is that how it all came about?

14 A. Exactly. Some of the witnesses will say
15 yes we were in default due to medical expenses, the
16 economic downturn of our economy, lost jobs or reduced
17 hours, but we've had individuals who said I was never
18 late in my payments but yet my house has been foreclosed
19 on.

20 THE FOREPERSON: Additional questions?

21 BY A JUROR:

22 Q. You used the acronym LTS. Is that, can you
23 explain that out further? Is that an acronym or is that
24 just the title of the company?

25 A. LPS would be an acronym for Lender

1 Processing Service.

2 Q. Oh, it's LPS?

3 A. Yes, P as in Paul.

4 Q. Thank you.

5 THE FOREPERSON: Additional questions?

6 BY MR. GIUNTA:

7 Q. If I could clarify the answer that you were
8 giving to some of the grand jurors. That's based on
9 your review of the Nevada Revised Statutes and the
10 documents that, the investigation that you've been
11 performing; is that correct?

12 A. That's correct.

13 Q. You're not giving legal advice, you're not
14 an attorney?

15 A. No, I'm not an attorney, I'm not giving
16 legal advice. This is just based on the information as
17 interpreted through Nevada statutes.

18 Q. You're not making a legal conclusion?

19 A. No, I'm not.

20 MR. GIUNTA: Thank you.

21 BY A JUROR:

22 Q. Robo signing is not by its nature a crime,
23 is it?

24 A. It is now.

25 Q. Oh, it is now.

1 A. October 1st there was a new law put in
2 place that would directly relate to robo signing.

3 THE FOREPERSON: Additional questions?

4 BY A JUROR:

5 Q. Can you give us an example of someone who
6 was foreclosed on that really was not in default?

7 A. By name?

8 Q. Possibly. If so.

9 MR. GIUNTA: Todd, actually I hate to do
10 this, but I don't think that's something we can get
11 into. I don't want to get into -- it's really not
12 relevant to what we're talking about. It's kind of an
13 interesting area but it's really not relevant to the
14 charges that we've brought here today, specific
15 incidents, unless -- you'll look in the evidence, you'll
16 take a look at them, but absent that we really shouldn't
17 get into that area of questioning.

18 MR. KELLEHER: We want to make sure that we
19 stick to the evidence that we're submitting and not get
20 into hearsay evidence or something that is not actually
21 part of this case.

22 A JUROR: Understandable.

23 THE FOREPERSON: Additional questions?

24 By law, these proceedings are secret and
25 you are prohibited from disclosing to anyone anything

1 that has transpired before us, including evidence and
2 statements presented to the Grand Jury, any event
3 occurring or statement made in the presence of the Grand
4 Jury, and information obtained by the Grand Jury.

5 Failure to comply with this admonition is a
6 gross misdemeanor punishable by a year in the Clark
7 County Detention Center and a \$2,000 fine. In addition,
8 you may be held in contempt of court punishable by an
9 additional \$500 fine and 25 days in the Clark County
10 Detention Center.

11 Do you understand this admonition?

12 MR. GIUNTA: Can we ask one more question?

13 THE FOREPERSON: Certainly.

14 BY MR. GIUNTA:

15 Q. Do you know what a servicer driven default
16 is?

17 A. I'm sorry. A servicer driven default?

18 Q. You know what a loan servicer is; correct?

19 A. Yes.

20 Q. Can you tell us what a loan servicer is?

21 A. A loan servicer would simply be somebody
22 who is handling the payments of the loan but may not be
23 necessarily the owner or the holder of the loan.

24 Q. So they're actually just administering the
25 loan?

1 A. That is correct.

2 Q. Okay. Are there any instances that you ran
3 into where an individual may have been told by a
4 servicer not to pay and during the same period of time
5 the servicer went ahead and tried to default that
6 individual?

7 A. That has come up in some of the interviews,
8 that is correct.

9 MR. GIUNTA: Okay. All right.

10 THE FOREPERSON: By law, these proceedings
11 are secret and you are prohibited from disclosing to
12 anyone anything that has transpired before us, including
13 evidence and statements presented to the Grand Jury, any
14 event occurring or statement made in the presence of the
15 Grand Jury, and information obtained by the Grand Jury.

16 Failure to comply with this admonition is a
17 gross misdemeanor punishable by a year in the Clark
18 County Detention Center and a \$2,000 fine. In addition,
19 you may be held in contempt of court punishable by an
20 additional \$500 fine and 25 days in the Clark County
21 Detention Center.

22 Do you understand this admonition?

23 THE WITNESS: Yes, I do.

24 THE FOREPERSON: Thank you for your
25 testimony. You are excused.

1 THE WITNESS: Thank you.

2 MR. GIUNTA: The next witness that the
3 State will be presenting is Romy Ashjian and she's going
4 to be testifying regarding Exhibit Number 10 and that
5 will refer to Counts 1 through 3.

6 THE FOREPERSON: Please raise your right
7 hand.

8 You do solemnly swear the testimony you are
9 about to give upon the investigation now pending before
10 this Grand Jury shall be the truth, the whole truth, and
11 nothing but the truth, so help you God?

12 THE WITNESS: Yes.

13 THE FOREPERSON: Please be seated.

14 You are advised that you are here today to
15 give testimony in the investigation pertaining to the
16 offenses of notarization of signature of person not in
17 presence of notary public, offering false instruments
18 for filing or recording, and false certification on
19 certain instrument, involving Gary Trafford and Gerri
20 Sheppard.

21 Do you understand this advisement?

22 THE WITNESS: Yes.

23 THE FOREPERSON: Please state your first
24 and last name and spell both for the record.

25 THE WITNESS: Romy Ashjian. That's spelled

1 R-O-M-Y, A-S-H-J-I-A-N.

2 THE FOREPERSON: Thank you.

3 Please proceed.

4 ROMY ASHJIAN,

5 having been first duly sworn by the Foreperson of the
6 Grand Jury to testify to the truth, the whole truth,
7 and nothing but the truth, testified as follows:

8

9 EXAMINATION

10

11 BY MS. LESTER:

12 Q. Have you ever owned any property in Nevada?

13 A. Yes.

14 Q. What is the address of that property?

15 A. The second property that I owned, the
16 address is 2013 Summer Cove Court, Unit 101, Las Vegas
17 Nevada, 89134.

18 Q. And did you take out a loan to purchase
19 that property?

20 A. For partial, yes. I put down almost
21 \$75,000 of my own money and took out a loan for the
22 rest.

23 Q. Okay. And who did you borrow the money
24 from?

25 A. Countrywide Bank.

1 Q. And did there come a time when you fell
2 behind on your payments?

3 A. Yes.

4 Q. Do you remember approximately when that
5 was?

6 A. It was mid, maybe June of '08.

7 Q. Okay. In that packet in front of you, can
8 you take a look at Exhibit Number 10. And then it's
9 going to be bate stamped down at the bottom 891 and 892.

10 A. I'm sorry, what was the question?

11 Q. There was no question yet.

12 A. Oh.

13 Q. Do you know what that document is?

14 A. I don't, but I've seen it once before.

15 Q. Okay. And does it refer to your property?

16 A. Yes, it does.

17 Q. And you stated that you have seen this
18 document once before. When did you see it?

19 A. I saw it through attorney Tara Newberry.
20 She presented it to me asking me if I had seen it
21 before.

22 Q. And when did that occur?

23 A. When she showed this document to me?

24 Q. Yes.

25 A. Maybe two months ago.

1 Q. Okay. So this particular document is file
2 stamped up at the top by the recorder's office on
3 September 26, 2008.

4 A. Okay.

5 Q. You'd never seen this document after that
6 time?

7 A. No.

8 Q. Until your attorney showed it to you a
9 couple months ago?

10 A. Right. Correct.

11 Q. So it was never sent to you in the mail or
12 sent certified, anything like that?

13 A. No.

14 Q. Did there come a time when you decided to
15 hire a realtor to do a short sale?

16 A. Yes.

17 Q. And do you remember exactly when that was?

18 A. I believe it was September or October of
19 2010.

20 Q. So between September of 2008 and 2010, in
21 one way or another you were working with your lender to
22 try to resolve the foreclosure issue?

23 A. Yes. I had several things they asked me to
24 do and one of them was to hire the short sale agent.

25 And I was working with them completely almost on a

1 weekly basis.

2 Q. Did there come a time when you discovered
3 you had been locked out of your home?

4 A. Yes.

5 Q. Do you know when that was?

6 A. I would say roughly around two months ago.

7 Q. So we're in October. September, August?

8 A. August, correct. And it was still listed
9 with my realtor in the MLS.

10 Q. So you were still trying to work out
11 something with your lender?

12 A. Correct.

13 Q. And did the lockout occur before any
14 trustee sale had transpired?

15 A. No.

16 Q. So the lockout did occur before the trustee
17 sale?

18 A. I don't -- I'm not sure about that.

19 Oh, wait. Okay. Hold on. Let me think
20 there.

21 Yes, it did occur before the trustee sale
22 because, and the reason why I know this, I have to go
23 back, is because when I went to my home to use my key
24 and it had been locked, I contacted my realtor and then
25 the signage in the window which was apparently the

1 realtor who bought the home through a trustee sale. So
2 yes, to answer that, yes.

3 Q. Okay. And you never got any notice of that
4 trustee sale?

5 A. No, no notice. And neither did my realtor
6 who had it listed in the MLS.

7 Q. And did you have personal belongings at the
8 home?

9 A. Yes, the entire home was furnished and I
10 had personal belongings in the entire garage as well.
11 Medical records, furniture, my divorce decree, my social
12 security number, my little girl's, I have a two-year
13 old, all of her medical records, all of my business
14 files, art work, collectables, everything.

