

IN THE UNITED STATES DISTRICT COURT
FOR WESTERN DISTRICT OF TEXAS
UNITED STATES COURTHOUSE
501 WEST FIFTH STREET AUSTIN, TEXAS 78701

DAVID MCCRAE, qui tam pro domino rege quam pro se]
ipso in hac parte sequitur UNITED STATES OF AMERICA,]
and MICHAEL JOHNSON, FIRST RELATOR, and CLASS,]
Consisting of John Doe or Jane Roe #1-4088, and]
CLASS, Consisting of Unknown Investors #1-72]

v.

BARCLAYS, as Successor to LEHMAN BROTHERS]
HOLDINGS, and] CIVIL ACTION
STRUCTURED ASSET SECURITIES CORPORATION, and]
DEPOSITOR TRUST CORPORATION, and] # _____
WELLS FARGO BANK, N. A., their Subsidiaries, Assigns,]
and Successors, and]
BANK OF AMERICA, as Heir in Position of Countrywide]
Mortgage Servicing, and]
AURORA LOAN SERVICES, llc, and]
CLAYTON FIXED INCOME SECURITIES, Inc. and]
SELECT PORTFOLIO SERVICES, their Subsidiaries,]
Assigns, and Successors]
All Together Acting as a Racketeering Influenced]
Corrupt Organization]

In the Matter of SASCO-2007-MLN-1

§§§ JURY TRIAL DEMANDED §§§

PLAINTIFFS' COMPLAINT FOR CONSUMER FRAUD
AND UNLAWFUL INTERNATIONAL MONEY TRANSFER

TO THE HONORABLE JUDGE OF SAID COURT:

From David McCrae, Slave of Christ Jesus and Natural Citizen of the United States of America, and Resident of Texas, with all the rights and privileges inherent thereto, qui tam USAG Jeff Sessions in this matter, to the Honorable Judge and Jury herein assembled in the United States District Court of Western Texas who are here assembled in Austin, Teas with all their Clerks and Attendants, Grace and Peace Be Unto You, From God Our Father and Our Lord Jesus Christ!

COMES NOW THE Plaintiff, David McCrae, qui tam America, who files this Petition for Consumer Fraud and Unlawful International Money Transfer, in the interest of Justice and Fairness, and asks this Honorable Court to find in favor of Plaintiff and against Defendants, Barclays, Structured Assets Securities Corporation, Depositor Trust Corporation, Wells Fargo, Bank of America, Aurora Loan Services, Clayton Fixed Income Securities, and Select Portfolio Services, regarding Plaintiffs' claims of Consumer Fraud and Unlawful International Money Transfer, as stated herein, and in support thereof show unto the Court the following:

PARTIES AND SERVICES

1. Plaintiff David McCrae is an American citizen residing at 350 Cee Run, Bertram, Texas 78605. The last three digits of David McCrae's passport are 952. Plaintiff has standing in this case due to real and consequential damages sustained in the course of Defendants conspiracy,

and their normal business activity. As full disclosure, though unnecessary to this cause, Plaintiffs are acting as First Relator, following an initial meeting with the Department of Justice on 17 March 2016 at the Federal Bureau of Investigation Field Office at Austin, Texas to disclose Statement of Facts as a Confidential Informant and to offer assistance in pursuing any investigation that may have been underway at that time. I am currently unaware of any such ongoing investigation. Plaintiffs have no concern for their welfare, and are waiving their customary right to file under seal, and are filing publicly. Plaintiff recognizes and welcomes the right of the United States Attorney General to intervene at any time. Further investigation and prosecution will proceed through discovery and trial.

2. Under the Financial Recovery Reform, Regulation and Enforcement Act of 1989 (FIRREA): 12 U.S.C. 1833(a) – In general, whoever violates any provision of law to which this section is made applicable by subsection (c) shall be subject to a civil penalty in an amount assessed by the Court in a civil action under this section.

...

(c) Attorney General to bring action. A civil action to recover a civil penalty shall be commenced by the Attorney General.

