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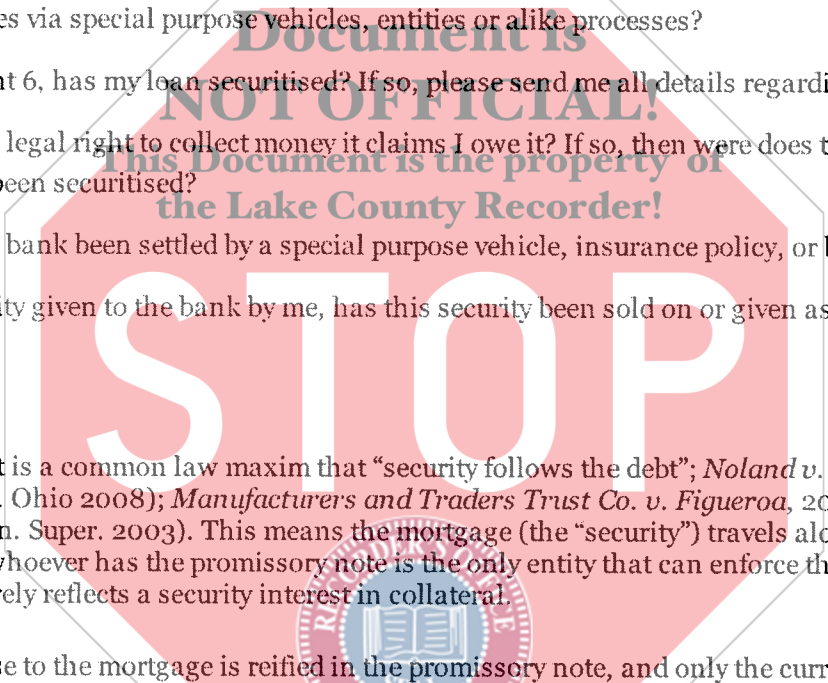
Phh/HSBC Valid Proof of Claim letter#2 (Follow up to my letter dated 10/31/14 see attached) Regarding PHH Loan #0040171043 and/or 45D05-1009-MF-00514

12/01/14

To all involved parties:

Regarding PHH Mortgage Loan# 0040171043 and/or Cause No. 45D05-1009-MF-00514

1. Am I indebted to the bank right now? (Please answer yes or no).
2. Please confirm that the bank actually possessed the money they claim to have lent me, prior to my loan being granted. In other words, did the bank physically have the money they lent me, prior to the money appearing in my account?
3. Would the bank be prepared to amend the credit agreement as follows: "We, the bank, did in fact possess the money we loaned you, prior to the loan being approved."
4. Was the loan funded by assets belonging to the bank at the time the loan was granted? Either way, please describe in detail the accounting process used to create my loan.
5. Did the bank record my promissory note / negotiable instrument as an asset on its books? If yes, how was my instrument used to create my loan, and where is my valuable promissory note / negotiable instrument now?
6. Does the bank participate in a securitisation scheme whereby debts / promissory notes are bundled and then sold on to a third party/parties via special purpose vehicles, entities or alike processes?
7. With reference to point 6, has my loan securitised? If so, please send me all details regarding its securitization.
8. Does the bank have a legal right to collect money it claims I owe it? If so, then where does this legal right come from, assuming the loan has been securitised?
9. Has my loan with the bank been settled by a special purpose vehicle, insurance policy, or by any other party?
10. Regarding the security given to the bank by me, has this security been sold on or given as security / surety to another party?



2014 078966

2014 DEC 11 11:13:00  
 MICHAEL J. PACEA  
 LAKE COUNTY RECORDER  
 1000 FOREST ROAD  
 WILSON, OHIO 43084

To all involved parties, it is a common law maxim that "security follows the debt"; *Noland v. Wells Fargo Bank, N.A.*, 395 B.R. 33 (Bankr. S.D. Ohio 2008); *Manufacturers and Traders Trust Co. v. Figueroa*, 2003 WL 21007266, 34 Conn. L. Rptr. 452 (Conn. Super. 2003). This means the mortgage (the "security") travels along with the promissory note (the "debt"). Thus whoever has the promissory note is the only entity that can enforce the mortgage. The mortgage itself is not a debt; it merely reflects a security interest in collateral.