15 Q. And what happened with the belongings that
16 were in your home?

17 A. Well, a lot of them were stolen, which I
18 had to make a police report here locally about. And
19 then the others were just locked in the garage. So I
20 tried to contact the woman who had it listed and I also,
21 I phoned her several times, I emailed her. My realtor
22 also tried to contact her. She then said I was able to
23 come in and get my belongings but would I mind leaving a
24 few of like the really nice things, like chandeliers and
25 mirrors and stuff like that. So I then took the case or

1 I then spoke with Tara Newberry the attorney and shortly
2 got my items out two weeks later.

3 Q. Okay.

4 A. What wasn't stolen.

5 Q. And I just want to skip back a little bit
6 just, you know, so hopefully to clear things up.

7 A. Sure.

8 Q. Between 2008 when this notice of default
9 was originally recorded -- and you never received notice
10 of its recording --

11 A. Right.

12 Q. -- and all the way up through August of
13 2011 --

14 A. Right.

15 Q. -- in one way or another you were working
16 with your bank?

17 A. Yes. I had hired a service to do a
18 remodification initially, I paid them \$1800. They said
19 they were handling all of the paperwork, that my
20 paperwork had been forwarded to them and not to worry
21 about anything. I got nervous after not hearing
22 anything from them, contacted the bank directly, I was
23 working with them on another approved confirmation code,
24 remodification loan that they confirmed.

25 Q. Let me stop you right there just for a

1 second.

2 A. Sure.

3 Q. So basically when you were working with
4 them with regard to a modification before you listed the
5 home for a short sale, you were giving them whatever
6 paperwork they needed?

7 A. Yes, correct. I was approved for a
8 modification.

9 Q. And you believed the whole time that you
10 were going to work out --

11 A. Yes.

12 Q. -- some sort of modification?

13 A. Correct.

14 Q. With your lender?

15 A. Uh-huh.

16 Q. Whether it be first the modification or
17 later the short sale?

18 A. Yes.

19 Q. And at no time or did at any time did you
20 receive any notices that they were proceeding with any
21 kind of foreclosure?

22 A. No, nothing.

23 Q. Okay. And then it came to the point in
24 time where again you still had the property listed and
25 you were working with them and then all of a sudden you

1 found out you got locked out?

2 A. Correct. And my real estate agent who had
3 it listed legally through the MLS tried to contact them,
4 meaning Bank of America, and they first denied locking
5 the doors. And he persisted and then they said, oh
6 we'll give you, we'll send out a set of keys within the
7 week, and they never sent out the keys. And in the
8 meantime the property was still listed in my name with
9 all of my belongings inside of it. I couldn't get in.
10 And he had people looking, trying to look at the
11 property to sell it at I think it was 245,000, trying to
12 put in offers and couldn't get them inside of the
13 property.

14 Q. And just to clear things up, you originally
15 borrowed the money from Countrywide?

16 A. Yes.

17 Q. And then Bank of America at some point in
18 time later purchased the assets of Countrywide?

19 A. Yes.

20 Q. And that's why in the end you were dealing
21 with Bank of America?

22 A. Correct.

23 Q. That document that's in front of you?

24 A. Yes.

25 Q. The second page, so bated stamped 892, can

1 you read the name of the signer of the document at the
2 very top?

3 A. Yes. Well, it's printed. It says Gary
4 Trafford and then the signature just shows, it looks
5 like a G, a Y and T-R-A-F maybe.

6 Q. Okay. And then down below you can see
7 there is an acknowledgment paragraph and then a notary
8 stamp?

9 A. Yes.

10 Q. Can you read the name on the notary stamp?

11 A. Yes, Tracy, N as in Nancy, Lawrence,
12 L-A-W-R-E-N-C-E.

13 Q. Okay. Thank you.

14 A. You are welcome.

15 MS. LESTER: We don't have anything else.

16 THE FOREPERSON: Jurors, questions?

17 BY A JUROR:

18 Q. I have a couple questions. So you're
19 locked out. Did you ever contact the bank or the
20 service company that was supposed to be protecting your
21 interest?

22 A. My realtor did. I contacted my realtor
23 directly and he contacted them. And then I also
24 contacted my lawyer. And when I, then I also tried to
25 contact the bank simultaneously within that fury of like

1 three hours, and they no longer, they said they no
2 longer had my file, they couldn't pull any information.

3 Q. What about the service company?

4 A. Which service company?

5 Q. The one you paid \$1800 to.

6 A. That was the first -- I didn't contact them
7 because that was the first remedification that I was
8 supposedly getting in '08. So I was no longer working
9 with them. I had been approved for two remedifications.
10 And that being said, the reason for that was because the
11 bank, meaning Countrywide or Bank of America, was so
12 backed up with loans that have gone into remedification
13 that it was just taking longer so.

14 Q. Thank you.

15 A. Yeah. So I did not, to answer your
16 question, I did not contact the initial remedification
17 company because they were no longer servicing me. My
18 real estate agent would be the one that I would call
19 because he had keys, he had it listed in the MLS, and he
20 had direct, he had my power of attorney with direct
21 communication with the bank.

22 Q. Bank of America never really got back to
23 you with any information?

24 A. No, they did not. They got back with my
25 realtor who, first they denied locking the doors, then

1 they, he kept persistently calling back, and then they
2 said that they did lock the doors but that they would
3 send him a set of keys within the week. And they
4 couldn't locate my file.

5 THE FOREPERSON: Additional questions?

6 By law, these proceedings are secret and
7 you are prohibited from disclosing to anyone anything
8 that has transpired before us, including evidence and
9 statements presented to the Grand Jury, any event
10 occurring or statement made in the presence of the Grand
11 Jury, and information obtained by the Grand Jury.

12 Failure to comply with this admonition is a
13 gross misdemeanor punishable by a year in the Clark
14 County Detention Center and a \$2,000 fine. In addition,
15 you may be held in contempt of court punishable by an
16 additional \$500 fine and 25 days in the Clark County
17 Detention Center.

18 Do you understand this admonition?

19 THE WITNESS: Yes.

20 THE FOREPERSON: Thank you for your
21 testimony. You are excused.

22 THE WITNESS: Thank you for your time.

23 MR. KELLEHER: I believe our next witness
24 we didn't have scheduled to come in until after the
25 lunch break, so I apologize, we went a little bit faster

1 this morning than we thought we would. So I'd request
2 we take a lunch break now if possible.

3 THE FOREPERSON: Certainly.

4 MR. KELLEHER: She's supposed to be here at
5 I believe 1 o'clock.

6 THE FOREPERSON: So we'll reconvene at
7 1 o'clock. Jurors, lunch break from now, 11:20, until 1
8 o'clock.

9 MR. KELLEHER: Thank you.

10 (Recess.)

11 MR. KELLEHER: At this time the State would
12 like to call its next witness, Tracy Lawrence.

13 THE FOREPERSON: Please raise your right
14 hand.

15 You do solemnly swear the testimony you are
16 about to give upon the investigation now pending before
17 this Grand Jury shall be the truth, the whole truth, and
18 nothing but the truth, so help you God?

19 THE WITNESS: I do.

20 THE FOREPERSON: Please be seated.

21 You are advised that you are here today to
22 give testimony in the investigation pertaining to the
23 offenses of notarization of signature of person not in
24 presence of notary public, offering false information
25 for filing or recording, and false certification on

1 certain instrument, involving Gary Trafford and Gerri
2 Sheppard.

3 Do you understand this advisement?

4 THE WITNESS: Yes.

5 THE FOREPERSON: Please state your first
6 and last name and spell both for the record.

7 THE WITNESS: Tracy Lawrence. T-R-A-C-Y,
8 L-A-W-R-E-N-C-E.

9 THE FOREPERSON: Thank you.

10 Please proceed.

11 MR. KELLEHER: And for the record when we
12 read the name of the witnesses earlier, one of the Grand
13 Jury members indicated that he has a friend who may know
14 someone by the name Tracy Lawrence. Having observed
15 this witness, is that in fact -- do you know this
16 person?

17 A JUROR: No, I do not.

18 MR. KELLEHER: Okay.

19

20 TRACY LAWRENCE,

21 having been first duly sworn by the Foreperson of the
22 Grand Jury to testify to the truth, the whole truth,
23 and nothing but the truth, testified as follows:

24

25

EXAMINATION

1

2

3 BY MR. KELLEHER:

4 Q. Tracy, where do you live?

5 A. My physical?

6 Q. Do you live in Las Vegas?

7 A. I live in Las Vegas, yes.

8 Q. And how long have you lived here?

9 A. Almost 17 years.

10 Q. Are you currently employed?

11 A. No, I am not.

12 Q. When was the last employment you had?

13 A. Company or the time?

14 Q. Company.

15 A. With LPS, Lenders Processing Services.

16 Q. What time period did you work with them?

17 A. I worked for them from August of 2000 till
18 November of 2010.

19 Q. What is the extent of your education?

20 A. High school graduate. Some college but I
21 didn't get a diploma. Or a degree.22 Q. Do you now hold or did you at any time hold
23 any state licenses?