The legislative history of FIRREA explains the purpose of FIRREA and the method for obtaining the civil penalty as follows:

“The Committee believes that the enhancement of the regulatory powers and criminal justice provisions should go far in restoring the public confidence in the nation’s financial system and serve to protect the public interest. This gives the regulators and the Justice Department the tools which they need and the responsibilities which they must accept, to punish culpable

individuals, to turn this situation around, and to prevent these tremendous losses to the Federal Deposit Insurance funds (due to the Savings and Loan crisis) from ever again recurring. “The Attorney General recovers the civil penalty through a civil action brought in a United States District Court.” - H. Rep. No. 101-54, Part I, May 16, 1989 H.R. 1278 at 465-66, 472.

3. The [Financial Action Task Force \(FATF\)](#) is an inter-governmental body whose purpose is the development and promotion of national and international policies to combat money laundering and terrorist financing. Its 40 Recommendations are backed by mutual evaluations of its member countries. Countries which are not members of FATF may be members of a FATF-style regional body.

For convenience, the ICAEW has extracted those Recommendations that apply to professional accountancy firms into a single [document](#) the [2016 FATF International Standards on Combatting Money Laundering and the International Finance of Terrorism and Proliferation](#).

4. Plaintiffs are acting locally, as is the right of any citizen, in behalf of the USAG in this matter. The Department of Justice and the CFPB, and the Secretary of the Treasury, are fully informed of the plaintiffs’ actions and intervention at any point by a US Attorney, or Mortgage Task Force Working Group, or SecTreas or FDIC Regulatory Group, is welcomed. This is a civil action only. Plaintiff is unable to prosecute a criminal action.

5. Defendant Barclays has assumed the remains of the Lehman Brothers Holding Group, including their North American Operations, and currently apparently underwrites the

fraudulent and non-existent SASCO 2007-MLN-1 Trust, established by unknown actors at Lehman Brothers Holdings on 10 March 2007. It is important to note that this trust was never registered or reviewed by any regulatory office of the Secretary of Treasury or the Federal Deposit Insurance Corporation, and no US regulatory oversight has ever extended into the issuance or current operations. This trust has never appeared in the assets or business records of Lehman Brothers Holdings, and the issuance was specifically rejected by the Board of Directors. The phantom trust continues to operate outside America, and continues to disburse funds of dubious source to numbered investors in The Grand Duchy of Luxembourg and EuroClear. Accounting records are issued from time to time by inclination or convenience and on proper request. Assets of the trust may extend through March of 2037. Records exist as electronically stored information and are discoverable.

6. Structured Assets Securities Corporation currently acts as 'straw man' for SASCO 2007-LMN-1 Trust. No other activity is known. Fees collected at issue date of 10 March are estimated to exceed \$200 Million USD. Records exist as electronically stored information and are discoverable.

7. The Depository Trust Corporation (DTC), also known as the 'Depositor' is a special purpose corporation in New York, owning no assets, and having no Directors, managers, or employees. Records exist as electronically stored information and are discoverable.

8. Wells Fargo Bank, N.A. is the Trustee of SASCO 2007-MLN-1, accounting American business receipts of uncollected assets in America and unknown European disbursements to unknown

investors, identified only by book entry number. Records exist as electronically stored information and are discoverable.

9. Aurora Loan Services is the master servicer of the US assets of SASCO 2007-MLN-1 Trust. Records exist as electronically stored information and are discoverable.

10. Clayton Fixed Income Securities assessed and valued the initial formation of the 4089 securities of the 10 March 2007 issues of SASCO 2007-MLN-1, at \$911,000,000 +/- 10%, and 20% initial capitalization, and presumably approves periodic replacement or substitutions. Records exist as electronically stored information and are discoverable.

11. Bank of America, N.A. is the apparent servicer in succession to Countrywide Mortgage Servicing, after purchase of operations of assets of Country on 15 October 2008.

12. Special Portfolio Servicing has apparently joined Bank of America after 1 December 2012 as a subservicer of all or part of the discrete American portfolio. Records exist as electronically stored information and are discoverable.

13. All of these separate Defendants, in the operation of their separate and distinct businesses, have joined together as a Racketeering Influenced Corrupt Organization, with the common purpose of fraudulent future collection of money and property abandoned on 1 February 2007 by Mortgage Lenders Network, immediately before filing bankruptcy on 5 February 2007 and dissolving without assets or liabilities. Mortgage Lenders Network no longer exists. Records

exist as electronically stored information and are discoverable. Some relevant bankruptcy records exist in the possession of Connecticut Attorney General and are discoverable.

