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**FILED**

The Honorable Millie Judge

Noted: 6/23/2017

JUN 21 2018

SONYA KRASKI  
COUNTY CLERK  
SNOHOMISH CO. WASH.  
**IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
FOR THE COUNTY OF SNOHOMISH**

MICHAEL RAETHER and  
SAVANNA RAETHER,

Plaintiffs,

vs.

DEUTSCHE BANK NATIONAL  
TRUST COMPANY; SELECT  
PORTFOLIO SERVICING, INC.;  
UNKNOWN INVESTORS IN HSI  
ASSET SECURITIZATION  
CORPORATION TRUST 2007-HE1,

Defendant.

Case No.: 16-2-03164-0

**PLAINTIFF'S RESPONSE TO  
DEFENDANT'S MOTION TO JOIN  
AND SUBSTITUTE**

***I. RELIEF REQUESTED:*** Michael and Savanna Raether respectfully request this Court deny Steel Rives' motion to join and substitute an "indispensable defendant" identified to this Court as "Deutsche Bank National *Trust, Company*<sup>1</sup>, as Trustee for the holders of HSI Asset Securitization Corporation Trust 2007- HE1, Mortgage Pass-Through Certificates, Series

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<sup>1</sup> Throughout this brief the name of entity Steel Rives purports to represent highlights the "," after the name Deutsche Bank Trust, before the word Company. This is not the name of the Deutsche Bank trustee which is identified on either the servicing agreement or the prospectus, as being the trustee of this REMIC trust.

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2 2007-HEI ('the Trust')" as the real party in interest and/or as a defendant to this lawsuit, which  
3 was filed by the Raethers naming other defendants on April 1, 2016.

4 The Raethers also request this Court grant their cross motion to require Stoel Rives and  
5 attorneys John Glowney and Vanessa Soriano Power to prove their authority to represent the  
6 existing defendants and "Deutsche Bank National *Trust, Company*, as trustee" in this case  
7 pursuant to RCW 2.44.020 and .030. This appropriateness of this relief will also be discussed  
8 in their reply to Stoel Rive's response to their cross motion.  
9

10 **II. ISSUES:**

- 11 1. Does Stoel Rives represent the defendants the Raethers sued? (Short Answer: NO)
- 12 2. Is "Deutsche Bank National *Trust, Company*" the Trustee for the holders of HSI Asset  
13 Securitization Corporation Trust 2007- HEI, Mortgage Pass-Through Certificates, Series  
14 2007-HEI? (Short Answer: NO)
- 15 3. Has Stoel Rives produced any evidence that "Deutsche Deutsche Bank National *Trust,*  
16 *Company*" is not an entity being used to launder money in violation of the Federal  
17 Reserve Board's cease and desist order entered May 17, 2017? (Short Answer: NO)
- 18 4. If "Deutsche Bank National Trust, Company as Trustee" is the trustee of this trust, does it  
19 have standing as result of its fiduciary relationship with certificate holders to bring this  
20 foreclosure action where it does not benefit the certificate holders of the trust and likely  
21 will hurt their economic interests by requiring the trust pay for this lawsuit? (Short  
22 Answer: NO)
- 23 5. If "Deutsche Bank National Trust, Company as Trustee" is the trustee of this trust, does it  
24 have standing as result of its fiduciary relationship with certificate holders to bring this  
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1  
2 foreclosure action where it does not benefit the certificate holders of the trust and likely  
3 will hurt their economic interests by requiring the trust pay for this lawsuit? (Short

4 Answer: NO

5 **III. STATEMENT OF FACTS:**

6 Stoel Rives contends in its motion to join and substitute Deutsche Bank *Trust, Company*  
7 as an indispensable defendant that:

8  
9 The Trust<sup>2</sup> has appeared and has been defending the case from the beginning.  
10 Indeed, the Trust filed an answer to the complaint, litigated several motions in this  
11 case with the Raethers, and filed an amended answer and then a counterclaim to  
12 which the Raethers consented. The Trust should be joined as a proper party under  
13 CR 19 and 21, and substituted for the existing defendants, and the case caption  
14 should be corrected to reflect the Trust as the proper defendant.

15 Motion, 2:3-4. The Raether's disagree.

16 The Raethers chose specifically not to name Deutsche Bank Trust Bank as a trustee or the  
17 trust as a defendant because the certificate holders had no interest in the foreclosure and would  
18 not benefit from it. See Stafne dec. in support of motion for reconsideration. Stoel Rives  
19 answering on behalf of the defendants sued purported to represent them. Now Stoel Rives is  
20 claimed the litigated on their behalf for over a year without representing these defendants.

21 Following the caption of original answer, amended answer, and second amended answer  
22 Stoel Rives purports to represent the defendants Raether sued. In this regard, Stoel Rives  
23 states:

24 Defendants Select Portfolio Servicing, Inc. ("SPS") and Deutsche Bank National *Trust,*  
25 *Company,* as Trustee for the holders of HSI Asset Securitization Trust 2007 Trust  
26 2007-HE1, Mortgage Pass-Through Certificates, Series 2007-HE1 (the "Trust") and

27 <sup>2</sup> The first paragraph of Stoel Rives motion defines the trust to be: "Deutsche Bank National *Trust, Company,* as  
28 Trustee for the holders of HSI Asset Securitization Corporation Trust 2007- HE1, Mortgage Pass-Through  
Certificates, Series 2007-HE1 (the 'trust') as the proper defendant.

1  
2 collectively "Defendants" answer Plaintiffs Michael and Savanna Raether's Complaint  
3 for Quiet Title as follows: ...

4 See original answer, amended answer, and second amended answer attached as Exhibit C to

5 Stafne's declaration in support of motion for reconsideration.

6 Following the words "(the Trust)" in the opening paragraph of Stoel Rive's answer is  
7 footnote 1. This footnote appears on all three of the answers. The content of footnote 1, which  
8 is identical on all three answers, states:.