The obligation giving rise to the mortgage is reified in the promissory note, and only the current possessor of the promissory note can bring suit thereon (regardless of who is the assignee of the mortgage). An assignee of the mortgage who does not have the promissory note is not allowed to foreclose on the mortgage (see extensive discussion in the Connecticut decision cited *In re Foreclosure Cases*, 2007 WL 3232430 (N.D. Ohio 2007); *In re Vargus*, 396 B.R. 511 (Bankr. C. D. Cal. 2008)). Nor will a mere copy of the note suffice. Anyone could make a copy, but that doesn't create a right to sue. **The actual note must be produced.** Note that the Official Comments above all refer to possession of the instrument as **necessary to its enforcement.**

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When it comes to actions brought on a promissory note, the Uniform Commercial Code is clear. The maker/issuer of the note (the mortgagor) who wishes to be discharged from liability on the note can only make payment to a "person entitled to enforce" the instrument ("PETE" for short hereafter); §3-312. PETE is defined in §3-301 as the "holder" of the instrument (one who takes through a series of valid indorsements—a "negotiation") or someone having the rights

now  
 COMF

of a "holder" under §3-203(b).

The UCC rules are not just fusty technicalities. They reflect common sense: you can't sue or foreclose unless you can prove you are entitled to sue or foreclose. What could be more basic in our law than that idea? It is the statutory law of this jurisdiction (indeed, all jurisdictions in the USA have identical UCC provisions). Dodging the UCC does not help the plaintiff trying to foreclose without having possession of the note. Without an original wet ink signed promissory note a creditor cannot file a valid proof of claim; see *In re Kemp*, 2010 WL 4777625 (Bankr. D. N.J. 2010)

The Uniform Commercial Code forbids foreclosure of the mortgage unless the creditor possesses the properly-negotiated original wet ink promissory note. If this can't be done the foreclosure must stop.

Valid proof of claim by PHH/ HSBC to be done by presentment of the original wet ink signed Promissory Note.

Original wet ink signed Promissory Note to be delivered for presentment within 10 days of this document specified above date to:

Chandra Pellikan  
Chicago Title  
9800 Connecticut Drive Suite B2-700  
Crown Point, IN 46307

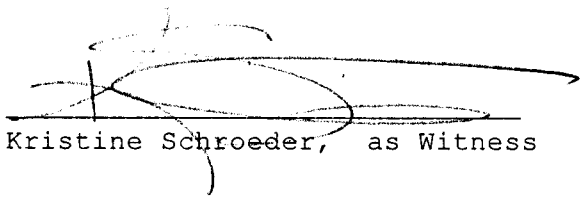
Plaintiff/HSBC BANK USA, NATIONAL ASSOCIATION, AS TRUSTEE FOR PHH 2007-3/PHH Failure to show valid proof of claim by not delivering original wet ink signed promissory note to Chandra Pellikan of Chicago Title 9800 Connecticut Drive Suite B2-700 Crown Point, IND 46307 for presentment within the specified amount of time, foreclosure is considered terminated and Mortgage is considered satisfied, paid in full.

Any questions or responses please feel free to email me at paceea@hotmail.com within 14 days of this document specified above date again failure to respond in aloted time stated above to Eric Pace's email: paceea@hotmail.com it is then understood and deemed by all involved parties listed above/ below that Lot 26, in the Heritage According to the Plat thereof, recorded March 10, 2005as document No. 2005-017649, in the Office of the Recorder of Lake County, Indiana, excepting therefrom the following described parcel: Begining at the Southwest corner of Said Lot 26; thence North line of Said Lot, being the beginning of a non-tangent curve concave to the North, Having a radius of 105.00 feet and a chord bearing South 69 degrees 311 minuted 19 seconds East, 28.12 feet; thence Easterly along said curve, a distance of 28.21 feet; thence South 11 degrees 31 37 minutes 01 seconds West, a distance of 152.52 feet to the South line of said Lot; thence South 89 degrees 44 minutes 10 seconds West, along said South Line, a distance of 81.12 feet to the point of beginning Commonly know as "East Unit" - 2979 W 84th Lane Merrillville, IN 46410 State Parcel No. 45-12-29-103-020-000-030 and/or Cause No. 45D05-1009-MF-0054 wherein HSBC BANK USA, NATIONAL ASSOCIATION, AS TRUSTEE FOR PHH 2007-3 et. al or assignee, IS/WAS PLANTIFF forclosure and/or Sheriff Sale terminated and Mortgage is considered satisfied and paid in full.

