



January 6, 2012

Report of Inquiry Number 12312

Ned Luczynski

RECEIPT OF INITIAL INFORMATION

On August 2, 2011, Chief Financial Officer Jeff Atwater received a written request from Attorney General Pam Bondi asking his “inspector general to conduct an independent review of the employment termination of June Clarkson and Theresa Edwards.”

In response to Attorney General Bondi’s request, Chief Financial Officer Atwater assigned the matter to his Inspector General, Ned Luczynski, and provided written assurance to Attorney General Bondi that neither Inspector General Luczynski, nor his staff, would involve or report to him (Atwater), or any member of his staff, regarding the review.

The Department of Financial Services Office of Inspector General conducted a telephonic interview with Clarkson and Edwards to provide them an opportunity to state the circumstances of, and any issues related to, their forced resignation/termination (termination) of employment from the Florida Office of the Attorney General. The interview was conducted August 30, 2011, three weeks after Chief Financial Officer Atwater received the request from Attorney General Bondi—which was the first day the Office of Inspector General and Clarkson and Edwards were all available. Clarkson and Edwards made no specific allegations indicating a violation of law, rule, or policy occurred related to their termination; however, Edwards suggested that their termination may have been politically motivated.

SCOPE OF INQUIRY¹

No person provided sufficient facts a violation of law, rule or policy occurred to warrant an investigation into Clarkson’s and Edwards’ termination. An inquiry was conducted, because a broad interpretation of Clarkson’s and Edwards’ concerns their termination was politically motivated potentially constitutes a misuse of public position, in violation of Chapter 112, Florida Statutes. The inquiry consisted of fact-gathering of the circumstances surrounding their termination to determine whether sufficient evidence existed to support Clarkson’s and Edwards’ concerns or any other related violation of law, rule or policy.

CONCLUSION

A review of the circumstances surrounding the termination of Clarkson and Edwards, along with the information gathered during this inquiry, did not warrant initiating a formal investigation into a potential violation of law, rule or policy. During the course of the inquiry there was no specific allegation of wrongdoing made by any person, and no discovery of evidence of wrongdoing on the part of anyone involved in the matter.

¹ Inquiries may be initiated when there is a complaint or concern not accompanied by sufficient facts that a violation of law, rule, or policy governing the conduct of a state employee or contractor may have occurred. Investigations may be initiated when a complaint is received alleging sufficient facts that if true would constitute a violation of law, rule, or policy governing the conduct of a state employee or contractor.

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INQUIRY CONDUCTED BY

Ned Luczynski, Inspector General and Tracy J. Corbitt, Director of Investigations

REFERRED TO

James Varnado, Inspector General, Florida Office of the Attorney General

REFERENCED PERSONS

STATUS	NAME	POSITION
Affected Persons:		
	June Clarkson	Former Assistant Attorney General, Fort Lauderdale, Florida Office of the Attorney General
	Theresa Edwards	Former Assistant Attorney General, Fort Lauderdale, Florida Office of the Attorney General

STATUS	NAME	YEARS w/OAG ²	DATE OF INTERVIEW	POSITION
Witnesses:				
	Trish Conners	25	9/21/11	Associate Deputy Attorney General, Tallahassee, Florida Office of the Attorney General
	Ama Douglas	5	10/11/11	Senior Financial Investigator, Division of Economic Crimes, Fort Lauderdale, Florida Office of the Attorney General
	Joe Gentili	4	11/10/11	Assistant Attorney General, Division of Economic Crimes, Fort Lauderdale, Florida Office of the Attorney General
	Robert Julian	7	10/19/11	Former Chief-Assistant Attorney General, Division of Economic Crimes, Fort Lauderdale, Florida Office of the Attorney General
	Richard Lawson	9 mos.	9/14/11	Director, Division of Economic Crimes, Tallahassee, Florida Office of the Attorney General
	Jerry Lockwood	14	9/14/11	Chief of Investigations, Division of Economic Crimes, Jacksonville, Florida Office of the Attorney General
	Carlos Muniz	9 mos.	9/19/11	Deputy Attorney General/Chief of Staff, Tallahassee, Florida Office of the Attorney General
	Rebecca Woolever	2.9	10/13/11	Financial Investigator, Division of Economic Crimes, Tallahassee, Florida Office of the Attorney General

² As reported by witnesses.

*Florida Department of Financial Services
Office of Inspector General*

STATUS	NAME	POSITION
Named Persons:		
	Scott Anderson	Employee of Ocwen
	Pam Bondi	Attorney General, State of Florida
	Elizabeth Boggs	Assistant Attorney General, Illinois, Office of the Attorney General
	Mark Briesemeister	Financial Investigator, Division of Economic Crimes, Fort Lauderdale, Florida Office of the Attorney General
	Victoria Butler	Chief-Assistant Attorney General, Division of Economic Crimes, Tampa, Florida Office of the Attorney General
	Cathy Christensen	Human Resource Administrator, Florida Office of the Attorney General
	Richard Doran	Attorney with Ausley and McMullin, Former Deputy Attorney General, Florida Office of the Attorney General
	Lisa Epstein	Foreclosure blogger
	Linda Green	Employee of DocX
	Deborah Hagan	Assistant Attorney General, Illinois Office of the Attorney General
	Susan Hill	Attorney with Rumberger, Kirk & Caldwell [representing Florida Default Law Group]
	Mark Hamilton	Former Acting Director of Economic Crimes, Florida Office of the Attorney General
	Bob Hannah	Former Deputy Attorney General and Chief Counsel, Florida Office of the Attorney General
	Rene Harrod	Assistant Attorney General, Division of Economic Crimes, Fort Lauderdale, Florida Office of the Attorney General
	Tammy Lou Kapusta	Witness in ongoing Florida Office of the Attorney General case
	Mary Leontakianakos	Former Director of Economic Crimes, Florida Office of the Attorney General
	Cathy Lerman	Attorney, Principal at Cathy Jackson Lerman, P.A. [formerly with Green Bullion Financial/Cash4Gold]
	Michael Matulis	Constituent Services, Illinois Office of the Attorney General
	Bill McCollum	Former Attorney General, State of Florida
	Joan Meyer	Attorney, Baker & McKenzie, LLP [representing Lender Processing Services]
	Jack Norris	Special Counsel-Assistant Attorney General, Florida Office of the Attorney General
	Jessica Ohde	Name appeared in PowerPoint presentation
	Scott Palmer	Special Counsel-Assistant Attorney General, Florida Office of the Attorney General
	Deanna Pierce	Financial Investigator, Division of Economic Crimes, Fort Lauderdale, Florida Office of the Attorney General
	Barry Richard	Attorney, Greenberg Traurig, P.A.

STATUS	NAME	POSITION
	Gerald Richman	Attorney for Shapiro & Fishman, LLP
	Kelly Scott	Witness in ongoing Florida Office of the Attorney General case
	Lynn Szymoniak	Attorney, Szymoniak Firm, P.A.
	Tywanna Thomas	Name appeared in PowerPoint presentation
	Jason Vail	Senior Assistant Attorney General, Florida Office of the Attorney General

SUMMARY OF INQUIRY

INTERVIEWS

INTERVIEW OF JUNE CLARKSON & THERESA EDWARDS

Clarkson and Edwards provided a digitally recorded telephonic interview on August 30, 2011. The following information reflects Clarkson's and Edwards' actual and paraphrased testimony.

In describing their "forced resignation" Clarkson indicated the process started in February (2011) and ended on May 20, 2011 (the date of the "forced resignation").

Clarkson disclosed Richard Lawson and Gerald Lockwood visited the Florida Office of the Attorney General Fort Lauderdale office the end of February—indicating "Theresa and I were called in and pretty much dressed down to the point of almost feeling humiliated." Clarkson stated Lawson told them "all that he hears about in Tallahassee is June and Theresa, and... he doesn't want to hear about us anymore."

Clarkson stated Lawson was raising his voice when he met with them during his visit and was saying things which were not very true or very kind. Clarkson disclosed Joe Gentili was across the hall in his office and indicated she was "sure he heard it all because he said he thought the treatment that we were given was just completely unprofessional."

Clarkson explained Lawson stated attorneys for their "targets" were complaining about them, and he never provided an opportunity for Edwards and her to give an explanation; "he took everything they said, believed it 100% and came down and blamed us."

Clarkson stated Lawson "went on" about a PowerPoint presentation, created when Bill McCollum was the Attorney General that she gave at the December 2010 annual meeting of the Clerks of Courts and Comptrollers. Clarkson indicated she did not receive any complaints until the new administration came into office (January 2011). Clarkson described being "beat over the head" with the presentation and having to explain each page and justify why it was in the presentation.

Clarkson indicated the reason there was the issue with the PowerPoint presentation was because the counsel for Lender Processing Services (LPS) went to Tallahassee³ and, "got their ear." Clarkson said Tallahassee was "completely on the other side... never giving us a chance

³ Florida Office of the Attorney General senior management is located in Tallahassee.

and believing everything they [LPS] said without even ever talking to us.” Clarkson disclosed LPS “wrote a scathing letter to us...which we refuted.” Clarkson indicated Mark Hamilton gathered the facts and responded to LPS’ letter. She stated being required to go through the presentation with Lawson was probably a result of the letter and Lawson’s “numerous conversations” with LPS counsel.

According to Clarkson LPS was accusing her of using confidential LPS documents in her PowerPoint presentation which they delivered “under a subpoena, or under a request or marked confidential.” Clarkson said she already had the documents for months, if not a year before, as the public was sending them to her “by the dozens on a daily basis, hundreds.”

Clarkson said after the first initial meeting with Lawson they (Clarkson and Edwards) did not hear much from him, he never put them on probation⁴ or indicated they were being watched. She added after the meeting Lawson began to micromanage their cases; he took over all contacts with the lawyers on the cases and took over the direction of the cases. Clarkson said she and Edwards “had no authority anymore to act as lawyers - we were doing memos, memos on every case every other minute, constantly for him [Lawson]. That’s the way it went up until the end. I tried to start working on my other cases that maybe he wasn’t so interested in.”

Edwards disclosed Lawson asked her what she did to make Richard Doran dislike her “so much that he went around Tallahassee saying terrible things about you?” Edwards said Lawson told her Doran said she “was completely unprofessional in court, and that I [Edwards] behaved in a way which was not appropriate for an Assistant Attorney General in court.” Edwards said she had no idea who Doran was and so she looked him up on the Internet and found he is a “well respected, politically connected attorney in Tallahassee.”

Edwards stated she was told by Jack Norris that Doran works with an attorney⁵ who is not respected the way Doran is and the attorney represented some of the “targets” in their cases. Edwards said she relayed this information to Lawson; he followed up on the matter and told her not to worry about it anymore.

Edwards disclosed Lawson visited the south Florida office⁶ several times and never told “us that we needed to shape up, that is absolutely a lie—it never happened.” Edwards stated she and Clarkson continued working hard; receiving millions of documents, handling telephone calls and emails, and working with Attorney General Offices in other states.

Edwards said while she and Clarkson were working cases Lawson was meeting in Tallahassee with attorneys representing the targets. She stated Lawson brought in Victoria Butler to meet with him and attorneys for LPS while she and Clarkson, who were working the case, were left in Fort Lauderdale. Edwards described Lawson as treating them as though they were “completely insignificant” when they were the ones who opened the foreclosure mills investigations and made them happen. Edwards added, “if you go look anywhere you’re gonna find out they haven’t done one damn thing on these investigations since we left that office.”

⁴ Clarkson and Edwards were Selected Exempt Service employees; they served at will and could be terminated without cause.

⁵ Edwards could not recall the name of the referenced attorney.

⁶ Witnesses sometime interchange the name South Florida office with Ft. Lauderdale office.

Both Clarkson and Edwards indicated part of their meeting with Lawson was to go over all their files. Clarkson said Lawson told them their files were “sloppy,” but so were everyone’s in the state. Clarkson indicated the files were sloppy because they did not have any document management system. Clarkson admitted when Lawson was asking for proof of something he was growing impatient because there were so many papers and she could not immediately produce the documentation. Edwards indicated prior to the meeting there was no suggestion Lawson was going to go over their files in the manner he did; they were not instructed as to the nature of the meeting ahead of time.

Edwards explained she and Clarkson sent a memorandum they prepared to Lawson briefing him for a meeting with LPS, and Lawson did not read the memorandum because he told them during a meeting in which Robert Julian was present, “I found something on LPS when I was reading in bed last night, you know, and if I hadn’t found it I wouldn’t have known about this...the fact that LPS doesn’t...get paid by the bank for their people’s services...Well, you know, you guys just really aren’t bringing your A game to this work.” Edwards said the memorandum she and Clarkson sent Lawson three days earlier told him about the transcript to read which disclosed the fact Lawson was now pointing out to them.

Edwards said she and Clarkson could not do their work because of the memorandums Lawson was having them prepare for his meetings with targets’ attorneys when it should have been them meeting with counsel. She added Lawson provided “[A]bsolutely no contact on his end” giving them information as to what transpired when he spoke with targets’ attorneys.

Edwards stated when the new administration came into office Lawson became more involved in their mortgage fraud cases, rather than becoming more involved as the cases reached their conclusions. She said it made things difficult because “we basically had no control or power in dealing with the lawyers.” Edwards indicated the other attorneys in the office did not receive the same micromanagement she and Clarkson received—disclosing they were the only attorneys working on the cases involving law firms’ involvement in foreclosure mills.

Edwards indicated the new administration did not want them to prosecute, or send investigative subpoenas to targets because they were too aggressive. She said they had to send letters to the targets saying they wanted some documentation and when the targets’ counsel complained, “Tallahassee came screaming at us.” Edwards added the letters had been approved by Julian.

Edwards said she and Clarkson were required to fill public records requests and they were receiving reminder notes all the time asking, “[W]hy haven’t you finished this public records request?” Edwards stated Lawson accused them of releasing a LPS draft subpoena to a local blogger; adding, “they made it sound like we secretly were releasing information...to the public because we were not allowed to speak to the press....but there was no reason to leak anything because everything is public record in our office....I was never improperly releasing anything.” Clarkson stated she had a public records request for the LPS draft subpoena.

Edwards said she did not think Lawson understood the public records law and “[E]verything except social security numbers and bank account numbers [have to be released to the public] unless it is...somehow an exemption for 119. Everything has to be given on a public records request.”

Clarkson referenced Edwards and her were being blamed for a subpoena being quashed in Palm Beach County when Edwards argued the same subpoena on a different case and won.

Clarkson said John Vail being allowed to argue the subpoena in Palm Beach led to the loss. Edwards added, "and we get fired because of it."

Edwards disclosed on May 20, 2011, Julian called Clarkson and her into his office and told them, "[Y]ou're both done at the end of the day." Clarkson indicated they were given the option to either be fired or resign. Edwards said Julian disclosed he asked the reason for the termination and there was none, but it had been approved by Trish Conners and Carlos Muniz. Clarkson disclosed "Bondi's name was never mentioned." Edwards added, "[W]e never met Bondi."

Edwards stated, regarding their termination, "I think it was at least political, if not something worse like corruption, because there's no particular reason that either one of us should have been let go under those circumstances or in that manner, and I don't think there's ever been anyone else fired from the office under those circumstances in that type of a way."

Edwards disclosed, "in hindsight because neither one of us saw this coming at all...in hindsight things do appear to be...hard to understand how they would have handled things the way they did, unless something was wrong in the way it was being done. And that's what we suspect, although we don't have any evidence of it."

Regarding their termination being politically motivated, Clarkson said she and Edwards received "a lot of heat" from Lawson and Conners to open cases against process serving companies, in addition to the one they had against ProVest because the ProVest attorneys were telling Conners they did not want to be the only ones investigated. Edwards stated Conners said to her, "Can you open it up against somebody else because these - these guys are...I know the lawyer. He's - he's putting pressure on me to open up another case." Edwards said this made the termination seem politically motivated to her.

INTERVIEW OF RICHARD LAWSON

Lawson gave a digitally recorded sworn statement on September 4, 2011. The following information reflects Lawson's actual and paraphrased testimony.

Concerns

Lawson provided a notebook of documentation which he went through during his interview. Lawson described the notebook as a mosaic of events he was contemplating when he recommended the termination of employment for Clarkson and Edwards; there were also documents evidencing facts he learned after making his recommendation. Lawson indicated there were numerous occurrences—each could have been grounds for his recommendation, but there was "no sort of magic bullet."

Referencing the notebook towards the end of his interview Lawson said, "I stand by the statement that I think that...all of this presentation is a testament to a lack of any independent investigations being the biggest issue confronting our office and one of the biggest issues confronting the state." Lawson testified he found a "common theme that appeared throughout my [Lawson's] exposure and knowledge of Ms. Clarkson and Ms. Edwards' work ...a lack of independent investigation again and again and again....It needs independent investigation."

Pre-employment Briefing *(Lawson Interview continued)*

Lawson disclosed he visited the Tallahassee Florida Office of the Attorney General on January 25, 2011, in order to acclimate himself before starting work on January 31st, and during the visit he had a video conference with Mark Hamilton and Jerry Lockwood. Lawson stated Hamilton was briefing him generally on the status of the office and some of the issues which might be of concern "straight out of the box." Lawson indicated Hamilton informed him he had telephonically counseled Clarkson and Edwards on some complaints he received and planned to visit Fort Lauderdale to personally counsel them, but he (Lawson) was hired before he had the opportunity.

Lawson stated during the briefing Hamilton explained he had counseled Clarkson and Edwards about a PowerPoint presentation they gave to the Clerks of Court⁷ which had "a great number of factual and legal errors." Lawson added Hamilton disclosed there were numerous complaints about Clarkson's and Edwards' professionalism; referenced were letters from Barry Richard and Joan Meyer⁸ dated March 12, 2010, and January 6, 2011, respectively. Lawson explained although the letters were on different matters, Meyer's "use of language is almost exactly paralleling Richard's."⁹

Lawson said Hamilton and Lockwood were "painting a...very significant picture of some issues that would be greeting me upon arrival." Lawson disclosed he asked Hamilton and Lockwood if he needed to visit the Fort Lauderdale office his first week on the job; he had planned to travel to field offices his second and third weeks on the job. Lawson indicated in response Lockwood said, "There will probably be some sort of screw up in the interim two weeks so you can see for yourself."

Meetings and Related Email *(Lawson Interview continued)*

February 8, 2011, Meeting

Lawson disclosed during his first visit to the Fort Lauderdale office, on February 8, 2011, he met with Jerry Lockwood, Robert Julian, Clarkson and Edwards. Lawson stated before he made the trip, Trish Conners made it clear to him he needed to make sure the point was pressed upon Clarkson and Edwards that Tallahassee (location of senior management) was very concerned about the professionalism issues which had been raised and the PowerPoint presentation.

Lawson stated during the meeting he addressed the PowerPoint presentation except for the Szymoniak slide which he had not yet seen (see Review of Clarkson's and Edwards' PowerPoint Presentation, page 12).

⁷ The presentation was given at a Clerks of Court and Comptrollers' state-wide meeting in December 2010.

⁸ Lawson explained prior to his employment with the Florida Office of the Attorney General he worked in private practice and his exposure to Richard and Meyer was nonexistent; thus, he did not know what the tone of their letters was worth, but later learned they are "fairly well regarded people – members of the bar."

⁹ Lawson stated subsequently when he spoke with Clarkson and Edwards he told them, "[Y]ou can't control some attorney writing some nasty letter. That's not gonna strike against you unless I get to the bottom of it and find out you were unprofessional."

Lawson disclosed he spoke with Clarkson and Edwards about their professionalism issues, including the letter from Barry Richard. In summary, Lawson told Clarkson and Edwards they represent Florida and they are to give quarter and expect none.

Lawson said he pointed out to Clarkson and Edwards there had been numerous complaints regarding their slow public records request responses to targets and Meyer's complaint they released exempt information. Lawson said he also addressed with Clarkson and Edwards an issue regarding the use of a letter versus a subpoena.

Lawson indicated Clarkson and Edwards were investigating some smaller law firms and wanted to "do it very quietly, not make it as a full-blown investigation, but just kinda send a letter as an overture." Lawson said the criticism of this process was "unfounded" and he agreed with the process. Lawson added, from what he found later, Clarkson and Edwards were instructed to use the letter approach.

Lawson stated he counseled Clarkson and Edwards and told them, "I need from the two of you to have extraordinary sensitivity on all steps you take going forward." Lawson disclosed he was there to say, "[I]t's a new director. It's a new day.... [t]here had been great concerns expressed about them up in Tallahassee and that I'm here to be a clean slate. I want great sensitivity and no problems for another six months."

Lawson indicated he had a one-on-one meeting with Julian and informed him there could be no problems with Clarkson and Edwards over the next six months. Lawson said he told Julian he thought there had been some miscommunications between south Florida and Tallahassee and they needed to have an open line of communication because he thought people in both offices were letting their imaginations fill in the gaps; he was there to put an end to it.

Lawson stated when he addressed with Julian the concerns about Clarkson's and Edwards' professionalism Julian told him he was "quite taken" by the letter from Richard and subsequently starting sitting in on meetings Edwards had with opposing counsel. Lawson indicated Julian was concerned as he saw the "unfair aggressiveness." Lawson stated Julian began counseling Edwards and expressed he was pleased she was improving her level of professionalism.

Lawson said he considered documenting the counseling, but decided against it since he was new to the Florida Office of the Attorney General and thought it may not be best to "start out on some sort of rampage...firing people or setting them up to be fired." He stated he discussed documenting with Julian and Julian told him, "[I]f you document it, it would be very bad for morale."

February 24, 2011, Email

Lawson pointed out a February 24, 2011, email from Edwards to Julian (who sent it on to Lawson) indicating the need to run by Lawson and Connors a request to work with the Inspector General with Fanny Mae and Freddy Mac. Lawson said this email made him think "okay great, these two [Clarkson and Edwards] have gotten the message"¹⁰...At this point in late February I'm, still very optimistic about the working relationship."

¹⁰ The message being what Lawson conveyed to Clarkson and Edwards at the February 8th meeting.

February 28, 2011, Meeting

Lawson explained the purpose of the meeting was to get an overview of all the mortgage and foreclosure cases, with the Lender Processing Services (LPS) and Watson cases being discussed at length. In attendance were Julian, Scott Palmer, Victoria Butler, Clarkson, and Edwards. Lawson added while he was in the Fort Lauderdale office on February 8th he thought he mentioned to Clarkson and Edwards he would be coming back down to discuss the LPS case.

Lawson testified at the meeting Clarkson's and Edwards' files were "very disorganized...the documents relevant to a point and allegation of their investigation would not be handy....they wouldn't be able to find them." Lawson described the meeting as being so disorganized at one point he asked either Clarkson or Edwards to step out and gather some documents in support of the investigation. When she returned, she indicated she could not find the information.

Lawson indicated one of the concerns with the LPS case was whether there was improper fee sharing, and he asked Clarkson and Edwards whether they had any evidence in support of the fact LPS charged attorneys and not servicers. Lawson stated in response to Clarkson's and Edwards' answer of "no" he told them they would need to get some evidence, and Clarkson commented she would contact some of the people in the foreclosure defense world to see what they had since she was in touch with them all the time. Lawson disclosed Clarkson's response prompted him to ask her, "[S]o you're gonna contact people outside of the office and share with them what the priorities and strategies are for our office and ask them to provide us our—their information they have?" Clarkson replied "yes."

Lawson disclosed because of the issue of gathering evidence from people in the foreclosure defense world he gave the instruction, "going forward no contact with third parties unless you've a specific issue you're trying to get with them, they represent a witness that you need, you've read their complaint you want to get that piece of evidence that they reference they have. No just brainstorming strategies with outside people."

March 2, 2011, Email

Lawson pointed out a March 2nd email sent to him by Clarkson and Edwards, with information he requested from them the previous day, containing testimony from an LPS employee in *Wood vs. Option One* indicating LPS receives their fees from the attorney and not the servicer.

March 3, 2011, Meeting

Lawson stated at this meeting he again asked Clarkson and Edwards whether there was evidence LPS does not charge the servicers because it seemed like a big issue the way Clarkson and Edwards painted it; and they again reply "no."

"A Game" Meeting

Lawson stated he had another meeting with Clarkson and Edwards (after reading *Wood*) and told them, "we have good cases against great counsel and this [LPS] is one of them I'm expecting the A game and I'm not seeing it.... I'm expecting the A game....you guys are not getting it done; this is unacceptable." Lawson added "the legal significance of what I found is it's not that they hadn't seen it but they simply hadn't briefed me on it twice."¹¹ Which is problematic

¹¹ Lawson was referring to twice asking Clarkson and Edwards whether they had any evidence LPS charged the servicers, and their twice telling him, "no," when in fact they had such evidence in their

in its own thing, but more importantly...going back to the warning I had given them in February of great sensitivity on all issues.”

Review of Clarkson’s and Edwards’ PowerPoint Presentation *(Lawson Interview continued)*

Lawson disclosed his overarching concern with the PowerPoint presentation, which he was briefed on within his first three days of employment, was “the open discussion with third parties as far as the nature and status of our [Florida Office of the Attorney General] investigation.” Lawson stated such an open discussion may be harmful to the agency, unfairly harm the target or mislead whoever is receiving the information because the theory on which a case begins is invariably not the theory at the conclusion of the case.

Lawson noted Robert Julian was present when the PowerPoint presentation was delivered, but did not know whether he approved it prior to its promulgation. Lawson added he was not aware of the existence of any policy or procedure to follow when making a public presentation prior to his starting with the Florida Office of the Attorney General.¹²

Additionally, Lawson addressed the following regarding the presentation:

- Clarkson and Edwards used an image of a Candy Land board game to describe their summary of the mortgage process—an issue he described as “minor” but disclosed was specifically pointed out by Meyer’s January 6th letter.