9 Defendants Deutsche Bank National Trust, as Trustee for holder of HSI Asset  
10 Securitization Corporation Trust 2007-HE1, Mortgage Pass-Through  
11 Certificates, Series 2007-HE1 (the "Trust") notes that Plaintiffs appear to have  
12 misidentified the applicable parties. The Trust will coordinate with counsel for  
13 Plaintiffs should they ask and seek to substitute the proper party.

14 *Id.*

15 The Raethers contend this is an admission against interest by Stoel Rives. Clearly, Stoel  
16 Rives believed the defendants on behalf of whom it had appeared and litigated motions for  
17 over were not the real parties in interest and should have been substituted long ago with  
18 "Deutsche Bank National *Trust, Company*" *if that entity was the real party in interest.*

19 Another fact which is evident from Stoel Rives' latest motion to substitute is that the " ,"  
20 after "*Trust*" and before the word "*Company*" in the three answers was not simply a word  
21 processing error. Indeed, Stoel Rives Motion to substitute begins by requesting the following  
22 relief:

23 The Court is requested to enter an order joining and substituting Deutsche Bank  
24 National *Trust, Company*, as Trustee for the holders of HSI Asset Securitization  
25 Corporation Trust 2007- HE1, Mortgage Pass-Through Certificates, Series  
26 2007-HE1 (the "Trust") as the proper defendant in this case. Plaintiff Raethers'  
27 complaint to quiet title based upon the statute of limitations states a claim against  
28 the holder of the Raethers' note. The Trust holds the Raethers' note and deed of  
trust. Neither of the currently identified defendants in this case, the investors in

1  
2 the Trust, nor Deutsche Bank in its individual capacity, not its trustee capacity, is  
3 a proper or necessary party to the Raethers' complaint.

4 Motion, 1:16-2:2.

5 Of course, one problem for Stoel Rives is the Trustee identified on the Pooling and  
6 Servicing Agreement produced by Mr. Glowney is not Deutsche Bank National *Trust,*  
7 *Company*, but Deutsche Bank National Trust Company (no comma between Trust and Bank).

8 See Glowney dec., Ex. 1, PSA, p. 1. The comma is significant because it suggests Deutsche  
9 Bank National *Trust, Company* and Deutsche Bank are different entities that fall within the  
10 cease and desist order against all of Deutsche Bank's United States operations and affiliates.

11 This cease and desist order was entered on May 17, 2017 and can be accessed at  
12 <https://www.federalreserve.gov/newsevents/pressreleases/enforcement20170530a.htm>. Because this order is  
13 accessible from a government website it can and should be judicially noticed.

14 The use of similar sounding names facilitates money laundering schemes, which are  
15 prohibited by federal law. Stoel Rives substitution of Deutsche Bank *Trust, Company* for  
16 Deutsche Bank Trust Company allow money to be laundered to the wrong entity in violation of  
17 Bank Secrecy and Anti-Money Laundering statutes. *See e.g.* Office of the Comptroller of the  
18 Currency, U.S. Department of Treasury, "Bank Secrecy Act" (which can be accessed at  
19 <https://www.occ.treas.gov/topics/compliance-bsa/bsa/index-bsa.html> and "Anti-Money  
20 Laundering Regulations (which apply to professional service providers, like lawyers). The  
21 governments website on Anti--Money Laundering can be accessed at this government website.

22 <https://www.occ.treas.gov/topics/compliance-bsa/bsa/aml-examinations/index-aml-examinations.html>

23 The Federal Reserve Board's Order entered on May 17, 2017 states in pertinent part:

24  
25  
26 WHEREAS, Deutsche Bank AG, Frankfurt, Germany ("Deutsche Bank")

1  
2 is a foreign bank as defined in section 1(b)(7) of the International Banking Act  
3 (12 U.S.C. § 3101(7)) that controls a large complex financial organization that  
4 consists of a number of separate business lines and legal entities in many  
5 countries around the world;

6 *WHEREAS, Deutsche Bank conducts operations in the United States*  
7 *through its U.S. bank holding company, DB USA Corporation, New York, New*  
8 *York ("DB USA") that owns and controls Deutsche Bank Trust Company*  
9 *Americas, New York, New York ("DBTCA"), a state-chartered bank that is a*  
10 *member of the Federal Reserve System; Deutsche Bank's branch office located in*  
11 *New York, New York (the "Branch"); and various other offices and subsidiaries*  
12 *(the "U.S. Operations");*

13 WHEREAS, the Board of Governors of the Federal Reserve System (the  
14 "Board of Governors") is the appropriate federal supervisor in the United States  
15 for DB USA, DBTCA, and the Branch;

16 WHEREAS, Deutsche Bank has adopted a firmwide risk management  
17 program for the U.S. Operations that is designed to identify and manage  
18 compliance risks related to compliance with all applicable laws, rules, and  
19 regulations relating to anti-money laundering ("AML") compliance, including the  
20 Bank Secrecy Act ("BSA") (31 U.S.C. § 5311 et seq.); the rules and regulations  
21 issued thereunder by the U.S. Department of the Treasury (31 C.F.R. Chapter X);  
22 and the AML regulations issued by the appropriate federal supervisors for DB  
23 USA, DBTCA, and the Branch, including, but not limited to: (i) with respect to  
24 DB USA and DBTCA, Regulations H and Y of the Board of Governors (12  
25 C.F.R. § 208.62 et seq. and § 225.4(f)), and (ii) with respect to the Branch,  
26 Regulation K of the Board of Governors (12 C.F.R. §§ 211.24(f) and 211.24(j))  
27 (collectively, the "BSA/AML Requirements");