Eric Allen Pace EAP-04031975



Eric Allen Pace EAP-04031975



Kristine Schroeder, as Witness

All Documents in this package have been sent Certified mail through the United States Postal Service to the following involved parties:

Robin W. Morlock: Assistant United States Attorney 5400 Federal Plaza, Suite 1500 Hammond, IN 46320

Thomas M. Greenburg: Attorney for independence Hill Conservancy P.O Box 10162 Merrillville, IN 46411

Zarkis Daroga (17288-49) et. al or assignee 4805 Montgomery Road, Suite 320 Norwood, OH 45212

Honorable William E. Davis, Judge: Civil Division: Lake County Superior Court 232 Russell St. Hammond, IN 46320

Michael A. Brown: Clerk, Lake County Superior Court 400 N. Broadway Gary, IN 46402

Michael A. Brown: Clerk, Lake County Superior Court 2293 N. Main St. Crown Point, IN 46307

Civil Division: Lake County Government Center 2293 N. Main St. Crown Point, IN Attention: Debbie 219-755-3192

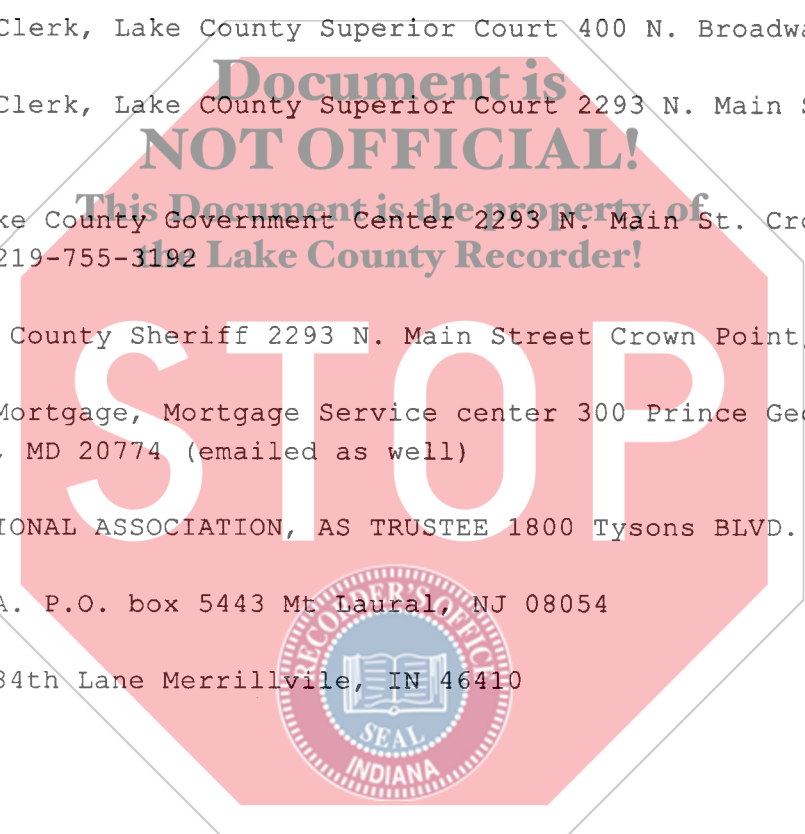
John Buncich, Lake County Sheriff 2293 N. Main Street Crown Point, IN 46307-1854

Audrey Welsh: PHH Mortgage, Mortgage Service center 300 Prince George's Blvd. Suite 101 Upper Marlboro, MD 20774 (emailed as well)

HSBC BANK USA, NATIONAL ASSOCIATION, AS TRUSTEE 1800 Tysons BLVD. Mclean, VA 22102

HSBC Bank, USA, N.A. P.O. box 5443 Mt. Laurel, NJ 08054

Eric Pace 2797 W. 84th Lane Merrillville, IN 46410



10/31/14

To all parties: With all due respect, I Eric Allen Pace, have tried to save my house through PHH via Loan Modification only to be told that my credit is not good enough. I attempted to get assistance through Hardest Hit Fund (HHF) through Gary, IN office and they would only help if I came up with \$38,000 out of pocket. My home is quieter now that my best friend and wife left me due to the threat that my home would be foreclosed on. I bought the home for the purchase price of \$160,000 now it is worth less than \$125,000(Can send comparables if interested). Amount posted on the Lake County Sheriff's site (lakecountyin.org)for Sheriff sale is \$188,415.04.