Forgery

- On November 23, 2010, Szymoniak provided Clarkson with a link to a PowerPoint presentation which contained screens referencing forgery and provided variations of the signatures of Linda Green. The screens used in the Clarkson and Edwards PowerPoint were exactly the same as the ones provided by Szymoniak.
- In a letter addressed to Clarkson and Edwards, dated November 29, 2010, Meyer provided all the evidence Clarkson would need to show the signatures were not forgeries as is defined as a legal term and crime when she sent 1) corporate resolutions and powers of attorney granting signing authority to DOCX employees, and 2) delegated signing authority forms executed by DOCX authorized signers delegating their authority to other DOCX employees.
- On December 1, 2010, Clarkson emailed Szymoniak a draft of the PowerPoint with the references to forgery.
- In a January 6, 2011, letter to Clarkson and Edwards addressing the presentation, Meyer wrote:

[Y]ou characterize the differing signatures on documents multiple times as “forgeries” and “false witnessing” without any reference to the actual facts.

possession.

¹² Lawson indicated there is now a requirement anytime someone is going to speak publicly they need to vet it fully with their chief and he needs to be abreast of it.

Linda Green and other DOCX employees had delegated their signing authority by express written consent to other employees. We gave you the delegation forms which were maintained at the DOCX facility. You know that the differing signatures were the product of an express delegation, yet you conspicuously failed to mention it. While LPS did not approve of this practice and when it was discovered, stopped it and fired the manager who initiated it, your labeling of these activities as crimes is not only inflammatory, it frankly is not within your purview in this civil investigation.

Referenced in and attached to Meyer's letter was *Document Solutions Group Surrogate Signer Policy* executed by Linda Green on March 19, 2008, and October 6, 2009.

- Lawson noted the crime of forgery requires intent. The "basic black letter definition is intent-is the putting of another person's name to document with intent to [de]fraud and without authority." Thus, because of the delegation of authority there may not have been intent to defraud. Half the time Clarkson and Edwards indicated something was a forgery in the presentation; they have had their attention drawn to the fact they are not forgeries, "yet they go and publicly say that."
- Using Szymoniak's slides, Clarkson and Edwards presented the theories of a fourth party (Szymoniak) to third parties (the public viewing the presentation); consequently, inappropriately implying they represented the opinion of the Florida Office of the Attorney General. Lawson said, "all of this is quite problematic."

Fraudulent Employment

- One of the PowerPoint screens titled *A Few of Linda Green's Many Job Titles* lists 14 titles held by Green, implying Green was fraudulently employed in the positions when in fact Meyer provided Clarkson and Edwards with the information showing Green was lawfully in the positions prior to the presentation being given. The Green job title screen was straight off the Szymoniak PowerPoint.

Under Investigation

- The presentation portrayed Scott Anderson, Tywana Thomas and Jessica Ohde as being under investigation by the Florida Office of the Attorney General when they have not been contacted or interviewed.
- There was an open investigation in the Tampa office on Nationwide Title Clearing referenced in the presentation and Clarkson and Edwards did not check with the attorneys of record investigating the case to discuss whether it was something which should be disclosed.
- GMAC was under an open multistate investigation and reference to GMAC in the PowerPoint "could be problematic...into our relationship with...the multistate" group.¹³

¹³ The multistate group is an assembly comprised of Attorneys General from various states joined together to bring action against a targeted entity doing business in more than one state.

- DocX and LPS were under an ongoing investigation and mentioned in the PowerPoint presentation.

Bogus Documents

- A clerical process within LPS when printing documents which had been fed no information provided for the document to be automatically populated with “bogus assignee.” It is one thing having an error and sloppy paperwork get filed with the court, but Clarkson’s and Edwards’ presentation showed filed documents with “bogus assignee” insinuating there was some sort of conspiracy which was inaccurate.

Impossible Notary Stamps

- Notary stamps can only be valid for four years. The presentation showed an Assignment of Mortgage with a document date of June 8, 2005, and a recording date of June 23, 2005. If the document was executed on June 8, 2005, the latest date the notary stamp would have been valid would have been June 8, 2009.

Clarkson and Edwards pointed out on the screen a notary stamp with an expiration of August 9, 2013—an example of an impossible notary (The sections of the document with the dates were superimposed on the Assignment of Mortgage).

Another screen within the presentation showed the same Assignment of Mortgage in its entirety revealing the original mortgage was recorded on June 23, 2005, but was assigned on July 12, 2010. The notary stamp, shown as a superimposed image, was notarizing the signature of the Assignment of Mortgage on July 12, 2010. Thus, the notary stamp was valid for over three more years at the time of notarization.

Lawson stated “[T]hey’re passing off as impossible notary accusations which are completely incorrect. They’re insinuating that this notary...had falsely put her stamp on this document when in fact this is on its face completely executed...properly....[T]his is an example of the kind of work product we saw.”

Continued Discussion of Ongoing Cases

- Clarkson and Edwards excerpted testimony of witnesses (Tammy Lou Kapusta and Kelly Scott) they had taken and included it in the presentation. Lawson testified “[T]his is a classic example of discussing with third parties your ongoing thoughts and...theories on...a complex investigation.”
- Lawson referred to the section on *Misuse of Falsified Assignments* as another example of “expressing to third parties the sums, theories and so forth...of an ongoing investigation.”

Mortgage is the Key

- Clarkson and Edwards incorrectly indicated the mortgage was what determined who had standing to file a foreclosure action; Lawson indicated in actuality it is the holder of the note, not the mortgage, who has standing.

Cases Assigned to Clarkson and Edwards (*Lawson Interview continued*)

Anti-Trust and Process Server Cases

Lawson stated three small law firm cases were transferred from Clarkson and Edwards to the Anti-Trust Unit headed by Scott Palmer who indicated the cases were a total mess and lacked any investigative effort.

Lawson disclosed the process server cases were transferred from Clarkson and Edwards to the Tampa office supervised by Victoria Butler. Lawson said Butler relayed to him when Clarkson and Edwards were briefing the Tampa office on the cases she wanted to tell her team they (Clarkson and Edwards) didn't know what they were talking about in the cases.

David Stern

Lawson disclosed Stern was one of the most prolific foreclosure law firms in Florida and they had good evidence on the firm. Lawson stated the *New York Times* picked up the announcement of their investigation of Stern and probably will pick up the lawsuit as well.

Lawson said he set up a meeting with Clarkson and Edwards for April 4, 2011, to go over the case and on March 31, 2011, they sent him their draft complaint. Lawson testified the basic premise on which Clarkson and Edwards based their complaint against Stern was "totally flawed" and it was at this point he started to lose faith in Clarkson and Edwards.

Lawson indicated when he was reading the complaint he found Clarkson and Edwards were focusing on the mortgage as the driving factor in foreclosures. Lawson explained he did not think this was correct and in half an hour of pulling books off the shelf in the law library found a case which holds the mortgage is irrelevant, it is the note which is the driving factor. Lawson emphasized he found the information in half an hour and Clarkson and Edwards had the investigation for a year; leading him to conclude Clarkson and Edwards never bothered to check if there was any legal authority which supported their theory.¹⁴

Lawson referenced verbiage in the Stern complaint which read,

The firms that can genuinely compete with DJS [Stern] are other law firms which employ the same improper tactics and strategies as DJS. DJS and firms like it are able to offer servicers extremely low legal fees for their services as a result of running the practices like "foreclosure mills" without regard to the rules of procedure, rules of evidence and statutes of the State of Florida."

Lawson described the language as "basically saying that if you're engaged in foreclosure work in a large volume you have to be breaking law. It's an extraordinary accusation to be making." Lawson further pointed out where Clarkson's and Edwards' complaint indicated DJS padded service of process fees and interfered with the integrity of the legal process by filing foreclosure actions despite having no standing to do so.

¹⁴ Clarkson's and Edwards' complaint alleged the plaintiff did not have standing to bring a foreclosure action because the Lis Pendens was recorded prior to the assignment of mortgage. The case cited by Lawson held it is the holder of the note who has standing to sue in foreclosure regardless of any mortgage assignments.

Fidelity National

Lawson provided copies of screen shots taken from the Florida Office of the Attorney General Internet site listing open investigations. Lawson showed the subject listed for investigation L10-1094 as "Fidelity National Financial, Inc. and FNF Capital Leasing, Inc. f/k/a Lender Processing Services, Inc., and D/B/A LPA Default Solutions and a/k/a and d/b/a Docx, LLC., a foreign corporation." Lawson disclosed Fidelity National was never formally known as Lender Processing Services. Lawson explained going to the Securities and Exchange Commission Web site to see the filing information would have shown the f/k/a error for Fidelity. Lawson expressed his dismay at the putting on the Internet the incorrect information; Clarkson and Edwards did not even know the name of the target of their investigation.¹⁵

Florida Default Law Group

Lawson disclosed on Thursday, March 24, 2011, he met with Trish Conners and attorneys representing Florida Default Law Group (FDLG). He indicated during the meeting FDLG's attorneys expressed their frustration with the Florida Office of the Attorney General as the case was opened in April 2010, and they had not yet received a full explanation of the allegations against FDLG, despite their repeated efforts to cooperate. Lawson stated he promised the attorneys by the end of the week he would provide them with the top three to five Florida Office of the Attorney General points of concern (the end of the week would be Friday, March 25, 2011).

Lawson said he contacted Edwards and indicated he needed their (Clarkson's and Edwards') top three to five concerns with FDLG and maybe some backup documentation to support the concerns so he could provide them to FDLG. Lawson stated he did not receive the requested information by the end of the week, and by the middle of the next week (on or about Wednesday, March 30th) he told Clarkson and Edwards they could go over the FDLG concerns when he came to the Fort Lauderdale office the following Monday, April 4, 2011.

Lawson said during the meeting on April 4th Clarkson and Edwards were not able to provide him with their top three to five concerns with FDLG; the first couple of points they raised were not valid. Lawson explained the third point he thought might have some merit as copies of court documents Clarkson and Edwards showed him looked as though there might be fraud involved. Lawson testified upon questioning them he learned Clarkson and Edwards had not done any investigation into the issue; e.g., no pulling courthouse files. Lawson added, when he returned to the office on April 28th, the FDLG file was still in disarray.

Lawson pointed out an email exchange between Clarkson and Julian (who forwarded the email to Mary Leontakianakos) in July 2010 in which Clarkson asked direction on whether lawsuits against five foreclosure law firms, including FDLG, could be filed simultaneously. Lawson showed in Leontakianakos' reply she asks, "What independent investigation, if any, have we done to confirm these allegations?" Lawson stated eight months later he was asking the same question.

Lawson stated the fact Clarkson was asking to file five lawsuits in July 2010, coupled with the fact none had been filed by April 2011, answered the question: no independent investigation

¹⁵ The Florida Office of the Attorney General Internet site still listed the subject of the investigation as "Fidelity National Financial, Inc." as of December 30, 2011.

was conducted on the cases. He added, this showed “the absolute necessity of using an investigator in these cases.”

Lawson disclosed FDLG had been listed on the Florida Office of the Attorney General Internet site since April 28, 2010, showing an ongoing Florida Office of the Attorney General formal investigation against them and Clarkson and Edwards had “done nothing—no independent investigation to back that up.”

Lawson referenced a July 12, 2010, email Clarkson sent to Epstein explaining how she hoped to soon finish the lawsuit she was drafting against FDLG; adding yet, in April of 2011, little work had been done on the case. Lawson also pointed out Clarkson was discussing the drafting with a third party who was a blogger and being foreclosed on by FDLG. He opined, “is there any, any consciousness whatsoever that this is simply gonna be taken and used to extort a better result out of her own foreclosure case?”

Lawson provided a series of emails beginning with one from Clarkson and Edwards to Julian dated October 1, 2010, which had a complaint against FDLG drafted by Clarkson and Edwards attached. Lawson stated the complaint contained the same invalid standing theory Clarkson and Edwards posed in the Stern complaint (see David Stern, page 15). Lawson indicated Clarkson and Edwards were asking to file a complaint on an “entity they’ve done almost no work with” and their idea, as taken from their email, is “[G]iven the current publicity surrounding this issue, we would like to file this lawsuit as soon as possible to take advantage of the momentum, which may help achieve the relief we are seeking.” Lawson commented Clarkson and Edwards spent time drafting a complaint and were ready to file suit on a case they had done no investigative work on and the legal theory on which it was based was pending before the court in another case.

Lawson provided an April 7, 2011, email from Clarkson and Edwards listing five issues they were looking into on FDLG.¹⁶ Lawson pointed out “standing” was one of the issues on the list which was sent to him three days after he explained to them standing was not an issue. Lawson went on to explain flaws in the other issues Clarkson and Edwards raised; e.g. “lack of documentation” to support the allegation.

Lawson indicated in addition to a prominent law firm defending FDLG, and a prominent member of the blogosphere being foreclosed by FDLG, there was an issue with an assistant state attorney out of the Tampa office being associated with FDLG by notarizing documents for them. Lawson said, “if there’s ever been a case that needs extraordinary sensitivity it’s this one. And 12 months into it they’ve done nothing.” Lawson explained because of the situation he began putting as much pressure as he could on Clarkson and Edwards to get the case moving.

Lawson provided documentation indicating two FDLG CD-ROM discs were found in Clarkson’s and Edwards’ office, and not forwarded when they transferred the case to another office.

LPS and DOCX

Lawson explained LPS became a priority for him because of Meyer’s January 6, 2011, “scathing” letter which included a request to meet.

¹⁶ These are the issues Lawson requested on March 23, 2011.

No Independent Investigation

Lawson provided information he described as a lack of independent investigation on the part of Clarkson, beginning with a May 11, 2011, email Clarkson sent to him with the subject line "SEC goes after LPS." Lawson explained what Clarkson sent was an FCC filing describing how LPS was being sued by the FDIC, so Clarkson got it wrong. Lawson in response instructed Clarkson to get a copy of the complaint and asked, "[A]ny ideas on the course to take re: LPS, next steps, areas of concerns, etc.?" Lawson explained he was asking because Clarkson and Edwards were the pioneers on the case. He added, neither Attorney General Bondi nor Carlos Muniz ever mentioned the case to him and all Connors ever did was ask for the status.

Lawson indicated Clarkson emailed Epstein (foreclosure blogger) and asked her for a copy of the FCC/LPS complaint. Anecdotally, Lawson noted in response Epstein corrected Clarkson, explained it was the FDIC, not the FCC, suing LPS. Lawson stated, "[A]gain...what if any independent investigation have they done on this case? Nothing. And this is the biggest issue in my division, and it's one of the biggest issues in the State of Florida."

Mississippi Case

Lawson referenced an email Clarkson sent him on February 9, 2011, regarding a Mississippi bankruptcy case involving LPS. According to Clarkson's email she informed him in the February 8th meeting she would be sending the case to him and it "outlines in very good detail the allegations of wrong-doing by LPS."

Lawson provided a February 24th email he sent to Clarkson and Edwards, with the case attached, which indicated he had not yet read the case, it was being sent for review and possible monitoring.¹⁷ The email mentioned meetings regarding preparation for meeting with LPS.

Lawson indicated on the evening of March 3rd he read the Mississippi case and found evidence LPS does not charge its servicers. Lawson said he was "displeased that a document that I know they had, and I myself had, that on two separate occasions I asked them directly do we have any evidence for this [whether LPS charges servicers]...they say no." Lawson stated as the division director finding this type of information was not something he should be spending his time doing.

Prosecutorial Efforts

Lawson described as "laughable" the insinuation the Florida Office of the Attorney General was "cutting LPS some favors." Lawson indicated because of the priority of the LPS case he reassigned it (from Clarkson and Edwards) to Julian, after taking away Julian's managerial duties, because Julian was one of his most experienced attorneys and he was always pleased with Julian's work.

Lawson disclosed Butler was assigned the multistate facet of the LPS case and one of his most senior and talented investigators was on the case. Lawson provided emails showing their involvement in an effort to orchestrate a conference with Attorneys General on the multistate investigation where LPS would be presenting a demonstration; the meeting was eventually held in Jacksonville.

¹⁷ Lawson stated at the time he sent the email he did not realize he was sending the same case Clarkson sent him on February 9th.

ProVest

Lawson provided documentation of a ProVest CD-ROM disc being found in Clarkson's and Edwards' office and sent to him in August 2011 that was not forwarded when they transferred the case to another office.

Shapiro & Fishman Case

Lawson explained in August 2010 Clarkson and Edwards issued subpoenas on Shapiro & Fishman (Shapiro or S&F) which were eventually quashed in circuit court (on October 4, 2010). Lawson stated in late February 2011 the Florida Office of the Attorney General had oral arguments on the case and were "beaten up badly." Lawson disclosed an appeal on a subpoena issued to the David Stern Law Firm was pending when the Shapiro decision was issued.

Lawson indicated he was planning to be in Fort Lauderdale on Monday, February 28th and on the 25th he received a call from Shapiro's attorney who indicated he wanted to work the case out. Lawson said he told Julian, Clarkson and Edwards that Shapiro was the "priority" and needed to be resolved before the appellate position on the Stern case was issued.

Lawson explained one of the theories being worked on the Shapiro case was whether they (Shapiro) would be acting as a debt collector during the course of litigation. Lawson indicated despite his warning in February to not share strategies and/or get information from third parties, on May 3, 2011, Clarkson emailed Epstein asking, "[D]o you have any S&F reinstatement letters from S&F saying they are debt collectors?" Lawson described Clarkson's email as sharing theories, impressions and information with third parties.

Lawson provided a March 28, 2011, email from Clarkson indicating the entire Shapiro file was being shipped to Tallahassee that day. Lawson responded on May 4, 2011, with an email sent to Julian, Clarkson and Edwards indicating he just reviewed some supplemental documents on the Shapiro case sent to Tallahassee and was disappointed at what he found. Lawson said the documents would have been helpful to the two attorneys to whom the case was transferred and failure to send the documents resulted in the speed of the investigation being retarded. Lawson's email ended by instructing it was imperative for them to review their offices and be sure all documents were forwarded not only to the persons handling the Shapiro case, but the persons receiving cases transferred to Tampa as well.

Lawson explained the additional documents from the Shapiro file arrived on two separate days, in two separate packages, and with no letter or telephone call indicating the documents were coming. Lawson emphasized the subpoena, which was at issue with the District Court of Appeals, was one of the documents sent up; it was not sent in the original package. He stated, "[T]he idea that there is something to that...case file other than the subpoena is baffling."

Lawson also provided an email from Julian dated May 25, 2011, a week after Clarkson and Edwards were let go, indicating he found more documents on Shapiro in Edwards' office. Additionally, Lawson provided information showing more Shapiro documents were sent from the Fort Lauderdale office at the end of August 2011.

Shapiro Decision

Lawson explained when the Shapiro decision came out he could have said about the foreclosure cases, "[W]e have no enforcement authority and no evidence of a crime and we're

closing it all down.” Lawson testified instead he put his best and most experienced attorneys and investigators on the cases.

Lawson described as “preposterous” the idea the Florida Office of the Attorney General let up on the foreclosure cases because of the outcome of the Shapiro lawsuit; the Florida Office of the Attorney General moved forward on the cases despite the cases being a “total mess.” He added, “essentially these investigations don’t begin until they get removed from these two [Clarkson and Edwards]...and that a proper investigator and an attorney is working the case like it should have been done from a year previous.”

Lawson referenced a string of emails sent in October 2010 from Clarkson to Bob Hannah which showed how Clarkson failed to let Jay Vail, the attorney handling the appeal on the Shapiro decision, know a rehearing on the case had been denied.

Watson Settlement

Lawson indicated in March 2011 he complimented Clarkson and Edwards on their settlement of the Watson case. Lawson testified it was the middle of March and he was still “very optimistic” with Julian as the bureau chief and Clarkson and Edwards as attorneys.

Case Transfer *(Lawson Interview continued)*

Lawson testified around March 20th he called Julian and explained the Fort Lauderdale office had too many cases and the team needed to divest themselves of some cases. Lawson explained he allowed Fort Lauderdale to choose which cases to transfer, but indicated Clarkson and Edwards were to keep Watson, Ezra, LPS and David Stern.

Lawson said it “flabbergasted” him one of the cases selected to be reassigned was Shapiro. Lawson said when Clarkson and Edwards decided to transfer the Shapiro case to another office he was “kind of left in this managerial quandary. ...if this is the – their sense of priority and judgment do I leave it with them and risk it blowing up or do I have somebody reinvent the wheel in overdrive...somewhere else?”

Lawson explained he requested the case transfers in March and he did not start to lose faith in Clarkson and Edwards until beginning in April. He added he specifically told Julian the transfer was “not a vote of no confidence.”

Case Organization *(Lawson Interview continued)*

Lawson stated the cases Clarkson and Edwards were working were huge and “there was no organizational method whatsoever—there’s no date stamping, no indexing.” Lawson said the bureau chief who received the Shapiro file expressed his dismay at the condition of the file.

Lawson indicated he looked at the Shapiro file after it was received in Tallahassee and it appeared “to be in a total disarray, a total mess.” He added, it didn’t “appear to have had any investigator effort...put into it.”

Response to Public Records Requests and Releasing Subpoenas (*Lawson Interview continued*)

Lawson stated the Shapiro attorney indicated he needed some documentation he previously requested. Lawson referenced the March 2nd and 3rd email he sent to Robert Julian, Clarkson and Edwards trying to get them to fill Shapiro's public records request so they could settle on the case. Lawson pointed out an email which read in part, "[H]ere is Richman's [Shapiro's attorney] revised 119 request. In order to expedite things please tend to this promptly."

Lawson submitted a copy of correspondence from Gerald Richman.¹⁸ When addressing the correspondence Lawson referenced the March 2nd email to Clarkson and Edwards indicating they should get every public record Shapiro could possibly want out to them. Lawson added, when he provided Trish Conners with a copy of the letter she replied, via email, in part, "[T]his is not good."

Lawson stated he received calls from ProVest's attorney making repeated complaints about the lack of production for a public records request made to Clarkson and Edwards, so on March 20th he (Lawson) sent them an email requesting an update on ProVest and acknowledging how much they had on their plates.

Lawson stated the attorney representing ProVest always would mention, "[H]ey, you know, we – we're trying to get these public records requests made. Can – can you get them [Clarkson and Edwards] to – to reply?" Lawson provided an August 31, 2011, letter sent by ProVest to Victoria Butler which read in part,

The issues they [Clarkson and Edwards] were concerned about were few, many were based on incorrect assumptions, and all could easily be addressed...we requested to see the numerous complaints against us...that were the purported basis for opening the investigation. Ms. Edwards and Ms. Clarkson promised to send them to us; however, after repeated follow up to get copies of the complaints, they simply were unresponsive to us.

Lawson contrasted Clarkson sending Szymoniak and/or Epstein copies of subpoenas contemporaneously or shortly after their being issued, with complaints from investigation targets regarding her and Edwards' lack of response to public records requests.

Lawson provided an email sent by Clarkson to Lisa Epstein and Lynn Szymoniak on October 13, 2010, with a subpoena issued to LPS dated October 13, 2010, attached. Lawson pointed out the very day the subpoena was issued Clarkson sent copies to Epstein and Szymoniak. Lawson also provided an email sent by Clarkson to Epstein on May 2, 2011, with two subpoenas sent to Fidelity National dated April 13, 2011, attached. Lawson indicated within a month of the subpoenas being issued Clarkson sent copies to Epstein.

¹⁸ Attorney Gerald Richman indicated in part, despite his requests for a copy of Clarkson's and Edwards' entire Shapiro file, assignments of mortgages for named individuals (which involved Shapiro) they shared with him during a face-to-face meeting, the documents were not included in what Clarkson and Edwards produced in response to his request.

Lawson indicated Clarkson's release of the April 13, 2011, subpoenas occurred after he met with Clarkson and Edwards in February and addressed the slow response to public records requests submitted by investigation targets. Lawson stated, "this makes an interesting comparison to the routine and uniform complaints of months of delays, is in fact flat out non-compliance to the public records requests from targets, that she's sending it straight out to members of the blogosphere, whether or not she's doing it as a friend or what have you, or if this is simply to drum up attention in the media to – to bring extra pressure on the case since they're not doing an independent investigation."

Florida Office of the Attorney General Staff *(Lawson Interview continued)*

Robert Julian

Lawson said when he told Clarkson's and Edwards' supervisor, Robert Julian, about the condition of the Shapiro file when it was received in Tallahassee he responded, "[Y]ou know, if that was my file, I would have made sure it was in order." In light of Julian supervising Clarkson and Edwards, Lawson added; "[H]ow he could think that that wasn't his file with his name on it, was disturbing to me."

Lawson pointed out Julian failed to inform him when one of the attorneys in the Fort Lauderdale office was being deposed on a case going forward on a motion to quash. Lawson indicated he found the situation a shortcoming on Julian's part and told him in the future he (Lawson) should be kept abreast of such events.

Lawson said he never saw in Julian's evaluations of Edwards anything mentioning his counseling her on her professionalism, nor did he see anything in evaluations about the poor organization of files.

Lawson disclosed when he called Julian the day after learning of the release of the confidential multistate draft LPS subpoena (see Release of Confidential Draft Multistate LPS Subpoena, page 25) they had a solemn conversation about Clarkson and Edwards wherein he (Lawson) indicated although he knew Edwards did not release the subpoena he really was not seeing a difference between her and Clarkson. Lawson indicated Julian told him perhaps not from Tallahassee, but from where he was sitting he could see a difference. Lawson pondered, "the ringing endorsement is that he can understand why I don't see there's a difference, but I should just trust him at this point that there is?"