28 WHEREAS, DB USA oversees compliance and risk management  
procedures for entities within the U.S. Operations;

WHEREAS, DBTCA and the Branch are required to maintain programs  
reasonably designed to ensure compliance with applicable BSA/AML  
Requirements;

WHEREAS, this Order to Cease and Desist and Order of Assessment of a  
Civil Money Penalty (the "Order") is issued with respect to the following: A. The  
most recent examination of the BSA/AML program at DBTCA and the Branch  
conducted by the Federal Reserve Bank of New York (the "Reserve Bank")  
identified significant deficiencies in DBTCA's and the Branch's risk management  
and compliance with the BSA/AML Requirements that have resulted in a  
violation of the regulatory compliance program requirement

*WHEREAS, Deutsche Bank's U.S. Operations are one of the largest U.S.*  
*dollar processors and pose a high degree of BSA/AML risk;*

*WHEREAS, it is the common goal of the Board of Governors, the Reserve*  
*Bank, and Deutsche Bank that Deutsche Bank maintains effective corporate*  
*governance and oversight over the U.S. Operations, including the establishment*  
*and maintenance of robust risk management and compliance programs on a*

1  
2 *consolidated basis;*

3 *WHEREAS, it is the common goal of the Board of Governors, the Reserve*  
4 *Bank, Deutsche Bank, and the Branch that the Branch operates in compliance*  
5 *with all applicable federal laws, rules, and regulations; and*

6 *WHEREAS, Deutsche Bank's Management Board, at a duly constituted*  
7 *meeting, authorized Deutsche Bank to enter into this Order, and whereas pursuant*  
8 *to delegated authority, the undersigned signatories for Deutsche Bank, DB USA,*  
9 *DBTCA, and the Branch are authorized to enter into this Order on behalf of*  
10 *Deutsche Bank, DB USA, DBTCA, or the Branch, respectively, and consent to*  
11 *compliance with each and every provision of this Order by Deutsche Bank, DB*  
12 *USA, DBTCA and the Branch, respectively, and to waive any and all rights that*  
13 *each may have pursuant to section 8 of the Federal Deposit Insurance Act, as*  
14 *amended (the "FDI Act") (12 U.S.C. § 1818), including, but not limited to: (i) the*  
15 *issuance of a notice of charges on any matters set forth in this Order; (ii) a hearing*  
16 *for the purpose of taking evidence on any matters set forth in this Order; (iii)*  
17 *judicial review of this Order; and (iv) challenge or contest, in any manner, the*  
18 *basis, issuance, validity, terms, effectiveness or enforceability of the Order or any*  
19 *provision hereof.*

20 NOW, THEREFORE, it is hereby ordered that, before the filing of any  
21 notices, or taking of any testimony or adjudication of or finding on any issues of  
22 fact or law herein, and solely for the purpose of settling this matter without a  
23 formal proceeding being filed and without the necessity for protracted or extended  
24 hearings or testimony, pursuant to sections 8(b)(1), (3), and (4) of the FDI Act (12  
25 U.S.C. §§ 1818(b)(1), 1818(b)(3), and 1818(b)(4)), Deutsche Bank, DB USA,  
26 DBTCA, and the Branch, shall cease and desist and take affirmative action as  
27 follows:

### 28 **Corporate Governance and Management Oversight of the U.S. Operations**

1. Within 60 days of this Order, Deutsche Bank's Management Board and DB  
USA's U.S. Risk Committee ("U.S. Risk Committee") shall jointly submit a  
written plan to strengthen their respective oversight of BSA/AML compliance  
across the U.S. Operations on a consolidated basis acceptable to the Reserve  
Bank. The plan shall provide for a sustainable governance framework that, at a  
minimum, addresses, considers, and includes:

- (a) actions to improve the consolidated framework for BSA/AML compliance  
*across the U.S. Operations, including, but not limited to, maintenance of*  
*effective control over, and supervision of the implementation of the BSA/AML*  
*compliance program by U.S. senior management;*
- (b) actions to improve compliance risk management with regard to DBTCA's  
and the Branch's compliance with the applicable BSA/AML Requirements;
- (c) *measures to ensure that the persons or groups charged with carrying out*  
*BSA/AML compliance across the U.S. Operations possess appropriate subject*  
*matter expertise and are actively involved in carrying out their responsibilities,*

1  
2 *and procedures to require the escalation of significant matters related to*  
3 *compliance risks to U.S. senior management;*

4 (d) adequate resources for the persons or groups charged with carrying out  
5 BSA/AML compliance across the U.S. Operations;

6 (e) a description of the information and reports related to BSA/AML compliance  
7 across the U.S. Operations that will be regularly reviewed by Deutsche Bank's  
8 Management Board, the U.S. Risk Committee, and U.S. senior management;  
9 and

10 (f) *measures to improve the management information systems reporting of*  
11 *BSA/AML compliance programs to ensure effective oversight by Deutsche*  
12 *Bank's Management Board, the U.S. Risk Committee, and U.S. senior*  
13 *management of BSA/AML compliance across the U.S. Operations.*

### 9 **Compliance Risk Management Program for the U.S. Operations**

10 2. Within 60 days of completion of the review required by paragraph 3 of this  
11 Order, Deutsche Bank's Management Board and the U.S. Risk Committee shall  
12 jointly submit a written plan to improve the firmwide compliance risk  
13 management program for the U.S. Operations with regard to the applicable  
14 BSA/AML Requirements acceptable to the Reserve Bank. The plan shall, at a  
15 minimum, address, consider, and include:

16 (a) the scope and frequency of the BSA/AML compliance risk assessments;

17 (b) comprehensive BSA/AML risk assessment processes, including clearly  
18 defined parameters regarding acceptable risks associated with specific types of  
19 customers or businesses;

20 (c) identification of all business lines, activities, and products to ensure that such  
21 business lines, activities, and products are appropriately risk-rated and included in  
22 the BSA/AML risk assessments;