I ask here and now PHH/ HSBC, do you have the original purchasing (mortgage)documentation with my wet ink signature? I will need to see the proof. Did the funds that were provided to purchase the home have any sort of backing such as gold or silver, I will need to see proof. I also have/had Private mortgage insurance on my loan in case I did have financial difficulties. I never received any assistance from Genworth directly to help in making my payments. If they did assist in some way wasn't the assistance funds from Genworth to be sent directly to me and not to you PHH? If it was sent to you PHH directly wouldn't that be considered fraud?

I Eric Allen Pace, DO NOT give consent to the sale of my home. I want to keep my home. I hereby order that the Sheriff sale of 2797 W. 84<sup>th</sup> Lane Merrillville, IN 46410 terminated. All documentation referring to sheriff sale has been returned to sender/ No Contract.

All Documents in this package have been sent Certified mail through the United Postal Service to the following parties:

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Thomas M. Greenburg: Attorney for Independence Hill Conservancy P.O. Box 10162 Merrillville, IN 46411

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Civil Division: Lake County Government Center 2293 N. Main St. Crown Point, IN 46307

John Buncich, Lake County Sheriff 2293 N. Main Street Crown Point, IN 46307-1854

Audrey Welsh: PHH Mortgage, Mortgage Service Center 300 Prince George's Blvd. Suite 101 Upper Marlboro, MD 20774

HSBC BANK USA, NATIONAL ASSOCIATION, AS TRUSTEE 1800 Tysons BLVD. Mclean, VA 22102

HSBC Bank, USA, N.A. P.O. Box 5443 Mt Laurel, NJ 08054



Double (219) 755-3192

Return To Sender Refused For  
Without Dishonor, No Contract, Consen...  
Makes The Law, A Contract Is A Law  
Between The Parties, Which Can Acquire  
Force Only By Consent, I Do Not Consent!  
I Do Not Understand Your Intent

SALE # \_\_\_\_\_

**TO THE OWNERS OF THE WITHIN DESCRIBED REAL ESTATE AND ALL INTERESTED PARTIES**

**NOTICE OF SHERIFF'S SALE**

By virtue of a certified copy of a decree to me directed from the Clerk of Superior Court of Lake County, Indiana, in Cause No. ~~45D05-1009-MF-00514~~, wherein HSBC BANK USA, NATIONAL ASSOCIATION, AS TRUSTEE FOR PHH 2007-3 was Plaintiff, and Eric A. Pace, et. al., were the Defendants, requiring me to make the sum as provided for in said Decree with interest and costs, I will expose at public sale to the highest bidder on the \_\_\_\_\_ day of DEC 12 2014 at the hour of 10 AM of said day at the Lake County Sheriff's Department the fee simple of the whole body of Real Estate in Lake County, Indiana:

Lot 26, in The Heritage, according to the Plat thereof, recorded March 10, 2005, as Document No. 2005-017649, in the Office of the Recorder of Lake County, Indiana, excepting therefrom the following described parcel: Beginning at the Southwest corner of said Lot 26; thence North 28 degrees 10 minutes 28 seconds East, along the Westerly line of said Lot, a distance of 181.06 feet to the North line of said Lot, being the beginning of a non-tangent curve concave to the North, having a radius of 105.00 feet and a chord bearing South 69 degrees 31 minutes 19 seconds East, 28.12 feet; thence Easterly along said curve, a distance of 28.21 feet; thence South 11 degrees 37 minutes 01 seconds West, a distance of 152.52 feet to the South line of said Lot; thence South 89 degrees 44 minutes 10 seconds West, along said South line, a distance of 81.12 feet to the point of beginning

Commonly known as "East Unit" - 2797 West 84th Lane, Merrillville, IN 46410.