Robert Julian's Evaluation

Lawson described the performance evaluation he gave to Julian on April 28, 2011. In comparison, Lawson said his evaluations of the other bureau chiefs were about two sentences long and took about five minutes on the telephone; whereas, Julian's was an hour-long video conference. Lawson provided a copy of Julian's evaluation which read in part, "[A]s has been previously discussed, several areas of concern have consistently appeared with members of the South Florida staff, including but not limited to:

- professionalism to opposing counsel;
- judgment in discussing matters related to pending investigations to third parties;
- contact with interested parties in the investigation of pending cases;
- marshalling of facts and evidence;

- full use of investigators;
- identification of specific areas of concern re: target investigations;
- proper identification and analysis of legal issues; and
- proper case file organization.”

Lawson explained he drafted the evaluation with the help of Cathy Christensen and it was decided not to include Clarkson’s and Edwards’ names on the evaluation, but for him to reference them when he gave Julian the evaluation; all the bulleted items were about them jointly. Lawson added, at this point he had lost faith in Clarkson and Edwards.

Lawson said he went over the points on the evaluation and specifically addressed with Julian his concerns with Clarkson and Edwards. Lawson indicated Julian told him he thought Clarkson and Edwards were coachable and he was hopeful in six months there might be improvement. Lawson added, “[N]ow mind you, I had told him three months earlier, ‘I can’t have any problems. There’s got to be great sensitivity.’” Lawson opined, “that’s the ringing endorsement from the... same author of those [Clarkson’s and Edwards’] evaluations singing their praises.”

Lawson disclosed Julian did not “fight him” on a single one of the points brought up in the evaluation, nor did Julian point out “two days earlier I [Julian] just wrote an evaluation saying, ‘I can’t overestimate their value to the office.’”

Investigators

Lawson revealed, although not in his mind when he made the decision to terminate Clarkson and Edwards, he learned some of the investigators in the south Florida Economic Crimes office approached Julian and told him they did not trust Clarkson, they believed she was just listening to Lisa Epstein and following her instructions and they thought Epstein might be lying to Clarkson.

Lawson said the investigators told Julian they were not going to have anything to do with the foreclosure mill cases. He added, their work hours reflected their decision as the six investigators put in about 30 hours of work in 12 months on the cases.

Lawson described foreclosure case files in general as “mammoth” and if in-depth work was going to be done there will be thousands of pages; the case file was impossible to work without an investigator. Lawson said of Clarkson and Edwards, “it was impossible for those two to try to do [the work] by themselves...even if they were working as investigators. That’s why I divested them of – of their own cases that they self-selected.”

Trish Conners/Carlos Muniz

Lawson stated he made Conners aware of the PowerPoint issues and the professionalism issues with Clarkson and Edwards his first week on the job.

Lawson said when he returned from his first trip to south Florida he met with Conners and Muniz, informing them he was “very optimistic” and he read them [Clarkson and Edwards] “The Riot Act” so he thought they “got it.”

Lawson disclosed in an April 7, 2011, meeting with Conners he first broached the subject of thinking he might have to end Clarkson’s and Edwards’ employment with the Florida Office of the Attorney General, and something may need to be done with Julian. Lawson added he was

in touch with Conners several times a week so none of the issues he raised on April 7th would have been a shock to her.

Lawson indicated he discussed the following issues regarding Clarkson and Edwards with Conners, issues Julian should have caught:

- PowerPoint Presentation;
- Topics discussed at February 8, 2011, counseling;
- "A Game" notification;
- Poor preparation on LPS case;
- Failure to come up with issues for LPS;
- Stern case;
- Lack of investigation on FDLG.

Lawson disclosed around the end of April 2011 he met with Conners and Muniz so he could brief Muniz on his concerns with Clarkson and Edwards. Lawson described Muniz as being "taken aback" and was seriously considering termination needed to be contemplated, but no decision was made at the meeting.

Lawson indicated after he determined who released the multistate draft LPS subpoena he set up a meeting with Conners and Muniz because he was thinking he needed to separate Clarkson and Edwards from their employment with the Florida Office of the Attorney General. Lawson added although it was Clarkson who released the subpoena, "in the context of this whole mosaic of events it should be stressed that more damnable in my mind than the leak of the subpoena is the total lack of independent investigation on almost all of these cases and that was equal for both of them."

Third Party Influence *(Lawson Interview continued)*

Lawson testified Clarkson's and Edwards' terminations were not politically motivated. He disclosed "the most firmly worded concerns from any counsel to me regarding these two was from Susan Hill at Florida Default Group. That was the oldest investigation with the least amount of work done. Her indignation in my opinion as I got into the case and came to understand the facts was totally justified." Lawson said he purposely left Clarkson and Edwards on the biggest cases until they were let go.

Lawson stated no one ever came to him and asked for Clarkson and Edwards to be taken off their case. He added he did receive uniformly expressions of displeasure with Clarkson's and Edwards' handling of public records requests.

Lawson indicated Clarkson and Edwards were not let go because they were too aggressive. He stated he has two "very good attorneys in that Fort Lauderdale office [other than Clarkson and Edwards]. They're extraordinarily aggressive."

Attorney General Pam Bondi

Lawson said in late February 2011 he had a few minutes with Attorney General Bondi and she told him to do whatever he needed to do in his division; she never said anything along the lines of "look at south Florida."

Release of Confidential Draft Multistate LPS Subpoena (*Lawson Interview continued*)

Lawson disclosed Attorneys General from numerous states collectively were investigating LPS; Victoria Butler was working on the LPS multistate for Florida.

Lawson provided a May 12, 2011, email sent at 11:21 a.m.¹⁹ by Elizabeth Boggs on behalf of Deborah Hagan, to Victoria Butler (among numerous persons working the LPS multistate case), with a draft of the multistate LPS subpoena attached. The email contained a footer which read in part: "E-MAIL CONFIDENTIALITY NOTICE: This electronic mail message, including any attachments, is for the intended recipient(s) only. This e-mail and any attachments might contain information that is confidential, legally privileged or otherwise protected or exempt from disclosure under applicable law."

Lawson explained, in addition to the confidentiality warning on the bottom of the email, the draft subpoena was a work product made in anticipation of litigation, so it was not producible under Chapter 119, Florida Statutes. He added, even if the document was producible under a public records request, because the document was from a sister state, Chapter 501, Florida Statutes, provided for a specific exemption from the public records law.

The email Lawson provided showed Butler forwarded the message containing the draft LPS subpoena to Clarkson and Edwards (among other Florida Office of the Attorney General staff working LPS); the message was forwarded at 11:30 a.m. on May 12, 2011. Lawson provided another email showing Clarkson forwarded the draft multistate subpoena to Lisa Epstein on May 12, 2011, at 12:58 p.m. Lawson emphasized Clarkson forwarded the subpoena less than 90 minutes after she received Butler's email with the subpoena attached. Lawson submitted a May 12th email sent at 3:49 p.m. by Epstein to Clarkson, in response to the email containing the LPS draft subpoena, which read in part, "[T]hank you for this response to my public records request."

Lawson submitted a chain of email which began with a message sent by Epstein to Michael Matulis at 3:35 p.m. on May 12, 2011, thanking him for speaking with her on the telephone and helping her with the LPS multistate draft subpoena. The chain continued with an email from Matulis to Hagan telling her about Epstein's contact and indicating the documents were obtained via a FOIA²⁰ request to the Florida Attorney General's office, to which Hagan replies in part, "This got out somehow before we had even finalized it. It was a draft for states to review." In another section of the email chain Hagan writes in part, "I can't believe it [the subpoena] would have been given out via a FOIA. Now the feds are not sure we should send it."

The email chain submitted by Lawson ends with an email from Hagan to Butler on May 16, 2011, stating in part, "Last Friday your Office via a FOIA request gave out the draft LPS subpoena we circulated?...I thought our multistate communications were protected." Butler in turn sent Hagan's email to the recipients of her original email forwarding the draft subpoenas and indicating in part, "Does anyone know anything about this??? I did not see a public records request. This was confidential multistate info."

¹⁹ Hagan's office is on Central time, but all time references note the equivalent Eastern times.

²⁰ Parties outside of Florida erroneously referred to FOIA (Freedom of Information Act) rather than a Chapter 119, Florida Statutes, public records request.

Lawson explained his staff works public records requests day to day. Addressing sending Epstein the draft LPS subpoena Lawson stated, “the idea that she [Clarkson] would think that this is... responsive to a public record [request]...portrays...a gross misunderstanding of the law, a gross incompetence that this should have been sent out on an FYI, no subject line email 90 minutes after it goes out.” Lawson described Clarkson sending the draft subpoena to Epstein as “extraordinarily problematic.”

Lawson stated Robert Julian explained to him Clarkson sent the subpoena to Epstein in response to her public records request for “all subpoenas and responsive documents...to LPS from January through to May 1.” Lawson added, to send the multistate draft LPS subpoena was not even in response to Epstein’s request. Lawson said he never saw the referenced Epstein public records request and confirmed a request would have to post date the receipt of the record.²¹

Lawson opined, the leak of the subpoena “couldn’t be more embarrassing to the Florida Attorney General’s office...for one of the preeminent, if not the preeminent consumer protection attorney [Deborah Hagan] in the entire—in almost all 50... State Attorney Generals to be circumspect and lacking in trust in her dealings with us.”

Lawson related Clarkson’s release of the subpoena to Epstein back to his warning of February 28th to Clarkson and Edwards stating, “[Y]ou can’t trust the people with whom you go and share our product and theories with.” He added, “[A]nd this is a total violation of trust.”

Lawson disclosed he briefed Conners on the release of the confidential subpoena, purportedly released by Clarkson and/or Edwards, and his plan was to verify what occurred by working with the Inspector General to review Clarkson’s and Edwards’ email. Lawson testified the substance of Conners’ response was she was appalled by what occurred and Clarkson and Edwards should be terminated.

DRAFT MULTISTATE LPS SUBPONEA RELEASE TIMELINE

DATE/TIME	ACTIVITY	FROM	TO	CONTENT
Thursday May 12 11:21 am	Email	Elizabeth Boggs on behalf of Deborah Hagan	Victoria Butler*	Draft multistate LPS subpoena.
May 12 11:30 am	Email	Victoria Butler	June Clarkson, Richard Lawson*	Draft multistate LPS subpoena.
May 12 12:58 pm	Email	June Clarkson	Lisa Epstein	Draft multistate LPS subpoena.
May 12 03:35 pm	Email	Lisa Epstein	Michael Matulis	Follow-up to phone call, checking authenticity of subpoena prior to posting on blog.
May 12 03:49 pm	Email	Lisa Epstein	June Clarkson	Thanks for response to public records request.**
May 12 03:51 pm	Email	Michael Matulis	Deborah Hagan*	Informing about Epstein’s contact.

²¹ A review of Clarkson’s and Edwards’ email as well as the Florida Office of the Attorney General public records request database did not disclose a public records request from Epstein.

Florida Department of Financial Services
Office of Inspector General

DATE/TIME	ACTIVITY	FROM	TO	CONTENT
May 12 04:15 pm	Email	Deborah Hagan	Michael Matulis*	Statement subpoena was a draft and "got out somehow" prior to being finalized.
May 12 05:11 pm	Email	Michael Matulis	Deborah Hagan*	Epstein's blog address.
May 12 09:31 pm	Email	Deborah Hagan	Michael Matulis*	"We circulated it [the subpoena] and I can't believe it would have been given out via FOIA. Now the feds are not sure we should send it."
Monday May 16 10:48 am	Email	Deborah Hagan	Victoria Butler	Questioning the release of the draft subpoena and stating, "I thought our multistate communications were protected."
May 16 11:42 am	Email	Victoria Butler	June Clarkson, Richard Lawson*	Asking about the release and stating, "I did not see a public records request. This was confidential multistate info. Who gave this out to Ms. Epstein?"
May 16 th	Conversation	Richard Lawson	Trish Conners	Informs of release of subpoena.
Tuesday May 17 th	Conversation	Richard Lawson	Robert Julian	Solemn talk re: Clarkson and Edwards.

*Not all recipients listed.

** A review of Clarkson's and Edwards' email as well as the Florida Office of the Attorney General public records request database did not disclose a public records request from Epstein.

Decision to End Clarkson's and Edwards' Employment *(Lawson Interview continued)*

Lawson testified he met with Trish Conners and Carlos Muniz after he learned it was Clarkson who released the subpoena. Lawson said this was the final act on Clarkson's part which led to the decision to immediately end her employment with the Florida Office of the Attorney General; there was no debate. Lawson said, based on his experiences with Edwards in just the three months he was with the Florida Office of the Attorney General it was clear she was not meeting his expectations and knew it was just a matter of time before he would have to let her go. Thus, it was decided to terminate Clarkson's and Edwards' employment together.

Lawson stated he had been in numerous direct conversations with Conners regarding Clarkson and Edwards and he had some meetings with Muniz as well. Lawson emphasized the decision to terminate Clarkson's and Edwards' employment was a "bottom-up process," the decision was his. Lawson testified the decision did not come from the top down.

Lawson explained after Connors and Muniz agreed with his decision to let Clarkson and Edwards go, Muniz ran it by Attorney General Bondi who responded Lawson could make the decision.

Clarkson and Edwards Separation of Employment *(Lawson Interview continued)*

Lawson disclosed on Friday, May 20th he called Julian and explained Clarkson's and Edwards' employment needed to be terminated and offered to handle the matter telephonically or let him (Julian) handle face-to-face. Lawson said Julian decided to handle the matter and allowed Clarkson and Edwards to submit their own resignation letters.

INTERVIEW OF JERRY LOCKWOOD

Lockwood provided a digitally recorded sworn statement on September 14, 2011. The following information reflects Lockwood's actual and paraphrased testimony.

Lockwood indicated his job entails a variety of duties, but he interfaces primarily with the Florida Office of the Attorney General Citizen Services Division which handles all the intake of consumer complaints. Lockwood explained part of his interface includes making sure investigations are moving forward in an expeditious manner and with investigative efficiency.

Lockwood indicated when a complaint is received a review is conducted, and if the Florida Office of the Attorney General is going to work the complaint it is assigned to the regional office where the target (entity subject of the complaint) is located. Lockwood explained once the complaint has been forwarded to the regional office it is reviewed by the bureau chief who at the onset assigns the case to an investigator and attorney. Lockwood described the investigator and attorney as working hand-in-hand together.

Lockwood disclosed based upon his past experience as a Florida Office of the Attorney General investigator and the current normal practice, it is not recommended for attorneys to conduct their own investigative tasks, although it has happened.

Lockwood explained at the beginning of a case the investigator and attorney should meet, talk about the allegations, determine what evidence is needed, and the investigator should then gather the information; e.g., copies of documents, witnesses' testimony. Lockwood said following the initial gathering of evidence the investigator and attorney may sit down to figure out what else is needed; the attorney may draft a subpoena with the investigator's input, in order to obtain evidence.

Lockwood testified approximately two years ago he became aware of issues between investigators and some of the attorneys in the south Florida office. He disclosed some investigators would never refuse to work with a specific attorney, but they would "certainly play favorites" regarding with which attorney they would work. Lockwood added, some investigators felt some of the attorneys were asking for completion of investigative steps which were inappropriate.

Lockwood stated in the summer of 2010, Ama Douglas, Senior Financial Investigator, mentioned to him that on multiple occasions during site visits Clarkson would ask for investigators to chase down leads and interview people they felt were known felons, as well as

fabricate²² evidence, and the investigators refused. Lockwood indicated Edwards' name was not specifically mentioned to him, but noted Edwards and Clarkson worked hand-in-hand.

Lockwood disclosed he was aware of Deana Pierce, Financial Investigator, complaining and thought the other investigator who complained was Mark Briesemeister. Lockwood indicated at some point he mentioned the issues to Mary Leontakianakos, former Director, and Robert Julian who indicated he would take care of it. Lockwood said he did not hear anymore about the matters until February 2011; he thought when he visited the Fort Lauderdale office with Richard Lawson.

Lockwood said it was Douglas who again brought the issues up with him, but neither Pierce nor Briesemeister said anything to him. He stated Douglas attributed lack of investigator work on some of the foreclosure mills cases being a result of the ongoing problems. Lockwood disclosed everyone in the Fort Lauderdale office worked for Julian and it would have been Julian's responsibility to address the problems.

Lockwood stated he would become aware of developments with the investigators' concerns during weekly staff calls and during case reviews when he visited the office, but he was not involved in the day-to-day function of the investigators in the office. Lockwood said Julian never came to him and expressed concern Clarkson and Edwards could not get their work done because the investigators refused to work for them.

Lockwood indicated he spoke with Lawson about the Fort Lauderdale office prior to his beginning work with the Florida Office of the Attorney General; he and Mark Hamilton informed Lawson, "[Y]ou have a problem in south Florida." Lockwood stated he and Hamilton spent about an hour and a half giving Lawson a history of the chronology of events leading back about 18 months.

Lockwood testified he first became aware of problems in May or June of 2010 when he received a letter from Barry Richard to Leontakianakos expressing his displeasure with Edwards' unprofessionalism. Lockwood said there were other minor developments throughout the summer.

Lockwood disclosed the most recent issue was a PowerPoint presentation Clarkson and Edwards²³ gave to the Florida Clerks of Court and Comptrollers in December 2010 which had a variety of problems associated with it. He also mentioned an attorney who wrote a letter because he was upset when he discovered his client was a target of a Florida Office of the Attorney General investigation based upon the PowerPoint presentation. Lockwood described the PowerPoint presentation as sort of breaking the camel's back, it was "way too much."

Lockwood described the trip to Fort Lauderdale the beginning of February 2011 as a chance for Lawson to meet everyone as the incoming Director and to conduct a case review. Lockwood stated he and Lawson started out by having a meeting with Clarkson and Edwards, and he was 99% sure Julian was present.

²² This contradicts testimony given by Ama Douglas (see Investigator Issues, page 44)

²³ Robert Julian's testimony indicates that Clarkson and Edwards jointly prepared the presentation and Clarkson delivered the presentation.

Lockwood stated previously it had been expressed to Clarkson and Edwards, either directly or indirectly, management in Tallahassee was not happy with them. Lockwood added, "I don't think they believed that they did anything wrong." He said Lawson took the approach with Clarkson and Edwards he had heard a lot of things, some of which he was not happy about, but it was his first time meeting them and he wanted to let them know they were starting with a clean slate; the past was in the past, they should move forward and not have any problems.

Lockwood disclosed Lawson went through the PowerPoint presentation with Clarkson and Edwards and pointed out the things he thought were wrong and gave them a chance to respond; he wanted to hear their side of the story. Lockwood described Lawson's position as statements in the PowerPoint presentation should not have been made without the "factual evidence to back it up."

Lockwood testified there was a company the Tampa office was looking at, but their review was not yet public and the case was in its infancy, but Clarkson and Edwards in their PowerPoint presentation had a reference indicating "[H]ere's proof that this company did XYZ wrong." Lockwood stated an attorney representing the company wrote a letter to Florida Office of the Attorney General management because they were upset over the matter. Lockwood indicated the attorney asked, "[H]ow should...I find out about this...by reading it in the newspaper?" Lockwood added, "that's just a really, really inappropriate way to operate."

Lockwood said Clarkson's and Edwards' position was the presentation was their statement generally, and in the end, between Lawson and Clarkson and Edwards it was "more of a mutual we agree to disagree." Lockwood described Clarkson and Edwards as having some explanations for the PowerPoint issues, but did not think they "completely absorbed...the gravity of what they did." Lockwood added, Lawson was hopeful his "displeasure was received" and Clarkson and Edwards would "tighten up their process and move forward."

Lockwood said he thought the initial meeting with Clarkson and Edwards went fairly well, but told Lawson he thought it was going to be "short lived." He said, "give them a couple weeks and they'll – something else will happen." Lockwood indicated he did not remember the specific event but some time later Lawson said to him, "[Y]eah, you were right."

Lockwood explained Clarkson and Edwards were on a multistate foreclosure working group, and multistate investigations are confidential until the investigation has either been concluded or action filed. Lawson said in April or May of 2011 Victoria Butler received an email from the Illinois Attorney General's Office wanting to know why the Florida Office of the Attorney General released their "internal document of a subpoena."

Lockwood stated before Lawson began working for the Florida Office of the Attorney General he was in a conference with Mark Hamilton where Hamilton informed Julian of the issues with the PowerPoint presentation. Lockwood said Hamilton told Julian, "Bob, this is unacceptable. You need to get your arms around this."

Lockwood disclosed during the February 8th meeting they went through all of Clarkson's and Edwards' cases with them. Lockwood stated they had 40–50 cases,²⁴ way too many to

²⁴ Following his interview Lockwood submitted a list of investigations assigned to Clarkson and Edwards from January 2010 through their termination on May 20, 2011. The list, which did not include preliminary

effectively manage, and they had eight to ten foreclosure mill cases. Lockwood disclosed the facial expressions and tones made it obvious the group in the Fort Lauderdale office at the meeting on February 8th knew management was not happy.

Lockwood explained there was an attorney in the Tampa office who was a former employee of Florida Default Law Group (FDLG) so it was decided to transfer the case to an independent office.²⁵ Lockwood said during the meeting on the 8th they focused on the FDLG case and Clarkson and Edwards could only provide superficial responses to questions regarding matters such as the case plan and the evidence they had gathered. He added Clarkson and Edwards could not produce documentation showing what they had uncovered, nor did they have a response as to why they were so far behind on their cases.

Lockwood said he asked Ama Douglas what investigators were assigned the foreclosure mill cases and she reminded him of a conversation they had in the summer of 2010 where she informed him no investigators were working on the cases because they were uncomfortable with the leads Clarkson and Edwards were having them pursue. Lockwood stated he asked Douglas who was interviewing the over 300 people with complaints against FDLG, and she did not have an answer.

Lockwood testified Clarkson and Edwards never came forward and indicated they could not complete their work because the investigators were not working for them. Lockwood stated Clarkson and Edwards kept opening cases and management in Tallahassee was instructing them to get a handle on the cases which were already open.

Lockwood said Clarkson and Edwards were very proactive about opening investigations, but there was no evidence to warrant opening half of them. He disclosed once an investigation is opened it is posted on the Internet, but he did not know if any of the investigations opened by Clarkson and Edwards were posted on the Internet prior to their being sufficient evidence to open them.

Lockwood stated during the February 8th meeting their failure to be responsive to public records request was discussed with Clarkson and Edwards; they needed to get the requests filled.²⁶ During his interview Lockwood indicated there were still public records request outstanding from December 2010, "which is extremely wrong." Lockwood disclosed there is a public records database for tracking the requests which, as a standard rule of thumb, are to be dealt²⁷ with in 24 hours. Lockwood stated the Florida Office of the Attorney General does not accept future requests;²⁸ requests for documents not yet in the possession of the Florida Office of the Attorney General; e.g., any documents you received from XYZ company during the next year.

investigations indicated assignment of the following number of cases: Clarkson: 10, Edwards: 19, Clarkson and Edwards: 12, In Total: 41.

²⁵ The case was reassigned to Clarkson and Edwards.

²⁶ The Florida Office of Attorney General Policy and Procedures Manual, Chapter 6 Public Records, states in part, "Public record requests for Florida Office of the Attorney General records must be entered into the Public Records Database and be promptly acknowledged and responded to in good faith. It is the policy of this office to make public records available for inspection or copying as quickly as is reasonably possible."

²⁷ Dealt with may not involve actually filling the request, but may involve actions such as providing an estimated timeframe for production to the requester.

²⁸ Note: The *Government in the Sunshine Manual* indicates Chapter 119, Florida Statutes, does not

Lockwood stated Clarkson and Edwards became very defensive and asked for specific examples, when Lawson addressed with them complaints about their professionalism. Lockwood indicated Lawson mentioned concerns from both Barry Richard and Richard Dorn; he made them aware of the concerns raised regarding their professionalism.

Lockwood explained in the beginning cases are given to the office where the target is located and most of the foreclosure mills were located in south Florida, which is why Clarkson and Edwards had most of the foreclosure mill cases. Lockwood stated although Clarkson and Edwards were probably more versed in the foreclosure mill cases than other attorneys, they did not have some special expertise which would preclude the cases being assigned to other attorneys. He added Clarkson and Edwards were passionate about the investigations, so they were allowed to pursue them.

Lockwood disclosed since Clarkson and Edwards left the Florida Office of the Attorney General the investigations of the foreclosure mills are moving forward. Lockwood said there was a lot of legwork, which was not previously done, being conducted on the cases. Lockwood indicated there is a monthly meeting on the foreclosure mill cases involving Lawson, all the investigators and attorneys assigned the cases, and him.

Lockwood stated case direction would initially normally be handled by the case attorney and investigator, in conjunction with their bureau chief, with some input from Lawson and him if they saw something which needed to be done. Lockwood said 99% of the time he and Lawson were fine with the cases as long as they were moving in a logical fashion with evidence being obtained.

Lockwood explained generally when prioritizing cases those which are complex normally would be worked first, or cases which address the greatest harm or bring the quickest remedy to consumers.

Lockwood said he was unaware of any management influence on the foreclosure mill cases. Lockwood disclosed after Clarkson and Edwards left the Florida Office of the Attorney General there was heavy influence to move the cases forward because they had been open for over a year. Lockwood testified there was never any decision not to look at any of the foreclosure mill cases.

Lockwood stated his understanding of the Shapiro decision is the Florida Office of the Attorney General does not have jurisdiction to investigate law firms and the practices they cover,²⁹ and the ruling has problematically influenced the Florida Office of the Attorney General powers to conduct an investigation and obtain evidence in the foreclosure mill cases.

Lockwood explained before a case is assigned a tracking number it goes through an approval process; the attorney would create a case opening memorandum and send it to the bureau chief. Lockwood said if the bureau chief approves opening of a case the matter is forwarded to Lawson for approval.

require an agency to respond to a request for public records it may receive for documents created in the future.

²⁹ Many law firms, including Shapiro and Fishman were involved in the foreclosure process.