JURISDICTION AND VENUE

14. The subject matter in controversy is within the jurisdictional limits of this court. Fraudulent acts were committed and continue in commission by resident and foreign corporations and individual actors acting in many United States locations, and continue in commission, with adverse results to the Plaintiffs, who live in the United States. All domestic Defendants have offices or registered agents convenient to this venue. International actors are immune from appearance for this action. Upon confirmation of activity, they will be submitted to Department of State for forbiddance of entry. These acts were coordinated by more than four individuals, more than three times, in violation of Title 18, U.S. Code Section 151 Paragraph 4 – Submission of False Claims and numerous violations of the Financial Institution Recovery, Reform and Enforcement Act of 1989 the Federal Fair Debt and Collection Practices Act, and the Warren Dodd Financial Reform Act of 2012, including the RESPA-TILA Regulation X of 2014. The pattern of fraudulent activity in the course of mortgage service and attempted seizure of property conforms to a pattern of specific prohibited behavior under existing law leading to recent and distinct judgments negotiated and filed in US District courts with such industry actors as Ocwen, Citigroup, JPM Chase, GMAC, Greentree, and both Wells Fargo and BAC themselves. We are asking for enforcement of those agreements, now well defined within ~40% of the industry, who have collectively paid more than \$160Bn in fines and restitution to the DOJ since 2013. Investigations and negotiations continue with other actors in the industry.

15. Trial by Jury will be docketed under FRCP Rule 38.

16. Federal courts have the inherent authority to decide cases that are extraordinarily complex and far reaching in their impact on a large number of injured parties, an important industry, or the wider public interest. This is a case where the use of that inherent authority is essential.

STATEMENT OF FACTS

17. On 6 November 2006 Michael Johnson and Shana Bloodsaw executed a mortgage document in the State of Minnesota, Hennepin County, in favor of Mortgage Lenders Network on property described by Title Certificate #1135212.

18. Mortgage Lenders Network was at the time enjoined from doing any business in the State of Minnesota. On 5 February 2007 Mortgage Lenders Network became insolvent and declared bankruptcy. Prior to their bankruptcy filing, unknown actors at MLN delivered 4089 un consummated and unrecorded mortgages to Lehman Brothers Holdings.

19. On 9 March 2007 unknown actors at Lehman Brothers Holdings devised a completely fraudulent investment product consisting of the uncollected future payments of principal and interest, and comprised of 4089 unfunded mortgage commitments sourced through MLN, such as Michael Johnson's. This investment product was never submitted to United States regulatory authority for review or approval. This investment product was titled Structured Asset Securities Corporation 2007-MLN-1, to be disguised among 42 other SASCO packages

later surrendered at LBH bankruptcy. This particular SASCO package never existed, except as a word processor file such as this complaint. The portfolio was valued by unknown actors at Clayton Fixed Income Securities.

20. On 10 March 2007 Lehman Brothers Holdings sold \$911,000,000 of these investment products to a syndicate of 72 foreign investors, identified only by an assigned number and a book entry. No bearer certificates were ever printed, and offer exists only in electronic form.

21. Thereafter, income received in America from the collection of unfunded liabilities of Mortgage Lenders Network was gathered by the Depository Trust Corporation (DTC) and disbursed through the Grand Duchy of Luxembourg or EuroClear to each numbered investor, or their assign. The Depository Trust Corporation owns no property, and has no directors, managers, or employees. Reports are published from time to time, if convenient, by proper request.

22. Wells Fargo Bank, N.A. undertook the duties of Trustee in America to receive and account for the collections of Aurora Loan Services, the master servicer. Aurora initially designated Countrywide Mortgage Servicing as the mortgage servicer of the entire portfolio.

23. Countrywide Mortgage Servicing became insolvent on 1 July of 2008, and its business assets and liabilities were acquired by Bank of America. Bank of America, among its other business, continued to perform the servicing duties of Countrywide. At the time, Countrywide was servicing 20% of the mortgages in the United States, approximately valued at \$4.1Billion.

