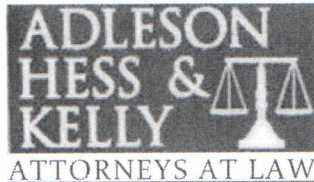


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PLEASE REPLY TO: CAMPBELL

September 7, 2011

VIA U.S. MAIL AND EMAIL: management@rivcoeda.org

Robert Field, Asst. County Executive Officer
Economic Development Agency
3403 10th Street, Suite 300
Riverside, CA 92501

Re: *Ordinance No: 906 Prohibiting Solicitation on County Property*
Our File: 208226
Our Clients: United Trustee's Association ("UTA")
California Mortgage Association ("CMA")

Dear Mr. Field:

The purpose of this letter is to follow-up on my July 25, 2011 letter to you on behalf of both the United Trustee's Association ("UTA") and the California Mortgage Association ("CMA") with respect to Riverside County Ordinance No. 906. I am also following up on Synthia Gunzel's August 25, 2011, e-mail responding to my letter stating that: "[t]he information provided and questions presented in your letter are currently under review and we will be providing a response in the near future." A copy of my letter and Ms. Gunzel's e-mail are enclosed for your convenience.

As you are aware, subject to the expiration of a 90-day phase-in period,¹ Ordinance No. 906 will ban trustee's sales on county property unless an exemption is granted. On behalf of UTA and CMA, and their members, our July 25, 2011 letter posed a number of critical questions regarding Ordinance No. 906 upon which our members need direction.

We had hoped to have a dialogue with the County or EDA regarding a temporary or phase out site (which by necessity would have to be very close to the current site); a permanent public square site that could be used in new notices of sale and the standards and procedures to be applied for a exemption under § 6 of Ordinance No. 906. Thus far, the only communication we have received is Ms. Gunzel's August 25, 2011 e-mail promising a future communication. It was my impression from attending and speaking at the Board of Supervisor's meeting at which Ordinance No. 906 was

¹ Ordinance No. 906, § 8; Effective date 30 days after adoption. See. § 10.

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passed, that the Supervisors expected more than this in terms of a dialogue regarding interim and permanent public square sites and exemptions. In fact, I recall them stating that if the problems were not resolved within the grace period, they would consider an additional grace period. We are very quickly running out of time. From what I see, no interim or permanent alternative sales sites have been publically proposed; there is no guidance on procedures and standards for obtaining exemptions under Ordinance No. 906 for interim or permanent sales locations; and, the industry in general (e.g., our clients) has not been communicated with, consulted or even informed of the EDA's position.

I will not repeat everything that was said in my July 25, 2011 letter. However, it is critical to understand that because a trustee's sale, under state law, *must* be conducted at the location stated in the Notice of Sale, trustees cannot just move previously noticed or postponed trustee's sales. To move to a new site, the trustee must re-notice (mail), publish, record and post (in a public place and on the property) the notice of sale. This is the most costly part of the nonjudicial foreclosure process and ultimately the cost is born by borrowers, lenders or purchasers. To avoid these unnecessary costs, we proposed an interim site (technically within the area set forth in the notice of sale referencing the current sales location) and the establishment of a more permanent public square, sales site. The merits of this approach were to reduce the issues and concerns involving sales at the Historic Court House and to establish a new public square location where future trustee's sales may be noticed and conducted.

As far as I know, nothing has been done or, at least, communicated to us. I did hear through a news source that the selection of an interim site had been made. From the response to my letter, it almost appears that the strategy is merely to let the grace period expire compelling all trustees to re-notice every trustees sale pending at the old site and damn to consequences. If this is not the case, I would appreciate a response to my July 25, 2011 letter and any information that would help our members through the transition brought about by Ordinance No. 906. Both UTA and CMA would be happy work with the EDA and the County to these issues raised in this letter and in my prior letter.

Your earliest response would be appreciated.

Very truly yours,

ADLESON, HESS & KELLY, APC

By:



Phillip M. Adleson

PMA:tlc
Enclosure

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cc: Hon. Sherrill Ellsworth, Presiding Judge; 4050 Main Street, Riverside, CA 92501
Bob Buster, First District Chairman (via email: district1@rcbos.org)
John Tavaglione, Second District (via email: district2@rcbos.org)
Jeff Stone, Third District (via email: district3@rcbos.org)
John J. Benoit, Fourth District, (via email: district4@rcbos.org)
Marion Ashley, Fifth District (via email: district5@rcbos.org)
Bill Luna, County Executive Officer (via email: ceo@rceo.org)
Pamela Walls, County Counsel (via email: countycounsel@co.riverside.ca.us)
Robert Finlay, Wright, Finlay & Zak, President UTA
Pam Sosa, Standard Mortgage Financial Services Inc., President of CMA
Richard Meyers, UTA Executive Director
Lexi Howard, CMA Executive Director
Michel Belote, California Advocates
Michael Arnold, Mike Arnold and Associates
Synthia Gunzel(via email: smgunzel@co.riverside.ca.us)