Lockwood stated once the case has been approved for opening, the Florida Office of the Attorney General has a Lotus Notes case management database where every case is listed along with the attorney and investigator assigned the case (the database). Lockwood described the various fields for data input on a case entered into Lotus Notes and indicated the database can be used to track case activity. He stated most people do not put the case plan in the database.

Lockwood disclosed in addition to Lotus Notes there is a separate case and time tracking database where paralegals, analysts, investigators, attorneys, and managers are required to record their investigative time, but the input does not always occur.

Lockwood stated when a case is settled the fees recoverable from the target are based on the hours worked by Florida Office of the Attorney General employees recorded in the system for a specific case. Lockwood agreed if everyone was using the time tracking properly it would provide a method of knowing where employees were billing their time.

Lockwood indicated some of the issues with Clarkson and Edwards could have been recognized earlier if management at the time was paying attention. Lockwood described Clarkson and Edwards as not following fundamental investigative practices, they chose not to let the evidence dictate the course of their investigations "which is the only way I know how to run an investigation after 35 years."

INTERVIEW OF CARLOS MUNIZ

A digitally recorded sworn interview of Muniz was conducted on September 19, 2011. The following information reflects Muniz' actual and paraphrased testimony.

Muniz explained he began in his position in January 2011, and basically is responsible for overseeing the day to day running of the Florida Office of the Attorney General; the associate deputy attorneys general report to him.

Muniz disclosed the hiring of Richard Lawson was viewed "as sort of an opportunity to kind of almost have a fresh start with Division of Economic Crimes (Division)." Muniz stated Lawson was encouraged to visit the field offices, meet the lawyers who reported to him, and find out what was happening with ongoing cases and the overall mission of the Division. Muniz said he did not give Lawson a directive to look at any specific employees during his visits to the field offices.

PowerPoint Presentation

With regard to Clarkson's and Edwards' PowerPoint presentation Muniz stated Trish Conners, and perhaps Mark Hamilton, thought it was "kind of an extraordinary thing" to have given such a detailed presentation of documents gathered during the course of an investigation. Muniz indicated he thought "management types" who were holdovers from the previous administration, to the extent they knew the PowerPoint presentation was going to be given, thought it would generally address some of the problems to look for in the mortgage area. Muniz said he thought management was surprised, in a bad way, the detail regarding specific entities given in the presentation; "the fact that it seemed to be suggesting that the agency had reached conclusions about the legality of things."

Muniz stated because of the PowerPoint presentation Clarkson and Edwards were “in my own mind, subjectively they were kind of on my radar screen as people.” Muniz said he was curious as to what Lawson would think of Clarkson and Edwards, but he did not say “look at these two and decide whether to keep them or not.” Muniz stated the average lawyer is doing their job and not doing things which end up getting written up in the newspaper like Clarkson’s and Edwards’ PowerPoint presentation.

Muniz disclosed Clarkson’s and Edwards’ PowerPoint presentation was on his radar before Lawson began work at the Florida Office of the Attorney General because they received an “angry letter from lawyers for LPS” one of the companies mentioned in the presentation, and he thought Interim Director Mark Hamilton responded to the letter.

Clarkson and Edwards

Muniz stated his impression of what Lawson thought about the Fort Lauderdale office was he wanted to devote some time to the office and see if the cases were being handled well and the office was being properly managed; to understand what was going on in the office. Muniz disclosed Lawson would meet frequently with Conners, sometimes they would call him into the meeting, and he had the impression of “pretty consistently hearing about ... issues with south Florida... the need to look at their work more closely than... some of the other offices.” Muniz indicated once Lawson looked more closely at Clarkson’s and Edwards’ work he had some questions about their judgment.

Muniz indicated after a short period it became apparent a decision had to be made whether with some guidance Clarkson and Edwards could be brought up to where it is comfortable having them on the team or whether they were not up to the level of competence and professionalism required of a lawyer in the Florida Office of the Attorney General.

Anecdotally Muniz disclosed Lawson asked Clarkson and Edwards to prepare a draft complaint in preparation for an upcoming meeting with opposing counsel and the first 10 pages of the 20-page complaint were “all about a legal theory that... didn’t have any merit.” Muniz said Lawson also had concerns about Robert Julian; Lawson would have his frustrations with Clarkson’s and Edwards’ performance and then wonder why their supervisor (Julian) was not on top of their work. Muniz indicated Lawson wondered why things were not “fixed” before they got to him, why Julian wasn’t up on Clarkson’s and Edwards’ legal analysis or what was going on with their cases.

Muniz said he was having informal conversations with Lawson regarding Clarkson’s and Edwards’ performance and his impression was Lawson had talked with them about their deficiencies; e.g., their legal analysis being bad, complaints against them received, their files, their professionalism towards outside counsel. Muniz stated he never thought Lawson was telling Clarkson and Edwards they had to get better with X, Y and Z, or they would not be retained, but he did have the impression Lawson was letting Clarkson and Edwards know he was unhappy with the way they were doing their jobs.

Decision to Terminate

Muniz testified he left the decision with Lawson to evaluate his staff and determine whether they should be retained. Muniz indicated his “main thing” was whether staff members were given enough of a chance where the evaluations were well informed and there had been enough conversations with them about perceived deficiencies with them having an opportunity to

respond. Muniz stated he thought Lawson eventually got to the point where he thought Julian was a good lawyer, but not manager, and Clarkson's and Edwards' ability and competence was not up to the job.

Muniz disclosed he thought the straw that broke the camel's back with Lawson was when Clarkson and Edwards³⁰ released a draft subpoena shared by the Illinois Office of the Attorney General with the Florida Office of the Attorney General. Muniz indicated the draft subpoena was released to a blogger; the subpoena came up on the blog causing the Illinois Office of the Attorney General to call Conners and complain. Muniz clarified stating he did not think the draft subpoena release was the reason why Lawson decided to terminate Clarkson's and Edwards' employment, he had "pretty much decided in his mind" to let them go and the draft subpoena release was the precipitating event which influenced the timing of Lawson's recommendation.

Muniz disclosed once he and Conners concurred with Lawson's recommendation to end Clarkson's and Edwards' employment he called Attorney General Bondi, explained he agreed with Lawson's determination Clarkson and Edwards were beyond the salvage point, and Attorney General Bondi said that was fine. Muniz indicated, "that was basically the extent of her...involvement with this particular decision."

Muniz said he may have spoken generally with Attorney General Bondi regarding Lawson trying to decide what to do about the south Florida office, but he was not giving her a "blow-by-blow." Muniz indicated the decision to let Clarkson and Edwards go was a bottom-up decision with Lawson knowing the most about the details ending with Attorney General Bondi giving a quick response whether she was okay with the decision, but not knowing a lot of details. Muniz added, based upon knowledge of Attorney General Bondi's management style she would have been okay with him approving Lawson's recommendation on his own.

INTERVIEW OF TRISH CONNERS

A digitally recorded sworn interview of Conners was conducted on September 21, 2011. The following information reflects Conners' actual and paraphrased testimony.

Conners explained since January of 2011, part of her duties include overseeing the Division of Economic Crimes in the Florida Office of the Attorney General. Conners disclosed since she has worked for the Florida Office of the Attorney General for 25 years and attended management meetings she was pretty much aware of who was doing what in terms of the bigger cases in the Fort Lauderdale office. Conners stated she waited until Richard Lawson got on board to get them both up to speed on the smaller things that might be happening.

Conners disclosed for as far back as she could remember there had been some general concern the Economic Crimes section was not being as aggressive as it could be; there was concern about how to make the section "truly a litigation unit as well as an enforcement unit" in the event they had to go to court.

Conners stated when Lawson began as the Director of Economic Crimes she wanted him to get up to speed as fast as possible on some of the more high profile issues and find out the recommendations on how to proceed with the cases. She added, Lawson did a good deal of

³⁰ This inquiry did not explore whether Edwards played a role in the release of the draft subpoena.

visiting the field offices when he first started, trying to meet everyone and reassure them because it was the first time there was a lot of transitioning in Economic Crimes. Conners said secondarily Lawson was trying to learn about the open cases, how strong they were, how far along they were, what else needed to be done, so he could get things moving and see what direction the cases needed to go. She said Lawson was also looking to see if there were enough resources to move the cases in the determined direction because without a game plan high profile cases are resource draining. Conners disclosed Lawson was addressing all the offices in the same manner; he was not targeting the Fort Lauderdale office.

Conners indicated on Lawson's first visit to the Fort Lauderdale office Clarkson and Edwards gave him an overview of what they were seeing with the foreclosure mill cases; they had four or five big foreclosure firms they were looking into. Conners said Lawson reported to her he was "a little frustrated" because Clarkson and Edwards seemed to have a lot of paper, but not a lot of organization. She stated Lawson disclosed he became concerned because when he asked Clarkson and Edwards for documentation to support what they were saying they either had a hard time locating, or just could not locate the document.

Conners disclosed Lawson told her he informed Clarkson and Edwards, "[G]uys, you know, I appreciate all the work you've done on this stuff but, you know, you need to pull together all the evidence that you have here so I can understand what you've got, how strong this case is for each one of these, um, law firms. And I'll come back." Conners said she could not remember how long Lawson told Clarkson and Edwards it would be before he returned, maybe three to four weeks, but Lawson told her he made it pretty clear he was asking them to be ready to brief him on the details of the cases and law, on how they would propose going forward if they were to take the cases to court or try to settle with the targets.

Conners said after Lawson returned to Fort Lauderdale and met with Clarkson and Edwards he called her and said, "he was just very disappointed because they weren't prepared. They hadn't...provided...documentation...in the way that he thought. They were very unorganized." Conners indicated Lawson conveyed he was very concerned and indicated he thought he would have to take on more hands-on responsibility on the cases because he was worried they were not going to be moving forward on the cases in a way which would be helpful in resolving them. Conners said at that point Lawson became more involved with Clarkson's and Edwards' cases and did not delegate out as much as he wanted.

Conners said as she learned about Clarkson's and Edwards' cases, with her assistance, Lawson started putting a team together to get a handle on the foreclosure mill cases because Clarkson and Edwards had not. Conners disclosed much time had passed on the cases and Clarkson and Edwards were just drawing conclusions based upon information they were getting from a source outside the Florida Office of the Attorney General. Conners said at the end of the day Lawson "farmed out" as much as he could on the cases to veteran economic crimes and antitrust lawyers; he took on some of the work himself, and also left Clarkson and Edwards still working some of the cases.

Conners explained Lawson wanted the attorneys to get to the bottom of the foreclosure mill cases so they could either begin to talk settlement or frame a complaint to file suit under a "plausible theory of law." Conners disclosed the issue of theories of law and Florida Office of

the Attorney General jurisdiction in the cases is, and always was, gray and she remembered discussions regarding the matters going back years.³¹

Connors disclosed Clarkson had a fairly strong personality and “apparently some of the investigators would clash with her on occasion based upon some of the emails I saw.”

Case File Organization

Connors said Lawson had Clarkson and Edwards sending the multitude of case documents to the various attorneys to review and consider so they could figure out the status of the cases, and it was an “undertaking” because apparently there were lots of documents “all over the place.”

Connors explained Lawson told her because of the lack of organization of Clarkson’s and Edwards’ cases he just could not make “heads or tails” out of a lot of things. Connors said she could not overemphasize how appalled Lawson was at how Clarkson’s and Edwards’ “files were just in complete disarray.” She added Lawson expressed how he did not understand how Clarkson and Edwards could not put an organized file together or give him sufficient information to support everything they were saying.

Connors said Lawson was very upset a couple of times when Clarkson and Edwards “sent something way after the fact.” Connors provided an example where Clarkson and Edwards issued subpoenas to one of the target law firms and did not forward copies when they initially sent the case file to Tallahassee; they were not sent until weeks later. Connors said as a result the people in Tallahassee working on the case did not have everything they needed. Connors revealed documents which should have been sent with the investigative file kept coming even after Clarkson and Edwards were no longer employed with the Florida Office of the Attorney General.

Public Records Requests

Connors stated there is a database designed to track public records requests and all public records requests are required to be entered into the database. Connors explained the attorneys could pull together all the requested records, but the information was required to be released to the requester through the Tallahassee public records office. Connors indicated the person releasing the information should also update the database with the released information. Connors explained if an attorney received a public records request directly and filled it, the attorney would be responsible for ensuring the database was updated.

Connors disclosed she was not sure the process was always followed; i.e., the information was not always sent to Tallahassee for dissemination. Connors stated she did not know how Clarkson and Edwards handled their public records requests.

Connors explained, particularly in the Division of Economic Crimes public records requests can be problematic because of trade secrets. Connors explained a requester such as a private law firm may request the Florida Office of the Attorney General’s investigative materials, but the

³¹ The legal issue being whether the Florida Office of the Attorney General has the authority to investigate lawyers or whether such is exclusively under the purview of the Florida Bar; many of the “foreclosure mills” were law firms.

company under investigation not wanting the information released will claim it is a trade secret. Conners disclosed recently there was a First District Court of Appeals decision which recognized trade secrets as an exception to the public records law, but until then there was no such exception and the Florida Office of the Attorney General was caught in the middle between the requester and the company under investigation. Conners disclosed it is not the responsibility of the Florida Office of the Attorney General to determine whether something is a trade secret.

Conners indicated there needed to be more training on public records requests as there was room for improvement, to get staff trained on the state of the law and how they should operate. Conners disclosed she did not know what the staff in Economic Crimes had been taught regarding public records requests or what the expectations were, whether they had been trained in any particular procedure.

Conners disclosed she was unaware there were some issues with public records requests in the Fort Lauderdale office until after Clarkson and Edwards left the agency. Conners testified Clarkson and Edwards let some public records requests languish for extended periods and did not take the responsibility seriously. Conners added, public records requests have been very important to every Attorney General she had ever worked under.

Independent Investigation

Conners testified Lawson filled her in on a meeting where Clarkson and Edwards were to show him what facts they had gathered on a particular case and when he would ask for supporting documentation to prove their conclusion Clarkson and Edwards would respond, “[W]ell, I don’t have that information but we can call... Lynn Szymoniak or we can call Lisa Epstein” or some of the people in the foreclosure defense area. Conner indicated she thought the meeting was the first time Lawson starting realizing a lot of the information Clarkson and Edwards were obtaining was unfiltered, they were not independently verifying what people were telling them was true; establishing the information is true is “Investigation 101.”

PowerPoint Presentation

Conners stated she was not fully aware of the Clarkson and Edwards PowerPoint presentation until the first week of the new administration in the beginning of January 2011. Conners said there was an article in the *Los Angeles Times*, she thought on the front page, which stated Attorney General Bondi “issued a report” on “foreclosure issues and foreclosure flaws in the industry.” Conners explained the referenced report was actually the PowerPoint presentation Clarkson and Edwards gave to a meeting of the Clerks of Court in December 2010.

Conners described the PowerPoint presentation, in part, as talking about all the flaws in the foreclosure documents; it appeared to lay out what Clarkson and Edwards thought they were seeing as part of their investigation. Conners said her first reaction to the presentation was “[W]ow, that kind of exceeds what we would normally do in these kinds of presentations.”

Conners explained what was “deeply disturbing” to her about the PowerPoint presentation was Clarkson’s and Edwards’ discussion of an ongoing investigation and publically bearing their conclusions. Conners indicated it is inappropriate in an ongoing investigation to draw conclusions and bear them publically. Conners added the Florida Office of the Attorney General has to be unbiased and appropriate in how their investigations are conducted and putting on

ones' own interpretation in the middle of the investigation is not a fair process, not something which should be done.

Conners stated she contacted Mark Hamilton and asked him to find out about the PowerPoint presentation and she eventually learned it was something Clarkson and Edwards put together "based upon information that they had gotten from third parties...they call[ed] things forgeries when they didn't know if they even met the criminal elements of forgery. They called things fraud and they didn't really know whether it was fraud."

Conners disclosed Hamilton spoke with Clarkson and Edwards about the PowerPoint presentation and at some point Lender Processing Services (LPS) threatened to sue over the presentation; their counsel wrote a letter saying, "[W]e're appalled at this...it's not even accurate." Conners concluded, "I just don't know that anybody could really understand why they took information from an active investigation and sort of put their own spin on what they thought they were seeing without waiting for the conclusion of the case. That's just not what we do."

Conners said at the time Clarkson and Edwards prepared their PowerPoint presentation supervisory approval to give a presentation had to be obtained (not on the content of the presentation), "but there's never been a need before in the...25 years that I've been doing this to explain to a lawyer...what you can talk about and what you can't talk about. It's always sort of been...understood that when you get approval for doing something that you talk...generically...you don't necessarily draw conclusions or share all the evidence."

During his interview (see PowerPoint Presentation, page 53) Robert Julian indicated he understood Conners used slides from the PowerPoint presentation when she spoke to Congress or the Legislature. When queried via email, by Department of Financial Services Office of Inspector General, whether she used the presentation Conners responded:

In early 2011, Scott Palmer and I did a presentation to a legislative committee, at their request, giving a very broad overview of what we were seeing in the marketplace and giving some examples of the robo-signing kinds of things we had seen. I prepared only the beginning of the ppt which was an overview (discussing the big picture for Florida on the foreclosure front, etc. using RealtyTrac states, etc.) and did not put together the rest of the powerpoint, which contains the slides I think you are referring to. That all was done by Scott Palmer. Scott has been the head of our intraoffice Mortgage Fraud Task Force since 2008 and routinely has done our legislative presentations on mortgage-related issues since that time, either with me or on his own. In this case, I presented the first part of the PPT and he presented the part he had prepared. I believe he may have used a couple of slides from the PPT that June and Theresa prepared, but I do not recall which ones. He'd be in the best position to tell you which ones he used and the purpose for which he used them. I know that he used only a few documents that were also part of June and Theresa's slides, but did not use the PPT itself or any of the inflammatory language therein.

Although asked to present that same 96-page PPT in the legislative presentation, we declined, explaining that it was not appropriate for us to discuss an active, ongoing investigation in that kind of detail. Neither did we want to use any of the headings or conclusory statements in the June and Theresa ppt because, as I said in my statement to you, we did not feel that making such statements when an investigation was still active and had not been concluded and where no findings had been made was not appropriate.

Performance Evaluations

Conners explained the evaluation process has gone through significant changes and in the former administration (Attorney General Bill McCollum) it changed almost every year. She indicated prior to Attorney General McCollum's administration the evaluations were not hitting the specific places which needed to be addressed, especially for attorneys.

Conners stated in constant training on how to use the evaluation forms the message sent has been, "This is the only way your employees are gonna improve. You need to be honest in your evaluations." Conners added supervisors should speak with employees about issues so they are not blindsided when the evaluation is given. Conners said managers were required to have a face-to-face discussion of the evaluation with their employees.

Release of Confidential Draft Multistate LPS Subpoena

Conners explained Section 501.2065, Florida Statutes, provides for retention of confidential information received by the Florida Office of the Attorney General; when the Florida Office of the Attorney General accepts confidential information they are expected to retain the information's confidentiality.

Conners testified Clarkson and Edwards were responsible for knowing the draft multistate subpoena was confidential and exempt from a public records request. She added, "I'd be stunned if they didn't know that because it comes up quite a bit." Conners said Clarkson and Edwards should have been well aware of the provisions of Chapter 501, Florida Statutes, and the Florida Office of the Attorney General has training on the matter as well.

Conners stated the Illinois Office of the Attorney General sent the draft subpoena to Victoria Butler to look at and Butler in turn sent it to the other folks in Economic Crimes who were involved in the foreclosure mill cases. Conners said a short time later Butler received an email chain from Illinois asking what was going on and included in the chain was information regarding Lisa Epstein asking for confirmation of whether the subpoena was going out from Illinois. Conners added, "Vickie [Butler] was appalled."

Conners disclosed after Lawson informed her it was Clarkson who sent the subpoena to Epstein he commented, "[Y]ou know, I really... had hoped that... this wasn't gonna be the case because... I was really trying to work with this and trying to get them back on... the page of doing an unbiased investigation, but this is over the top." Conners stated it was about this point Lawson started expressing the need to end Clarkson's and Edwards' employment; he said, "I can't see how given this now that I can trust that they can... do a unbiased professional investigation of this [LPS]."

Robert Julian's Supervision

Conners testified Lawson spoke with Julian several times about his concerns with Clarkson and Edwards, Julian was present at the meetings when Lawson spoke with Clarkson and Edwards, and as part of his performance review Lawson addressed with Julian some of the things he thought Julian needed to be more hands on about in overseeing the office. Conners clarified Lawson was thinking about Clarkson and Edwards in particular when he gave Julian his evaluation. Conners stated she knew Lawson wanted Julian to be more hands on with Clarkson and Edwards, talk with them, make them more responsible, ask more questions, try to shape, oversee and move an investigation toward a sensible resolution.

Conners said she could only speculate as to why Julian gave Clarkson and Edwards good evaluations. Conners speculated perhaps Julian was not as focused on the details as he should be; she stated "he's sort of a very easy going kind of guy, lets everybody do what they need to do... [doesn't] really provide a lot of guidance." Conners indicated there were some things Clarkson and Edwards had done well and she thought Julian was trying to pat them on the back in their evaluation.

Conners said because Julian was not a hands on manager at the time of Clarkson's and Edwards' evaluation he probably was not aware of all the issues with them. She stated his lack of being hands on was ultimately what led Lawson to remove him from a management position.

Conners relayed an incident Lawson told her where he instructed Julian, Clarkson and Edwards, he was coming back to finish up a meeting and in no uncertain terms said, "[Y]ou need to have all this information for me when I come back so I can understand how strong of a case you have here with each one of these" cases. Conners said Lawson relayed he was "really appalled" Julian did not take the message as "I've got to ride these guys to make sure...we get where we need to be when Richard comes back." Conners indicated Julian "just let them sort of go and do their own thing."

Conners testified in hindsight she thought Julian might indicate Clarkson was "kind of over the top" and near the end of everything he was thinking she was not really someone he thought was redeemable in the sense of being a neutral enforcer. Conners added she thought Edwards got caught up in Clarkson's passion since they worked all the cases together.

Clarkson's and Edward's Termination

Conners stated after Lawson indicated he did not think he could keep Clarkson and Edwards she told him to speak with Carlo Muniz. Conners said she told Lawson she would support him on whatever he decided to do, and after Lawson spoke with Muniz he indicated Muniz told him the same thing. Conners added she had been speaking with Lawson all along about Clarkson and Edwards and they had a couple of informative meetings with Muniz.

Conners testified when Lawson called her with his final decision to terminate Clarkson's and Edwards' employment he was "really upset about it." Conners stated Lawson said, "[Y]ou know, I tried to make this work."

Conners disclosed she did not speak to Attorney General Bondi about the decision to terminate the employment of Clarkson and Edwards. Conners said she knew Muniz was going to call Attorney General Bondi and let her know about Lawson's decision, and to her knowledge the call was made. Conners said no one in the Florida Office of the Attorney General (including Attorney General Bondi), or anyone outside the agency, put any pressure on her to do anything related to Clarkson and Edwards.

INTERVIEW OF AMA DOUGLAS

A digitally recorded sworn interview of Douglas was conducted on October 11, 2011. The following information reflects Douglas' actual and paraphrased testimony.

Investigator's Role

Douglas indicated the Division of Economic Crimes Fort Lauderdale office is probably the busiest of the Economic Crimes offices, there are three investigators in addition to her; she is the senior investigator. Douglas disclosed she assigns the cases to investigators and they do "all the background information... subpoena records... work hand-in-hand with our attorneys... assist with their positions... interview victims, witnesses, targets."

Douglas explained when a complaint comes in she analyzes it, sometimes with the assistance of the bureau chief, to determine whether a preliminary should be opened in Economic Crimes or if the complaint should be referred to another agency. Douglas said an investigator should always be assigned to a case and then the supervisor or bureau chief will assign the case to an attorney, marrying the two.

Douglas stated when a preliminary is opened it is input into the preliminary database with basic information such as the number of victims and contact information. Douglas said the attorney is made aware of being assigned a preliminary as well as the investigator assigned to the preliminary. Douglas indicated from that point forward only the attorney can determine whether to open the case into an "actual full investigation" and sometimes the matter is sent to management in Tallahassee for a final determination.

Robert Julian's Supervision

Douglas disclosed Julian's management style was not to "stand over" employees while they performed their work. She stated when Julian hired her he said, "I hire adults. I expect adults to come in and do the things that you guys are supposed to do."

In describing the normal process for handling cases, not foreclosure mill cases, Douglas disclosed Julian would have monthly case status meetings with the attorneys and sometimes with the attorneys and investigators. She indicated sometimes Julian would have another meeting prior to the state-wide meeting of the various offices in the bureau. Douglas said it would probably be five to six months without seeing activity on a case before Julian would come to her inquiring about the status. Douglas said Julian and the attorneys would go have coffee together and discuss the cases.

Douglas indicated there are databases where case activity should be entered and Julian has the ability to look at the information to obtain the case status. Douglas said it was Julian's responsibility to ensure the attorneys kept the database up to date. Douglas said regarding the foreclosure mill cases if Julian looked at the databases he would not have seen any investigator work, but should have seen attorney work.

Douglas said she thought Julian would have been aware there was no investigator activity on the foreclosure cases after the investigators met with him, Clarkson and Edwards in the beginning of 2010. She indicated the better part of a year went by before Lawson started with the Florida Office of the Attorney General and directed investigators be assigned to the cases.

Douglas revealed Julian and Edwards had known one another probably over 20 years. She stated she thought they either worked together in the past or went to law school together. Douglas said Julian and Edwards were "very good friends." Douglas disclosed Julian hired both Clarkson and Edwards.