23 (d) enhanced BSA/AML-related written policies, procedures, and compliance risk  
24 management standards;

25 (e) the duties and responsibilities of compliance personnel for each business line  
26 and legal entity regarding BSA/AML compliance functions, including the  
27 reporting lines within DBTCA and the Branch; (f) measures to ensure BSA/AML  
28 compliance and improve BSA/AML-related accountability within all business  
lines and legal entities and their respective BSA/AML compliance functions;

\*

\*

\*

### 23 **DBTCA BSA/AML Compliance Review**

24 3. Within 30 days of this Order, DBTCA shall retain an independent third party  
25 acceptable to the Reserve Bank to: (i) conduct a comprehensive review of  
26 DBTCA's compliance with the applicable BSA/AML Requirements (the  
27 "BSA/AML Compliance Review") and (ii) prepare a written report of findings,  
28 conclusions, and recommendations (the "BSA/AML Compliance Report"). 4.

Within 10 days of the engagement of the independent third party, but prior to the  
BSA/AML Compliance Review, DBTCA shall submit to the Reserve Bank for

1  
2 approval an engagement letter that provides, at a minimum, for the independent  
3 third party to:

4 (a) *identify all DBTCA's business lines, activities, and products, to ensure that*  
5 *such business lines, activities, and products are included in the BSA/AML risk*  
6 *assessment methodology and that the risk assessments are appropriately*  
7 *integrated into DBTCA's BSA/AML compliance program, policies, and*  
8 *procedures;*

9 (b) **conduct a comprehensive assessment of DBTCA's BSA/AML compliance**  
10 **program, policies, and procedures, including procedures for identifying and**  
11 **reporting suspicious activity<sup>3</sup>;**

12 (c) complete the BSA/AML Compliance Review within 60 days of the Reserve  
13 Bank's approval of the engagement letter;

14 (d) provide to the Reserve Bank a copy of the BSA/AML Compliance Report at  
15 the same time that the report is provided to DBTCA; and

16 (e) commit that any and all interim reports, drafts, workpapers, or other  
17 supporting materials associated with the BSA/AML Compliance Review will be  
18 made available to the Reserve Bank upon request.

## 19 **DBTCA Transaction Review**

20 5. Within 30 days of this Order, DBTCA shall engage an independent third party,  
21 acceptable to the Reserve Bank, to conduct a review of DBTCA's foreign  
22 correspondent banking activity conducted at, by, or through DBTCA from July 1,  
23 2016 to December 31, 2016 to determine whether suspicious activity involving  
24 transactions at, by, or through DBTCA was properly identified and reported in  
25 accordance with applicable suspicious activity reporting regulations (the  
26 "Transaction Review") and to prepare a written report detailing the independent  
27 third party's findings (the "Transaction Review Report").

28 6. Based on the Reserve Bank's evaluation of the results of the Transaction  
Review and the Transaction Review Report, the Reserve Bank may direct  
DBTCA to engage the independent third party to conduct a review for additional  
time periods and for additional business activities.

7. Within 10 days of engagement of the independent third party, but prior to the  
commencement of the Transaction Review, DBTCA shall submit to the Reserve  
Bank for approval an engagement letter that sets forth:

(a) the scope of the Transaction Review;

(b) the methodology for conducting the Transaction Review, including any  
sampling procedures to be followed;

(c) the expertise and resources to be dedicated to the Transaction Review;

(d) the anticipated date of completion of the Transaction Review and the  
Transaction Review Report;

<sup>3</sup> The Raether's contend Stoel Rives continued use of the name "Deutsche Bank Trust, Company" as a substitute  
for Deutsche Bank Trust Company is suspicious under these circumstances where the certificate holders of the  
actual trust will in no way benefit from the foreclosure.

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2 (e) a commitment to provide a copy of the Transaction Review Report to the  
3 Reserve Bank at the same time that the report is provided to DBTCA; and  
4 (f) a commitment that any and all interim reports, drafts, workpapers, or other  
5 supporting material associated with the Transaction Review will be made  
6 available to the Reserve Bank upon request.

7 8. Throughout the Transaction Review, DBTCA shall ensure that all matters or  
8 transactions required to be reported that have not previously been reported are  
9 reported in accordance with applicable rules and regulations.

### 10 **BSA/AML Compliance Program for DBTCA and the Branch**

11 9. Within 60 days of the submission of the BSA/AML Compliance Report,  
12 DBTCA and the Branch shall submit a revised written BSA/AML compliance  
13 program acceptable to the Reserve Bank. At a minimum, the program shall  
14 address the findings and recommendations of the BSA/AML Compliance Report  
15 and provide for:

- 16 (a) a system of internal controls designed to ensure compliance with the  
17 applicable BSA/AML Requirements;
- 18 (b) *comprehensive BSA/AML risk assessment processes, including clearly defined  
19 parameters regarding scope, frequency, and acceptable risks associated with  
20 specific types of customers or businesses;*
- 21 (c) *a comprehensive BSA/AML risk assessment that appropriately identifies and  
22 considers all products and services, customer types and geographic risks, as  
23 appropriate, in determining inherent and residual risks;*
- 24 (d) identification of the management information systems used to achieve  
25 compliance with the applicable BSA/AML Requirements and a timeline to review  
26 key systems to ensure they are configured to mitigate BSA/AML risks;
- 27 (e) improved independent testing procedures and quality assurance controls to  
28 evaluate DBTCA's and the Branch's compliance with the applicable BSA/AML  
Requirements;
- (f) enhanced written policies, procedures, and compliance risk management  
standards, including specifications concerning the duties, responsibilities, and  
accountability, including reporting lines, of each business line, legal entity, and  
respective compliance functions regarding BSA/AML compliance;
- (g) management of the BSA/AML program by a qualified officer, with requisite  
authority, who is responsible for implementing and maintaining a program that is  
commensurate with the organization's size and risk profile;
- (h) allocation of adequate staffing levels and resources to ensure compliance with  
this Order and the applicable BSA/AML Requirements; and
- (i) *effective training for all appropriate personnel, including appropriate  
personnel of affiliates that perform BSA/AML compliance-related functions in all  
aspects of the applicable BSA/AML Requirements and internal policies and  
procedures.*