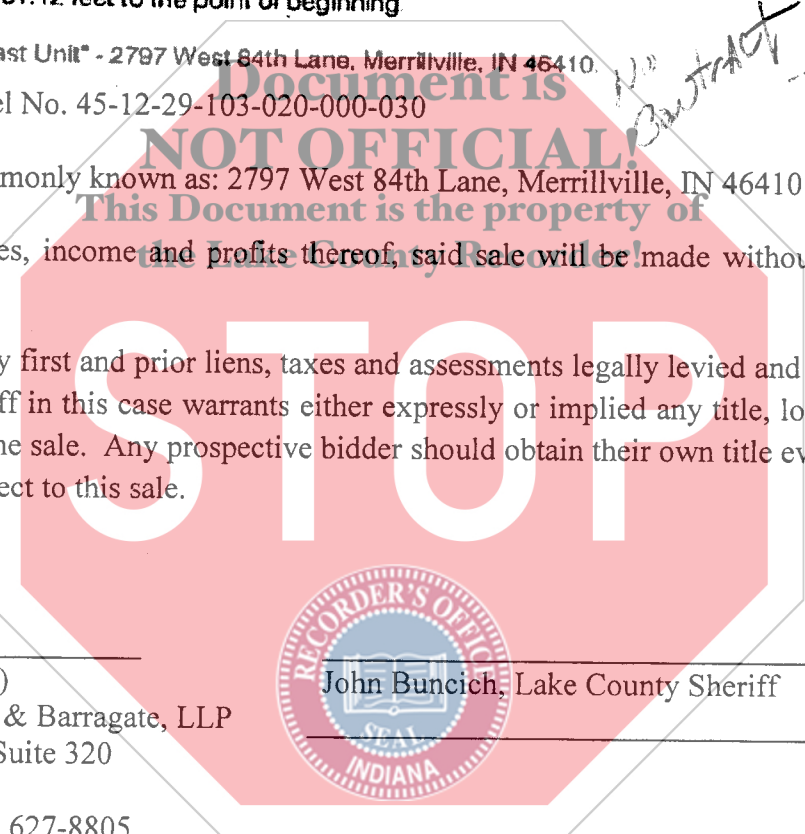
State Parcel No. 45-12-29-103-020-000-030

More Commonly known as: 2797 West 84th Lane, Merrillville, IN 46410

*No Contract*  
*RETURN TO SENDER*

Together with rents, issues, income and profits thereof, said sale will be made without relief from valuation or appraisal laws.

All sales are subject to any first and prior liens, taxes and assessments legally levied and assessed thereon. Neither the Sheriff nor the Plaintiff in this case warrants either expressly or implied any title, location or legal description of any real estate sold at the sale. Any prospective bidder should obtain their own title evidence before making any bid on any properties subject to this sale.



DATE: July 21, 2014

*Z Daroga*

Zarkis Daroga (17288-49)  
Shapiro, Van Ess, Phillips & Barragate, LLP  
4805 Montgomery Road, Suite 320  
Norwood, OH 45212  
(513) 396-8100 Fax: (847) 627-8805  
[zdaroga@logs.com](mailto:zdaroga@logs.com)



John Buncich, Lake County Sheriff

The Sheriff's Department does not warrant the accuracy of the street address published herein