24 A. No.

25 Q. Prior to your being hired by LPS, Lender

1 Processing Services, in 2000, where did you work?

2 A. I worked for First American Title.

3 Q. What did you do there?

4 A. I was a title searcher.

5 Q. And how long did you work for them?

6 A. From August of 1997 till August of 2000.

7 Q. Okay. And prior to that job where did you
8 work?

9 A. I worked at JM Management.

10 Q. What type of company is JM Management?

11 A. It was a property management company. We
12 managed homeowners associations.

13 Q. What was the time period for that
14 employment?

15 A. That was '96 to '97.

16 Q. And prior to that where did you work?

17 A. I worked for the Food and Drug
18 Administration.

19 Q. How long did you work for the Food and Drug
20 Administration?

21 A. For seven years.

22 Q. Okay. So would it be fair to say you were
23 working at least in the real estate business in some
24 capacity since 1996?

25 A. Yeah. Yes, that would be fair.

1 Q. For purposes of your testimony today we'd
2 like to concentrate on your employment with LPS. How
3 did it come about that you were hired by them?

4 A. Now do you want to focus on the other
5 division or when I actually went to the LPS division?
6 Because remember the umbrella company.

7 Q. Actually I'd like you to tell the story
8 about how you got the job with them and what you did.

9 A. I applied for a position and I was hired to
10 work at United Title which was a subsidiary that was
11 owned by Chicago Title that was owned by Fidelity. And
12 while I was there for a year, about a year and a half, a
13 representative from LPS contacted me to ask if I would
14 come to their division.

15 Q. Do you remember who that person was?

16 A. Yes, his name was Chris Lewis.

17 Q. Sorry?

18 A. Chris Lewis.

19 Q. Chris Lewis. Okay. Did you interview with
20 anyone?

21 A. With Chris, no, because he knew, he knew of
22 my reputation and my work and he basically made me a job
23 offer and I accepted it.

24 Q. Okay. And you started there in
25 approximately 2000 you said?

1 A. Well, I started with the LPS division in
2 2002, March of 2002.

3 Q. Okay. Now you mention that there were a
4 bunch of names. You mentioned LPS, Chicago Title. Can
5 you kind of explain for us how the company was set up at
6 least to your understanding?

7 A. To my understanding, Fidelity National
8 Financial owned, was acquiring different companies and
9 they would allow them to keep their own brand name
10 because, you know, brand name was pertinent in the
11 markets that we were in. So while I worked for a
12 company called United Title they were actually owned by
13 Chicago Title which was owned by Fidelity. So I mean we
14 were all under one big company but we all, you know,
15 were separate in a sense.

16 Q. Okay. Who was your supervisor when you
17 were hired by LPS?

18 A. Chris Lewis.

19 Q. How long did you work in that division?

20 A. I worked in that division from March of
21 2002 till November of 2010.

22 Q. Okay. And what were you hired to do
23 specifically?

24 A. I was an assistant title officer.

25 Q. What does an assistant title officer do?

1 A. An assistant title officer is basically
2 hired to assist the title officer in doing his
3 functions, his job, and other duties as assigned. It's
4 kind of --

5 Q. What would a title officer's functions be?

6 A. Basically processing documents, handling --
7 how I do put this. Handling title issues for clients.
8 That was what the main job of the title officer was.
9 But since obviously I wouldn't need to do that all the
10 time if the title officer was there I had other duties.

11 Q. When you first were brought on -- so were
12 these documents that were used in connection with
13 foreclosures?

14 A. Yes.

15 Q. When you were first brought on in
16 approximately 2000, what kind of volume were you dealing
17 with, with respect to the amount of loan files you were
18 working on?

19 A. Average was about five to ten a day. If we
20 got 15 or 20 that was like wow, you know, we had a
21 really busy day.

22 Q. Did there come a time period where the
23 volume changed?

24 A. Yes.

25 Q. How so?

1 A. How so in numbers or --

2 Q. Yeah. I mean what was the change, what
3 occurred?

4 A. Where we were averaging 100 to 200 a day.
5 Some days we'd have more than that. It would just, you
6 know, the ebb and flow of the market just depended. We
7 never really knew what was going to come but.

8 Q. What time period are we talking about where
9 there was an increase from up to hundreds a day?

10 A. 2003 maybe to 2008, 2009, somewhere like
11 that.

12 Q. And as part of your duties were you ever
13 employed as a notary public?

14 A. Yes.

15 Q. Do you know when you became a notary?

16 A. April of 2002.

17 Q. And how did it come about that you became a
18 notary? Is it something you decided independently to do
19 or did the company ask you to do it?

20 A. The company asked me to do it and they paid
21 for it, for me to become one.

22 Q. Did you post a bond to become a notary?

23 A. Yes, I did.

24 Q. Did you fund that yourself, pay for that
25 yourself?

1 A. No, I didn't pay for any cost related with
2 the notary, LPS paid everything.

3 Q. Are you familiar with a company by the name
4 of LSI Title?

5 A. Yes.

6 Q. And what is that company?

7 A. To be honest I don't know. I would see
8 their names on documents. I don't have any knowledge of
9 any other, anything else about them.

10 Q. During the course of your employment with
11 LPS did the name of the company that you worked for ever
12 change?

13 A. Yes.

14 Q. How often?

15 A. It changed at least three times while I was
16 there.

17 Q. Can you tell us what the names are? Do you
18 recall what they changed to?

19 A. Well when I started my division was called
20 Chicago Default Services. Then we changed to Fidelity
21 National Default Services. Then we changed to FIS which
22 was Fidelity Information Services. And then we went to
23 LPS, Lender Processing Services.

24 Q. So you had three or four name changes in
25 the course of a seven-year period? Do you know why the

1 company would change names so often?

2 A. We were just told that, you know, our
3 parent company was buying so many different other
4 companies that they were splitting us off for
5 administrative purposes. That's all we were ever told.

6 Q. Where was your office physically located?

7 A. At 500 North Rainbow, Las Vegas.

8 Q. Clark County, Nevada?

9 A. Uh-huh.

10 Q. Okay. Who paid you? When you got your
11 paycheck what was the company that issued you your
12 payment?

13 A. From my last -- the last company or do you
14 want to know all of them?

15 Q. Well, I guess what I'm trying to get to is
16 when the company would undergo these name changes during
17 the course of your employment there over the seven
18 years, would the source of your payment change or would
19 that continue to be the same?

20 A. Well, they all came from, first they were
21 in Santa Barbara, then they moved to Florida, but they
22 always came from whatever the headquarters was, it came
23 from that, whatever entity we were underneath.
24 Initially they said Fidelity. Then when they spun us
25 off it said FIS, and then the last pay checks came from

1 LPS Management.

2 Q. So for all intents and purposes then,
3 you've testified that all the various name changes were
4 all under the umbrella of the Fidelity banner. Would
5 that be accurate?

6 A. That was my understanding, yes.

7 Q. But they were all individual companies to
8 your knowledge?

9 A. Yes. Like when they would spin us off it
10 was almost like we were new employees again. We would
11 have to do all our health insurance, all, like we had to
12 sign up for everything all over again. And they kept
13 saying it's cause we're a separate company but we're
14 still connected somehow. But, you know, you never
15 really got a clear answer, but that was what they did
16 every time we spun off.

17 Q. How did the employees take that?

18 A. It was kind of --

19 Q. How did you take that as an employee?

20 A. It was kind of a pain really because they
21 would all of a sudden just tell us, okay, we're spinning
22 off, and then everything would be rushed. We'd have to
23 change all our email addresses, you know, you'd have to
24 notify all your contacts, you'd have to go through and
25 get the big packet of all the health insurance. It was

1 like something we had just done six months before and
2 all of a sudden they're saying we're spinning off, you
3 guys have to go do this all over again and do all your
4 beneficiary forms. It was just a big hassle. And then
5 when it happened again, it was just like, this is
6 happening again. But, you know. So that's kind of, I
7 mean that was how I felt, I can't say for my fellow
8 employees but.

9 Q. Did at any time during your employment
10 there, did your supervisor change?

11 A. Yes.

12 Q. What other supervisors did you work under?

13 A. I worked under Gary Trafford because Chris
14 Lewis left the company.

15 Q. When did Mr. Lewis leave and when did
16 Mr. Trafford take over?

17 A. Chris left maybe March, April, 2003.

18 Q. Is that when Mr. Trafford --

19 A. Yes, because Mr. Trafford was Chris Lewis'
20 second in command so he became first.

21 Q. And was Mr. Trafford located in the Las
22 Vegas office?

23 A. No, he was not.

24 Q. Where was he?

25 A. Initially he was located in Tustin,

1 California, and then they built a new building and moved
2 everyone to Irvine, California.

3 Q. Have you ever had occasion to meet
4 Mr. Trafford?

5 A. Yes.

6 Q. How many times?

7 A. Three or four.

8 Q. Okay. And for what purpose? What occasion
9 would you meet him?

10 A. A few times when I would go down to
11 California because they would have company parties, you
12 know, obviously we were here and they were there so they
13 would bring us down to California. And a couple times
14 he came here for title, like a lot of the title
15 companies would get together and have like title
16 conferences and they'd come to Las Vegas and so I saw
17 him here a couple times also.

18 Q. So would it be fair to say Mr. Trafford was
19 your supervisor for approximately five of the seven
20 years you worked there?

21 A. No, 2003 to 2010, so that's seven --

22 Q. Seven years?

23 A. Yeah.

24 Q. Okay. During those seven years how many
25 times are you aware of Mr. Trafford being in the Las

1 Vegas office?

2 A. Once.

3 Q. Was that a special occasion?

4 A. Yeah. I was on vacation and the person who
5 was filling in for me was not able to handle it and he
6 was messing up our orders so he came to handle what
7 needed to be done until they could get someone here to
8 do it.