PowerPoint Presentation

Douglas explained the PowerPoint presentation was created by Clarkson and Edwards with Julian's assistance. Douglas said the presentation was cleaned up by Rene Harrod. Douglas said the first time she saw the PowerPoint (not at a formal presentation) there were pictures of monkeys in the beginning she was adamant should be removed.

Foreclosure Mill Cases

Opening

Douglas explained the foreclosure mill case openings were handled a little differently than normal because there were some concerns as to whether attorneys³² could be investigated under Chapter 501, Florida Statutes. Douglas said Clarkson had to obtain permission to open the cases from management in Tallahassee and she thought originally permission was given to open only one or two cases. Douglas indicated Robert Julian would have to have been involved in the process. Douglas said she was not sure how Clarkson initially came to learn about the foreclosure mills, but it was "something she felt very strongly about."

Investigator Issues

Douglas indicated no investigators were ever assigned to the foreclosure mill cases; they were periodically asked to serve subpoenas. Douglas said very early in 2010 Deanna Pierce, Financial Investigator, came to her and said she did not like what was going on with the Florida³³ case. Douglas indicated Pierce disclosed, "[T]here's things that's been done that just does not appear ethical, it does not appear right and I'm uncomfortable doing certain things." Douglas stated she told Julian about Pierce's concerns and also told Pierce she needed to speak with Julian. Douglas disclosed there was a personality conflict between Pierce and Clarkson.

Douglas said because of concerns brought to her about the foreclosure mill cases, and those of her own, she instructed the investigators every time Clarkson asked for anything to email her and ask "specifically tell me what you would like me to do?"

Douglas indicated one day the investigators were given several subpoenas to serve and during a review found "several that were just incorrect." Douglas stated they (investigators) do not interview current employees of a law firm and there were two subpoenas for current employees of the Stern law firm. Douglas said they returned the subpoenas to Clarkson and Edwards and pointed out the errors.

Douglas described a normal interaction between an investigator and an attorney working a case and indicated the case planning and discussions never transpired between the investigators and Clarkson and Edwards on the foreclosure mill cases.

Douglas said because of the way she saw the foreclosure mill cases being handled, in June or July of 2010 she called a meeting with Julian, the investigators, Clarkson and Edwards to discuss the matter. Douglas indicated she and the investigators were uncomfortable with the

³² Many foreclosure mills were run by law firms and the concern was whether the attorneys' participation fell under the sole jurisdiction of The Florida Bar.

³³ Douglas thought Pierce referred to the Florida case. The Florida case probably was Florida Default Law Group.

few things they were asked to do being directed by an outside source; they would not be able to testify at trial that they gathered the information being used. Douglas disclosed at the meeting she said the investigators needed specific directions from Julian because they were not comfortable working with Clarkson and Edwards on the cases. Douglas stated she did not know if Julian was aware at the time how the cases were being worked—the information coming from an outside source and not the investigators.

Douglas testified Clarkson and Edwards never asked the investigators to interview criminals or people they should not have to interview, nor were they asked to fabricate evidence.³⁴ Douglas added the investigators may have been involved in one or two of the depositions and/or subpoenas on the foreclosure mill cases.

Douglas said the progress of the foreclosure mill cases was hindered because no investigators were working them.

Epstein and Szymoniak

Douglas indicated Clarkson received some information from Lisa Epstein. Douglas said she had never seen information taken from an outside source without it being vetted for accuracy. Douglas indicated it would be the investigator who vetted the information, “[I]t would be a role of the investigator to actually investigate the case. And that wasn’t occurring.”

Douglas testified Pierce told her there was information on Epstein’s blog which had to have come from either Clarkson or Edwards. Douglas said it also appeared Epstein was directing Clarkson’s and Edwards’ foreclosure mill cases.

Douglas said during a meeting they showed Epstein’s blog to Julian and the information the investigators were given, indicating what they were being directed to do came “verbatim from information that’s coming from a blog.” She stated they told Julian the information was not being vetted, but being used in the forming of an investigation. Douglas testified Julian then directed Clarkson and Edwards, “[Y]ou - you will stop this right now”; he said, “This cannot - this - this cannot occur. I am telling you at this point on, you’re not to communicate with this individual and you are to go to investigators when you need assistance.” Douglas indicated neither Clarkson nor Edwards expressed objection to Julian’s direction.

Douglas indicated after the investigators, Julian, Clarkson and Edwards met, Clarkson and Edwards were still acting as investigators and attorneys on the foreclosure mill cases. Douglas said Clarkson and Edwards stated about the investigators, “[W]hen we need you guys, we’ll let you know.”

Douglas disclosed several weeks after a meeting with the investigators, Julian, Clarkson and Edwards that Clarkson received an email from Epstein saying, “[H]ey, could you take a look at this?” Douglas said Clarkson forwarded the email to Mark Briesemeister (Financial Investigator, Fort Lauderdale office) to handle and he sent it to her (Douglas) because it was problematic. Douglas said after Clarkson and Edwards were let go Epstein started emailing information directly to Briesemeister. Douglas said when Epstein was told to send the information to Tallahassee, following the normal process, they did not receive anything else from her.

³⁴ This contradicts testimony given by Jerry Lockwood (see page 29).

Douglas said she was aware Lynn Szymoniak used to send information to Clarkson and Edwards; they communicated with her a great deal.

Edwards Discussion

Douglas stated Edwards was a seasoned attorney and knew the office's processes. She indicated she felt if Clarkson did not understand the office's policies and procedures she expected Edwards would bring her up to speed. Douglas added she had another large case with Clarkson and it was worked properly, she was using the right process in other investigations. Douglas said Clarkson and Edwards knew the process, but were not following it with the foreclosure mill cases.

Douglas stated she had a lot of respect for Edwards and told her the way she was working could not continue and she was going to go down with Clarkson. Douglas said she told Edwards, "I see you going on this path; I don't even understand it." Douglas said Edwards responded indicating she did not know what to do; Clarkson and Epstein continued to communicate, Clarkson kept sending her their emails, and she told Clarkson to stop or she (Edwards) was going to lose her job.

Douglas indicated she told Edwards she informed Lawson she was concerned because investigators were not assigned to the foreclosure mill cases and were not comfortable with the situation.

Lawson's Involvement

Douglas explained Lawson was concerned because there were no investigator notes on the foreclosure mill cases because no investigators were assigned the cases, and Lawson discussed the situation with Clarkson and Edwards during one of his first trips to Fort Lauderdale. Douglas said she asked Clarkson in front of Lawson why there were no investigators assigned to the foreclosure cases. Douglas said she thought Lawson was shocked at Clarkson's response that a lot of the information on the cases came from the outside public and they did not feel as though they needed investigators at that time.

Douglas said at a March meeting Lawson made it pretty clear investigators should be assigned to the foreclosure cases; he told her to assign investigators to the cases. Douglas stated at the meeting with investigators, Julian, Clarkson and Edwards that Julian told Clarkson and Edwards they needed to utilize in-house resources and they needed to vet the information they received from an outside source—obviously they could not investigate it for themselves.

Disorganization

Douglas disclosed after Clarkson and Edwards left the Florida Office of the Attorney General they discovered there was "absolutely no organization" to the paper-intensive cases. Douglas said she spent "weeks and weeks" trying to organize files. Douglas indicated "[B]asically...no one could really tell what was what." Douglas said there were loose papers and time had to be spent just figuring out with which case the papers belonged.

Douglas indicated first loose papers had to be sorted to determine which case they belonged with and then the case itself needed organization. She said because some of the cases were being transferred to other offices, they would box up the case and send it only to find more documentation which needed to be transferred.

Douglas explained normally the investigators would retain consumer information and set up an Excel spreadsheet for tracking the information. Douglas said the foreclosure mill files had consumer information mixed in with other papers and there was no index maintained of what was contained in the case file. Douglas said there is a method in the office for case file organization, but Clarkson and Edwards did not use follow proper procedure. Douglas indicated the unorganized condition of Clarkson's and Edwards' files was the reason they could not locate documents when asked.

Douglas stated it is difficult for an attorney to pick up a case when the information is being piecemealed; e.g., they may start on research which has already been completed. She added when attorneys reassigned Clarkson's and Edwards' cases would ask questions such as "what subpoenas were issued" the investigators were unable to provide an answer.

Continued Work

Douglas testified substantive work has been done on the foreclosure mill cases since Clarkson and Edwards left; there are monthly bureau meetings, and investigators have been assigned and begun working cases.

Douglas stated as far as she knew none of the foreclosure cases were closed when Clarkson and Edwards left; someone was working on LPS. Douglas testified at no point was she ever told to close any of the foreclosure cases or to stop working on them.

Termination

Douglas disclosed based upon everything she observed in the office beginning in 2010 through the time Clarkson and Edwards were let go, it should not have come as a shock to them they were not working their A game. Douglas indicated "the writing was on the wall for June, specifically... I was surprised when I heard that Theresa was let go."

Douglas indicated Clarkson was not following the office policies and procedures. She testified, "I'm just gonna use the term loosely... using the office as your own law firm, you understand that you're going to run into some problems along the way." Douglas admitted Edwards was not working the foreclosure mill cases any differently than how they were being handled by Clarkson; adding it was "unusual" because Edwards "knows the process." Douglas said it was as though Edwards "got so caught up in it and I'm not sure why she didn't speak up for herself."

Douglas stated the decision to end Clarkson's and Edwards' employment had to come from management in Tallahassee, but she did not know anything about targets or their attorneys putting pressure on anyone in the agency to let them go.

INTERVIEW OF REBECCA WOOLEVER³⁵

A digitally recorded sworn interview of Woolever was conducted on October 13, 2011. The following information reflects Woolever's actual and paraphrased testimony.

³⁵ Woolever, from the Tallahassee office, is the investigator assigned the Shapiro case when it was transferred from the Fort Lauderdale office to Tallahassee prior to the termination of Clarkson and Edwards.

Investigators' Role

In describing the role of an investigator with the Division of Economic Crimes, Woolever stated investigators typically keep the majority of the evidence found in a case and attorneys will keep whatever copies they feel are relevant. Woolever stated investigators are considered the "custodian of the document." Woolever said attorneys will retain items such as legal research and what is retained varies from attorney-to-attorney. She disclosed because their investigations are so paper driven there is no way attorneys can retain the same volume of paperwork as the investigators.

Woolever explained there is a program called "Summation" used in some cases to enter information, so the person handling the Summation portion may also be considered a document custodian. Woolever stated she did not know whether who retains what information (attorney versus investigator) is in any written procedures.

Woolever explained if an attorney initially develops a case she meets with the attorney and discusses what they have and how to proceed with the case.

Woolever explained a new attorney or investigator with the Florida Office of the Attorney General, to a point, is trained on how to organize files and where documents belong, but it also depends on the type and status of a case. Woolever indicated much has to do with the communication between the attorney and the investigator as to how a case will proceed; if someone is new and needs direction an attorney will spend time directing them accordingly. Woolever stated there are certain steps in her investigation where her supervisor becomes involved in document review. She provided the example of issuing a subpoena. Woolever said she would draft the subpoena and then provide it to her supervisor for content and legal review, along with any recommendations for additions or deletions. Woolever added she also briefs her supervisor on what direction she is taking the investigation.

Woolever stated staff regularly discusses ongoing cases, so her supervisor (Hamilton) is up-to-date on case statuses, but the office does meet weekly to discuss cases and Lawson has state-wide meetings as well.

Need for Investigators

Woolever disclosed that during a video conference with the south Florida office where the foreclosure mill cases were discussed, no investigators were present; supporting the investigators' claims they were instructed by Clarkson and Edwards not to work on the cases. Woolever explained because so many issues have come to light on the Shapiro case she is in constant communication with the attorney assigned the case; she stated "because there are so many things as they come up it—I would feel like it's almost irresponsible to just wait a week and not say anything."

File Organization

General

Woolever stated it is necessary to keep files organized because it is important cases move forward quickly; "every bit of time that you waste you can start losing consumers." She said in her office (Tallahassee) file organization has not been an issue.

Woolever indicated their office is a “law firm” and information needs to be put together in a way so things can be found; and things need to look professional. She said her office has a “supply room that has...everything you need and then some.”

Woolever stated she indexes her cases as well as the boxes of information associated with the case, she has things itemized. Woolever said the attorneys are ultimately responsible for the case, so she believed case file organizational standards or expectations applied to them. She added, the attorneys in the Tallahassee office are very organized and dig into the details with investigators. Woolever said the attorneys are very organized when they bring information to the table; they take their cases very seriously. Woolever said some attorneys are so organized she can locate items in their files on her own when needed. Woolever said she has “never had an attorney once say ‘where is that, I have no idea’.”

Shapiro

Woolever said she received the Shapiro foreclosure mill case reassigned from south Florida around the first week of April 2011. Woolever disclosed she has a banking mortgage background and there is a great deal of paperwork involved in buying a house; thus, she thought Shapiro was a very big case and her office was going to be full of documents. Woolever testified what she received were two small boxes of papers.³⁶ Woolever described one box as containing approximately 92 consumer files which, with the exception of the random affidavit, contained only printouts of complaints received by Citizens’ Services. Woolever depicted the other box as the “attorney box” and it contained the subpoena, the motion to quash and some transcripts.

Woolever testified when she received the transferred Shapiro file she was thinking “where are the rest of the boxes?” Woolever said she started calling to find out if additional boxes were coming and Mark Briesemeister indicated everything from the Fort Lauderdale office on Shapiro was forwarded to Tallahassee. She added Briesemeister indicated he was told not to work on the case, and did not know if anyone else worked the file.

Woolever said she followed up with Richard Lawson and Mark Hamilton who indicated there were no more Shapiro boxes. Woolever queried, “[T]his investigation’s been open did you say a year? Where’s the information?” Woolever disclosed by the time all the consumer information needed to do a thorough investigation was gathered, each consumer file should be six or seven inches thick. She said “[T]here was nothing.”

Woolever disclosed after receiving the initial two boxes of information on the Shapiro case she received additional information about a month or so later. Woolever said she expressed concerns to Lawson based upon the information she received on Shapiro as there were some critical issues Clarkson and Edwards had not looked into; therefore, she thought there was some additional documentation which had not been forwarded when the case was transferred. Woolever indicated Lawson was very proactive in trying to get her all the Shapiro information and sent an email to the Fort Lauderdale office instructing everything be gone through to ensure she (Woolever) received all the information. Woolever added Mark Hamilton was also helpful in trying to ensure everything was sent to her. Woolever disclosed even with Lawson’s email Shapiro documentation trickled in after Clarkson and Edwards left the agency.

³⁶ Woolever demonstrated the size of the boxes at about 10” by 12”.

Woolever said the manila folders which had consumer information were scribbled on, labels which should have had the case name and file contents were only about three scribbled lines long and she could barely read them. Woolever disclosed consumer information was misfiled. Woolever indicated there was not one piece of third-party verification in either box. Woolever testified there was “[N]ot one piece of information. There was not one memo; there was not anything other than scribbles here and there.”

Shapiro Investigation

Substantive Work

Woolever indicated after the Shapiro case was sent to Tallahassee there was a video conference which included Richard Lawson, Mark Hamilton, Robert Julian, Clarkson and Edwards, and herself; the conference was held for the purpose of hoping to clarify the exact allegations, the case status and plan. Woolever said the response they received from south Florida to the question as to what issues they were seeing was something like, “[W]ell, you know these are foreclosure mills and they’re creating bogus documents, you know, like an assignment of mortgage.” Woolever disclosed nothing was said in response to the query, “[A]nd what else can you tell us about that?” Woolever said she knows why nothing else was said, it was because nothing was done on the file. Woolever indicated there was no clear direction regarding either the statute to be used for enforcement or the allegation in the case.

Woolever described the video conference as a “waste of time” because Clarkson and Edwards did not provide any information. She recalled Julian did not have much input at the meeting. Woolever indicated Clarkson and Edwards were hanging their hat on the assignment of mortgage issue, there are myriad issues with assignment of mortgage and none of them were articulated. She added there are many issues arising from the Shapiro case, and there was no way to do an effective investigation with the information Clarkson and Edwards had in the Shapiro file. Woolever also disclosed opposing counsel was, after a year of the case being open, expecting to be told the issues. She indicated having a meaningful settlement on the case is not possible when the issues cannot be articulated. Woolever stated Clarkson and Edwards had not done any legal research, if they had they would have understood the way they were presenting the assignment of mortgage issue was not correct.

Woolever said in looking through the Shapiro file she realized the only information Clarkson and Edwards obtained was from Lisa Epstein. Woolever said she received a couple of emails from Epstein and realized the information Epstein was providing was inaccurate and case law did not support what she was saying. She also gave at least one example where Epstein provided incorrect information Clarkson and Edwards would have known was wrong if they had done some checking, but instead rolled with what Epstein provided. Woolever described herself as “taken aback,” stating many consumers in Florida were impacted by foreclosure issues and it was not possible to discuss the issues intelligently based upon one piece of paper such as an assignment of mortgage.

Regarding the Shapiro file Woolever testified not one full case file was ordered from the clerk of court, no formal interviews were conducted, Clarkson and Edwards did not know who was sending the assignments of mortgages—no legwork at all was done. Woolever said she could identify only a couple of people Clarkson and Edwards spoke with: Epstein, Lynn Szymoniak and defense counsel on a couple of specific cases. Woolever opined, “[S]o you’re going to everybody but where you need to be going.”

Woolever relayed she did not think the attorney reassigned the Shapiro case received any files. Woolever added she received four to five sets of documents about an inch thick after the initial two boxes, but the sets contained duplicates of what she was already provided.

Woolever explained she had to start the Shapiro case from the ground up as no consumers had been contacted, no former employees interviewed, and there were no explanatory memorandums in the file. She said the case was made more difficult because Clarkson and Edwards opened up all the law firm investigations at the same time. Woolever disclosed Clarkson and Edwards “have essentially tied our hands and blindfolded us trying to do this investigation.”

Woolever disclosed more than one piece of paper with no context needed to be looked at; there would have to be dealings with the Securities and Exchange Commission and title companies, all the proceedings dealing with the foreclosure process such as bankruptcy, etc. would need to be reviewed.

Impact

Woolever explained the subpoena Clarkson and Edwards issued against the Shapiro law firm was quashed and they did not need to target the law firm in the first place; there was a business entity associated with Shapiro which should have been the target. Woolever stated, “they went after the wrong company.” Woolever disclosed they would have gotten a lot further on the case had the Florida Office of the Attorney General had subpoena authority.³⁷

Woolever disclosed she was very frustrated with the condition of the Shapiro case because she knew the amount of work involved in such cases and she started with two boxes which had essentially nothing; she now has 20 boxes. Woolever testified consumers called her crying, indicating they gave their information to Clarkson and nothing had been done with it; she added Clarkson was telling consumers to get information they did not need to obtain. Woolever stated, “it’s been very, very frustrating trying to deal with the aftermath of what they [Clarkson and Edwards] have created.”

Woolever said after she received the Shapiro file Clarkson called her and asked if any of her (Woolever’s) cases dealt “with fair debt collection process.” Woolever stated she thought, [Y]ou know you’ve had the file for a year, and – and you don’t know that? It’s on about every document, really.”

Woolever stated it has been an uphill battle trying to repair the damage done on the Shapiro case and it is not fair to the Tallahassee office or the consumers; the case was a disaster. Woolever added they are now under pressure to have movement on the Shapiro case because the case has been open a year.

Incorrect Legal Theory

Woolever stated Epstein continued to send emails (to Clarkson and Edwards) with what she (Epstein) was claiming was a foreclosure action being brought by someone without standing because they received the assignment of mortgage after the Lis Pendens was filed. Woolever said the premise was incorrect, yet the information from Epstein was relied upon by Clarkson

³⁷ An apparent reference to lack of subpoena authority under the Florida Deceptive and Unfair Trade Practices Act where information sought has no connection to trade or commerce.

and Edwards. Woolever said, "you can have standing to foreclose if an assignment of mortgage is filed after the Lis Pendens. Nobody checked. That's a very, very big issue." Woolever provided examples of several issues regarding authority which would need to be checked, and added "there was nothing in the file talking about who had authority to do what. No corporate resolutions were obtained....trying to determine who these people were – nothing."

Inappropriate Behavior

Woolever stated an attorney representing one of the Florida Office of the Attorney General targets said he was trying to get information from Clarkson and Edwards as to what the issues in the case were and either Clarkson or Edwards threw an assignment of mortgage across the table and said to look at the signature compared to the signature on another document; they did not match. Woolever said even if the signatures did not match, it was not relevant and the file contained no evidence of anyone researching any of the signatures. Woolever expressed her thought it was inappropriate for Florida Office of the Attorney General attorneys to meet with opposing counsel and indicate the issue deals with differences in signatures, but not to explain the relevance. Woolever added the file contained no supporting evidence of any kind for the allegations made against the law firm at that particular meeting.

INTERVIEW OF ROBERT JULIAN

A digitally recorded sworn interview of Julian was conducted on October 19, 2011. The following information reflects Julian's actual and paraphrased testimony.

Julian disclosed during Clarkson's and Edwards' tenure with the Florida Office of the Attorney General he served as the Bureau Chief for Economic Crimes in south Florida, supervising the Fort Lauderdale and West Palm Beach offices. Julian stated he hired both Clarkson and Edwards.

Julian explained as Clarkson's and Edwards' supervisor he was responsible for their evaluations, approving their subpoenas and complaints, basic training, directing their investigations, approving the way they handled cases and basically monitoring their actions. Julian said with regard to the manner in which he supervised investigators he "controlled basically the way they did investigations."

Julian stated he thought Lawson told him he was going to try and have a more open line of communication between Tallahassee and Fort Lauderdale, but he thought Lawson may have made the statement to the entire office and not just him. Julian indicated he did not really see a change in the level of communication.

Julian disclosed he "saw how hard they [Clarkson and Edwards] were working," but in some cases they absolutely could have done things better. Julian describe Clarkson as a hard worker, but "you always had to pull her back. She'd get so excited about a violation." Julian said he would have to ask Clarkson, "[W]hat is the violation? What can you prove?" Julian said Edwards "worked really hard" and "inherited a bunch of horrible cases" she cleaned up. Julian described Edwards' problem as being "very unorganized" in the way she kept her files. Julian also remarked about the time he observed Edwards behave unprofessionally in a meeting with opposing counsel.

Clarkson and Edwards Discussions

Julian said when Lawson first visited the Fort Lauderdale office he told him, regarding Clarkson and Edwards, "I had the impression before I came down that these two were like really wild-eyed." Julian indicated before Lawson left he said Clarkson and Edwards were not at all like he thought when he initially came down. Julian expressed concern regarding where Lawson got the negative impression about Clarkson and Edwards.

Julian disclosed Lawson spoke with him about some of his concerns with Clarkson and Edwards and also spoke with Clarkson and Edwards directly. Julian agreed it would be fair to say Clarkson and Edwards were aware of some of Lawson's concerns after the first meeting in February.

Julian recalled Lawson telling Clarkson and Edwards the first time they met (February 8th) they were starting with a "clean slate," but going forward he needed them to be extraordinarily sensitive and he could not have any problems from them for the next six months.

Julian disclosed Lawson spoke with him on two occasions regarding his concerns with Clarkson and Edwards; not bringing their "A game" and Lawson telling Clarkson and Edwards, "[I]t's important that you give me your A game." Julian explained Lawson was referring to Clarkson's and Edwards' lack of preparation.

Julian explained although Lawson spoke about being on their "A game" directly to Clarkson and Edwards he (Julian) spoke with them about it independently as well. Julian stated Clarkson and Edwards responded indicating they were not expecting to have to give Lawson the level of detail he was looking for during his visit to their office. Julian added, "it's not an excuse, but that's basically what they said."

Julian testified Lawson expressed his concern with Clarkson and Edwards about the complaint they drafted based upon an incorrect theory of law.

Julian said he did not recall Lawson speaking with Clarkson and Edwards about their professionalism or filing public records requests.

Julian said he did not recall Lawson speaking with Clarkson and Edwards about not having three to five issues he wanted for FDLG ready, but added "I can't say that that didn't happen. I don't really recall that."

Julian stated Lawson spoke with Clarkson and Edwards about not having the three to five issues for the LPS case when he asked for them. Julian said he spoke with Clarkson and Edwards regarding not having the issues, but could not recall if he spoke with them individually.

Julian stated he spoke with Edwards about the Barry Richard letter wherein Richard accused her of being overly aggressive in a meeting. Julian stated he had never seen Edwards be unnecessarily aggressive up to that point, but about three to four weeks later was in a meeting with Edwards where she was; and so he spoke with her.

PowerPoint Presentation

Julian disclosed Mary Leontakianakos was still with the Florida Office of the Attorney General when the PowerPoint presentation was prepared and he thought he may have emailed the

presentation to management to view, but he was not sure. Julian added there was no policy addressing management reviewing presentations.

Julian revealed Edwards did not give the PowerPoint presentation at the Conference of the Florida Association of Court Clerks and Comptrollers (Clerks); it was given by Clarkson and he was present. Julian stated Edwards helped prepare the presentation.

Julian stated a number of the slides in the PowerPoint presentation were not actually shown “because, for example, June [Clarkson], when she was talking, sometimes would get ahead of the process. And slip through and actually not show a number of them.” Julian said he did not know which of the slides were not shown during the presentation.

Julian stated he spoke with Clarkson and Edwards about some of Lawson’s concerns; e.g., the PowerPoint presentation. Julian added, “some of the stuff in the PowerPoint started way before Richard [Lawson].” Julian explained Mark Hamilton spoke with him about the new administration’s displeasure with the contents of the PowerPoint and the fact there was “pushback by LPS” regarding the presentation. Julian testified Clarkson and Edwards told him some of the language in the presentation could have been tempered, but all the information was true.