1  
2 **Customer Due Diligence**

3 10. Within 60 days of submission of the BSA/AML Compliance Report, DBTCA  
4 and the Branch shall submit a revised written customer due diligence program  
5 acceptable to the Reserve Bank. At a minimum, the program shall address the  
6 findings and recommendations of the BSA/AML Compliance Report, and  
7 include:

8 (a) *policies, procedures, and controls to ensure that DBTCA and the Branch*  
9 *collect, analyze, and retain complete and accurate customer information for all*  
10 *account holders, including, but not limited to, affiliates;*

11 (b) a plan, with timelines, to remediate deficient due diligence for existing  
12 customers accounts;

13 (c) a revised methodology for assigning risk ratings to account holders that  
14 considers factors such as type of customer, type of products and services, and  
15 geographic location;

16 (d) policies, procedures and controls to ensure that foreign correspondent  
17 accounts are accorded the appropriate due diligence, and where necessary,  
18 enhanced due diligence;

19 (e) for each customer whose transactions require enhanced due diligence,  
20 procedures to:

21 (i) determine the appropriate documentation necessary to verify the  
22 identity and business activities, including typical and expected transactions, of the  
23 customer; and

24 (ii) determine the frequency of monitoring to understand if any changes  
25 occur with the typical and expected transactions of the customer; (f) procedures to  
26 ensure periodic reviews and evaluations are conducted and documented for all  
27 account holders.

28 **Suspicious Activity Monitoring and Reporting**

11. *Within 60 days of submission of the BSA/AML Compliance Report, DBTCA  
and the Branch shall submit a written program acceptable to the Reserve Bank  
to reasonably ensure the identification and timely, accurate, and complete  
reporting by DBTCA and the Branch of all known or suspected violations of  
law or suspicious transactions to law enforcement and supervisory authorities,  
as required by applicable suspicious activity reporting laws and regulations. At  
a minimum, the program shall address the findings and recommendations of the  
BSA/AML Compliance Report and include:*

*(a) a well-documented methodology for establishing monitoring rules and  
thresholds appropriate for DBTCA's and the Branch's profiles, which consider  
factors such as type of customer, type of product or service, geographic location,  
and foreign correspondent banking activities, including U.S. dollar clearing  
activities;*

- 1  
2 *(b) policies and procedures for analyzing, testing, and documenting changes to*  
3 *monitoring rules and thresholds;*  
4 *(c) enhanced monitoring and investigation criteria and procedures to ensure the*  
5 *timely detection, investigation, and reporting of all known or suspected*  
6 *violations of law and suspicious transactions, including, but not limited to:*  
7 *(i) effective monitoring of customer accounts and transactions,*  
8 *including but not limited to, transactions conducted through foreign*  
9 *correspondent accounts;*  
10 *(ii) appropriate allocation of resources to manage alert and case*  
11 *inventory;*  
12 *(iii) adequate escalation of information about potentially*  
13 *suspicious activity through appropriate levels of management;*  
14 *(iv) maintenance of sufficient documentation with respect to the*  
15 *investigation and analysis of potentially suspicious activity, including the*  
16 *resolution and escalation of concerns; and*  
17 *(v) maintenance of accurate and comprehensive customer and*  
18 *transactional data and ensuring that it is applied to DBTCA's and the*  
19 *Branch's compliance programs;*  
20 *(d) controls to ensure that transaction monitoring systems and associated*  
21 *automated processes are subject to periodic reviews and timely updates.*

#### Transaction Monitoring System

22  
23  
24 12. *Within 60 days of this Order, DBTCA and the Branch shall submit a written*  
25 *plan acceptable to the Reserve Bank, including a timetable, for the*  
26 *enhancement of DBTCA's and the Branch's transaction monitoring system.*  
27 *The plan shall also include a methodology and target date for determining that*  
28 *the transaction monitoring system is effective.*

13. Within 30 days of this Order, DBTCA and the Branch shall submit a written interim transaction monitoring plan for foreign correspondent banking activity acceptable to the Reserve Bank that shall remain in effect until the transaction monitoring system described in paragraph 12 of this Order is deemed to be fully effective. This interim plan shall be designed to monitor transactions at, by, or through DBTCA and the Branch so that they can comply with applicable suspicious activity reporting requirements.

\* \* \*

#### Approval, Implementation, and Progress Reports

15. (a) Deutsche Bank's Management Board, the U.S. Risk Committee, DBTCA, and the Branch, as applicable, shall submit the written plans, programs, and engagement letters that are acceptable to the Reserve Bank within the applicable time periods set forth in paragraphs 1-5, 7, and 9-13 of this Order. Each plan or program shall contain a timeline for full implementation of the plan or program with specific deadlines for the completion of each component of the plan or

1  
2 program. Independent third parties acceptable to the Reserve Bank shall be  
3 retained by DBTCA within the time period set forth in paragraphs 3 and 5 of this  
4 Order.

5 (b) Within 10 days of acceptance by the Reserve Bank, Deutsche Bank's  
6 Management Board, the U.S. Risk Committee, DBTCA, and the Branch, as  
7 applicable, shall adopt the plans and programs. Upon adoption, Deutsche Bank's  
8 Management Board, the U.S. Risk Committee, DBTCA, and the Branch, as  
9 applicable, shall implement the plans and programs and thereafter fully comply  
10 with them.

11 (c) During the term of this Order, the approved plans, programs, and engagement  
12 letters shall not be amended or rescinded without the prior written approval of the  
13 Reserve Bank.