9 Q. Are you familiar with the name of Gerri
10 Sheppard?

11 A. Yes.

12 Q. Who is Gerri Sheppard?

13 A. She is a title officer in another unit of
14 LPS.

15 Q. Have you ever met Miss Sheppard?

16 A. Yes.

17 Q. How many times?

18 A. Like once maybe. At least once that I can
19 recall right now. Possibly twice.

20 Q. And where did those meetings take place?

21 A. In the Las Vegas office.

22 Q. How many times to your knowledge was Gerri
23 Sheppard in the Las Vegas office?

24 A. While I was working there? Once.

25 Q. I'd ask you to look at State's Exhibit 3,

1 bate stamp number 836. Can you identify the person in
2 that picture?

3 A. Yes.

4 Q. Who is that?

5 A. That's Gary Trafford.

6 Q. And I ask you to look at State's Exhibit 4.
7 Can you identify the person in that picture?

8 A. Well, it says Geraldine Sheppard but it
9 doesn't look like the Gerri Sheppard that I recall
10 meeting.

11 Q. The woman that you recall, how does she
12 differ from the woman in the photograph?

13 A. Well, it's kind of hard to tell. Her hair
14 was lighter, that could just be this picture, and she
15 had glasses.

16 Q. Okay. But again you've only met her once
17 or twice?

18 A. Yeah. And that was like 2003, 2002.

19 Q. Now with respect to your, did your job duty
20 or your job title change at any time during the seven
21 years you worked there?

22 A. Which one? Duties or title or --

23 Q. Title. Let's start with title and then
24 we'll go to duties.

25 A. Yeah. At one point, I was never told that

1 my title changed but when I had to get employment
2 verification they listed me as a title assistant so, but
3 as far as Gary, Gary always called me his assistant
4 title officer, so whether that was official or something
5 HR did, you know, when they started merging companies
6 and they started hiring all these people, you know,
7 people were shifted around a lot and so that was what I
8 was told, like oh well, it doesn't really matter what
9 you're called, just, you know, keep doing your job.

10 Q. So when you testified that there was an
11 increase of volume of the foreclosure documents that
12 your office was processing, was there also in
13 conjunction with that an increase in the staff that was
14 hired by the company?

15 A. Not in my office. In California, yes.

16 Q. During the time you worked there how many
17 people were working in the Las Vegas office?

18 A. Initially three.

19 Q. Who were they?

20 A. That was myself, Meghan Bloecker, and a guy
21 named Andy. I don't remember his last name.

22 Q. Okay. And then did there come a time when
23 there was more people added?

24 A. Yes, but not to do what we did. I mean
25 they were, they had a different job function.

1 Q. What were their job functions? How many
2 people were brought on and what did they do?

3 A. They were examiners. And I want to say
4 maybe ten. But that might not be totally accurate
5 because a lot of people worked at night or some worked
6 at home and I didn't really know them. But I would say
7 ballpark maybe ten.

8 Q. Okay. Do you know a person by the name of
9 Jennifer Lowe?

10 A. Yes.

11 Q. Did she work there?

12 A. Uh-huh. Yes.

13 Q. Debra Watkins?

14 A. Yes.

15 Q. Did she work there?

16 A. Yes.

17 Q. Joseph Noel?

18 A. Yes.

19 Q. Did she work there?

20 A. Yes.

21 Q. I'm sorry. Did he work there? I'm sorry.

22 A. Yes.

23 Q. Peter Horn?

24 A. Yes.

25 Q. Did he work there?

1 A. Yes.

2 Q. Anyone else you remember worked there that
3 I failed to mention?

4 A. Jessie Bewley.

5 Q. Okay. Were you the only notary in the
6 office?

7 A. No.

8 Q. How many other notaries were there to your
9 knowledge?

10 A. At various times Meghan Bloecker was a
11 notary, Pete Horn became a notary, Joseph Noel was also
12 a notary. Oh, and John Madrid, he was also, I think
13 John was a notary too. I think.

14 Q. Okay. Did they all work in your division?

15 A. No.

16 Q. Who worked in your division?

17 A. Just me.

18 Q. And --

19 A. I should say my unit.

20 Q. Your unit?

21 A. Yeah. Yeah. There was so many different
22 people there but like -- I worked for Gary Trafford
23 exclusively, just me. Where as Joseph Noel worked for
24 Gerri Sheppard. Jessie Bewley worked for different
25 people, but not those two. He had a different job

1 function. Whereas Debbie was kind of a floater so. And
2 then the examiners that I mentioned earlier, they worked
3 for someone totally different also so.

4 Q. Okay. To your knowledge then would it be
5 fair to say that Gary Trafford and Gerri Sheppard were
6 the supervisors of the Las Vegas office?

7 A. With the exception of the examiners, yes.

8 Q. The examiners reported to someone else?

9 A. Yes.

10 Q. Who did they report to?

11 A. A gentleman named Raul. I don't know his
12 last name.

13 Q. Okay. Were the examiners involved in the
14 notarization process at all?

15 A. No, not at all.

16 Q. So let's talk about the notarization
17 process at this company. What was your understanding of
18 what the role of the notary was at Lender Processing?
19 And I'm going to use that name to encompass all of the
20 various names.

21 A. Yeah.

22 Q. Just for ease purpose.

23 What are the notaries at Lender Processing,
24 what were they hired to do?

25 A. Well, I wasn't hired to be a notary. That

1 was just one of my job functions. But basically to
2 notarize the NODs.

3 Q. What's an NOD?

4 A. I'm sorry. Notice of default or to
5 notarize notice of rescissions also that were recorded.

6 Q. In addition to your notary duties what were
7 your other duties?

8 A. I was responsible for recording all
9 documents that were, that came into the office, to set
10 them up for recording to be sent to the Clark County
11 Recorder's Office. I was responsible for preparing a
12 beneficiary report and just, you know, other duties
13 assigned. I don't know how detailed you want me to be.

14 Q. As much detail as you can give.

15 A. Well, you know, I mean the job changed.
16 Like in the beginning when we only had ten orders I was
17 like everything. I recorded the documents, I did the
18 examining of the documents after they were recorded to
19 prepare the trustee sale guarantee reports. I mean
20 there was such a small volume they didn't need all these
21 people to do all the functions of all the people who
22 they hired later on down the line. So in the beginning
23 it was like I was like a one stop shop basically. I
24 did, I would do the file from start to finish.

25 Q. So what would you do specifically?

1 A. Okay. So an order would be opened and I
2 would prepare a beneficiary report, which is where we
3 run the legal information of the property to inform the
4 client of who's the current beneficiary of the mortgage
5 at that time and any other pertinent information that
6 they may need to know. And after they would get that
7 information, if everything was clear, that they felt
8 they wanted to proceed, then they would send me the
9 notice of default and I would record that. And then
10 when it would come back I would have to use that initial
11 beneficiary report to pull together all the documents
12 that were posted to that property to prepare a trustee
13 sale guarantee report for the client.

14 Q. So all those steps then were done for the
15 purpose of facilitating foreclosures?

16 A. Yes.

17 Q. Now you said you would do this for the
18 client; is that correct?

19 A. Yes.

20 Q. When you say client, what are you referring
21 to? What type of people or companies would hire LPS to
22 do this work for them?

23 A. The trustees who were appointed by the
24 banks to handle their foreclosures.

25 Q. Do you know some of the names of some of

1 the clients that your company did work for?

2 A. Uh-huh. Yes. Sorry.

3 Q. Can you tell us some of those that you
4 recall?

5 A. Cal Western, California Reconveyance, Recon
6 Trust Company, National Default Services, Housekey, Land
7 America Services, Trustee Corp. Those are some of the
8 bigger ones. I remember there were some others that
9 were littler who didn't really do a lot, didn't have a
10 high volume.

11 Q. Do you know which banks those companies
12 were affiliated with?

13 A. Yeah. Like Cal Western initially was Bank
14 of America but then Bank of America bought Countrywide
15 which was Recon Trust so then that was their bank.
16 California Reconveyance, initially they were, when WaMu,
17 I'm sorry, Washington Mutual, that was their, they were
18 the trustee for Washington Mutual. National Default
19 Services did a lot of Fannie Mae, Freddie Mac, a lot of
20 HUD loans, various banks. Trustee Corp, I can't
21 remember who -- a lot of times, you know you ask who the
22 banks were. A lot of times they would be representing
23 like those loan, like the loan trusts where the loans
24 were all packaged together, so it wouldn't really say a
25 bank, it would say Trustee Corp for the benefit of, for

1 whatever the trust was named for all the loans that were
2 bundled together.

3 Q. Are you referring to the mortgage backed
4 securities?

5 A. Yes.

6 Q. What's you are understanding of how that
7 worked?

8 A. I don't really have an understanding other
9 than what I read. It was never really explained to us
10 other than what I read, you know, in the paper.

11 Q. Okay. Would it be fair to say then that
12 your company did work for a wide variety of banks,
13 servicers and trustees?

14 A. Yes.

15 Q. Now during the time that you worked for
16 Mr. Trafford, you worked under Mr. Trafford, was he
17 assigned to handle loan files for specific clients?

18 A. Yes, every unit had their own clients.

19 Q. Okay. So the company names that you listed
20 for the trustees and the banks, are those the ones that
21 Mr. Trafford also was doing work for?

22 A. At one time or another, yes.

23 Q. Okay.

24 A. Occasionally, you know, if the volume for
25 one client got to be too large for the unit to handle

1 sometimes clients were reassigned. So at one time we
2 may have done all of them but then somewhere down the
3 line, you know, where things got to be, where the
4 numbers were exploding, where we couldn't handle all of
5 the work, the clients would be assigned generally to
6 Gerri Sheppard.