Julian disclosed he understood Trish Conners to have used slides from the PowerPoint presentation when she spoke to Congress or the legislature (see Conners’ response on page 39). Julian testified Clarkson and Edwards did not want to make the PowerPoint presentation; “[T]hey were kind of forced to do it.” He added, “I told Tallahassee that they shouldn’t do it and they were ordered to do it.” Julian said Clarkson and Edwards were “pretty upset” because they made the presentation, told the truth and then were being criticized for doing what they were told to do.

Discussion of Ongoing Cases

Julian indicated the Clerks asked the Florida Office of the Attorney General to make a presentation addressing some of the foreclosure mill issues they were investigating; he thought the request was made directly to management in Tallahassee. Julian explained there is “absolutely no prohibition” against talking about issues the Florida Office of the Attorney General may be looking into—the Clerks wanted to know about the issues the Florida Office of the Attorney General was seeing dealing with foreclosure paperwork. Julian disclosed it was understood any presentation would basically go into the types of problems they were seeing with filed documents; “it was definitely understood that that type of material would be presented.”

Regarding presentation of slides where targets of ongoing investigations were shown, Julian testified discussion of ongoing cases does occur, “there’s no prohibition against it.” Julian disclosed the discussions happen “when there’s a request to speak and they’re interested in a particular area.” He indicated, it has happened before and it will happen again. Julian disclosed off the top of his head he was not able to provide an example of a public discussion of an ongoing case. He said it was possible such a discussion occurred during any of the numerous presentations throughout south Florida on the various foreclosure issues.

Forgery

Julian defined forgery as “signing somebody else’s name when you didn’t have the authority to do it.”

Julian stated it was true in part Linda Green³⁸ was given the authority to sign documents through a power of attorney and a corporate resolution; and she in turn delegated her signing authority to other employees, but what they found was there were absolutely no controls over the delegations. As an example, Julian stated there might be a delegation of authority form signed by Green authorizing one or two people to sign for her, but what they were seeing were five to seven different signatures. Julian commented “there seems to be a reason to believe, that people other than the – quote – delegated person by Linda Green ...was signing...despite what LPS says.”

Julian disclosed during the presentation it was pointed out there were corporate resolutions and assignments, but he did not specifically recall whether it was mentioned there were no controls over the assignments.

Regarding whether Green’s signature on the documents had the potential to defraud someone, Julian commented if an assignment was not valid it would enable a bank to foreclose on someone’s property when otherwise they might not have the legal authority to do so.

Julian agreed use of the term forgery in the PowerPoint presentation was a statement of a conclusion of law related to an active investigation and at the time the presentation was put together there had been no determination of law. He indicated the matter could have been said more delicately; it would have been more appropriate to address the matter as apparent, alleged, or potential forgery.

Fraudulent Employment

In response to being asked about the PowerPoint presentation addressing “fraudulent employment” of Green because of her many job titles (the presentation showed Green with myriad titles for various companies) despite Green legitimately holding the titles, Julian responded, “Did the...presentation say fraudulent employment?”

Julian was told the presentation did not state “fraudulent employment”, but the heading read “Who is Linda Green?” Julian was asked to explain the meaning of the heading and he replied, “nobody ever said that the titles were necessarily fraudulent ...there were issues as to whether or not...Green was not an authorized representative” of various institutions.

Julian stated at the time of the presentation they did not know why Green was delegated various positions to sign under rather than merely signing as an authorized corporate representative; it was unclear whether the specific title was necessary. He added that later forms they received from LPS showed designations and they learned the specific reasons.

Impossible Notary Stamps

Julian testified the example of an incorrect notarization of a document (see Lawson’s testimony, Impossible Notary Stamps, page 14) could have been a mistake in Clarkson’s and Edwards’ presentation or it could be an example of a document with a cut and paste as Clarkson and

³⁸ The PowerPoint presentation showed various signatures of Linda Green.

Edwards found “instance...where there were...notarizations and other signatures that were attached onto other documents....There were instruments...instances that they found that there were cut and paste on certain documents.”

Julian stated he could not tell if Clarkson and Edwards made an error in the presentation or if they were showing an example of a cut and paste, but the example given appeared to be a mistake. Julian agreed there was nothing in the presentation indicating some of the documents were examples of a cut and paste.

Julian said in order to determine whether the document preparers cut and pasted the documents versus the persons from whom Clarkson and Edwards obtained the documents, the original documents would have to be gathered from the courthouse or the appropriate persons interviewed.

Candy Land

Regarding the Candy Land slide, Julian explained he thought Clarkson was trying to show there was no rhyme or reason in following who held the mortgage on a particular property because of all the assignments. Julian said he removed some questionable slides from the presentation, but missed the Candy Land slide. Julian admitted there was a different way to state the difficulty in following the holder of the mortgage, just as there was a different way of showing the “forgery thing” which would not have caused the reaction to the presentation which occurred.

Inaccurate Information

Julian disclosed the assignment documents portrayed in the presentation which showed “Bad Bene” or “Bogus Assignee” in the place of actual persons’ names were filed in court cases and were not acquired by Clarkson and Edwards from LPS; the documents were received from various attorneys and complainants who sent them to Clarkson and Edwards. Julian said the attorney who presented the documents in a foreclosure suit had the responsibility to review them and clearly the documents were filed with “absolutely no care in...determining whether or not they were accurate and valid.”

Julian stated he did not know if Clarkson and Edwards contacted the preparer of the documents with “Bad Bene” or “Bogus Assignee” to determine why such names were used. In response to the explanation the names were computer generated and used as placeholders by the document preparers until the correct name could be determined, Julian said the process did not “make a whole lot of sense.” Julian commented, “I can’t think of anybody who would really put that as a placeholder for...a document.”

When Julian was questioned regarding the veracity of disclosures in Clarkson’s and Edwards’ PowerPoint presentation he stated the presentation “was merely to show them [Clerks of Court and Comptrollers] some of the issues with what we were seeing with the documents.” Julian indicated he was not sure why it was an issue Green signed documents with various titles she was given via corporate resolutions, but “it certainly raises an issue as to whether or not she was.” Julian added, “it is a red flag when – when a clerk...actually has all those titles and uses different signatures on all of the documents.”³⁹ It’s certainly something that you would wanna

³⁹ Green gave authority to others to sign her name to documents, so it may not have been Green signing using various signatures.

look at and – and tell people, oh this is an issue.” Julian stated he did not specifically recall if during the presentation Clarkson disclosed Green was a clerk and earned X amount of dollars; or whether Green held all the various positions via corporate resolutions giving her such positions.

Julian agreed the PowerPoint presentation gave a “reasonable impression” it was the holder of the mortgage versus the holder of the note which controlled who had standing to file a foreclosure action—an incorrect legal theory.

Opening Foreclosure Mill Cases

Julian disclosed opening a case “can have a chilling effect on a company and it can really be a problem.” He explained when a complaint is received one of the first tasks is to conduct a preliminary investigation to determine whether there is deceptive conduct on the part of the subject which would fall under Chapter 501, Florida Statutes.

Julian said the foreclosure mill cases were atypical and the question he had when first asked to file the initial foreclosure mill complaint was “does it fit into a 501?” Julian said at the point a case is opened it is thought there could be a violation of 501, “you may not have your exact...theory approved yet...you go with what you have sometimes.”

Julian indicated once the determination is made there is possible deceptive conduct, a memorandum outlining the findings from the preliminary investigation is drafted asking for a case to be opened. Julian said the memorandum would generally include the potential wrongdoing and potential statutory violation the Florida Office of the Attorney General would be attempting to prove. Julian indicated he was required to sign off on the memorandum, but Tallahassee approved opening of all five of the foreclosure mill cases.

Julian agreed filing five lawsuits against foreclosure law firms as far back as July 2010 presumed there was a legal theory on which to move forward, but part of the reason the cases were delayed was because of the new administration.⁴⁰ Julian said “you don’t rush in and file a case that’s...under an unusual theory against law firms with a brand new administration without giving them a substantial amount of time to figure out what’s going on.”

In explaining why Clarkson and Edwards asked to file five foreclosure mill lawsuits in July 2010 and then witnesses expressed a lack of activity related to the cases over the next eight to twelve months, Julian testified, “There wasn’t a day that they were not working on these lawsuits...they were working on these pretty much every single day...They were digging through mountains of documents and trying to figure out what to do...whatever delay there was was not because they were not working on the cases.”

Julian described the foreclosure mill cases as being “amorphous;” many documents may have been reviewed for issue X and then issue Y is discovered and all the previously reviewed documents have to be re-reviewed for issue Y. Julian described an iterative document-review process that involves the identification and reprioritization of issues leading to determination of the issue the Florida Office of Attorney General will pursue.

⁴⁰ The new administration took office in January 2011.

Julian stated he did not think even to date Lawson would feel comfortable going forward with 501 (Chapter 501, Florida Statutes) cases against foreclosure mill law firms other than Stern (on reinstatement letters). Julian said the offices who received Clarkson's and Edwards' cases have been working on them full time; they have resources devoted to them and there are still not close to being filed.⁴¹

Julian said in order to look at the document preparers in the foreclosure cases was a complicated issue and an understanding of how the entire foreclosure process for a particular entity worked would first have to be determined. Julian disclosed it was not just the foreclosure law firms, or the document preparers; it was also the way the lenders and servicers handle matters. Julian explained the "foreclosure implosion" was not caused by only "one sector of the foreclosure industry. It was a systemic problem."

Julian disclosed in addition to the foreclosure cases Clarkson and Edwards had between ten to twenty other cases they were working.

Meeting to Discuss Foreclosure Mill Cases

As part of Clarkson and Edwards trying to determine what direction to take on the foreclosure mill cases Julian said the three of them would meet; they would talk almost every day. He stated they would discuss what they thought about the cases, what was the road map, what was the violation of law and how were they going to prove it.

Julian stated in his meetings with Clarkson and Edwards they would discuss generally how cases were progressing, what was going on "type of thing." He stated he did not know what was in the documents Clarkson and Edwards were reviewing or what they were waiting to find out, if anything. Julian disclosed in the meetings Clarkson and Edwards would state what they had and what they were finding, and the discussions would always be "where are we going with this?"

Julian responded to the concern foreclosure mill cases had been open a year or more and Clarkson and Edwards had not yet identified the issues by stating "it was a massive amount of information...boxes and boxes of mortgage documents...They were doing a lot of work on...these cases." Julian disclosed he was not sure Clarkson and Edwards gave him anything to show their progress on the foreclosure mill cases; they talked about the cases.

Julian did not recall Clarkson and Edwards laying out a case plan for determining how they could prosecute what they were finding under Chapter 501, Florida Statutes; he stated, "I don't believe they ever said I'm going to do X, Y and Z to do that." Julian said not being able to figure out how the information they had fell under the provisions of Chapter 501, Florida Statutes, was not Clarkson's and Edwards' fault; the Florida Office of the Attorney General still cannot figure it out.

Julian also stated there were "plenty of issues identified," in the foreclosure mill cases, while they were still asking whether to bring action under Chapter 501, Florida Statutes. Julian stated "a lot of that is—is a policy determination." Julian indicated as he discussed the issue whether

⁴¹ This statement directly contradicts Edwards' testimony that nothing has been done on the foreclosure mill cases since she and Clarkson left the Florida Office of the Attorney General.

there was a 501 action with Clarkson and Edwards; he also discussed the matter with upper management.

Julian said there never was any resolution as to what was “definitely going to work” with regard to pursuing the cases under Chapter 501, Florida Statutes. Julian said they discussed with management in Tallahassee theories as to how to proceed under Chapter 501, Florida Statutes, and the evidence they had to support their theory, but to date they have never received the go ahead to file a case against a law firm.

Independent Investigation

Julian explained different lawyers handle investigations in different ways and different investigations are handled differently based on the content and type of investigation. He indicated one of the first tasks is to gather as much information as possible and determine whether the information constitutes a violation of a particular statute. Julian added some attorneys like to look at all the information before sending out investigators. Julian said the idea is to go through the information, analyze it and then determine where the investigation should go, what will be the theory of the case.

Julian disclosed Clarkson and Edwards typically did not work their cases without having investigators assigned, but it would depend on the case. Julian testified, “the mere fact that they [Clarkson and Edwards] didn’t have an investigator on it [foreclosure cases], to me, isn’t particularly relevant.” Julian said although he did not know whether Clarkson and Edwards ever asked any of the investigators to assist them with anything on the foreclosure cases; he indicated sometimes attorneys would ask investigators to complete certain tasks for a case even though there was no investigator assigned to the case.

Julian said the foreclosure cases were a little different because they were trying to determine how to statutorily charge the targets before sending out investigators to gather more information. Julian stated Clarkson and Edwards had “way too much information. They were getting information by the truckloads.” Julian indicated Clarkson and Edwards had to figure out exactly what the information they had meant and where they were going; for that reason he did not specifically discuss with them whether they had investigators assisting them. Julian testified he was not sure if there was a point where Clarkson and Edwards said “okay, now this is the issue.”

Julian stated Clarkson should not have been making any decisions based solely upon what Lisa Epstein was telling her. He said attorneys can rely on outside sources for information—they do not have to verify each document, but they should take steps to ensure the documents they are receiving are authentic or valid. Julian said attorneys would probably have investigators conduct the authentication, but he did not know off the top of his head whether steps were taken to verify the authenticity of the documents Epstein was submitting.

Julian stated the first step in Clarkson’s and Edwards’ review of the foreclosure mill documents would be to examine them to determine whether they saw a pattern, and if they did to issue a subpoena to try and gather information relating to the specific issue for which they saw the pattern. Julian explained if a subpoena is issued “right up front” it is going to be “incredibly broad.” He stated “the better process is to examine the documents in depth for a period of time...issue a target a subpoena for the things that specifically interest you”—that is what Clarkson and Edwards should have been doing.

Issues with Investigators

Julian testified he did not recall any of the investigators in south Florida coming to him and expressing concerns about not being involved in the foreclosure mill cases or concerns with Clarkson and Edwards. He indicated he did recall one investigator inquiring as to whether Clarkson and Edwards needed any assistance. Julian did not recall having a conversation with Jerry Lockwood in which Lockwood expressed investigators' concerns regarding Clarkson and Edwards and the foreclosure mill cases.

File Disorganization

Julian admitted Clarkson's and Edwards' files were not well organized when they left the Florida Office of the Attorney General; the files were in "very bad shape" when they left. Julian explained how documents from one case were mixed in with documents from another case. Julian acknowledged the attorneys who were assigned Clarkson's and Edwards' cases may not have received "everything that existed on a particular case." Julian stated additional "things" were forwarded later after they were "found in another area." Julian added, "I can't say whether or not a particular case just wasn't being worked on or whether or not the files could have been someplace else and not sent up until later." Julian said after Clarkson and Edwards left they found cases, documents and complaints "mixed all over the place" which was inexcusable. Julian said it was possible the disorganization of Clarkson's and Edwards' cases could have been the reason the cases were still lingering after a year, but he did not think it was the reason.

Evidence and Legal Theories

Julian remembered Lawson not being satisfied with what Clarkson and Edwards were showing him, but expressed belief the issue of Clarkson and Edwards showing Lawson evidentiary documents to support what they were saying was not as "cut and dry" as Lawson asking for information from them in a meeting on February 8, 2011, telling Clarkson and Edwards he would be back at the end of the month, and then Clarkson and Edwards being unable to again show Lawson evidentiary documents at their meeting on February 28th.

Julian said Clarkson and Edwards would send Lawson emails with examples of what they were seeing. Julian admitted Clarkson and Edwards were not particularly good at providing Lawson examples when he asked a question; they "had a room full of documents; and they weren't prepared to specifically say, okay, here are five examples in this file." Julian added Clarkson and Edwards would eventually show Lawson what they saw as a problem along with the documents.

Initially Julian indicated he could not say why Lawson was not satisfied, but then stated he thought Lawson had a primary problem with Clarkson and Edwards not being able to provide him with a specific theory for going forward on the foreclosure mill cases he thought was particularly strong in terms of supporting 501. Julian added, he would "have to agree" with the lack of theory, although what they were now seeing by Stern, the use of a reinstatement letter, was arguably a clear violation of 501. Julian said "I'm still not particularly satisfied that...as to the other firms...that we have enough to go forward on a 501 violation on – on some of those."

Julian testified he thought Clarkson and Edwards were wrong when they talked about a foreclosure not being valid because the assignment of mortgage was filed after the Lis Pendens. Julian said Clarkson and Edwards were wrong for putting the incorrect legal theory in

the Stern complaint. Julian admitted it was bad law, but only one of several theories presented in the complaint and he could not separate Edwards from Clarkson on the error.

Julian admitted remembering “something about” Clarkson and Edwards telling Lawson on at least two occasions they did not have evidence in their file LPS did not charge servicers, they charged the attorneys, but later Lawson found evidence in the file LPS does not charge servicers.⁴² Julian disclosed Clarkson and Edwards told him they had seen something indicating LPS did not charge servicers so he was surprised when they told Lawson they did not have such evidence. Julian added Clarkson had sent Lawson a copy of the Mississippi case with the information regarding LPS charging attorneys, so he knew Clarkson and Edwards had seen the documentation.

Florida Default Law Group

Julian recalled Lawson giving Clarkson and Edwards a week to identify three to five issues for the Florida Default Law Group (FDLG) case and when they had not done so Lawson gave them until a scheduled meeting the following week. Julian further remembered Clarkson and Edwards did not have the issues identified for Lawson when he arrived in the Fort Lauderdale office the following week. Julian said, “I think they had general issues.” Julian described Clarkson and Edwards as disclosing things they were seeing; e.g., forged signatures. Julian admitted, “I do not remember whether or not they had specific examples for him saying, okay, this is, you know, for Florida Default. Here are like five examples of each. I – I don’t remember that.”

Shapiro & Fishman

Julian said the Shapiro case may not have been worked on a great deal because Clarkson and Edwards were working other cases; they reached a \$2,000,000 settlement on the Watson case. Julian said Clarkson and Edwards were also diverted by the DocX/LPS case once they found out DocX was one of the sources of the problems they were seeing.

Misidentification of Targets

Julian agreed it was problematic to have an incorrect target listed on the Internet. Julian admitted it was careless of Clarkson and Edwards to name the wrong target on a case which was opened and posted on the Internet; they listed Fidelity National Finance Inc, and FMS Capital Leasing as formerly known as Lender Processing Services when that was not correct. Julian stated he did not know whether Clarkson and Edwards performed a Securities and Exchange Commission search prior to opening the case.

Julian was informed when the Shapiro case was transferred to Tallahassee the investigator (Rebecca Woolever) began obtaining documents related to the foreclosures and she discovered Shapiro⁴³ had subsidiaries which could have been the target of the Florida Office of the Attorney General case rather than the law firm. Julian commented it would be reasonable to tell an

⁴² Lawson’s main concern was Clarkson and Edwards concluded as fact LPS did not charge servicers, but did not have evidence to back up their conclusion, not so much they could not locate the evidence when asked.

⁴³ Shapiro is the case where the Florida Office of the Attorney General’s subpoena was quashed and the decision upheld by the appellate court because the subpoena, issued exclusively under Sections 501.201 - .213, Florida Statutes, was issued to investigate actions of the appellee law firm not covered under the rubric of trade or commerce as required by statute.

investigator to determine who controls an entity or if there are other associated entities and their relationship, but such would be “primarily important if you have reason to believe that a sub-entity is doing something – if you know that right up front.”

Julian stated, “if you think it’s merely Shapiro & Fishman and you haven’t gotten to Shapiro & Fishman very much in your investigation because you’re tied up with Stern or LPS or Ben Ezra or Watson, okay, maybe it was one of the things on their to-do list. I don’t know.” He added at the time Clarkson and Edwards had the Shapiro case he did not think they had yet reached the stage where law firms were not going to be targets of cases; they were still wrestling with the idea of going after law firms.

Julian agreed it was possible Clarkson and Edwards may have found ways to pursue the foreclosure mill law firms’ sub-entities under 501, even if they could not pursue the law firm, if Clarkson and Edwards had used investigators in the Fort Lauderdale office to perform the same type of work as Woolever. He added, “it is a possibility they just didn’t get to it yet.”

Public Records Request

Julian explained when a public records request is received in the Fort Lauderdale office per policy the person receiving the request should input the request into the database, forward it to him to assign to the individual required to fill the request, and the database should be updated when the request is filled. Julian indicated if a request went directly to either Clarkson or Edwards then they would be responsible for inputting the request into the database. Julian said “there’s no excuse” if Clarkson and Edwards did not complete any public records requests.

Julian stated if a public records request came directly to Clarkson or Edwards for one of their cases then they should either fill the request or ask an investigator or secretary to do so.

Release of Confidential Draft Multistate LPS Subpoena

Julian testified he had concerns with regard to how close Clarkson got to Lisa Epstein. He stated if Clarkson notified Epstein and told her to make a public records request for the multistate subpoena he thought it was a “fire-able offense.”

Discussions With Third Parties

Julian testified the attorneys should not talk about strategy and indicate what they are looking into with third parties. Julian recalled Lawson addressing Clarkson’s and Edwards’ dealing with outside people. Julian said he was present when Lawson told Clarkson and Edwards not to reach out to third parties for information, and Julian indicated Clarkson asking Epstein for copies of reinstatement letters sent out by Stern was problematic.

Julian testified Clarkson’s action of sharing with Epstein her hopes of soon finishing the drafting of the lawsuit against FDLG, who was foreclosing on Epstein, was definitely not something he would recommend. Julian further stated he did not know why Clarkson would say she hoped to soon finish drafting the lawsuit when she did not know how far FDLG could be pursued under Chapter 501, Florida Statutes.

Julian disclosed Lawson spoke with him on two occasions regarding his concerns with Clarkson’s email contact with Epstein.

Robert Julian's Supervision

Julian explained he is not a micromanager and tries to give employees the freedom to do their jobs without "constant nitpicking." Julian stated if he sees someone making mistakes he steps in and shows them how to do the task correctly.

Julian disclosed there are two time tracking databases used by the Florida Office of the Attorney General, one for time worked for the week and one showing hours worked per case. He stated the database for the hours worked per case usually had a small description of the work; e.g., "case development" or "review documents." Julian admitted he does not look at the time tracking databases regularly; usually he does so when there is a suspicion the time is not being entered accurately or appropriately. Julian said he does not remember checking the time tracking databases for any attorneys, but it was possible he may have checked.

Julian explained when a case is opened he will meet with the attorney and ask what they expect to do, what is their plan of action, what is their timeline. He said much of this information should be in the attorney's notes report. Julian said he talks to attorneys about their cases "pretty much daily" rather than having them submit status reports. He stated attorneys should indicate what has been done on a case in their notes report (Lotus database). Julian said sometimes the notes are not specific because they are subject to a public records request. Julian disclosed the notes report can be viewed by upper management and if he notices they are not up to date he will speak with the attorney assigned the case. Julian stated it was possible he spoke with Clarkson or Edwards about keeping the report notes updated. Julian added there may be periods of time where Clarkson or Edwards slacked off on keeping their report notes updated.

Julian indicated he and the other attorneys would meet almost daily and suggested the Department of Financial Services Office of Inspector General conduct interviews with them to obtain an understanding of what transpired at the meetings.⁴⁴ He stated they would not discuss each case but would talk over issues. Julian said there may have been issues the attorneys were facing on a specific case they wanted to discuss with the other attorneys. Julian indicated Clarkson and Edwards would show documents supporting issues such as the "bad bene" name or the notary stamp being more than four years old and discussed issues they were seeing on the foreclosure cases; e.g., notary issues, assignments issues, whether the Florida Office of the Attorney General had jurisdiction under Chapter 501, Florida Statutes, to move forward on the cases.

Julian added, in addition to the group meetings he would meet informally with attorneys individually throughout the day and "at least maybe a couple of times a month" they would go over "the actual agenda with a number of cases." He stated they would "go over each one...specifically to make sure none stayed left in the...dust."

Performance Evaluations

Julian testified when Lawson went over his evaluation he (Lawson) did not specifically mention Clarkson and Edwards by name when he reviewed a bulleted list of issues. Julian stated Lawson told him "the only problems I see are June and Theresa." Julian said at the time of his

⁴⁴ Department of Financial Services Office of Inspector General followed up on this suggestion and interviewed Joseph Gentili whose testimony did not support the specificity of the discussions Julian was relaying.

evaluation Lawson did not talk at all about professionalism with opposing counsel, although he had previously.

Julian indicated he realized the bulleted issues on his evaluation⁴⁵ were targeted at Clarkson and Edwards. Julian said Lawson had already spoken about the bulleted issues with Clarkson and Edwards, and at some point he (Julian) spoke with them about the issues.

Julian explained Key Performance Indicator (KPI) #5⁴⁶ on the performance evaluation is geared toward whether the employee is honest or follows the rules of practice in dealing with opposing counsel. Julian stated Clarkson would never be expected to do anything improper in terms of dealing with other counsel or the court. When asked about the portion of KPI #5 dealing with good judgment in light of Julian testifying he felt Clarkson had judgment issues, Julian said "good judgment deals primarily...in the filing of cases," not going forward with cases when there was no evidence.

Julian said the type of judgment he thought Clarkson needed to work on was addressed in the portion of the evaluation dealing with "[T]he ability to plan, organize, implement, administer programs tasked with minimal direction...she obviously needed direction." Julian explained the reason he gave Clarkson a "meets expectations" on this portion of the evaluation was because it "was pretty much...close to the bottom of what we give for the most part." Julian disclosed a "below expectation" rating was given relatively rarely and the rating he gave Clarkson was his "way of telling her that she needed improvement in that area." Julian stated the standard was clearly an area he thought where Clarkson could improve, but with the rating he scored her maybe he gave Clarkson the "benefit of the doubt."