24. At some point in time, Select Portfolio Servicing took over all or part of the servicing task.

25. On 15 September 2008, Lehman Brothers Holdings became insolvent and sought bankruptcy protection. The operations of the remaining viable investment products, including the nominal investment SASCO 2007-MLN-1 were eventually assumed by Barclays.

26. Although the story thus far seems somewhat improbable today, one must remember that the financial climate around property investments in the United States was approaching the 'tulip mania' of olden days in Holland and the world, or the frenzied issue and trading of railroad bonds in the post Civil War America. On such a foundation SASCO 2007-MLN-1 was built, and operations continue today. 99% of the portfolio at formation had 359 remaining payment periods, through January of 2037. This operation continues today, as we meet.

27. On 3 March 2011, Wells Fargo presented themselves as property owner as Trustee of SASCO 2007-MLN-1 and began foreclosure proceedings v. Michael Johnson. In February of 2017 Michael Johnson's property was sold at public sale. Numerous violations of RESPA-TILA, Regulation X, were committed by commission and omission, including the most common in these cases, Foreclosure Sale in Error. At this writing, Michael is resisting eviction process.

CLAIMS, re Michael Smith and CLASS 1, Mortgagors:

A) CONSUMER FRAUD, ref. J. A. Smith Consent Judgment Metrics Oversight Reports

(1) Foreclosure Sale in Error

- (2) Incorrect Modification Denial
- (3) Affidavit of Indebtedness
- (4) Proof of Claim
- (5) Motion for Relief from Stay Affidavits
- (6) Pre-Foreclosure Initiation
- (7) Pre-Foreclosure Initiation notifications
- (8) Fee Adherence to Guidance
- (9) Adherence to Customer Payment Processing
- (10) Reconciliation of Certain Waived Fees
- (11) Late Fees Adherence to Guidance
- (12) Third Party Vendor Management
- (13) Customer Portal
- (14) Single Point of Contact
- (15) Workforce Management
- (16) Affidavit of Indebtedness Integrity
- (17) Account Status Activity
- (18) Complaint Response Timeliness
- (19) Loan Modification Document Collection Timeliness Compliance
- (20) Loan Modification Decision/Notification Timeline Compliance
- (21) Loan Modification Appeal Timeline Compliance
- (22) Short Sale Decision Timeline Compliance
- (23) Short Sale Document Collection Timeline Compliance
- (24) Charge of Application Fees for Loss Mitigation

- (25) Short Sale Inclusion Notice for Deficiency
- (26) Dual Track Referred to Foreclosure
- (27) Dual Track Failure to Postpone Foreclosure
- (28) Force Placed Insurance Timeliness of Notice
- (29) Force Placed Insurance Termination
- (30) --
- (31) --
- (32) --
- (33) --

B) re: CLASS 1 - Mortgagors, and CLASS 2 - Unknown International Investors, Violations of INTERNATIONAL MONEY LAUNDERING, ref FATF Recommendations 2012 Report

- (1) Assessing risks and applying a risk based approach, MLN Securities Selection
- (2) National cooperation and coordination, US National oversight
- (3) Money Laundering Offence, DTC Customer Identification
- (4) --
- (5) --
- (6) --
- (7) --
- (8) --
- (9) Financial Institution Secrecy Laws, US National oversight, bankruptcy and acquisition
- (10) Customer Due Diligence, Identification
- (11) Record Keeping, Check and balance, reporting requirements

- (12) Politically Exposed Persons
- (13) Correspondent Banking
- (14) Money or Value Transfer Services, Appraisal, LIBOR manipulation
- (15) --
- (16) --
- (17) --
- (18) Internal Controls, DTC
- (19) --
- (20) Reporting of Suspicious Transactions, Shielded identities
- (21) Customer Tipping-Off and Confidentiality, Shielded identities
- (22) Customer Due Diligence, Portfolio management
- (23) Other Measures: DNFBP: Transfer of Property, portfolio management, servicing
- (24) Transfer and Beneficial Ownership of Other Persons, Shielded identities
- (25) --
- (26) Regulation and Supervision of Financial Institutions, National oversight, audit, reporting
- (27) Powers of Supervisors, Existence
- (28) Regulation and Supervision of DNFBP's : Property Value
- (29) Financial Intelligence Units, Corruption
- (30) Responsibilities of Law Enforcement Units, Corruption
- (31) Powers of Law Enforcement Units, Corruption
- (32) Cash Couriers, Structural
- (33) Statistics, Fraudulent statements
- (34) Guidance and Feedback, Reporting and Oversight