14 16. Within 30 days after the end of each calendar quarter following the date of this  
15 Order, Deutsche Bank's Management Board, the U.S. Risk Committee, DBTCA,  
16 and the Branch shall submit to the Reserve Bank consolidated written progress  
17 reports detailing the form and manner of all actions taken to secure compliance  
18 with the provisions of this Order and the results thereof. The Reserve Bank may,  
19 in writing, discontinue the requirement for progress reports or modify the  
20 reporting schedule.

21 **The PSA attached to Mr. Glowney's declaration<sup>4</sup> does not establish the trustee**  
22 **has any economic interest in this foreclosure at all. Indeed, this foreclosure may be against the**  
23 **best interests of the trust and its certificate holders if they are being required to pay for it since**  
24 **as Stoel Rives admits they will get nothing out of the foreclosure.**

25 **Because the PSA required the Master Servicer, Wells Fargo, to make "servicing**  
26 **advances" to the trustee on behalf of the Raethers, the trust and trustee were never impacted by**  
27 **the Raether's defaults. See PSA definitions of "Nonrecoverable Servicing Advances", p. 33,**  
28 **Realized losses, p. 39, Repurchase price, p. 40 as well as Sec. 3.07 relating to servicing**  
**advances, pp. 60-61, Section 7.01 relating to default, pp 84-87. Moreover the PSA required the**

25 <sup>4</sup> Scott Stafne, the Raether's attorney, admits that he erred in stating Stoel Rives did not provide a complete copy of  
26 the PSA in the Raether's reply to Stoel Rive's response to their motion to reconsider. See Stafne declaration. But the  
27 Raether's would point out that it is a little late in the game for Stoel Rives to be utilizing the PSA as a basis for  
28 supporting its motion to join and substitute and for refuting their CR 56 motion for reconsideration. See e.g. White  
v. Kent Medical Ctr., 61 Wn. App. 163, 168-169, 810 P.2d 4 (1991)

1  
2 trustee be indemnified against any economic loss except that which occurred as a result of its  
3 own negligence. See 9.14 relating to indemnification of the trustee at p. 113. Accordingly, the  
4 only entity which appears to have sustained any economic harm from the Raether's defaults is  
5 the Master Servicer.

6 Finally, as Cyndee Rae Estrada points out in her declaration it is more likely the  
7 prospectus which is the controlling document with regard to the trust. The PSA is only  
8 an agreement between those parties who work for the trust and not the actual trust  
9 agreement, which needs to be produced in order to establish who is the real party in  
10 interest under these circumstances.

11  
12 The only thing we know for sure here is that Deutsche Bank Trust, Company is  
13 not named as trustee on either the Prospectus or PSA.

14 ***IV. EVIDENCE RELIED UPON:***

15 The Raether's rely on 1.) the declaration of John Glowney, submitted in support of the  
16 existing defendants response to the Raether's Motion for Reconsideration of this Court's  
17 summary judgment motion which includes a complete copy of the PSA, 2.) the declaration of  
18 Cyndee Rae Estrada; 3.) the declaration of Scott E. Stafne in support of this opposition; and 4)  
19 all pleadings associated with the defendants motion for summary judgment re: tolling; the  
20 Raether's motion to reconsider the tolling order, including the Court's resolution of the  
21 disputed standing issue by issuing an order to bring a motion pursuant to CR 21; this motion  
22 and the Raether's cross motion. (The reason the pleadings and evidence must be considered is  
23 because this Court's order to the existing defendants to file a motion to join pursuant to CR 21  
24 relates all these motions together so that all of these motions involve the same issue.)  
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2 The Raether's also rely on the admissions set forth in Stoel Rives' motion to join and  
3 substitute, as well as in other documents, as will be identified herein and as are further  
4 identified and substantiated in the declaration of Cyndee Rae Estrada.

5 ***V. ARGUMENT:***

6 The Raethers will address argument Stoel Rives makes in its motion to join and substitute  
7 Deutsche Bank National *Trust, Company*.

8  
9 First, the Raethers will establish that Stoel Rives argument that Deutsche Bank National  
10 **Trust, Company** is an indispensable party under CR 19 and/or is a party that can be added or  
11 joined in this lawsuit at any time by a law firm and attorneys, who have not established that  
12 any such entity exists and/or that they represent such entity is not law of Washington or the  
13 United States. This argument will be addressed both here and as part of the Raether's reply to  
14 Stoel Rives' response to Stoel Rives response to the Raether's cross motion to prove authority.

15  
16 **Second, the Raether's will respond to Stoel Rives argument that Deutsche Bank National**  
17 **Trust, Company should be allowed to intervene notwithstanding the circumstances of Stoel**  
18 **Rives purported possession is suspicious and consistent with potential money laundering**  
19 **activities Deutsche Bank covered by a cease and desist order of the Federal Reserve Bank**  
20 **which was put in place May 17, 2017.**

21 Third, the Raether's will demonstrate that there is nothing about the loan securitization  
22 process which insulates from being subject to the third party standing requirements for  
23 attorneys, which are discussed in the Raether's cross motion and creates immunity for money  
24 laundering by Deutsche Bank U.S. entities, Stoel Rives, and any other parties or persons who  
25 are part of such activities.  
26  
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2 **A. “Deutsche Bank National Trust, Company” is not the Trustee for the Trust involved**  
3 **in this Case and Therefore is Not an Indispensable Party Under CR 19 because it is**  
4 **not a real party in interest.**

5 The prospectus identifies Deutsche Bank Trust National Association (without a comma  
6 and as a National Association) as the trustee of this trust. The PSA identifies Deutsche Bank  
7 National Trust Company (without a comma and without identifying the trustee as a National  
8 Association) as the trustee of the certificate holders of the applicable trust.

