

[AS FILED ON 02.17.11, 125 PAGES MORE OR LESS, BLACKED OUT
"REDACTED" OUT OF 172 PAGES OF TRANSCRIPT.]

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IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SHEILA I. HOFSTETTER,)
individually, as a)
representative of the class,)
and on behalf of the general)
public,)
)
Plaintiff,)
)
-vs-) CV-10-1313 WHA
)
CHASE HOME FINANCE, LLC,)
JPMORGAN CHASE BANK, N.A.,)
and DOES 1 through 50,)
inclusive,)
)
Defendants.)

CONFIDENTIAL

The Rule 30(b)(6) deposition of Chase Home Finance and JPMorgan Chase Bank, corporate designee, DANIEL WHEELER, taken before CAROL CONNOLLY, CSR, CRR, and Notary Public, pursuant to the Federal Rules of Civil Procedure for the United States District Courts pertaining to the taking of depositions, at 330 North Wabash, Chicago, Illinois, commencing at 9:03 a.m. on the 11th day of January, A.D., 2011.

[BLACKOUT CONTINUES FROM p. 46, l. 3 THROUGH p. 79, l. 15,
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EXCEPT FOR THIS ON p. 64, l's 11-12: "OKAY. LET'S TAKE A SHORT BREAK.
(Off the record)".]

CONFIDENTIAL
DANIEL WHEELER - 1/11/2011

<p style="text-align: right;">Page 74</p> <p>[REDACTED]</p>	<p style="text-align: right;">Page 76</p> <p>[REDACTED]</p>
<p style="text-align: right;">Page 75</p> <p>[REDACTED]</p>	<p style="text-align: right;">Page 77</p> <p>[REDACTED]</p>

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1 Q They're not like your local State Farm agent or
2 something like that?
3 A No, that's correct.
4 Q They don't -- JP Morgan Insurance Agency and
5 Chase Insurance Agency, they don't handle claims that
6 would come in from property owners if they had flood
7 damage, right?
8 A Not directly, no.
9 Q So neither JP Morgan Insurance Agency or Chase
10 Insurance Agency performed the functions of a typical,
11 you know, agent that you would go to for homeowner's
12 insurance or automobile insurance, that sort of thing?
13 A That's correct.
14 MR. MEINERTZHAGEN: Object to the form.
15 MR. RICHTER: Q I want to go back to Exhibit 46 for
16 just a second.
17 MR. MEINERTZHAGEN: Could you restate the Bates
18 range for that?
19 MR. RICHTER: 1688 through 1746.
20 Q I'd like to turn your attention to page 1698,
21 Section 7.1.
22 Do you see there it says, supplier will treat
23 servicer as supplier's most favored customer or MFC. MFC
24 means a customer of supplier who receives pricing terms
25 net of discounts and rebates which are no less favorable

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1 than those received by any other similarly situated
2 customer of supplier.
3 Do you see that?
4 A I do.
5 Q Do the commissions that are earned under
6 Exhibit 20, the agency agreement, factor into this
7 equation for purposes of Section 7.1?
8 A No.
9 Q What discounts and rebates are referenced in
10 Section 7.1?
11 A There are to my knowledge no discounts or
12 rebates. I think it's standard language in our
13 agreement.
14 Q Going back to Exhibit 20, the agency agreement,
15 what were your responsibilities with respect the agency
16 agreement other than the negotiations of the agreement
17 itself?
18 MR. MEINERTZHAGEN: Object to the form.
19 THE WITNESS: What were my responsibilities with
20 regard to the agency agreement?
21 MR. RICHTER: Q Right.
22 A Other than negotiating it, simply executing the
23 agreement.
24 Q Okay. By executing the agreement, what do you
25 mean by that?

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1 A Just, you know, obtaining the appropriate
2 signatories.
3 Q Did you or have you reviewed any statements or
4 reports relating to the agency agreement?
5 A Please restate that.
6 Q Well, let's go back to par -- numbered
7 paragraph 3 on page 764. There's the reference of
8 statements of premiums due. Have you reviewed any of
9 those statements of premiums due?
10 A Yes. I have.
11 Q Those statements also include figures for the
12 amount of the commission that accrues to the agent under
13 the agreement?
14 A They will.
15 Q Is it based on those statements that you
16 provided me the figures that you did for commissions
17 earned?
18 A Yes, and it includes the refunds as well. So
19 it would be, you know -- new business, renewal,
20 cancellations, both partial and flat, and whether or not
21 a commission was paid or commission was charged back.
22 Q So the 1.4 million figure that you provided for
23 '09 and the other figures you provided for the earlier
24 years, those were commissions on flood insurance only,
25 correct?

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1 A For home equity, correct.
2 Q Those -- Those figures, were those net figures
3 after any --
4 A Chargebacks?
5 Q Yes.
6 A Yes.
7 Q Do you know what the figures were for nonhome
8 equity lender-placed policies?
9 A Offhand, I don't.
10 Q Would they have been greater?
11 A They would have been greater.
12 Q By a factor of what?
13 A Obviously it would depend upon the year that
14 we're speaking about because we saw a significant growth
15 in the home equity we just spoke about. You know, I can
16 give you maybe an approximate figure that would take out
17 home equity that we probably wrote 40 million premium in
18 or close to it in '09, excluding home equity. So 50
19 million. So --
20 Q 8 to 10 million in commissions?
21 A Probably 8 to 10 million.
22 Q Separate and apart from the 1.2 on the home
23 equity?
24 A Correct. That includes the aggregated
25 portfolios.