(35) Sanctions, Corruption

(36)--

(37) Mutual Legal Assistance, Oversight and reporting

(38) Mutual Legal Assistance: Freezing and Confiscation, Corruption

(39)--

(40)--

ARGUMENTS AND AUTHORITIES

In the wake of the repeal of Glass Steagall and consequent American Financial Crisis of 2007, the housing and investment industry were identified as key areas of concern, leading to the the Dodd Frank Wall Street Reform and Consumer Protection Act of 2012, and consequent dramatically strengthened industry regulation and consumer initiatives. A Consumer Financial Protection Bureau was formed de novo, as a direct enforcement authority of the US Attorney General. A Mortgage Fraud Task Force was formed in the Department of Justice to provide investigatory and enforcement liaison to all Federal Courts. To date, approximately \$160Bn in restitution and fines has been recovered by consent judgment with more than 40% of the mortgage industry. The most egregious violators and predators, such as Lehman Brothers and Countrywide, have been forced into insolvency and disappeared. In Steve Belli v. Allied Home Mortgages, a case that started as a pro se, qui tam action, just as you are reading here, US Prosecutor Preet Barahrah has duly intervened, presented the case to a Houston Jury in District Court, and been awarded \$192M for the benefit of 1193 CLASS Members. This is the only case that has been presented to a jury. Preet has been fired. We are fond and supportive of the work of juries in America. This is another regulatory effort, to another American Jury.

With the added facet of money being funneled to terrorists for purchase of American munitions for devious ends, we are honored to present this case for judicial action.

CONCLUSION

When the court takes into account the statutes and case law, and possible international impacts, and applies them to the facts of the case and the documents relied on by the Plaintiffs, it is clear why it is necessary to restrain Defendants' continuing well organized predatory behavior in America. As a result of detailed information likely to be discovered, criminal actions are likely to be exposed and indictments will be sought for unrestrained and coordinated criminal conspiracy among the Defendants and their associates continuing today, and existent for the past several years. Such behavior can only be addressed by the most forceful action possible. A clear judicial response and directive will enable all enforcement resources of the community of nations to be employed at all levels to eliminate this public hazard, achieve restitution to damaged parties in Class, and arrest, sequester and rehabilitate the actors discovered.

PRAYER FOR RELIEF

WHEREFORE PLAINTIFFS RESPECTFULLY REQUEST-

1. That this petition be filed and a day be appointed for public hearing before a jury on this matter;
2. Restitution, through seizure of international investment assets and distributions, in an amount not to exceed the jurisdictional limits of this court, as decided by jury, and quitclaim

declaration in favor of each proprietor, in each county of the United States in the case of 4089 known discrete mortgagor properties at focus of this action;

3. Punitive damages: TWO BILLION SEVEN HUNDRED THIRTY THREE THOUSAND DOLLARS +/-10%, or a sufficient amount to disgorge and deplete all illegally obtained business assets of this fraudulently organized and corrupt business, as confirmed in jure;

4. Exemplary damages: NINE BILLION ONE HUNDRED TEN MILLION DOLLARS +/-10%, or a sufficient amount to demonstrate and emphasize the cautionary message to the associated financial community that this corrupt behavior will no longer be tolerated in America, as confirmed in jure;

5. Costs of Court, and of bringing this action;

6. Plaintiff prays for general relief, and such other and further relief as this court deems just and proper.

For Truth, Justice, and America,

s/David McCrae

17 March 2016

350 Cee Run

Bertram, Texas 78605

512.557.0283 xstek99@gmail.com

TRIAL EXHIBITS

P-1 Mortgage Documents of Michael Johnson

- P-2 SASCO 2007-MLN-1, Discrete Assets
- P-3 Depository Trust Corporation, Numbered Investor Reference
- P-4 Wells Fargo Trustee Agreement, Disbursements
- P-5 Bank of America Servicing Records
- P-6 Select Portfolio Services Servicing Records
- P-7 Foreign Disbursement Records of Grand Duchy of Luxembourg
- P-8 Foreign Disbursement Records of EuroClear
- P-9 Barclays, Acquisition of Lehman Brothers Holdings
- P-10 Bank of America, Acquisition of Countrywide
- P-11 Certification of CLASS 1 and CLASS 2
- P-12 OTHER INFORMATION