9 Only Stoel Rives, a third party vendor to SPS, which claims to possess the note on behalf  
10 of Deutsche Bank National *Trust, Company* claims that this entity (which may or may not be  
11 fictitious) is the holder of the note. If that is so, it is difficult to understand how that entity  
12 became the holder of the note “as trustee” because Stoel Rives has not set forth any analysis by  
13 which the PSA allows “Deutsche Bank National *Trust, Company*, as Trustee for the holders of  
14 HSI Asset Securitization Trust 2007 Trust 2007-IIB1, Mortgage Pass-Through Certificates,  
15 Series 2007-HE1 (the “Trust”)<sup>5</sup> to bring this action on behalf of certificate holders, as Stoel  
16 Rives purports to be doing.

17  
18 Stoel Rives assertions through John Glowney that it holds the note on behalf of Deutsche  
19 Bank National *Trust, Company* are questionable because they are disputed by the both the  
20 prospectus and PSA at a time when Deutsche Banks operations and affiliations have been  
21 associated with admitted money laundering by and between between various Deutsche Bank  
22 entities, which have been ordered to be stopped such activities until things can be sorted out.

23 *See Cease and Desist Order by Federal Reserve Bank filed May 17, 2017.*  
24

25  
26 <sup>5</sup> This language in quotes includes the only party Stoel Rives has identified in its answer and this motion as being  
27 the purported party Stoel Rives which is indispensable to this action. But, now in later pleadings Stoel Rives  
28 admits the certificate holders of the trust are not entitled to any financial benefit from the foreclosure *or who will be*  
*benefitted by such foreclosure.*

1  
2 Given that Stoel Rives has not substantiated its has any attorney-client relationship with  
3 Deutsche Bank or its U.S. operations and affiliates its attempt to create one on behalf of  
4 Deutsche Bank National *Trust, Company* should be carefully scrutinized when Deutsche Bank  
5 overall US operations have been suspended so as to investigate the type of suspicious behavior  
6 which is ongoing in this case.

7  
8 Stoel Rives motion to join and substitute the trustee now argues that the trust and the  
9 trustee are the only real parties to this action and that the Raether's cannot sue the trust. But  
10 Stoel Rives has not established why the trust has any interest in foreclosing. True, the belated  
11 introduction of the PSA has finally been offered to this Court, but without any explanation as  
12 to how its justifies Deutsche Bank *Trust, Company* foreclosing on behalf of the certificate  
13 holders, who Stoel Rives now admits will not benefit be benefitted in any way from such a  
14 foreclosure by the trustee. Further, the PSA Stoel Rives belatedly produced documents the  
15 actual trustee of trust has no economic stake in this foreclosure because Master Servicer Wells  
16 Fargo has provided it with servicing advances and is completely indemnified from all losses  
17 except those caused by its own negligence. See PSA, definitions, PSA definitions of  
18 "Nonrecoverable Servicing Advances", p. 33, "Realized losses", p. 39, "Repurchase price", p.  
19 40 as well as Sec. 3.07 relating to servicing advances, pp. 60-61, Section 7.01 relating to  
20 default, pp 84-87. See also Sec. 9.14 relating to indemnification of the trustee at p. 113.

21  
22 Because Stoel Rives did not make any argument substantiating the PSA makes "Select  
23 Portfolio Servicing, Inc. ("SPS") and Deutsche Bank National *Trust, Company*, as Trustee for  
24 the holders of HSI Asset Securitization Trust 2007 Trust 2007-HE1, Mortgage Pass-Through  
25 Certificates, Series 2007-HE1 (the "Trust")" there is no basis before this Court for its to grant  
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1  
2 Stoel Rives motion to join and substitute. Hopefully, Stoel Rives will be better able in its reply  
3 to set forth its reasoning in this regard, but query whether it is too late to do so now. *See e.g.*  
4 *White v. Kent Medical Ctr.*, 61 Wn. App. 163, 168-169, 810 P.2d 4 (1991)(Arguments cannot  
5 be raised for first time in reply.)

6 **B. Possession by Stoel Rives of a Note Attorney John Glowney claims is Possessed on**  
7 **behalf of non-party Deutsche Bank National Trust, Company is not Evidence of Standing**  
8 **or Real Party in Interest Status to Bring this Action Where Deutsche Bank is Precluded**  
9 **From Doing So by an Order of the Federal Reserve Board.**

10 What Stoel Rives appears to saying to this Court is that because John Glowney has told  
11 various judges of this Court (Judges Okrent, Bowden, and Judge) that he has possession of the  
12 note on behalf of Deutsche Bank *Trust, Company* (at times when it was not a party to this  
13 action) that entity should be allowed to foreclose. See Motion, “Deutsche Bank as Trustee  
14 Holds the Raethers’ Note”, 5:4-6:14. The Raethers strongly disagree.

15  
16 The Raether’s understood from the very beginning of this case that the certificate holders  
17 had no interest in foreclosing on Raether’s house. Accordingly, the Raether’s properly put the  
18 authenticity of the note at issue in their answer to the existing defendants counterclaims and  
19 asserted by way of affirmative defenses that non-defendant Deutsche Bank **Trust, Company**  
20 was not a proper party to this lawsuit and was a fraudulent holder of their note.

21 These allegations were sufficient to require any “wanna-be” holder to prove by a  
22 preponderance of the evidence to a jury that the note was not possessed as a result of fraud.  
23 *Higgins v. Radach*, 12 Wn.2d 628, 633-635, 123 P.2d 352 (1942); *National Bank of Commerce*  
24 *v. Drewry*, 70 Wash. 577, 127 P. 102 (1912); *Ireland v. Scharpenberg*, 54 Wash. 558, 565-66,  
25 103 P. 801 (1909). “*See RCW 62A.3-308(a)* (a signature on a promissory note is presumed  
26  
27  
28

1  
2 authentic and authorized unless the validity of the signature is specifically denied in the  
3 pleadings.” *United States Bank, N.A. v. La Mothe*, 2016 Wash. App. LEXIS 394, \*8 (2016)  
4 (unpublished). *See also* Comments to RCW 62.3-308(a).