7 Q. Okay. Did you ever do work for Gerri
8 Sheppard?

9 A. Work directly?

10 Q. Yeah.

11 A. No.

12 Q. Did you ever work for anyone other than
13 Mr. Trafford?

14 A. No. Other than Chris Lewis initially but.

15 Q. Now when you became a notary, how did that
16 come about? In other words, you weren't hired as a
17 notary, so what facilitated or what precipitated you
18 becoming a notary?

19 A. They asked me to become one.

20 Q. Who did?

21 A. Chris Lewis.

22 Q. Okay. And did he say why?

23 A. Well, mainly to have a backup notary was
24 initially because at that time Meghan was the only
25 notary.

1 Q. Was volume starting to increase?

2 A. Not in the beginning, no.

3 Q. Did you receive any training with respect
4 to your notary duties?

5 A. No.

6 Q. What type of documents were you asked to
7 notarize?

8 A. Notice of defaults and notice of
9 rescissions of defaults. That's it.

10 Q. And specifically let's talk about the time
11 period you worked under Gary Trafford. Can you walk us
12 through what the process at the office was during that
13 time period with respect to when you would get the file
14 in the office from receipt up until recording?

15 A. Well, I wouldn't really get a file
16 initially. I would get the information -- how it would
17 start is the client would email someone in California,
18 because the way it worked, they would assign an order
19 number and then they would send it to me because I
20 didn't have access to the system to assign the order
21 numbers. But they would send me the name of the person
22 who owned the property, they would send me the address
23 and they would send me the amount of the deed of trust
24 they were looking for. So I would run that information
25 through a data base to generate a chain of what we

1 called a PIQ, which is property in question, and it
2 would show all the documents of public record listed,
3 posted to that property. So I would look to make sure
4 that the mortgage that they were looking for was
5 actually posted to that property and then I would
6 transmit that information to someone in California
7 depending on, I say someone because, you know, I don't
8 remember who it was at that time, those people changed.
9 But anyway then they would pull, you know, the mortgage
10 information and send it to the client. Then I don't
11 know what the client did once they got it but eventually
12 they would send me an NOD through email to be recorded.

13 Q. Were all those transactions that you just
14 described done via computer?

15 A. Yes.

16 Q. So you didn't get hard copies mailed to you
17 or delivered to you, it was usually everything was
18 electronic?

19 A. Occasionally. There were certain clients
20 who liked to prepare their own documents and they would
21 overnight me. I would get things like via UPS or Fed
22 Ex. But generally California Reconveyance was the only
23 one who looked to do that initially.

24 Q. So when you would get the NOD then, what
25 would you do next?

1 A. I would print it out, I would -- shall I go
2 from when we weren't that busy until when we were really
3 busy?

4 Q. Well, give us the whole story.

5 A. In the beginning we would only have like
6 five or six documents. I would pretty much check
7 everything like the county recorder requires. You have
8 to have an assessor's parcel number on it which
9 identifies what property it's supposed to be applied to,
10 so I would make sure that it was correct. I would make
11 sure all the pertinent mortgage information was correct.
12 I would make sure our order number was on it. Then I
13 would sign it, notarize it, make a copy so we'd have a
14 backup copy, and I would set it up to be recorded.

15 Q. Did that process change at any time?

16 A. When we got busier I wasn't able to check
17 the documents as closely. Other than that the process
18 didn't change.

19 Q. So now you said you would sign and notarize
20 it. Can you be more specific what you mean by that?

21 A. I mean that under the instruction of my
22 supervisor I would sign his name to the documents and
23 then I would notarize it signing my own name.

24 Q. So is it your testimony that Mr. Trafford,
25 Gary Trafford, told you to sign his name?

1 A. Yes.

2 Q. And then notarize it with your signature?

3 A. Yes.

4 Q. So when you signed his name, would you sign
5 Tracy Lawrence for Gary Trafford, or would you sign Gary
6 Trafford?

7 A. No, I signed Gary Trafford.

8 Q. Do you know whether that was standard
9 procedure at the office for the whole company or was
10 that just something to your knowledge that you and Mr.
11 Trafford did?

12 A. It was standard procedure in the Las Vegas
13 office. I don't know what they did in California.

14 Q. And for purposes of your testimony today I
15 want to just concentrate on the Las Vegas office.

16 A. Okay.

17 Q. How many would you say, and let's focus on
18 when things got busy, how many documents would you sign
19 and notarize in the manner you just described in the
20 course of a typical day?

21 A. Fifty or sixty.

22 Q. And then after you signed and notarized
23 them what would happen?

24 A. I would make a copy of every one because we
25 would need to have a copy because the recorder's office

1 doesn't give you back your original right away because
2 they would have to index it in their system so we would
3 need a copy in order to prepare our trustee sale
4 guarantee report. So I would make a copy and then there
5 was a recorder slip that would be stapled to our copies
6 so the recorder could, I'm sorry, our runner who would
7 take the document to the recorder would write
8 information on the slip. She would write like how much
9 the document cost and then those slips would go to the
10 accounting and then they would charge those fees to the
11 client. Does that answer your question?

12 Q. Yes, it did.

13 So when you said you were doing 50 to 60 a
14 day, that's approximately 250, 300 a week. Is that just
15 you?

16 A. That's just me, yes.

17 Q. Do you know how many documents the other
18 notaries were doing?

19 A. When we were busy just as many.

20 Q. Do you have an estimate of, during the busy
21 period -- and what would you define as the busy period
22 year wise?

23 A. Fifty or sixty a day.

24 Q. No, no, I mean years.

25 A. Oh, years. Like 2003 to 2008.

1 Q. Okay. During that five year period say,
2 what would you estimate daily the office in Las Vegas
3 was filing at the recorder's office?

4 A. On an average day a couple hundred, 200,
5 sometimes more. I mean just notice of defaults. We're
6 not talking the secondary documents.

7 Q. Were there any other documents that you
8 handled other than notices of defaults where you were
9 instructed to sign someone else's name and then
10 notarize?

11 A. The notice of rescissions of defaults, yes.
12 Other than that, no.

13 Q. Okay. I ask you to look at State's Exhibit
14 17. Can you identify Exhibit 17?

15 A. Yes.

16 Q. For the record these are bate stamps 245
17 through 249. What is that document?

18 A. It's an email.

19 Q. Is it actually an email chain?

20 A. Well, yes, it's an email going back and
21 forth between several different people.

22 Q. So you've seen this email before?

23 A. Yes.

24 Q. And where did you see it before?

25 A. It was my email. I mean it was sent to me.

1 Q. Let's start on the last page, bate stamp
2 number 249 of Exhibit 17. I believe if we read from the
3 back forward we would actually get it in chronological
4 order. Would that be correct?

5 A. Yes.

6 Q. Can you walk us through this email chain
7 starting with the first one through the last one what
8 they say?

9 A. Do you want me to read it or just --

10 Q. You don't need to read it, but can you kind
11 of just give us the gist of what the purpose of this
12 email chain was?

13 A. Okay. So the purpose is we were obtaining
14 a new client which was Brooks and Associates, so the
15 first email is from Amy Wulff sending to Gerri Sheppard
16 and Andy Fragassi, the NOD agreement for the new client
17 which is Brooks and Associates.

18 Q. Who's Andy Fragassi?

19 A. He was at one time the head of our, like
20 the second in command of our division.

21 Q. Okay.

22 A. Or our unit I should say.

23 Q. Who is Amy Wulff?

24 A. I do not know.

25 Q. Okay. And do you know what type of company

1 Brooks and Associates is?

2 A. No, I do not.

3 Q. All right. And keep going.

4 A. Then the next is from Gerri to Ron who's
5 from Brooks and Associates attaching the agreement that
6 he is to sign and return to her.

7 Should I keep going?

8 Q. Yeah.

9 A. Then there's from Ron to Gerri asking her
10 is it okay for him to start sending NODs and NOSs, which
11 are notice of sales, and if so how should he phrase the
12 signature line on his documents.

13 Q. Do you know what that means, how he should
14 phrase the signature line?

15 A. Yeah. On every document depending on who
16 the client was, like above where you would sign there
17 would be verbiage, it varied.

18 Q. What was the purpose of the verbiage?

19 A. I don't know. It was never really
20 explained to me.

21 Q. Okay.

22 A. Just that it needed to be there.

23 Q. How about the next one?

24 A. Then from Gerri to Ron telling him
25 basically to put his company name, by Fidelity National

1 Title Insurance Company as agent, and that's what the
2 signature line should be.

3 Q. Okay. Next?

4 A. And then the next one was Pete Horn
5 acknowledging to Gerri that he received her email.

6 Q. Who is Pete Horn?

7 A. Pete Horn was, at that time he was the
8 person who was handling Gerri Sheppard's unit documents.

9 Q. Okay. And why would you be copied on an
10 email from Gerri Sheppard to someone in her unit; do you
11 know?

12 A. Yeah, because if someone in her unit wasn't
13 there then I had to do it. There was nobody else there.

14 Q. So you were backup for their unit?

15 A. Yes, because at that time Pete and I were
16 the only two, there was nobody else.

17 Q. And for the record these emails that you
18 are referring to are dated -- do you have the date?

19 A. When they started or --

20 Q. Yeah.

21 A. 2006. They started January 18th. By this
22 time we're up to January 25th.

23 Q. And back to the one that we were just
24 referencing, which is bate stamp number 247, it was an
25 email from Peter Horn to Gerri Sheppard and Ron Jantzen.