Regarding KPI #3⁴⁷ dealing with keeping up with related case law, in light of at least two documents on which Clarkson and Edwards proposed a legal theory contrary to current case law, Julian stated he stood by the "above expectation" because generally Clarkson and Edwards were above expectations. Julian indicated he thought of Clarkson and Edwards consistently meeting and often exceeding expectations with regard to the standard.

On KPI#4⁴⁸ dealing with organization of work in which both Clarkson and Edwards received an "above expectation" Julian said the standard deals with work product and generally speaking

⁴⁵ The bulleted issues were professionalism to opposing counsel, judgment in discussing matters related to pending investigations to third parties, contact with interested parties in the investigation of pending cases, marshalling of facts and evidence, full use of investigators, identification of specific areas of concern re: target investigations, proper identification and analysis of legal issues, and proper case file organization.

⁴⁶ KPI #5 reads: Professionalism – Maintains highest standard of professional ethics and integrity; consistently demonstrates fairness, good judgment, maturity, positive attitude, honesty, dependability, loyalty and common sense; willingly accepts new assignments.

⁴⁷ KPI#3 reads: Legal Research/Analysis/Fact Finding Ability – Properly identifies relevant legal issues and legal authority; directs investigations effectively so that necessary evidence is gathered appropriately and efficiently; conducts depositions, interviews, discovery and research as necessary to investigate and gather relevant facts. Keeps up to date with the latest case law and consumer protections issues both within this jurisdiction and nationally.

⁴⁸ KPI#4 reads: Employee communicates quite effectively both orally and in writing; normally resolves problems and controversial issues or complaints without referral to superiors; maintains courteous relationship and coordinates work activities; few problems occur because of poor dissemination of

their final work product when they went to court was well organized; e.g., exhibits laid out, anticipation of objections. Julian stated on average for the review period Clarkson's and Edwards' work deserved the rating he scored, particularly in light of the amount of work they were assigned.

Julian indicated he also stood by Clarkson's and Edwards' ratings on the portion of their evaluation dealing with public records requests. Julian said the standard for the most part dealt with customer service, consumer complaints, people who called the office, and Clarkson and Edwards were "very good in dealing with those people."

Termination of Employment

Julian revealed he was not surprised when Lawson told him he had decided to terminate the employment of Clarkson and Edwards because he (Julian) thought they were on the "chopping block... as soon as the PowerPoint presentation hit." Julian stated he told Lawson he thought his decision was wrong, but he understood the issues with Clarkson more than Edwards.

Julian said he told Lawson there were issues with Clarkson's judgment, but he thought they were correctable. Julian added, at the time he was unaware of the email issues with Clarkson. Julian testified he told Lawson he thought he was dead wrong in his decision to terminate Edwards' employment; he thought Edwards was being lumped in with Clarkson because they handled some cases together.

Julian said the issue of judgment and contact with interested parties was related to Clarkson while professionalism was related to Edwards. Julian said issues with Watson and faxing evidence was related to both Clarkson and Edwards.

Julian said he told Lawson, "[L]isten, I can't necessarily argue about some of the judgment things with June... when he was talking about firing... Edwards as well, I said '[T]here is something wrong... she's worked her butt off and... it's just wrong.'

Julian agreed after Lawson said "no problems" there were problems with Clarkson and Edwards. He added, "well the problems were primarily - were mistakes from June more than anything else." Julian said he did not see Edwards as having the same judgment issues as Clarkson; the issues he saw were the way she kept her files and of her "being somewhat aggressive in the one meeting" he attended. Julian indicated both Clarkson and Edwards worked very hard. Julian mentioned Clarkson's and Edwards' settlement on the Watson case, and indicated he settled a case Clarkson did most of the work on prior to her departure.

Julian testified it was "difficult" to separate Edwards from Clarkson with regard to the issues arising from the foreclosure mill cases they were working together. Julian said Edwards never came to him and disclosed she did not want to be lumped in with Clarkson on issues arising from the cases they were working together. Julian said, he could not remember who told him, but he heard Edwards mentioned concerns about being lumped into the office's perception of Clarkson.

information; gives information that is clear and well understood; listens and responds to peers and/or co-worker's or subordinate's ideas, needs and suggestions' effectively conducts and/or participates in meetings.

Julian testified at the time Lawson determined to end Clarkson's and Edwards' employment he was unaware of the issue regarding their failure to respond to public records requests.

INTERVIEW OF JOSEPH GENTILI

A digitally recorded videoconference sworn interview of Gentili was conducted on November 10, 2011. The following information reflects Gentili's actual and paraphrased testimony.

Gentili described Clarkson as "very aggressive... a good attorney... good personality... a bulldog type of attorney." Gentili said an attorney would have to be tough to do the type of work their bureau performs. Gentili described Edwards as a "little bit more experienced, a little older... knowledgeable" than Clarkson. He said Edwards was aggressive, adding "we have to be as prosecutors." Gentili stated he had no way of knowing whether Clarkson and Edwards tended to follow policies and procedures, the normal dictates of the office.

Investigators

Gentili stated his understanding of the complaint intake process is the complaints come into Citizen Services in Tallahassee who reviews them and if the complaints are of a certain magnitude (either in volume or egregious conduct) they go to Jerry Lockwood to filter to the investigators in the field offices "to look at in greater detail and to come up with additional factual material." Gentili disclosed the attorneys normally do not see a case until there has been some investigation to determine such things as the parties involved and their status, number of complaints; all the ground work.

Gentili indicated he had never "received a complaint from a consumer directly about a new investigation." Gentili said if he ever did he would take the complaint to his bureau chief to determine how to handle the matter; e.g., assign an investigator.

Gentili explained attorneys work cases with investigators. He said investigators will perform tasks such as obtaining documents or locating witnesses after which the attorney will perform tasks such as taking statements, reviewing documents, and developing legal theories. Gentili stated the attorney will then make a recommendation which is vetted by the bureau chief and management in Tallahassee whether to file a case. Gentili disclosed management in Tallahassee makes the final call whether to pursue the matter.

Gentili said he was pretty sure there were investigators assigned to every case, and determining assignment of an investigator to a specific case often hinged on who had familiarity with the area in question. Gentili disclosed attorneys and investigators need to work hand-in-hand because there are things the attorney cannot do, although the attorney is in charge of the case.

Gentili indicated while he and the investigator both know the plan and current status of the case, the investigator will not know the detailed case strategy as it is not their responsibility to "link up the facts with the law." He said there is an open door policy between them so they can discuss what is needed on the case.

Gentili testified he was not aware Clarkson and Edwards were not using investigators on the foreclosure mill cases. Gentili said not using investigators on a case was probably something he would not have done and he was surprised Clarkson and Edwards chose not to use at least one investigator.

Time and Case Tracking Databases

Gentili stated there is a case database where documents are logged by the administrative assistant for cases which are not in litigation or being investigated. Gentili indicated incoming documents, and outgoing documents such as subpoenas, are logged in the database. Gentili stated these formal documents are also required to be in the paper case file. Gentili said the attorneys are supposed to look at the database and update their cases, put in their thoughts, case status and investigative notes. Gentili said the case database is referred to as the docket.

Gentili disclosed there is another database, Lotus Notes, where attorneys are to enter the time worked on each case. Gentili stated there is no specific number of hours attorneys are required to work on cases per month or quarter. He also disclosed there are no required timeframes for entering data into either of the databases, but the idea is to keep the cases updated so there is some sort of idea how fast the cases are moving. Gentili stated because the Division of Economic Crimes has the authority to collect attorneys' fees and costs in conjunction with litigation, the time tracking gives some perspective on the amount which can be demanded, impacting the bureau's budget.

Gentili stated he does not know whether management uses the time and case tracking databases to ensure whether attorneys are doing their work, nor has he ever heard management speak to an attorney or investigator about lack of entries in either of the databases.

Public Records Requests

Gentili testified it was his understanding everything in the Florida Office of the Attorney General was subject to public records requests, except attorney work product and information statutorily prescribed as confidential and exempt. Gentili explained attorney work product included things such as their mental impressions and thoughts. Gentili stated he would not disclose legal theories in an ongoing case with the public.

Because of the increased volume in public records requests as a result of the mortgage foreclosure crisis, Gentili stated all the public records requests are funneled through one person who enters them into a database where they are tracked. Gentili indicated he thought the person who handles public records requests should be notified even for requests received directly by the attorney so they could be tracked. He added, "procedurally any public records request has to be tracked."

Gentili said he does not assemble the public records requests documents, but the assembly, redacting, copying and fee collection are handled by either the administrative assistant or intern under the supervision of the investigator assigned the case.

Meetings

Gentili testified the attorneys in the bureau would try to put aside 15 minutes every morning to have coffee and share thoughts on cases, what they were doing, what they were seeing, discuss theories. He described the meetings as "very useful." Gentili said if an issue discussed at the meeting was not resolved it was possible another attorney might research the matter or the attorney with the issue might find the answer. Gentili disclosed currently one big issue was whether lawyers involved in the process of creating robo documents fall under the purview of Chapter 501, Florida Statutes.

One of the issues discussed among the attorneys over time, according to Gentili, was the lack of protection from public records requests of Florida Office of the Attorney General's ongoing investigations. Gentili said, "[T]hat's always been discussed...can we get some protection against disclosing to the bad guys what we're doing."

Except for the Countrywide and Home Depot cases, Gentili said he did not recall attorneys meeting to discuss case strategy. Gentili said, "[I]t was basically up to the attorney to try and scope it out and work with the investigator." Gentili disclosed when Robert Julian was the bureau chief he was the *go to person* for problems because he had seen so many different types of cases during his tenure with the Florida Office of the Attorney General. Gentili said Julian would offer suggestions on how to approach a problem.

Gentili disclosed when Julian was the bureau chief he would hold monthly meetings with all the attorneys and investigators in the bureau and they would exchange information, talk about what they were working on, what they wanted to bring forward for consideration. He stated Julian did not require a written status report be created for the meetings. Gentili, said these meetings would often precede state-wide division meetings where cases were discussed, primarily by the bureau chiefs.

Gentili said attorneys were not required to report on all cases at the monthly meeting, but he thought in conjunction with quarterly or semiannual reports the attorneys had to brief Julian on all their cases and why things were or were not moving forward. Gentili stated the update would be accomplished by ensuring the database information was up to date.

File Maintenance/Organization

With regard to paper files, Gentili explained all originals have to be retained, and are maintained by each attorney in their respective office. Gentili explained he has all his case files in boxes segregated by case. Gentili stated he would easily be able to retrieve a requested document from his paper files because of the way he has them organized. Gentili indicated the documents are all indexed by date; the index number can be determined by looking in the docket database. After obtaining the case document number from the database he could find the document in his files by using the case number. He disclosed in addition to a file index in the database he also keeps a printed version inside the case file.

Gentili stated aside from the requirement of chronological numbering of entries he was unaware of any other procedures regarding case file organization. Gentili said file organization is basically "left to the attorney." He added, "the formal documents have to be indexed by date when it was issued and given a tab and put in the...hard file...and similarly in the database given...the number of the tab and the date."

Gentili explained the active investigation materials, such as consumer complaints, are maintained by the investigators. Gentili stated except for legally related information what goes to the attorney should be kept to a minimum. He said investigators try to maintain the victim or consumer's file.

Gentili explained he only looked at a couple of Clarkson's and Edwards' files, which were assigned to him. He said he did not look at any of the foreclosure mill case files. Gentili testified the files he was given were not in the shape he would have left them; they were not like any of his files. Gentili stated he found the files to be "somewhat disheveled." Gentili said "I couldn't really figure out some of the files, what went with what." Gentili indicated he could not

figure out what were legal files and what were investigative files; it seemed to be a combination of both.

Gentili stated there was no memorandum with Clarkson's and Edwards' files which he could use to reconstruct them, but this might have been a result of their not having time to create the memorandums prior to leaving. Gentili added he also had difficulty putting the files together because he did not know the issue(s) in the case(s).

Gentili said although attorneys organize their files the way they choose, if someone picked up one of his files and started reading they could figure out what was going on. With regard to the files he received from Clarkson and Edwards, Gentili testified, "even by reading I couldn't figure out...what went together with what."

Filing Lawsuits

Gentili testified before requesting permission to file a lawsuit, to the extent possible, he will take statements under oath on complaining witnesses and former employees; he will not take action on an unsubstantiated claim.

Chapter 501, Florida Statutes

Gentili stated there were discussions regarding the applicability of Chapter 501, Florida Statutes, to attorneys on a general level, but he really did not get involved in Clarkson's and Edwards' foreclosure mill cases. Gentili provided examples of other issues where their office struggled with the ability to bring action against attorneys "involved in scams" or whether jurisdiction lay solely with the Florida Bar.

Gentili said he did not recall giving Clarkson and Edwards anything unless they asked about lawyer regulations. Regarding the applicability of Chapter 501, Florida Statutes, to foreclosure mills ever being discussed during the daily meetings over coffee, Gentili testified, "I have no recollection one way or the other. I just don't remember anything that specific."

Gentili stated a case would not be opened unless there was jurisdiction under Chapter 501, Florida Statutes.

Lawson's Visit

Gentili disclosed Lawson visited the Fort Lauderdale office a couple of weeks or a month after beginning work for the Florida Office of the Attorney General. Gentili said the meeting was basically a "getting to know you type of situation," and it was not anything really significant. With regard to cases, Gentili said he was asked, "[W]hat are your cases like?" Gentili said Lawson met with attorneys individually, but could not recall whether he met with Clarkson and Edwards together. Gentili testified he did not overhear any of the conversations with other attorneys.

PowerPoint Presentation

Regarding the PowerPoint presentation, Gentili disclosed he knew someone from the clerk's office made the request to either Clarkson or Edwards to talk about the foreclosures. Gentili stated he did not have any firsthand knowledge regarding the results of the presentation.

Release of Confidential Draft Multistate LPS Subpoena

Gentili testified he did not have firsthand knowledge regarding Clarkson's release of the multistate subpoena. He indicated he heard office talk she was being criticized for providing the

subpoena before it was issued, but he did not hear any discussion related to whether Clarkson actually released the subpoena.

REVIEW OF DOCUMENTATION AND OTHER RECORDS

REVIEW OF EMAIL

A review of the sent and received email of Richard Lawson, Robert Julian, June Clarkson and Theresa Edwards, for all or part of the period of January 2010 through May 2011, did not reveal any violation of law, rule, or policy related to the termination of Clarkson and Edwards. The review did support witnesses' testimony Lisa Epstein was providing myriad foreclosure related documents to Clarkson and/or Edwards. Additionally, the review of email correspondence between Lynn Szymoniak and Clarkson and/or Edwards provided evidence of more than a professional relationship, that is, communications indicative of a personal relationship.

PUBLIC RECORDS REQUEST

Public Records Request Database

A review of the Florida Office of the Attorney General public records request database was conducted and there were no requests logged for Epstein or Szymoniak from January 1, 2010, through Clarkson's and Edwards' date of separation from the Florida Office of the Attorney General.

The following excerpts from the Florida Office of the Attorney General Policy and Procedures Manual, Chapter 6 Public Records are the provisions generally applicable to testimony in this inquiry related to public records request issues:

Florida Office of the Attorney General Policy and Procedures Manual Chapter 6 Public Records

- A. Florida's Public Records Act provides that all materials made or received by Florida's state and local governmental agencies in connection with their official business are public records, subject to disclosure in the absence of a statute making the material confidential or exempt.

- E. Public record requests for Florida Office of the Attorney General records must be entered into the Public Records Database and be promptly acknowledged and responded to in good faith. It is the policy of this office to make public records available for inspection or copying as quickly as is reasonably possible.

- H. There are many exceptions to Chapter 119, F.S., and some statutes prohibit public disclosure of certain records.
 - 1. If the requested records are confidential or exempt from public disclosure by statute, the records may not be disclosed and the requestor must be informed that the records are exempt from disclosure, together with the citation to the applicable statute establishing the exemption.

- J. If an assertion is made that a requested record is not a public record subject to disclosure, Florida Office of the Attorney General personnel may not dispose

of the requested record for a period of 30 days after the date on which a request for the records was made.

Both Chapters 119 and 501, Florida Statutes, provide exemptions to the general availability of State of Florida records to the public. The excerpted provisions of these laws are applicable to testimony in this inquiry related to public records request issues:

Chapter 119, Florida Statutes

119.071(1)(d)1. General exemptions from inspection or copying of public records.—A public record that was prepared by an agency attorney (including an attorney employed or retained by the agency or employed or retained by another public officer or agency to protect or represent the interests of the agency having custody of the record) or prepared at the attorney's express direction, that reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the agency, and that was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or that was prepared in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings, is exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution until the conclusion of the litigation or adversarial administrative proceedings. For purposes of capital collateral litigation as set forth in s. 27.7001, the Attorney General's office is entitled to claim this exemption for those public records prepared for direct appeal as well as for all capital collateral litigation after direct appeal until execution of sentence or imposition of a life sentence.

Chapter 501, Florida Statutes, Exception

501.2065 Confidentiality of intelligence or investigative information.—Whenever criminal or civil intelligence, investigative information, or any other information held by any state or federal agency is available to the department on a confidential or a similarly restricted basis, the department, in the course of the investigation of any violation of this part, may obtain and use such information. Any such intelligence or investigative information that is confidential or exempt from the provisions of s. 119.07(1) retains its status as confidential or exempt from the provisions of s. 119.07(1).

SUMMARY OF CATHY LERMAN EMAIL REGARDING PROFESSIONALISM ISSUES

On March 9, 2010, Lerman⁴⁹ sent an email to Barry Richard⁵⁰ regarding a Cash4Gold meeting. Two Cash4Gold employees were copied on the email. The purpose of the email was to update Richard on the meeting Lerman had with the United States Postal Service that day.

Lerman indicated there were ten representatives from the United States Postal Service at the meeting and it "went very well from the USPS side." Lerman told Richard contrary to what she told him Clarkson and Edwards attended the meeting. Lerman wrote, "[A]pparently they went to USPS legal directly and got permission and were supposed to advise me that they were

⁴⁹ Cash4Gold employee.

⁵⁰ Attorney representing Cash4Gold.

attending but didn't." Lerman went on to write she had "a serious problem with their [Clarkson and Edwards] conduct during the meeting."

Lerman indicated she was discussing issues with Cash4Gold's packaging and Edwards interrupted her and began questioning her as to why they did not use boxes for return shipping. Lerman wrote Edwards commented, "we [Cash4Gold] could afford boxes with all the money we were making and that we were not doing anything to solve the missing pack issue." Lerman said when she tried to respond Edwards kept interrupting her, asking how much Cash4Gold spent on shipping and packaging.

Lerman said when she told Edwards her [Edwards] opinion on their shipping methods was not relevant to the discussion with the group, Clarkson stated it was relevant because they were drafting an Assurance of Voluntary Compliance. Lerman wrote to Richard, "I could not believe that June brought that up in this meeting in front of representatives of USPS." Lerman added there were several other comments made by Edwards "that were wholly inappropriate."

In closing Lerman wrote, "[T]he attitude and demeanor of June and Theresa mirrored our initial meeting in January. The level of hostility exhibited by these two is truly amazing. It almost appears to be a personal vendetta on their part against our Company but I do not know why other than they think we make too much money."

SUMMARY OF BARRY RICHARD LETTER REGARDING PROFESSIONALISM ISSUES

Richard corresponded with Clarkson regarding Cash4Gold, via a letter dated March 12, 2010. Richard addressed a meeting between Cathy Lerman and the United States Postal Service Office of Inspector General. According to Richard he encouraged Lerman to invite Clarkson (and apparently Edwards as she too attended the meeting) "in the spirit of cooperative effort between your office and my client in seeking ways to improve my client's practices."

Included in Richard's letter was an email Lerman sent him and which Richard describes as "a detailed description of what she (Lerman) was subjected to by you and Theresa Edwards in the presence of 10 representatives of the USPS." Richard indicated ordinarily he would assume an email of the type sent by Lerman contained a degree of exaggeration; but added, "the conduct described reflects exactly the attitude that I personally experienced when I met with you and Ms. Edwards in Ft. Lauderdale on January 7 and I have satisfied myself that her description is accurate."

Richard informed Clarkson her behavior was "unprofessional and inappropriate." Richard described the conduct of Clarkson and Edwards as being driven by "a single-minded determination to make a case against my client that began with a pre-judgment that my client was engaged in some type of wrongdoing."

Richard states his client entered into an agreement with the Florida Office of the Attorney General. They were to send requested materials and in return his client was to be sent a proposed Assurance of Voluntary Compliance (AVC). Richard indicates his client sent all the requested materials, but did not receive the proposed AVC, but a request to take sworn statements of persons connected with Cash4Gold. Richard disclosed, "I have represented many clients being investigated by the Attorney General's Office over the past 30 years and I do not recall a single instance in which the Office requested or subpoenaed a client for a sworn statement in a civil case of this type."

Richard withdrew his previous invitations for a tour of Cash4Gold facilities and to interview company management personnel without a company lawyer present. He stated, "I have no confidence that you will approach discussions fairly or objectively."

In closing Richard wrote, "Your office possesses a great deal of power and with it comes a great deal of responsibility. With very rare exceptions, the persons that I have dealt with in the Office have always exhibited a strong appreciation for that responsibility. It is disappointing that I must now add this experience to those rare exceptions."

Robert Julian and Mary Leontakianakos were copied on the letter.

SUMMARY OF, AND RESPONSE TO, LPS LETTER RE POWERPOINT PRESENTATION ISSUES

Meyer Letter

On January 6, 2011, Joan Meyer⁵¹ sent a letter addressed to Clarkson and Edwards regarding Lender Processing Services, Inc. (LPS) and the presentation made at the Conference of the Florida Association of Court Clerks and Comptrollers entitled "Unfair, Deceptive and Unconscionable Acts in Foreclosure Cases."

Meyer alleged the presentation was "riddled with inaccuracies, unfair statements, and specious inferences regarding Lender Processing Services, its subsidiaries, and employees." After noting the presentation was publicly available on the Internet and picked up by newspapers and bloggers; Meyer wrote, "[T]he fact that you would make statements concluding that any company or individual is guilty of criminal misconduct during an ongoing purportedly confidential, civil investigation is at best irresponsible."

Meyer accused Clarkson and Edwards of "improperly acting under the cloak of your authority as law enforcement officials by publicly vilifying companies based upon unconfirmed evidence during the pendency of an ongoing investigation in which you have not completely collected or reviewed the relevant evidence, let alone made any charging decision regarding the company. This is a violation of basic principles of due process and may certainly rise to the level of questionable behavior under the Florida Attorney's (*sic*) General's own protocols."

Referencing the picture of the Candy Land board game in the presentation, Meyer wrote, "we object to the Florida Attorney General's characterization of the mortgage industry and the securitization process as a game of 'Candyland' (*sic*)."

Meyer stated Clarkson and Edwards mischaracterized the process by which documents were authorized to be executed by inferring Linda Green fraudulently held herself out as an officer of corporations without authority to do so by listing Green's corporate titles under the title "A Few of Linda Green's Many Job Titles" or "Who is the Real Linda Green?" Meyer went on to indicate Green was appointed as an officer of various lenders through corporate resolutions of those lending institutions and she provided the corporate resolutions, professional services agreements and statements of work which authorized Green to execute documents.⁵²

⁵¹ Joan Meyer is an attorney with Baker & McKenzie, LLP, representing LPS.

⁵² A review of a November 29, 2010, correspondence from Meyer to Clarkson and Edwards indicated

Meyer complained Clarkson and Edwards referred “to corporate resolutions related to the business of Default Solutions...and appear to make allegations regarding its operations.” Meyer indicated Clarkson and Edwards knew nothing about the operations of Default Solutions because they had “never asked about it.”

Meyer wrote to Clarkson and Edwards “you characterize the differing signatures on documents multiple times as ‘forgeries’ and ‘false witnessing’ without any reference to the actual facts.” Meyer explained Green and other employees delegated their signing authority by “express written consent to other employees.” She added, “[W]e gave you the delegation forms”; thus Clarkson and Edwards knew “the differing signatures were the product of an expressed delegation, yet you [Clarkson and Edwards] conspicuously failed to mention it.”⁵³ Meyer wrote, “your labeling of these activities as crimes is not only inflammatory, it frankly is not within your purview in this civil litigation.”

Meyer stated another example of the errors in Clarkson’s and Edwards’ presentation was the characterization of documents with placeholders such as “bad bene” or “bogus assignee” as fraudulent and implying Lender Processing Services and/or any of its subsidiaries were deliberately recording false documents. Meyer explained the placeholders were used so employees could print documents even though information was missing and then set aside the documents until the missing information was located. She added a few of the documents were accidentally recorded.

In closing Meyer asked Clarkson and Edwards whether they were still capable of conducting the Lender Processing Services’ investigation. Meyer wrote, “[Y]ou have already acted as judge and jury with written publications of your conclusions, absent a complete review of evidence you need to properly assess the facts....At a minimum, you have tainted the investigation and anything that follows.”

Response to Meyer Letter

In a letter dated January 13, 2011, Mark S. Hamilton responded to Meyer’s letter of January 6, 2011. Hamilton’s stated purpose for the letter was to “address any misapprehensions that may have arisen as a result of the overview provided in that [PowerPoint] presentation.”

Hamilton explained the Florida Office of the Attorney General was invited to make a presentation to the Florida Association of Court Clerks and Comptrollers as they wished to be educated as to the nature of issues surrounding the foreclosure crisis.

In response to the examples of issues shown by Clarkson’s and Edwards’ PowerPoint presentation Hamilton wrote, “[A]ny examples used were of the types of documents observed by us during our investigations into the foreclosure crisis that resulted in lenders throughout the nation temporarily halting their foreclosure processes entirely.”

hard copies of professional service agreements, statements of work and corporate resolutions, and powers of attorney granting signing authority to DOCX employees (an LPS subsidiary) were attached. According to correspondence from the Florida Office of the Attorney General the presentation was given on December 8, 2010.