5 Further, Stoel Rives cagey use of the global term “Deutsche Bank” cannot be ignored  
6 where it moves to add a wholly different party identified as “Deutsche Bank National *Trust,*  
7 *Company*, as Trustee for the holders of HSI Asset Securitization Trust 2007 Trust 2007-HE1,  
8 Mortgage Pass-Through Certificates, Series 2007-HE1 (the “Trust”)” Under the circumstances  
9 of this case allowing such a substitution will authorize these attorneys claiming to represent  
10 this entity (without proving they do) to actually substitute a different entity (Deutsche Bank  
11 National *Trust, Company*) for the different trustees identified in the Prospectus and the PSA.  
12 This implicates federal money laundering concerns and would allow Stoel Rives to effectively  
13 get around the Federal Reserve Board’s Order requiring Deutsche Bank’s United States  
14 operation and affiliates therein to a cease and desist order from suspicious activities which may  
15 promote money laundering.  
16

17  
18 Under these circumstances does it make sense for this Court to allow a suspicious  
19 Deutsche Bank entity to foreclose on behalf of another Deutsche Bank entity as trustee where it  
20 is possible that this is a shell game being perpetrated in violation of the Bank Secrecy Act and  
21 the Anti-Money Laundering regulations. Seriously, why does Stoel Rives identify its client as  
22 Deutsche Bank National *Trust, Company* rather than the names used in the prospectus and the  
23 PSA???

24  
25 Deutsche Bank was ordered to cease and desist from any suspicious activities which  
26 could involve money laundering on May 17, 2017. This Court has an obligation not to allow  
27  
28

1  
2 **Stoel Rives to flaunt this order by allowing them to insert Deutsche Bank National Trust,**  
3 **Company into this lawsuit because it is not identified anywhere as a trustee and this is the type**  
4 **of suspicious activity which the Federal Reserve Board has ordered be halted during this time**  
5 **period. Cf. Board of Governors of the Fed. Reserve Sys. v. MCorp Fin., 502 U.S. 32, 112 S. Ct.**  
6 **459 (1991) “See also Washington Const., Art. 1, § 2; U.S. Const. Art. VI, § 2. Consideration by**  
7 **this Court of the cease and desist order is especially appropriate here where attorneys claiming**  
8 **to represent Deutsche Bank National Trust, Company have no direct attorney-client**  
9 **relationship with that entity.**  
10

11 **C. Securitization is not relevant to the Fraud and Money Laundering Claims at Issue.**

12 Stoel Rives argues that “securitization of a loan in a mortgage trust does not create any  
13 contract or relevant legal relationship between investors and the Raethers.” Motion, 6:14-7:8.  
14 While the Raethers disagree that this is the law<sup>6</sup>, even if it were it is not relevant to the  
15 circumstances of this case. Here it appears the securitization process may be being used as a  
16 means to facilitate money laundering and/or fraud, which all United States Deutsche Bank  
17 entities have been ordered to stop from engaging in.  
18

19 None of the cases cited by Stoel Rives involved a situation where the trustee had  
20 admitted violating the Bank Secrecy Act and the attorneys claiming to represent the trustee had  
21 been shown to have no attorney-client relationship with the trustee.  
22

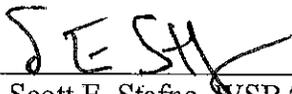
23 **D. CR 54(b) Certification**  
24

25 <sup>6</sup> See e.g. *Yvanova v. New Century Mortgage Corp.*, 62 Cal. 4th 919, 935-936, 365 P.3d 845, 856,  
26 199 Cal. Rptr. 3d 66 (Cal. 2016); *Dernier v. Mortgage Network, Inc.*, 2013 VT 96, P49, 195 Vt.  
27 113, 132-133, 87 A.3d 465, 479 (Vt. 2013); *Culhane v. Aurora Loan Servs. of Neb.*, 708 F.3d  
28 282, 291(1st Cir. 2013)

1  
2 In the event this Court denies the Raethers' motion for reconsideration of the Court's  
3 order re: tolling and grants non-party "Deutsche Bank National *Trust, Company*, as Trustee  
4 for the holders of HSI Asset Securitization Trust 2007 Trust 2007-HE1, Mortgage  
5 Pass-Through Certificates, Series 2007-HE1 (the "Trust") motion to join and substitute itself as  
6 a party in place of the existing defendants, the Raether's request this Court consider  
7 certification of its ruling as final pursuant to CR 54(b) given the significance of the issues this  
8 Court will have decided and there is no controlling authority as to how they should be resolved.  
9

10 **VI. Conclusion**

11 . For all of the foregoing reason Steel Rives request to join and/or substitute "Deutsche  
12 Bank National *Trust, Company*, as Trustee for the holders of HSI Asset Securitization Trust  
13 2007 Trust 2007-HE1, Mortgage Pass-Through Certificates, Series 2007-HE1 (the "Trust")"  
14 should be denied.  
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21 By:   
22 Scott E. Stafne WSBA# 6964

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24 239 N Olympic Avenue  
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## DECLARATION OF SERVICE

I, Avery Hufford, certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct:

1. At all times hereinafter mentioned I am a citizen of the United States of America, a resident of the State of Washington, over the age of eighteen years, not a party to the above-entitled action, and competent to be a witness herein.
2. That on the 20th day of June, 2017, I caused to be served the foregoing via email and 1st class mail to the parties noted below:

Vanessa Soriano Power  
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DATED this 21 day of June, 2017 at Arlington, Washington.

BY:   
Avery Hufford, Paralegal  
STAFNE LAW FIRM