

HON. SALVADOR MENDOZA JR.

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7 UNITED STATES DISTRICT COURT

8 EASTERN DISTRICT OF WASHINGTON

9 VALERIE RHODES, a single woman,
10 and on behalf of others similarly situated,

11 Plaintiff,

12 vs.

13 WELLS FARGO BANK, NATIONAL
14 ASSOCIATION, A National Banking
15 Association

16 Defendant.

NO. 2:17-CV-0093-SMJ

DECLARATION OF LILI SOTELO IN
SUPPORT OF PLAINTIFF'S MOTION
FOR ATTORNEYS' FEES, COSTS,
EXPENSES AND SERVICE AWARD

CLASS ACTION

17 LILI SOTELO, pursuant to 28 U.S.C. § 1746, declares:

18 1. I am over 18 years of age, make this declaration based upon my own personal
19 knowledge, and I am competent to testify to the matters asserted herein.

20 2. During the 2016-2017 legislative session I was a Directing Attorney for
Columbia Legal Services. Columbia Legal Services is a non-profit civil legal aid

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1 program that has provided legal representation for low-income individuals since the
2 1960's. Columbia Legal Service's mission is to seek social and economic justice for all.

3 3. During the 2016-2017 legislative session I acted as a homeowner and
4 consumer advocate on behalf of Columbia Legal Services. In this role I participated in
5 the stakeholder group assembled by House Representative Tina Orwall to address
6 proposed legislation relating to the non-judicial foreclosure statute, RCW 61.24 *et. seq.*,
7 that included proposed changes to allow for pre-foreclosure entries into borrowers'
8 homes who were in default on their home loan obligations.

9 4. Representative Orwall was the sponsor of these proposed amendments,
10 which became proposed House Bill 2057 for the 2016-2017 legislative session.

11 5. My role in participating in this working group was to protect the rights of
12 Washington homeowners and consumers. Joseph Jordan with Northwest Justice Project,
13 and Clay Gatens also served as homeowner and consumer advocates during this
14 legislative session.

15 6. Other participants in the working group included members of, and lobbyists
16 for, the banking, loan servicing, and property preservation interest groups. These interest
17 groups were lobbying for legislation that would allow for pre-foreclosure entry into
18 defaulting borrowers' homes with little to no oversight or protection for the homeowners.

19 7. The banking, loan servicing, and property preservation interest groups
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1 specifically sought a so-called legislative “fix” to the *Jordan v. Nationstar* decision
2 issued by the Washington State Supreme Court in July 2016. Mr. Gatens was the lead
3 plaintiff’s counsel in that case and was successful in his efforts to invalidate the form
4 entry provision that lenders, loan servicers, and property preservation companies had
5 purported to rely upon to conduct pre-foreclosure lock changes and other activities prior
6 to the *Jordan* decision. Specifically, the lender, loan servicers, and property preservation
7 companies were seeking legislation that would grant them retroactive immunity for the
8 pre-foreclosure lock changes they conducted prior to (and in some cases even after) the
9 *Jordan* decision.

10 8. These working group meetings began in November 2016 and continued
11 through the extended 2016-2017 legislative session, which ended in June of 2017. This
12 session went into three extended sessions and ended on June 20, 2017. In all, the 2016-
13 2017 legislative session lasted 193 days and was one of the longest legislative sessions in
14 Washington state history.

15 9. Mr. Jordan, Mr. Gatens, and I participated in the working group
16 meetings and advocated for homeowners and consumers and opposed much of the
17 legislation promoted by the lender, loan servicer, and property preservation industries –
18 including the effort to create retroactive immunity in favor of these industries at the
19 expense of homeowners and consumers.

20 10. Our participation included not just attendance at the weekly or bi-weekly

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1 stakeholder meetings, but also testifying in front of the Senate Judiciary Committee and
2 drafting and revising multiple proposed revisions and additions to proposed HB 2057.

3 11. These efforts were hard fought and took a considerable amount of time and
4 commitment from me, Mr. Jordan, and Mr. Gatens over the course of 8 months.

5 12. Ultimately, we were successful in our efforts and HB 2057 did not pass.

6 13. It is my opinion that a significant reason the proposed legislation did not
7 pass with the proposed retroactive immunity sought by the lender, loan servicing and
8 property preservation interest groups was because of the homeowner advocates, including
9 Mr. Gatens. Had the lender, loan servicers, and property preservation interest groups
10 been successful in their efforts to enact legislative immunity for pre-foreclosure entries
11 and lock changes in favor of lenders, loan servicers, and property preservation
12 companies, these industries would have escaped the liabilities they faced for their
13 unlawful pre-foreclosure entries and lock changes and the homeowners that had been
14 injured by these actions would have lost their ability to recover any damages.

15 14. Moreover, had the lenders, loan servicers, and property preservation
16 interest groups been successful in their efforts, the important injunctive relief sought by
17 Mr. Gatens on behalf of the plaintiffs he represents would have been rendered moot and
18 pre-foreclosure entries and lock changes would have been allowed to re-continue with little
19 to no regulatory oversight or substantive protections for distressed consumers and
20 homeowners who were in default on their home loans.

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1 I declare under penalty of perjury under the laws of the state of Washington that the
2 foregoing is true and correct.

3 DATED this 26 day of September, 2018.

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5 LILI SOTELO

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CERTIFICATE OF SERVICE

I hereby certify that on the 1st day of October, 2018, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF System. Notice of this filing will be sent to the parties listed below by operation of the Court’s electronic filing system. Parties may access this filing through the Court’s system.

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DATED at Wenatchee, Washington this 1st day of October, 2018.

s/CLAY M. GATENS
Clay M. Gatens, WSBA No. 34102
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