⁵³ Ibid.

Hamilton indicated Meyer's correspondence suggested the presentation represented the official judgment of the Florida Office of the Attorney General as to the liability of one or more entities. In addressing the perceived allegation Hamilton responded, "[T]he investigation by our office into the issues surrounding the foreclosure crises (*sic*) is ongoing in nature and the presentation should not be viewed as intended to comment on the liability of any particular company."

Hamilton disclosed none of the documents used in the presentation were presented by LPS, but were acquired by the Florida Office of the Attorney General prior to being produced by LPS; the documents were not attributed to LPS in any way.

REVIEW OF TIME TRACKING

A review of the time tracking entries, for hours worked on cases, in Lotus Notes for Clarkson and Edwards and two other attorneys in the Fort Lauderdale office revealed:

	1 st quarter 2010	2 nd quarter 2010	3 rd quarter 2010	4 th quarter 2010	1 st quarter 2011	April 2011	May 2011
Clarkson	279.50	285.00	282.00	292.00	525.00	166.50	116.00*
Edwards	177.70	335.80	282.00	287.00	382.00	156.50	118.30*
Gentili	457.00	452.00	362.50	376.00	504.00	159.00	153.00
Harrod	N/A	N/A	151.30	421.70	459.90	144.10	138.00

*Clarkson and Edwards only worked through the 20th of May.

FINDINGS

INITIAL PERFORMANCE ASSESSMENT

Prior to Lawson beginning work with the Florida Office of the Attorney General, Hamilton spoke telephonically with Clarkson and Edwards regarding concerns with their performance; e.g., the PowerPoint presentation. Lawson was briefed on the issues when he began working for the Florida Office of the Attorney General at the end of January 2011, and was instructed by his supervisor to ensure Clarkson and Edwards understood upper management's concern with their professionalism and the issues with the PowerPoint presentation.

Lawson on February 8, 2011, in his first meeting with Clarkson and Edwards:

- put forth the message there were concerns with them in Tallahassee;
- stated he was a new director and it was a new day;
- indicated he needed them to have extraordinary sensitivity on all steps going forward;
- informed them he could have no problems from them over the next six months;
- went through the PowerPoint presentation and gave them an opportunity to present their side of the story;
- discussed their lack of responsiveness to public records requests made by targets and indicated the requests needed to be filled;
- talked with them about their professionalism including allegations of Edwards' aggressiveness;
- spoke with them about complaints from various targets' attorneys;
- discussed an issue regarding the use of a letter versus a subpoena.

During the February 8th meeting, Lawson reviewed Clarkson's and Edwards' cases, and he was not pleased with their:

- inability to explain why they were so far behind on cases;
- failure to answer in-depth questions regarding the Florida Default Law Group case.

Clarkson and Edwards both acknowledged during his visit on February 8th Lawson told them targets' attorneys were complaining about them, but stated he never gave them a chance to tell their side of the story.

Clarkson stated when Lawson and Lockwood visited the Fort Lauderdale office "Theresa and I were called in and pretty much dressed down to the point of feeling humiliated."

Clarkson stated Lawson was raising his voice when he met with them during his visit and was saying things which were not very true or very kind. Clarkson disclosed Joe Gentili was across the hall in his office and indicated she was "sure he heard it all because he said he thought the treatment that we were given was just completely unprofessional." Gentili testified Lawson met with attorneys individually, but could not recall whether he met with Clarkson and Edwards together. Gentili testified he did not overhear any of the conversations with other attorneys.

Edwards said Lawson visited the south Florida office and never told Clarkson and her they needed to straighten up.

Lawson, Lockwood and Julian all testified Lawson told Clarkson and Edwards during the first meeting they were starting with a clean slate, but he (Lawson) could not have any problems with them going forward.

DISCLOSURE OF PERFORMANCE ISSUES

On more than one occasion Lawson spoke with Clarkson's and Edwards' supervisor Julian regarding concerns Lawson was having with them and on at least one occasion Julian spoke with Clarkson and Edwards about Lawson's concerns.

After they twice provided him incorrect information regarding evidence in the LPS case, Lawson informed Clarkson and Edwards he was expecting their A game and was not seeing it.

Julian saw Edwards behave unprofessionally in one meeting he attended with her and spoke with her about her behavior which she admitted was inappropriate. Julian told Lawson he was pleased Edwards was improving her level of professionalism.

Clarkson and Edwards felt Lawson micromanaged their cases, took over their authority and contact with the attorneys and had them writing so many status memorandums they could not work any of their cases. In contrast Lawson disclosed he and Connors met with Florida Default Law Group's (FDLG) attorney because they were complaining the case had been open almost a year and they still had not received a full explanation of the allegations against FDLG. Additionally witnesses supported Lawson's testimony he tried to get Clarkson and Edwards moving forward on their cases because they had not performed significant work on them in approximately a year.

Conners disclosed Lawson took a more hands on approach with Clarkson's and Edwards' foreclosure mill cases because he did not feel the cases were moving forward quickly enough. The lack of movement on the foreclosure mill cases is supported by the testimony of others.

FAILURE TO FOLLOW DIRECTIVES AND/OR POOR JUDGMENT

Clarkson emailed Szymoniak a draft of the PowerPoint presentation which was nearly identical to the PowerPoint presentation Szymoniak provided Clarkson; both occurred prior to the presentation to the Clerks of Court and Comptrollers in December 2010.

Fort Lauderdale investigators approached Julian about Clarkson indicating they believed she was just listening to Epstein and following her instructions regarding the foreclosure cases. This belief was partially based upon the fact no investigators were assigned to work on the foreclosure mill cases.

Clarkson and Edwards failed to follow instructions given by Julian in June or July 2010 to stop communicating with Epstein and to use investigators when they needed information on foreclosure mill cases.

Clarkson's and Edwards' failure to have investigators working on the foreclosure mill cases hindered not only their progress on the cases, but the progress of the attorneys and investigators who were reassigned the cases.

Clarkson and Edwards failed to provide Lawson their top three to five issues on the Florida Default Law Group case despite being instructed to do so on more than one occasion.

Despite being told the Shapiro case was a priority and needed to be settled before the appellate decision on Stern was published, Clarkson and Edwards elected to transfer the case to another office for investigation.

After being instructed by Lawson to not brainstorm strategies with persons outside the Florida Office of the Attorney General and to not gather evidence from third parties, unless related to that party's complaint, Clarkson and Edwards:⁵⁴

- emailed Epstein asking for documents needed in the foreclosure mill cases;
- accumulated foreclosure documents and information emailed by Epstein;
- revealed ongoing case strategy with at least one third party;
- failed to vet for accuracy information provided by at least one third party;
- did not have independent evidence to support conclusions;
- failed to have investigators assigned to foreclosure mill cases.

CASE MANAGEMENT ISSUES

Clarkson admitted Edwards' and her files were "sloppy" due to the lack of a document management system in the Florida Office of the Attorney General. Her explanation it was due to

⁵⁴ Although some of the actions listed, for example emailing Epstein, were performed solely by Clarkson, it is probable Edwards was complicit in the actions as she was copied on emails, worked the cases with Clarkson and never expressed concerns to her supervisor, Robert Julian, regarding how the foreclosure mill cases were being handled.

the lack of a document management system was not supported by any other Florida Office of the Attorney General employees' testimony.

Clarkson and Edwards were unable to locate requested documentation because of file disorganization including during a meeting scheduled, days in advance, by Lawson with Clarkson, Edwards, and staff from the Tampa Florida Office of the Attorney General to discuss the LPS case.

Presumably due to the file disorganization, Clarkson and Edwards twice failed to acknowledge possession of key evidence in their LPS file—the fact LPS did not charge lenders. Edwards described the matter as Lawson not reading a memorandum Clarkson and she sent Lawson; thus, not knowing what information they had provided him.

The disorganization of Clarkson's and Edwards' case files hindered their progress on the foreclosure mill cases as well as the progress of the investigators and attorneys who did not receive all the file documents when the cases were reassigned.

POWERPOINT PRESENTATION ISSUES

Clarkson's and Edwards' PowerPoint presentation was shown at the annual meeting of the Clerks of Court and Comptrollers in December 2010 and released to the public via a public records request.

Conners testified attorneys with the Florida Office of the Attorney General are expected to be professional enough to understand what is acceptable for disclosure to the public.

Clarkson described Edwards and her as being "beat over the head" with the presentation by Lawson and having to justify each page because LPS' attorneys complained to management in Tallahassee about the presentation. In opposition Clarkson's and Edwards' supervisor Julian admitted some of the topics addressed in the presentation could have been presented in a way which would not have generated the negative reaction received.

Clarkson said management in Tallahassee believed everything LPS said about the presentation. Clarkson indicated the reason she and Edwards had to go through the presentation with Lawson was because of his numerous conversations with the LPS attorney. In contrast, Lawson and/or testimony of other Florida Office of the Attorney General employees demonstrated:

- Prior to Lawson beginning work with the Florida Office of the Attorney General, Hamilton telephonically counseled Clarkson and Edwards about the PowerPoint presentation and the factual errors in its content;
- Clarkson and Edwards did not adhere to the understanding (expressed by management) that attorneys with the Florida Office of the Attorney General should not conduct open discussions with third parties as to the nature and status of ongoing Florida Office of the Attorney General investigations or present their conclusions in an ongoing case;
- Clarkson and Edwards referenced the Nationwide Title Clearing case, but did not check with the Florida Office of the Attorney General attorneys of record on the case to inquire whether it could be referenced in the presentation;
- The discussion of the GMAC case in the presentation could affect the Florida Office of the Attorney General's standing with the multistate group looking at GMAC;

- The presentation incorporated at least one slide provided by private attorney Szymoniak illustrating various signatures of Linda Green and implying a legal conclusion the signatures were forgeries when the facts known to Clarkson and Edwards at the time did not support a violation of the legal definition of forgery;
- Clarkson and Edwards used at least one slide provided by Szymoniak which implied Linda Green fraudulently held 14 different employment titles when the facts known to Clarkson and Edwards at the time supported Green lawfully held the positions;
- Using Szymoniak's slides, Clarkson and Edwards presented the theories of a fourth party (Szymoniak) to third parties (the public viewing the presentation); consequently, inappropriately implying they represented the opinion of the Florida Office of Attorney General;
- Clarkson and Edwards presented what they represented was an Assignment of Mortgage with a fraudulent notary stamp, including showing the notary's name. They failed to show the complete document which would have revealed the Assignment was properly notarized;
- Clarkson and Edwards put forth an incorrect legal theory in the presentation. They wrongly stated the mortgage is what determines who has standing to file a foreclosure action when it is actually the holder of the note who has standing.

PUBLIC RECORDS REQUEST ISSUES

Florida Office of the Attorney General policy requires all public records requests be entered into and tracked in the designated database.

Public records requests are not accepted for documents which may be created in the future; e.g., all documents created by Division X for the next month.

If an attorney receives a request directly, the appropriate person should be notified so the request can be properly documented, tracked, and processed.

Clarkson and Edwards received public records requests during the period of January 2010 through May 2011.

There were no entries for Clarkson and Edwards in the public records requests database for the period of January 2010 through May 2011.

Clarkson and Edwards were non-responsive to public records requests from attorneys representing targets of foreclosure mill cases even after management discussed with them their slow response to public records requests submitted by investigation targets.

In contrast to Clarkson's and Edwards' lack of response to public records requests from targets' attorneys, Clarkson provided public records to both Epstein and Szymoniak contemporaneous with, or within a few weeks, of the creation of the public record and without documented evidence a public records request was even made.

ISSUES WITH ASSIGNED CASES

Three small law firm cases transferred from Clarkson and Edwards to the Anti-Trust unit were totally disorganized and lacked any investigative effort.

Clarkson and Edwards based their draft of the Stern complaint on a flawed legal premise (the holder of the mortgage has standing to bring a foreclosure action) even though they had the case for approximately a year.

Clarkson and Edwards listed standing as an issue in the FDLG case three days after Lawson explained standing was not an issue in the case.

Despite Lawson having told Clarkson and Edwards the Shapiro case was a priority, evidence gathered indicated little to no work was done on the case from the time it was opened by Clarkson and Edwards until it was reassigned to the Tallahassee office. Clarkson and Edwards did not have a documented case plan, allegations to be investigated, nor statutes to be used for enforcement, when they voluntarily selected the Shapiro case for reassignment after it had been opened approximately one year.

The major issue on the Shapiro case was the subpoena issued by Clarkson and Edwards and when Clarkson and Edwards selected the case for reassignment they failed to send the subpoena documentation to the reassigned attorney.

Neither Clarkson nor Edwards notified the attorney working the appeal on the Shapiro subpoena that they learned a rehearing had been denied.

After reassignment, investigation by the Tallahassee office revealed a case could have been brought against a non-law firm subsidiary of Shapiro & Fishman, obviating the issue of whether the Florida Office of the Attorney General has Chapter 501, Florida Statutes, jurisdiction over a law firm.

The investigator working with the attorney reassigned the Shapiro file testified the only information in the Shapiro file had been provided by Epstein, and Epstein was providing inaccurate information. Additionally, the investigator indicated the file showed Clarkson and Edwards had performed no legal research on the Shapiro case nor ordered even one complete case file from the clerk of court.

Clarkson and Edwards would discuss almost daily with their supervisor how to approach the foreclosure mill cases, yet never arrived at a viable legal theory for pursuing the foreclosure mills under Chapter 501, Florida Statutes, despite having opened five cases.

It is standard practice for an attorney and investigator to work a case together as each has a defined role which may involve tasks the other cannot fulfill. Pursuant to Clarkson's and/or Edwards' instructions there were no investigators assigned to the foreclosure mill cases; thereby resulting in:

- No one conducting interviews of the hundreds of complainants in, and gathering documentation on, the foreclosure mill cases;
- Information being taken from third parties, including Epstein and Szymoniak, without being vetted for accuracy;
- Clarkson and Edwards retaining consumer information such as complaints rather than having it retained by investigators per standard practices.

No evidence was found Clarkson and Edwards ever finalized a case plan as to how they were going to proceed against the foreclosure mills under Chapter 501, Florida Statutes, despite having multiple cases opened for many months.

Clarkson and Edwards opened a case against Fidelity National and in part indicated Fidelity National was formerly known as Lender Processing Services which was incorrect. The incorrect information (an erroneously named entity as the target of a Florida Office of the Attorney General investigation) was posted on the Florida Office of the Attorney General Internet site.⁵⁵

Edwards testified she and Clarkson opened and were working hard on the foreclosure mill cases while Lawson included Victoria Butler (Bureau Chief, Tampa Office), who knew nothing about the LPS case, but not Clarkson and Edwards, in a meeting with LPS—additionally, Edwards stated nothing has been done on the foreclosure mill cases since Clarkson's and Edwards' termination. These assertions are not consistent with the following testimony gathered during the course of this inquiry:

- Butler was handling the multistate aspect of the LPS case;
- Lawson included Clarkson and Edwards, along with Butler, Scott Palmer (an attorney working on the multistate aspect of the LPS case), and Julian in a meeting on February 28, 2011, to prepare for the LPS meeting;
- As summarized below in "No Outside Influence to Relax Prosecutorial Efforts Against Foreclosure Mills," significant activity has occurred on the foreclosure mill cases since Clarkson's and Edwards' termination.

Edwards indicated she and Clarkson continued to work hard on their cases after Lawson's visit. A review of the time tracking database indicated they did not document work hours significantly greater than the other attorneys in the office, and sometimes worked fewer hours per quarter.

ISSUES REGARDING FAILURE TO UTILIZE INVESTIGATORS

In June or July 2010, the Fort Lauderdale office investigators met with Julian, Clarkson and Edwards to discuss their concerns with how the foreclosure mill cases were being conducted, that is, frequently based on information contained in a blog and following directions from a blogger.

Clarkson and Edwards were present when Lawson and Douglas discussed the lack of investigators assigned the foreclosure mill cases and lack of investigative notes in the case file. At the meeting Lawson instructed investigators should be assigned to the cases.

Douglas approached Lockwood a first time with concerns the investigators had with Clarkson and possibly Edwards.

In February 2011, Douglas approached Lockwood a second time with the concerns of investigators regarding Clarkson and Edwards and the foreclosure mill cases.

Pierce expressed concerns to Douglas about the ethicalness of the handling of one of the foreclosure mill cases.

⁵⁵ The Florida Office of the Attorney General Internet site still listed the subject of the investigation as "Fidelity National Financial, Inc." as of December 30, 2011.

Lawson instructed Clarkson and Edwards they needed to have investigators work on the foreclosure mill cases because they needed to vet information received from outside sources; however, no evidence was found to indicate they followed Lawson's instructions.

SUPERVISORY ISSUES

Despite the need for and practice of having investigators work with attorneys on cases, and on at least two occasions investigator(s) approaching Julian about the lack of investigator involvement in the foreclosure mill cases, investigators were never assigned to the foreclosure mill cases.

Julian supervised Clarkson and Edwards and was responsible for the manner in which they handled their investigations.

Julian was unsure whether Clarkson and Edwards ever provided him any written documentation to show their progress on the foreclosure mill cases.

Julian did not appear to be a hands-on manager; therefore, he may not have been aware of all the issues with Clarkson and Edwards when he evaluated their performance.

Little or no evidence was found to show that Julian addressed or corrected the performance issues of Clarkson and Edwards that he acknowledged.

It appears Julian did not routinely utilize the time and case tracking databases to monitor case activities and progress.

SUPERVISOR'S PERSPECTIVE

Julian did not find particularly relevant Clarkson and Edwards not having investigators assigned to the foreclosure mill cases.

Julian did not evidence a substantive distinction between Clarkson and Edwards on issues related to the foreclosure mill cases they were working together.

No evidence was found Edwards ever went to Julian and expressed concerns about being lumped in with Clarkson on the performance issues related to the foreclosure mill cases.

Julian did not agree with all of the performance issues identified by senior management.

Julian explained a "meets expectation" on the performance evaluation "was pretty much... close to the bottom of what we [Florida Office of the Attorney General] give for the most part." Julian disclosed a "below expectation" rating is given relatively rarely and giving a rating of meets expectation is his way of indicating improvement is needed in that area.

In addressing the area of the performance evaluation he thought dealt with judgment, Julian testified the standard was clearly an area he thought where Clarkson could improve. Julian stated maybe he gave Clarkson the "benefit of the doubt" when he gave her a meets expectations rating.

RELEASE OF CONFIDENTIAL DRAFT MULTISTATE LPS SUBPOENA

Clarkson received an email forwarded by Butler at 11:30 a.m. on May 12, 2011, containing the draft multistate LPS subpoena drafted by the Illinois Office of the Attorney General. The original email contained a confidentiality notice.

The subpoena was drafted in anticipation of litigation; therefore, it was not producible under Chapter 119, Florida Statutes.

Even if the subpoena was producible under Chapter 119, Florida Statutes, it was not producible pursuant to a public records request because it was specifically exempted from public records law by Chapter 501, Florida Statutes.

Clarkson testified she received a public records request for the draft LPS subpoena.

Clarkson forwarded the email with the subpoena to Epstein at 12:58 p.m. on May 12, 2011, less than 90 minutes after she received it from Butler.

The Illinois Office of the Attorney General expressed dismay at the Florida Office of the Attorney General's release of the LPS multistate subpoena and noted the release's potential impact on the case.

According to Lawson, Clarkson's release of the multistate draft subpoena portrayed a gross misunderstanding of the law and gross incompetence; it could not be more embarrassing to the Florida Office of the Attorney General.

The Florida Office of the Attorney General provides training on Chapter 501, Florida Statutes, and the issue of confidentiality of multistate information frequently arises in the Florida Office of the Attorney General.

NO OUTSIDE INFLUENCE TO RELAX PROSECUTORIAL EFFORTS AGAINST FORECLOSURE MILLS

Edwards stated the new administration did not want Clarkson and her prosecuting the foreclosure mill cases, or sending investigative subpoenas to targets because they were too aggressive. In contrast Lawson testified he purposely left Clarkson and Edwards on the biggest foreclosure mill cases despite concerns regarding their progress on the cases.

When Lawson allowed Clarkson and Edwards to self-select which of their cases they wanted to have reassigned he instructed them to retain four of the foreclosure mill cases.

Lawson indicated no one from any of the foreclosure mills, or their representatives, came to him and asked for Clarkson and Edwards to be taken off their case.

There was never a decision not to look at any of the foreclosure mill cases.

Neither Attorney General Bondi nor anyone outside of the Florida Office of the Attorney General put pressure on Conners to take any action related to Clarkson and Edwards.

None of the foreclosure mill cases have been closed since Clarkson and Edwards left the Florida Office of the Attorney General.

Edwards' testimony the Florida Office of the Attorney General has not done anything on the investigations since she and Clarkson left is inconsistent with the following testimony gathered during the course of this inquiry:

- Investigators were assigned to work foreclosure mill cases with attorneys;
 - Significant investigation has been conducted since the departure of Clarkson and Edwards;
- Additional attorneys were assigned to work the foreclosure mill cases;
- Lawson put his best and most experienced attorneys and investigators on the cases;
 - The LPS case was reassigned to Julian, one of Lawson's most experienced attorneys;
- Monthly meetings are held with Lawson, Lockwood, and all the investigators and attorneys assigned to the foreclosure mill cases;
- The Florida Office of the Attorney General was involved in orchestrating a conference with the Attorneys General on the LPS multistate case which was attended by LPS representatives.

DECISION TO TERMINATE

Lawson testified Attorney General Bondi did not instruct him to look at specific offices, such as, Fort Lauderdale, nor to look at specific individuals, such as Julian, Clarkson, or Edwards. The Attorney General only provided general direction regarding Lawson managing his division, and assessing and addressing problems, if any, as identified.

Muniz never instructed Lawson to look at Clarkson and Edwards and decide whether they should remain employed with the Florida Office of the Attorney General.

Lawson kept Conners and/or Muniz apprised of issues he was experiencing with Clarkson and Edwards beginning his first week on the job.

Lawson relayed to Conners and Muniz he had some questions with Clarkson's and Edwards' judgment.

On April 7, 2011, Lawson first broached with Conners the subject of possibly terminating Clarkson's and Edwards' employment. Lawson discussed the following performance issues with Conners:

- PowerPoint Presentation;
- Topics discussed at February 8, 2011, counseling;
- "A Game" notification;
- Poor preparation on LPS case;
- Failure to come up with issues for LPS;
- Stern case issues;
- Lack of investigation on FDLG.

Lawson determined to end Clarkson's and Edwards' employment based upon a variety of reasons, the strongest being their lack of independent investigation on almost all of the foreclosure mill cases.

After Lawson learned Clarkson released the confidential draft multistate subpoena, he determined her employment should be terminated. When he decided to terminate Clarkson's employment, he also decided to terminate Edwards' employment based on her performance issues.

Lawson's determination to terminate Clarkson and Edwards was made independently. He informed Conners and Muniz, who concurred with his decision. Muniz subsequently notified Attorney General Bondi, who also concurred.

When Lawson informed Julian he was going to terminate Clarkson's and Edwards' employment he discussed the reasons for his decision with Julian. In contrast Edwards said when she asked Julian why she and Clarkson were being terminated Julian said he had asked Lawson the reason for the termination and there was none given.

Clarkson and Edwards were "at will" employees and their employment could be terminated without cause.

Clarkson and Edwards were given the option to resign or be terminated from employment on May 20, 2011. They chose to resign their employment.

CONCLUSIONS

June Clarkson and Theresa Edwards were working as attorneys in the Fort Lauderdale office of the Florida Office of the Attorney General. Although Clarkson and Edwards were Selected Exempt Service employees, that is, served at the pleasure of the agency head, their employment was ended after consideration of performance issues that included demonstrating poor judgment and lack of independent investigation on high profile foreclosure mill cases. A review of the facts did not indicate their forced resignation/termination was conducted in violation of any law, rule or policy.

As there is no indication any state employee violated a law, rule, or policy related to the forced resignation/termination of June Clarkson or Theresa Edwards, this inquiry is closed.

CONFIDENTIAL INFORMATION

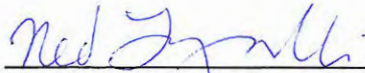
This report and the inquiry case file may contain confidential information and any public records request for these documents should be reviewed by the Florida Office of the Attorney General Office of the Inspector General.

File: The original of the complete report and all accompanying documentation has been placed in the case file retained in the Department of Financial Services Office of Inspector General.

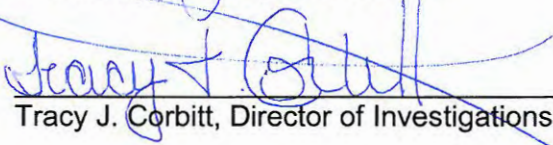
DISTRIBUTION AND ATTESTATION

James Varnado, Inspector General, Florida Office of the Attorney General

I, the undersigned, do hereby swear, under penalty of perjury, to the best of my personal knowledge, information, and belief, the contents of this report are true and accurate. This inquiry was conducted pursuant to Section 20.055, Florida Statutes, in accordance with applicable Principles and Standards for Offices of Inspectors General as published by the Association of Inspectors General.



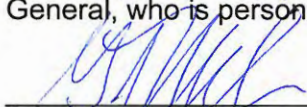
Ned Luczynski, Inspector General



Tracy J. Corbitt, Director of Investigations

**STATE OF FLORIDA
COUNTY OF LEON**

Sworn to (or affirmed) and subscribed before me this 6 day of January, 20 12,
Ned Luczynski, Tracy Corbitt, for the Department of Financial Services, Office of Inspector
General, who is personally known by me.



Signature of Notary Public

Notary Public or Law Enforcement Officer