PROOF OF SERVICE

1. Barclays Investment Bank

1 Churchill Place

Canary Wharf

London, United Kingdom

-or-

Trustee of the LBI Estate, ref. Note 24 Other Matters DTCC 2015

2. The Depository Trust and Clearing Corporation

Federal Bank of New York

Michael Bodson, President and CEO

Susan Cosgrove, Managing Director and CFO

-or-

Trustee of the LBI Estate, ref. Note 24 Other Matters DTCC 2015

3. Wells Fargo

Timothy Sloan, CEO and President

John Shrewsbury, Senior EVP and CFO

420 Montgomery Street

San Francisco, California 94104

4. Aurora Loan Services, llc. NO SERVICE

Pinel v. Aurora Loan Services LLC, Case No. 4:10-cv-03118, in the U.S. District Court for the Northern District of California

5. Bank of America

Brian Moynihan, Chairman and CEO

Paul Donofrio, CFO

100 North Tryon Street

Charlotte, North Carolina 28255

6. Select Portfolio Servicing

Matt Hollingsworth, CEO & President

Valerie Kacherian, Chief Compliance Officer

3217 South Decker Lake Drive

Salt Lake City, Utah 84119

7. Clayton Fixed Income Securities

Margaret Sue Ellis, CEO

1700 Lincoln Street, Suite 1600

Denver, Colorado 80203

8.

9.

10. This 1 4 U.

This complaint has been reviewed by USDOJ on or before 17 March 2017. On this date, 18 June 2017 I have served this complaint by USPS / email to the above listed parties.

/s David McCrae, qui tam USAG

350 Cee Run

Bertram, TX 78605

512.557.0283

xstek99@gmail.com

MEMORANDUM OF UNDERSTANDING – FREE PASS

[THERE CAN BE ONLY ONE]

Be it known by all persons that an agreement has been made for mutual benefit of the parties. In consideration of withdrawal from the named Racketeering Influenced Corrupt Organization with fraudulent purpose of acting in furtherance of SASCO-2007-MLN-1, and all its devious and concealed methods vs. the CLASS of 4089 United States Citizens, the Defendant has agreed to surrender all information in its possession, including all electronically stored information, to the PLAINTIFF, and all funds received since inception of the deception to the lawful owners of record of each and every property, and quitclaim of all property rights claimed in each state and county of the United States, this DEFENDANT will be held harmless from further prosecution or penalty.

[NAME OF DEFENDANT, one agreement tendered to each]

1. Barclays Investment Bank

1 Churchill Place

Canary Wharf

London, United Kingdom

-or-

Trustee of the LBI Estate, ref. Note 24 Other Matters DTCC 2015

2. The Depository Trust and Clearing Corporation

Federal Bank of New York

Michael Bodson, President and CEO

Susan Cosgrove, Managing Director and CFO

-or-

Trustee of the LBI Estate, ref. Note 24 Other Matters DTCC 2015

3. Wells Fargo

Timothy Sloan, CEO and President

John Shrewsbury, Senior EVP and CFO

420 Montgomery Street

San Francisco, California 94104

4. Aurora Loan Services, llc. NO SERVICE

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5. Bank of America

Brian Moynihan, Chairman and CEO

Paul Donofrio, CFO

100 North Tryon Street

Charlotte, North Carolina 28255

6. Select Portfolio Servicing

Matt Hollingsworth, CEO & President

Valerie Kacherian, Chief Compliance Officer

3217 South Decker Lake Drive

Salt Lake City, Utah 84119

7. Clayton Fixed Income Securities

Margaret Sue Ellis, CEO

1700 Lincoln Street, Suite 1600

Denver, Colorado 80203

This agreement is open for acceptance for thirty days, expiring at 2359 hours on 18 July, 2017.

Further the DEFENDANT sayeth not.

Endorsed by Plaintiff on this date _____

/s David McCrae, qui tam USAG

350 Cee Run

Bertram, TX 78605

512.557.0283

xstek99@gmail.com