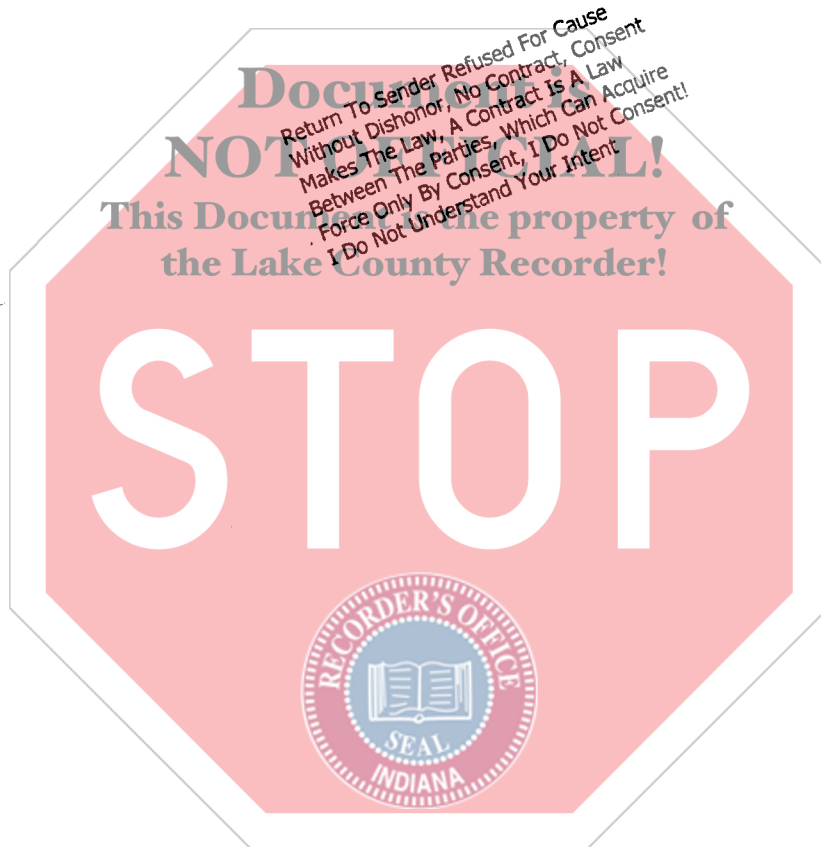
**PLEASE SERVE:**

Eric A. Pace  
2797 West 84th Lane  
Merrillville, IN 46410

Robin W. Morlock  
Assistant United States Attorney  
5400 Federal Plaza, Suite 1500  
Hammond, IN 46320  
Attorney for United States of America

Thomas M Greenberg  
PO Box 10162  
Merrillville, IN 46411  
Attorney for Independence Hill Conservancy District

Zarksis Daroga Esq. (17288-49)  
Shapiro, Van Ess, Phillips & Barragate, LLP  
4805 Montgomery Road  
Suite 320  
Norwood, OH 45212

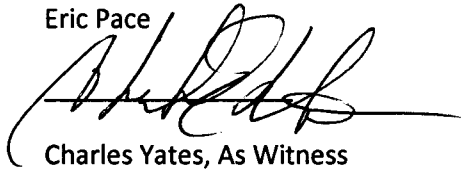


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I have not received any answers to my questions and I the original promissory note that was to follow my mortgage was never sent for presentment within the time frame requested (Letters dated October 31<sup>st</sup> 2014 and dated December 1<sup>st</sup> 2014 are attached). Due to a failure to respond I, Eric Pace, hereby give notice all parties that the Foreclosure/ sheriff sale for 2797 W. 84<sup>th</sup> Lane Merrillville, IN 46410 Cancelled as of 12/11/14 and mortgage and promissory note to said property is completely satisfied and paid in full. Recorded as of 12/11/14 at the Lake County Government complex 2293 N. Main St. Crown Point, IN 46307.



Eric Pace



Charles Yates, As Witness



12/11/14

Regarding PHH Mortgage Loan# 0040171043 and/or Cause No. 45D05-1009-MF-00514

To all parties involved: I have asked for the following questions to be answered by PHH/HSBC

1. Am I indebted to the bank right now? (Please answer yes or no).
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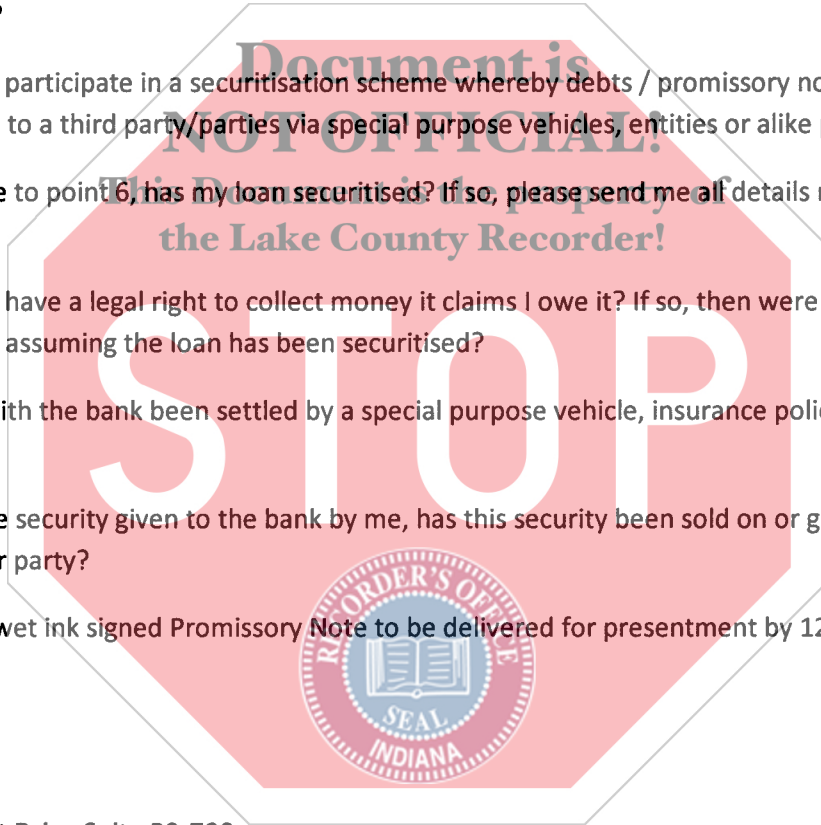
and the original wet ink signed Promissory Note to be delivered for presentment by 12/10/14 to:

Chandra Pellikan

Chicago Title

9800 Connecticut Drive Suite B2-700

Crown Point, IN 46307





Return to sender refused for Cause  
Without Dishonor, No Contract, Consent  
Makes The Law, A Contract Is A Law  
Between The Parties, Which Can Acquire  
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I Do Not Understand Your Intent

SALE # \_\_\_\_\_

TO THE OWNERS OF THE WITHIN DESCRIBED REAL ESTATE AND ALL INTERESTED PARTIES

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State Parcel No. 45-12-29-103-020-000-030

More Commonly known as: 2797 West 84th Lane, Merrillville, IN 46410

Together with rents, issues, income and profits thereon, said sale will be made without relief from valuation or appraisal laws.

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DATE: July 21, 2014

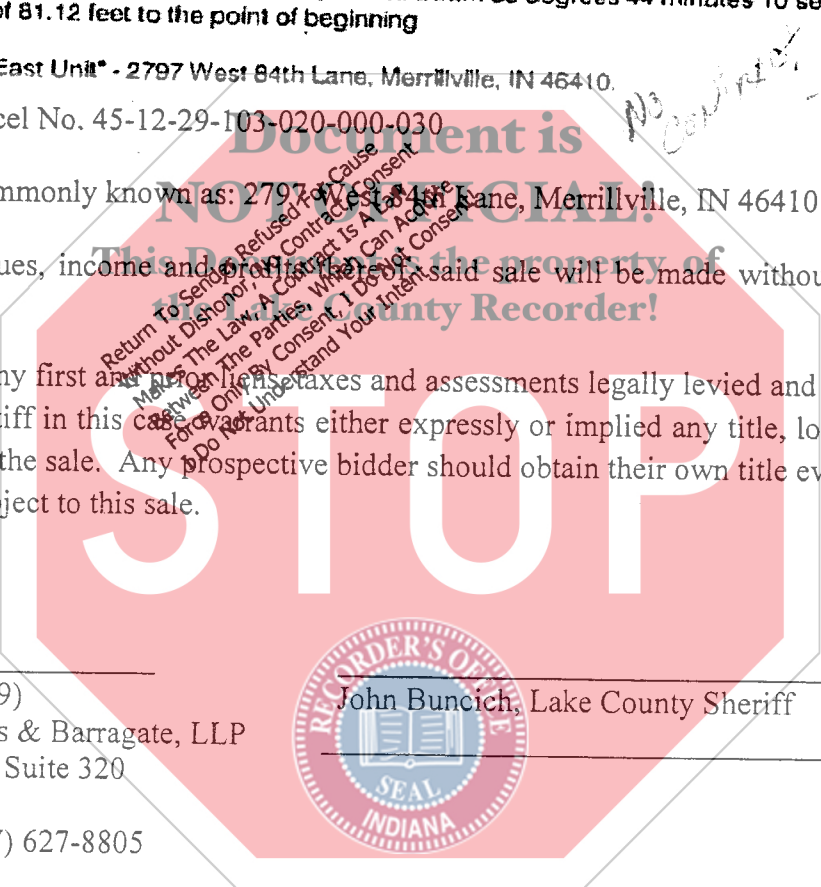
*Z. Daroga*

Zarksis Daroga (17288-49)  
Shapiro, Van Ess, Phillips & Barragate, LLP  
4805 Montgomery Road, Suite 320  
Norwood, OH 45212  
(513) 396-8100 Fax: (847) 627-8805  
zdaroga@logs.com