1 Do you see that?

2 A. Yes. Uh-huh.

3 Q. It looks like it's copied to a Karen
4 Mocerino. Do you know who that is?

5 A. Yeah, she worked in Gerri's unit. I don't
6 know what her capacity was though.

7 Q. Okay. How about the next email at the top
8 of bate stamp 247?

9 A. Okay. So that's from Gerri. Do you want
10 me to read all the names? I guess I don't really need
11 all that, do I?

12 Q. Yeah. You can read this one.

13 A. Okay. At that time there was, they had put
14 an accounting person in our office, that's who Heather
15 Coleman is. And so Gerri is writing to Pete, cc'ing
16 Karen, Gary Trafford, Heather Coleman and Andy, and
17 she's telling Gary that she needs his help and to ask me
18 and then Heather, she needs her help as well.

19 Q. Now what does it say in the subject, what
20 is this email about?

21 A. It says new procedure.

22 Q. And does the email highlight what this new
23 procedure is?

24 A. Well, I don't know if that's what she -- I
25 guess.

1 Q. Why don't you just read the email then.

2 A. It says: Regarding the signature of my
3 name on docs and notarizing it, please have someone
4 other than the person that is notarizing it sign it. In
5 order (sic) words, if you sign my name Pete, please have
6 Tracy notarize it. If Tracy or Heather sign my name
7 then you can notarize it. Thanks everyone. Gerri.

8 Q. Okay. And you were copied, you received a
9 copy of this?

10 A. Uh-huh. Yes.

11 Q. What is your understanding of what Gerri
12 Sheppard was talking about in this email?

13 A. That someone should sign her name and the
14 other, somebody else should notarize it. She doesn't
15 want the person signing her name to notarize it.

16 Q. And that's referenced under subject, it
17 says new procedure. So do you know what the old
18 procedure was?

19 A. Well, whoever signed her name would
20 notarize it. That's the way it was when I first
21 started.

22 Q. So the procedure then when you first
23 started up through this point at least with Gerri
24 Sheppard was to sign her name and then notarize it?

25 A. Yes.

1 Q. How about the next email?

2 A. The next email is from Gary, kind of like
3 carbon, just replying all to everybody. Do I need to
4 read all those again?

5 Q. No, you don't need to read the names.

6 A. He wrote: Good morning Tracy. Please see
7 new procedures for the signing of Gerri's documents
8 below.

9 Q. Okay. Now it says Gary's title is senior
10 title officer for Chicago Title Default Services. Do
11 you see that?

12 A. Yes.

13 Q. Do you know why it says Chicago Title
14 Default Services and not LPS?

15 A. Because that was our name at that time.

16 Q. Okay. Do you know why -- well, with
17 reference to Mr. Trafford's email here, it says the new
18 procedure, please see new procedures for the signing of
19 Gerri's documents. Did the procedure that you were
20 employing for Mr. Trafford's documents change?

21 A. No.

22 Q. So you were continuing then is it fair to
23 say to sign his name and notarize?

24 A. Yes.

25 Q. How about the next email?

1 A. Okay. The next email is from Gerri to all
2 of us once again. And she's saying: Okay. Think this
3 was a senior moment, although I did ask Andy if I had
4 forgotten exactly what we discussed.

5 And she says: Anyway, I apologize, you did
6 not need to sign my name. If anyone of you over there
7 will start signing the docs and then either Tracy or
8 Pete can notarize it provided they didn't sign it. Let
9 me know if you have any questions. Thanks a lot.
10 Gerri.

11 Q. And how about the next one?

12 A. The next email is from myself to Gary
13 Trafford. And I had said: Thanks for the NRS info.

14 And then I said: As to this, guess we will
15 deal with the other issues when and if we get to that
16 bridge.

17 And then I say: Anyway, per your
18 instructions, I will continue treating our docs as I
19 have all along, i.e. signing your name and notarizing
20 myself. If there are any further changes, let me know.
21 Thanks.

22 Q. Did you get a response to that email?

23 A. Yes, Gary Trafford responded thank you.

24 Q. And to your knowledge did you ever receive
25 any other changes to the procedure from Mr. Trafford?

1 A. Regards to this, no.

2 Q. Why did you send your email that you just
3 read to Gary?

4 A. Because he told me that on the phone and I
5 wanted something in writing just --

6 Q. What did he tell you on the phone?

7 A. He told me that we were going to continue
8 treating our documents as I always had.

9 Q. Basically would it be fair to say forging
10 his name?

11 A. Well, I don't consider it that since he
12 told me to, but I guess legally if that's what you want
13 to call it.

14 Q. What would you call it if you were to sign
15 someone else's name?

16 A. Well, the fact that he gave me permission I
17 don't consider it forgery, but I guess like I said
18 legally that's probably the definition.

19 Q. Okay. When you said that you wanted
20 something in writing with respect to this procedure,
21 why?

22 A. Because I had worked for this company long
23 enough to know that they were very big on saying oh, I
24 never said that, if something came along, not only the
25 people who worked there but the clients did the same

1 kind of thing, and I just want to have something to
2 protect myself if something should happen to come along.

3 Q. Did you have any concerns that this
4 procedure may not have been proper?

5 A. Did I have any concerns? Proper? I
6 mean --

7 Q. Well, something motivated you to
8 memorialize this. Were you doing it to protect yourself
9 in some way?

10 A. Well, yeah, because I had seen what they
11 had done to other people.

12 Q. Can you be specific? What you are
13 referring to?

14 A. Nothing specific that you would know anyone
15 about. Just things where, you know an issue arose and
16 they characterize it, oh well I didn't know anything
17 about that, I don't know why the employee did that and I
18 never told them to do that. And so, you know, by this
19 time I had worked for them long enough to know that, you
20 know, even though I knew I shouldn't have been doing
21 what I was doing but I needed a job and I wanted to
22 protect myself in the event that they tried to throw me
23 under the bus.

24 Q. Okay. And were you concerned that you
25 might be thrown under the bus with respect to this

1 notarization process?

2 A. At that -- no, I never really did think
3 that Gary would do that to me but I didn't know about
4 anyone else in the company.

5 Q. When you became a notary, what was your
6 understanding of the purpose of a notary?

7 A. To signify that you were signing, whoever
8 was standing before you was signing, you were certifying
9 that who was standing before you was the person that
10 they said they were and you were notarizing that.

11 Q. Okay. So during these say approximately
12 250 to 300 documents a week where you were signing
13 Mr. Trafford's name and then notarizing, did Mr.
14 Trafford ever stand in front of you and sign any of
15 those documents?

16 A. No.

17 Q. I'd ask you to look at State's Exhibit 14.

18 For the record these documents pertain to
19 Counts 40, 42, 43, 45, 46 through 48, 49 through 51.
20 Basically Count 40 through Count 72 of the proposed
21 Indictment.

22 Have you ever seen these documents before?

23 A. Yes.

24 Q. Can you identify what Exhibit 14 is?

25 A. All of them or -- I mean just the one on

1 top? It's a notice of default.

2 Q. Okay. And for the record we're referring
3 to bates number 72 through 77, 83 --

4 A. I don't have a 72.

5 THE REPORTER: I'm sorry, she's talking at
6 the same time so I'm not hearing your numbers.

7 BY MR. KELLEHER:

8 Q. 83 through 85, 91 through 93, 99 through
9 101, 108 through 110, 121 through 126, 131 through 136,
10 145 through 147, 150 through 152, 155 through 160, 166
11 through 168, 178 through 183, 191 through 196, 206
12 through 208, 211 through 213, 216 through 218, 221
13 through 226, 229 through 231, and 234 through 236.

14 Do you remember meeting with me last week
15 in my office?

16 A. Yes.

17 Q. And at that time I asked you to look
18 through a stack of paperwork. Have you had an
19 opportunity to review each of these exhibits prior to
20 you coming here today?

21 A. Yes.

22 Q. And to your knowledge are these all notices
23 of default that you signed?

24 A. Yes.

25 Q. Are they all notices of default that you

1 signed Mr. Trafford's name to and then notarized?

2 A. Yes.

3 Q. Ask you to look at Exhibit 15.

4 I apologize, guys, for having to read the
5 specific bate stamp numbers but there are a large amount
6 of documents so I just want to be very specific.

7 Exhibit 15 refers to bate stamp numbers 19
8 through 24, 39 through 40, 47 through 48, 89 to 90, 114
9 to 117, 127 to 130, 137 to 144, 148 to 149, 153 to 154,
10 164 to 165, 169 to 172, 176 to 177, 184 to 185, 189,
11 190, 197 to 202, 209 to 210, 214 to 215, 219 to 220, 227
12 to 228, 232 to 233, 237 to 244, 3, 14, 17 to 18, 25 to
13 38, 41 to 46, 49 to 71, 78 to 82, 86 to 88, 94 to 98 and
14 118 to 120.

15 The same question. Have you had a chance
16 to review these documents in Exhibit 15?

17 A. Yes.

18 Q. I'm sorry, that's Exhibit 16. So the bate
19 stamp numbers, I apologize, bate stamp numbers I just
20 read to refer to Exhibit 16.

