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efiled 8/5/2008

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18 ELECTRONIC REGISTRATION SYSTEMS, INC.,
19 SOLELY AS NOMINEE FOR PLAZA HOME
20 MORTGAGE, INC., its successors and/or assigns

20 UNITED STATES BANKRUPTCY COURT

21 DISTRICT OF NEVADA

22 In re
23 JOSHUA SCOTT MITCHELL AND
24 STEPHANIE JUDITH MITCHELL,
25 Debtor(s).

Bankruptcy Case No. BK-S-07-16226-LBR
Chapter 7

DECLARATION OF WILLIAM C. HULTMAN
IN SUPPORT OF MORTGAGE ELECTRONIC
REGISTRATION SYSTEMS, INC.'S,
SUPPLEMENTAL BRIEF IN RESPONSE TO
MATTERS COURT IDENTIFIED FOR
ADDITIONAL JOINT HEARING

Date: August 19, 2008
Time: 3:30 p.m.

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1 I, William C. Hultman, declare as follows:

2 1. I am Secretary of Mortgage Electronic Registration Systems, Inc. ("MERS") 1818
3 Library Street, Suite 300, Reston, VA 20190. I am over the age of 18 years and am legally
4 competent and able to make this declaration, which is based upon my personal knowledge. I have
5 reviewed the documents discussed in this declaration, and if called upon to testify as to the facts set
6 forth in this declaration, I could and would testify competently based on my review.

7 2. On July 9, 2008, I, through counsel for MERS, filed a declaration and supporting
8 evidence responding to certain questions that the Court raised at the June 9, 2008 joint hearing in this
9 matter. A true and correct copy of that declaration and its exhibits is attached hereto as Exhibit 1. I
10 submit this declaration to furnish evidence on additional points relevant to the supplemental brief
11 that MERS is filing herewith.

12 3. In the matters before the Court, the loan at issue is registered to a MERS Member
13 who has entered into the MERS Membership Agreement on the terms that appear at Exhibit B to my
14 prior declaration (attached here as Exhibit 1). Through the MERS Membership Agreement, MERS
15 members agree to follow certain rules and MERS agrees to perform certain duties. MERS Members
16 enter into a contract with MERSCORP, Inc., the operating company that owns and operates the
17 MERS® System, to electronically register and track beneficial ownership interests and servicing
18 rights in MERS registered mortgage loans. MERS Members agree to appoint MERS, which
19 MERSCORP wholly owns, to act as their common agent, or nominee, and to name MERS as the
20 lienholder of record in a nominee capacity on all recorded security instruments relating to loans
21 registered on the MERS® System. When a promissory note is sold by the original lender to others,
22 the various sales of the notes are tracked on the MERS® System.

23 4. Once MERS becomes the beneficiary of record as nominee, it remains such when
24 beneficial ownership interests in the promissory note or servicing rights are transferred by one
25 MERS Member to another, and it tracks such transfers electronically on the MERS® System. As
26 long as the sale of the note involves a member of MERS, MERS remains the beneficiary of record
27 on the deed of trust and continues to act as nominee for the new beneficial owner. If a member is no
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1 longer involved with the loan after it is sold, an assignment of the lien from MERS to the non-MERS
2 member is recorded in the county where the real property is located, and the mortgage loan is
3 deactivated from the MERS® System.

4 5. The agreement between MERS and each Member also contains provisions regarding
5 the filing of pleadings in MERS name and the execution of documents needed for legal proceedings.
6 For example, Rule 8 provides that, with respect to each mortgage loan for which MERS is the
7 beneficiary of record in the deed of trust (or mortgagee of record in the mortgage), the beneficial
8 owner of such mortgage loan or its servicer shall determine whether foreclosure proceedings with
9 respect to such mortgage loan shall be conducted in MERS name or in the name of another. In
10 judicial foreclosure states, in the event the beneficial owner or its designated servicer chooses to
11 have MERS conduct a foreclosure in the name of MERS, the promissory note associated with that
12 loan must be endorsed in blank and in the possession of a MERS Certifying Officer (defined below).
13 In non-judicial foreclosure states, if the Member chooses to have MERS foreclose under the power
14 of sale provision in the security instrument and is not seeking a deficiency judgment, then the note
15 does not need to be in the possession of the Member's MERS Certifying Officer when commencing
16 the foreclosure action; provided, however, that under no circumstances may the Member allege that
17 the note is in MERS possession and seek enforcement of the note unless MERS actually possesses
18 the note. In addition, MERS retains the right to sanction non-complying members under Rule 8. If a
19 Member pleads MERS as the note-holder or brings an action in MERS name when the note is lost or
20 cannot be located, then MERS may dismiss the action and/or sanction the Member.

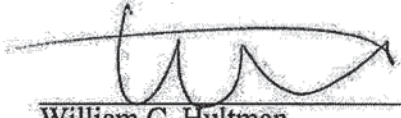
21 6. Similarly, under the Membership Agreement, MERS provides Members a corporate
22 resolution designating one or more employees of the Member a MERS Certifying Officer. As a
23 MERS Certifying Officer, the Member's employee may, among other things (1) release the lien of
24 any mortgage loan registered on the MERS® System to such Member; (2) assign the lien of any
25 mortgage naming MERS as the mortgagee when the Member is also the current promissory note
26 holder, or is shown to be registered to the Member; (3) foreclose upon the property securing any
27 mortgage loan registered on the MERS® System to such Member; and (4) take any action necessary
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1 to protect the interest of the Member or the beneficial owner of the mortgage loan in a bankruptcy
2 proceeding concerning a loan registered on the MERS® System shown to be registered to the
3 Member.

4 I declare under penalty of perjury under the laws of the United States and the state of Nevada
5 that the foregoing is true and correct.

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7 Dated: August 5, 2008



William C. Hultman
Secretary
Mortgage Electronic Registration Systems, Inc.

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