John Buncich, Lake County Sheriff

The Sheriff's Department does not warrant the accuracy of the street address published herein



*NO CONTRACT*  
*RETURN TO SENDER*



**OFFICE OF THE LAKE COUNTY RECORDER**

LAKE COUNTY GOVERNMENT CENTER  
2293 NORTH MAIN STREET  
CROWN POINT, INDIANA 46307



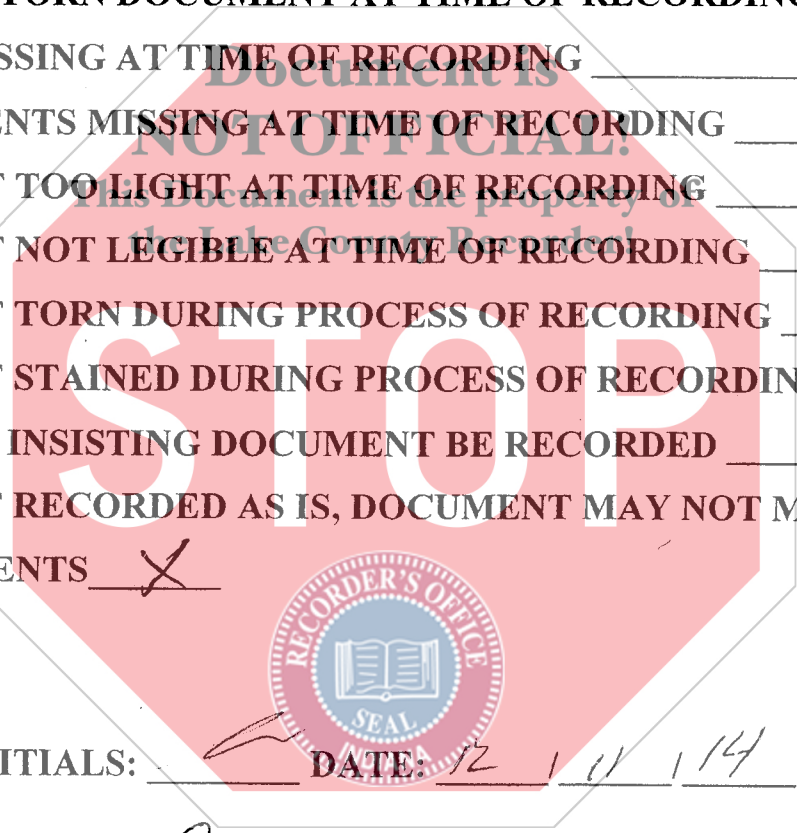
**MICHAEL B. BROWN**  
Recorder

PHONE (219) 755-3730  
FAX (219) 755-3257

**DISCLAIMER**

**This document has been recorded as presented.  
It may not meet with State of Indiana Recordation requirements.**

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- 2. RIPPED OR TORN DOCUMENT AT TIME OF RECORDING \_\_\_\_\_
- 3. PAGE(S) MISSING AT TIME OF RECORDING \_\_\_\_\_
- 4. ATTACHMENTS MISSING AT TIME OF RECORDING \_\_\_\_\_
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- 6. DOCUMENT NOT LEGIBLE AT TIME OF RECORDING \_\_\_\_\_
- 7. DOCUMENT TORN DURING PROCESS OF RECORDING \_\_\_\_\_
- 8. DOCUMENT STAINED DURING PROCESS OF RECORDING \_\_\_\_\_
- 9. CUSTOMER INSISTING DOCUMENT BE RECORDED \_\_\_\_\_
- 10. DOCUMENT RECORDED AS IS, DOCUMENT MAY NOT MEET STATE REQUIREMENTS X



CUSTOMER INITIALS: [Signature] DATE: 12 / 11 / 12

EMPLOYEE INITIALS: CA DATE: 12 / 11 / 12