21 You've had a chance to review those
22 documents?

23 A. Yes.

24 Q. And on each of those documents did you sign
25 Mr. Trafford's name and notarize?

1 A. Yes.

2 Q. And now let's look at Exhibit 15. Bate
3 stamp numbers 781 to 783, 779 to 780, 777 to 778, and
4 769 to 771.

5 Have you had a chance to review those?

6 A. Yes.

7 Q. And on each of those did you sign
8 Mr. Trafford's name and notarize it?

9 A. No.

10 Q. No. Which ones did you not?

11 A. These all say Gerri Sheppard.

12 Q. Okay. So are these ones where you signed
13 Gerri Sheppard's name and notarized it?

14 A. I notarized it, I didn't sign her name.
15 Based on the date stamp I believe I know who did.

16 Q. Well, did Miss Sheppard appear in front of
17 you and sign this in your presence?

18 A. No.

19 Q. When you say based on the stamp you know
20 who did --

21 A. I said based on the time frame.

22 Q. Okay.

23 A. I believe I know who did sign them.

24 Q. Who would that be?

25 A. Pete Horn.

1 Q. And what makes you say that?

2 A. Based on the time. That was the time, with
3 the exception of 769 through 771, the others, that was
4 the time period that he was working there and he didn't
5 have a notary at that time and I was the only notary
6 there.

7 Q. Okay. But did anyone appear in front of
8 you and sign this or how did it work? Did you receive
9 it already signed?

10 A. No, Pete signed Gerri's name standing in
11 front of me.

12 Q. Okay. Did you keep a notary journal?

13 A. Yes.

14 Q. And did you regularly for each of these
15 documents that you just testified to did you record
16 those in your notary journal?

17 A. No.

18 Q. Why is that?

19 A. I didn't have time.

20 Q. Do you know whether that was a requirement
21 pursuant to the Nevada Revised Statutes?

22 A. Probably, yes.

23 Q. Now let's go back to Exhibit 14. We've
24 separated these out just for organizational purposes by
25 the name of the client.

1 Can you take a look at Exhibit 14 and tell
2 us which client those documents pertain to?

3 A. The first one is Housekey.

4 Q. Okay.

5 A. Do you want me to go through all of them?

6 Q. For the record I can say that --

7 A. Are they all Housekey?

8 Q. We organized them by client so all of 14
9 should pertain to the same.

10 A. Okay.

11 Q. How about 15?

12 A. That would be Trustee Corp.

13 Q. Okay. And 16?

14 A. Recon Trust Company.

15 Q. Okay. In Exhibit 15, can you look at bates
16 number 779?

17 A. I don't have that page.

18 A JUROR: There is no 779.

19 THE WITNESS: Mine starts at 781.

20 BY MR. KELLEHER:

21 Q. Okay. 781, who is that for?

22 A. That's Trustee Corp.

23 Q. How about 779?

24 A. Oh, I see. It's out of order. 779 is
25 Title Trust Deed Service Company.

1 Q. How about 777?

2 A. That would be Cal-Western Reconveyance.

3 Q. And 769?

4 A. That would be Housekey.

5 Q. Okay. Now let's go to Exhibit 16, bates
6 number 19.

7 A. Okay.

8 Q. Who is that for?

9 A. Recon Trust Company.

10 Q. So would it be fair to say then that the
11 procedure was the same regardless who the client was;
12 any notarizations or any documents that you handled for
13 Mr. Trafford, you were instructed by Mr. Trafford to
14 sign his name and notarize?

15 A. Yes.

16 Q. Okay. Did there come a time period where,
17 well, can you tell us about how your employment ended
18 with the company?

19 A. I was laid off.

20 Q. When did that occur?

21 A. November 30, 2010.

22 Q. And did they give you, do you know what the
23 reason for the layoff was?

24 A. I was told that they just didn't need us
25 anymore.

1 Q. Are you aware of the company switching to
2 e-filing?

3 A. Yes.

4 Q. What is e-filing?

5 A. That is where the documents are, it's a
6 system set up through the Clark County Recorder's Office
7 where the documents are scanned into a program and
8 they're transmitted electronically to the recorder's
9 office so there's, you know, like you don't have to go
10 down there, you just transmit it and then someone on
11 their side does whatever they need to do and they send
12 you back the copy all done electronically.

13 Q. Do you know whether the switch over to
14 e-filing basically did away for the need of the Las
15 Vegas staff?

16 A. Not at first that wasn't.

17 Q. No?

18 A. No.

19 Q. Okay. How about later?

20 A. I don't know that that was, that may have
21 played a part in it. But there was still other reasons,
22 like they couldn't, they still needed us here because
23 certain documents you can't e-file, like the recorder's
24 office requires a hard copy with an original signature,
25 so they still needed us here.

1 Q. And do you recall specifically the last day
2 you worked there, what year that was?

3 A. Yeah, November 30, 2010.

4 Q. November 30, 2010?

5 A. Uh-huh.

6 Q. Okay. Were you continuing to follow the
7 same procedure of signing Mr. Trafford's name and
8 notarizing through 2010?

9 A. No.

10 Q. When did it change?

11 A. I believe December 1st, 2008. Somewhere
12 around there.

13 Q. What change occurred there?

14 A. All the documents started being e-filed.

15 Q. Okay.

16 A. I mean the ones that they could, you know.

17 Q. So the whole notarization process was then
18 done somewhere else?

19 A. Yes.

20 Q. Okay. Can you, to the best of your
21 knowledge, can you give us a number of how many
22 documents you would estimate were recorded in the Clark
23 County Recorder's Office that you signed Mr. Trafford's
24 name and notarized?

25 A. From the beginning to the end?

1 Q. Yes.

2 A. Thousands obviously. I mean 25, 30,000. I
3 have to really think about it.

4 Q. So we'll go the lowest, you said 250 a
5 week?

6 A. No, that was a day.

7 Q. A day?

8 A. On busy days, yes. I mean there were days
9 where there would be 200, 300, but other days like we
10 talked about the 50 or the 60. It just, the ebb and
11 flow, you just never knew. I mean averaging 500, 600
12 documents a week, sometimes more. So that's, if you say
13 600 a week that's 30,000? 3000 a year? I can't think.

14 Q. For how many years?

15 A. Four or five years. So maybe more than --
16 I guess 25 is maybe lowballing it. Twenty-five
17 thousand.

18 Q. So then your testimony is it fair to say is
19 that just based on the documents you handled for Mr.
20 Trafford, approximately give or take 30,000 documents a
21 year were filed with the recorder's office over a four
22 to five year period where you signed Mr. Trafford's name
23 and notarized?

24 A. Yes.

25 Q. And to your knowledge, is it your testimony

1 that to the best of your knowledge all of the notaries
2 at your company were doing similar procedures?

3 A. Now that's not my knowledge. I know of
4 some who were.

5 Q. Who were?

6 A. Meghan Bloecker did that. Pete Horn did
7 that. Joseph Noel did not do that. To my knowledge he
8 refused to do it.

9 Q. How do you know that?

10 A. Because I sat right behind him. I know he
11 said he wouldn't ever do that.

12 Q. Did he say why?

13 A. I don't remember a specific reason. I just
14 remember that he wouldn't do it. He didn't want to do
15 it.

16 Q. Did you ever have any feelings that what
17 you were doing may be illegal?

18 A. I didn't really think about it. I knew it
19 was at some point. In the beginning, you know, when
20 they said oh yeah, it's okay, you can sign our names,
21 but then another notary said to me, you know that's not,
22 you're not supposed to be doing that. Because I didn't
23 get any training to be a notary. You filed the
24 application and you get a stamp. I mean I didn't know
25 any of the regulations which obviously is my failing

1 but.

2 Q. When you would receive your notary
3 certificate from the Secretary of State's office, do you
4 recall ever receiving a copy of the statutes?

5 A. Not off the top of my head. I probably did
6 but.

7 Q. Did you ever read them?

8 A. I don't recall.

9 Q. Do you recall ever receiving a copy of the
10 Secretary of State's notary handbook?

11 A. I can't recall.

12 Q. Were you ever encouraged by your company to
13 obtain or seek any training on you being a notary and
14 what a notary entails?

15 A. No.

16 Q. Did you ever independently seek any
17 training about being a notary or what the duties of a
18 notary are?

19 A. No. The only reason I became a notary is
20 because they said you need to be a notary, your job
21 needs you to be a notary. I had no interest otherwise
22 in being a notary. It was only because that's what they
23 said I needed to do my job.

24 Q. And as far as your notary journal, did you
25 ever record, out of those say 20 to 30,000 documents a

1 year, did you ever write any of those in your journal?

2 A. In the beginning I tried because we only
3 had five or ten, but once it started getting busy, I
4 mean you get 200 documents that has to go out in 20
5 minutes, and no, I didn't even attempt it. I mean any
6 other document I notarized, you know, over the course of
7 my notary, like for private citizens, yes, those were
8 always done by the book. They were in my book properly,
9 you know, recorded. But all these notice of defaults,
10 notice of rescissions, no, I just didn't have time.

11 Q. Okay. So then when you said that the ones
12 you do outside of work that were done by the book, would
13 it be fair to say that you were aware that making
14 entries in the journal was a requirement?

15 A. Yes.

16 Q. Now you just testified that you would get,
17 you know, a pile of say 200 documents at the last
18 minute. Was that pretty typical?

19 A. Yes.

20 Q. Was there a deadline at your office for
21 getting the documents ready to be shipped to the
22 recorder's office?

23 A. Our cutoff time with the clients was 1:30.
24 Because we still had to have them prepared, we had to
25 make copies, we had to set them up and give them to our

1 runner to take them to the Clark County Recorder's
2 Office and we needed to get her out of there by a
3 certain time because if we did not and, you know, County
4 stops at 5 o'clock, they don't care if you're done or
5 not, so we would have to tell the clients 1:30 was the
6 limit so we could make sure that their documents got
7 recorded that day.

8 Q. Would the runner then come back to the
9 office after they were recorded?

10 A. Yes, she would bring back the copies that
11 we would need, yes.

12 Q. Can you estimate how long it would take her
13 from the time she left the office until the time she
14 came back on average, how long the recording process
15 would take with that many documents?

16 A. She usually would be gone the whole day. I
17 mean if she got out of there at 1:30 she'd usually come
18 back around 5:00. But that varied.

19 Q. Are you familiar with what the term
20 servicer is?

21 A. Yeah. Yes.

22 Q. Can you tell us what your understanding of
23 what a servicer is?

24 A. That's someone who handles the loan for the
25 bank, collects the payments and, I guess like their

1 representative, that's basically --

2 Q. Would the servicer to your knowledge be the
3 same as the lender?

4 A. Not in my knowledge, no.

5 Q. Okay.

6 A. I guess it could be. I mean a subsidiary
7 of them but.

8 Q. With most of the loan files that you worked
9 on, would you see a company or a bank other than the
10 lender servicing the loans?

11 A. Yes.

12 Q. That was pretty typical during this time
13 period?

14 Do you know what a trustee is with
15 reference to the foreclosure industry?

16 A. Yes.

17 Q. And what's your understanding of what a
18 trustee in the foreclosure industry does?

19 A. That's a, I guess a client, someone who
20 handles the foreclosure process and all that it entails
21 for the bank so the bank --

22 Q. Is it different than what a servicer does?

23 A. I think it's, my understanding of a
24 servicer was I guess when things were good they're
25 collecting the money and dealing with the good side and

1 the trustee deals with the bad side.

2 Q. Okay. I'll have you look at Exhibit 13.
3 I'd like to go through the same process that we went
4 through before.

5 For Exhibit 13 we're referring to bates
6 number 1 through 2, 15 through 16, 105 through 107, 161
7 through 163.

8 Have you seen those documents before?

9 A. Yes.

10 Q. And are they all documents that you signed
11 Mr. Trafford's name and notarized?

12 A. Yes.

13 Q. Were they all recorded at the county
14 recorder's office do you know?

15 A. Yes.

16 Q. And do you know by looking at those
17 documents who the client was?

18 A. Yes.

19 Q. And who was that?

20 A. Page 1 and 2 is LandAmerica Default
21 Services. Also page 15 and 16 LandAmerica. 105 through
22 107 is National Default Services. And also 161 through
23 163 is also National Default Services.

24 Q. Okay. For the record these documents are
25 being submitted in support of Counts 28 through 30, 31

1 through 33, 34 through 36, and 37 through 39 of the
2 proposed Indictment.

3 And now I ask you to look at Exhibit 12,
4 bates stamp numbers 102 through 104, 111 to 113, 186 to
5 188, and 203 to 205.

6 Have you had a chance to look at those
7 documents?

8 A. Yes.

9 Q. And are they all documents that you signed
10 Mr. Trafford's name and notarized?

11 A. Yes.

12 Q. And can you tell by looking at those
13 documents who the client was?

14 A. Yes.

15 Q. And who was the client?

16 A. 102 to 104 is Trustee Corp, also 111
17 through 113 is Trustee Corp. Also 186 through 188 is
18 Trustee Corp. I guess they're all Trustee Corp. 203 to
19 205 also is Trustee Corp.

20 Q. And for the record these documents are
21 being submitted in support of Counts 16 through 18, 19
22 through 21, 22 through 24, 25 through 27 of the proposed
23 Indictment.

24 Now I'd like you to look at Exhibit 10,
25 bates number 891 through 892. Can you identify that

1 document?

2 A. Yes.

3 Q. What is that?

4 A. That's a notice of default.

5 Q. And did you sign Mr. Trafford's name and
6 notarize that document?

7 A. Yes.

8 Q. And can you tell -- does it say the name of
9 the person to whom this referred to?

10 A. Excuse me?

11 Q. Does it say who you were doing the, who the
12 client was?

13 A. Oh, Recon Trust Company.

14 Q. And for the record this refers to Count,
15 this is being submitted in support of Counts 1 through 3
16 of the proposed Indictment.

17 Now with all these various client companies
18 that Mr. Trafford was doing work for and that you were
19 assisting with, would Mr. Trafford, would the signature
20 for Mr. Trafford be purported to be done as a
21 representative of each of these individual banks or
22 companies?

23 A. That was my understanding of it, yes.

24 Q. So for example, on Exhibit 11, I'm sorry,
25 on Exhibit 12, when you signed Mr. Sheppard's, I'm

1 sorry, when you signed Mr. Trafford's name to bate stamp
2 102 through 104 for Trustee Corp, do you know if in
3 fact, whether Mr. Trafford had authority to sign as an
4 agent representative of Trustee Corp?

5 A. I have no idea. I mean we were never told
6 anything about that.

7 Q. So to your knowledge you don't know whether
8 Mr. Trafford had authority to sign on behalf of any of
9 these companies?

10 A. I have no idea.

11 Q. Did you personally ever have authority to
12 sign on behalf of any of these companies?

13 A. Meaning like what they gave me?

14 Q. Were any of the clients that you did work
15 for with Mr. Trafford, did they ever personally
16 authorize you?

17 A. Personally, no.

18 Q. So is it your testimony then that
19 everything you were doing was based off of instructions
20 given to you by Mr. Trafford?

21 A. Yes.

22 MR. KELLEHER: I have no further questions.

23 THE FOREPERSON: Jurors, questions?

24 BY A JUROR:

25 Q. I do. Were the documents originated in

1 California or here in Nevada? Where did the documents
2 come from?

3 A. Our clients were all over. Like National
4 Default was in Arizona, Recon Trust was in Texas. Most
5 of the clients were in California though. So it just
6 depended on where, you know, where their document
7 processing center was at.

8 Q. But then you would just get them the day
9 that you had to record them?

10 A. Yes, they would send them to me.

11 Q. They would come like in the mail or
12 something?

13 A. Most of the clients transmitted their
14 documents via email so I would get like an email with a
15 PDF file, a big attachment, with however many they
16 wanted to record that day.

17 THE FOREPERSON: Question.

18 BY A JUROR:

19 Q. Yes. When you prepared the notice of
20 default and then had them recorded, do you know if the
21 individuals in default were notified or sent a copy of
22 it?

23 A. That's what the trustee sale guarantee
24 report does. What that is is we provide the client with
25 all the statutory addresses that they need to mail

1 notices to, so when they would get that report then they
2 would mail a copy of the NOD to the person who was in
3 foreclosure.

4 Q. You mentioned a person that refused to sign
5 for other people.

6 A. Yes.

7 Q. Do you know the status, what his status was
8 with the company after he refused to?

9 A. He was still employed.

10 Q. So there was no punishment or nothing?

11 A. No.

12 Q. Did you ever fear if you didn't do what
13 they said that they would terminate you or punish you?

14 A. No.

15 Q. Did you ever feel like they were putting
16 too much pressure on you to deliver?

17 A. Yes.

18 Q. Did you ever complain to them?

19 A. Yes.

20 Q. Did you ever tell them that they were doing
21 it in a sloppy manner?

22 A. Not that specific, no.

23 Q. What was their reaction when you told them?

24 A. Just that -- my main complaint was there
25 was such a large volume and we were never offered any

1 help, that, you know, mistakes were being made, things
2 were going through that shouldn't have gone through.
3 And it was just figure out a way to do it. You know.

4 Q. So they didn't really seem to care?

5 A. No. Huh-uh.

6 Q. Thank you.

7 THE FOREPERSON: Question.

8 BY A JUROR:

9 Q. Follow-up off this one. When you receive
10 the PDF files and you did the filing, what would happen
11 to those hard copies? Did you send them out somewhere?

12 A. Well, we'd get back just a, not the legal
13 copy, it's just our copy. We would send those back to
14 the client. And then usually in about a month or so the
15 Clark County Recorder's Office would send us the
16 original document that they recorded and we would also
17 give that back to the client.

18 Q. Did Mr. Trafford or Miss Sheppard ever
19 receive follow-up on that?

20 A. What do you mean?

21 Q. As far as that those filings were done.

22 A. Yeah, they would know because, I mean we
23 had a time frame. You know. The trustee sale guarantee
24 report, the letters to the homeowners, it has to be done
25 within ten days, so we needed to get our report to them

1 giving them the addresses so they could get their
2 letters out, and if we didn't get them, you know, that
3 report within a certain amount of time, then yeah, they
4 would hear about it. So yeah, they would know that, you
5 know, if something didn't get recorded, they didn't get
6 their report on time, et cetera.

7 Q. So they knew about every single recording?

8 A. Yes.

9 THE FOREPERSON: Questions?

10 By law, these proceedings are secret and
11 you are prohibited from disclosing to anyone anything
12 that has transpired before us, including evidence and
13 statements presented to the Grand Jury, any event
14 occurring or statement made in the presence of the Grand
15 Jury, and information obtained by the Grand Jury.

16 Failure to comply with this admonition is a
17 gross misdemeanor punishable by a year in the Clark
18 County Detention Center and a \$2,000 fine. In addition,
19 you may be held in contempt of court punishable by an
20 additional \$500 fine and 25 days in the Clark County
21 Detention Center.

22 Do you understand this admonition?

23 THE WITNESS: Yes.

24 THE FOREPERSON: Thank you for your
25 testimony. You are excused.

1 THE WITNESS: Thank you.

2 THE FOREPERSON: Jurors, do you need a
3 slight break?

4 MR. KELLEHER: Actually, Madame Foreperson,
5 that was our last witness for today. We went a lot
6 faster than we thought. We have three other witnesses
7 scheduled but we didn't schedule them until the next
8 date on the 15th so that will conclude our presentation
9 today.

10 (Proceedings adjourned, to reconvene

11 On Tuesday, November 15, 2011.)

12 --oo0oo--

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