

UNITED STATES OF AMERICA
Before the
CONSUMER FINANCIAL PROTECTION BUREAU

ADMINISTRATIVE PROCEEDING
File No. 2014-CFPB-0002

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)	
In the Matter of:)	
)	REQUEST FOR ISSUANCE OF
)	SUBPOENAS REQUIRING
PHH CORPORATION,)	ATTENDANCE AND TESTIMONY
PHH MORTGAGE CORPORATION,)	OF WITNESSES AT THE
PHH HOME LOANS LLC,)	DESIGNATED TIME AND PLACE
ATRIUM INSURANCE CORPORATION,)	OF HEARING
and ATRIUM REINSURANCE)	
CORPORATION)	
)	
)	

Pursuant to 12 C.F.R. § 1081.208, Enforcement Counsel respectfully requests the issuance of subpoenas to the individuals listed below requiring their attendance and testimony at the initial week of the hearing in this matter, scheduled to commence on March 24, 2014. In accordance with 12 C.F.R. § 1081.208(b), the Enforcement Counsel has attached hereto as **Exhibit A** the proposed subpoenas. In support of this request and in accordance with 12 C.F.R. § 1081.208(b), below is a brief statement for each proposed subpoena showing the general relevance and reasonableness of the scope of the individual’s testimony.

1. Subpoena for the Testimony of Curt S. Culver

Curt S. Culver is currently the Chief Executive Officer of MGIC, a mortgage insurance company, and he was employed by MGIC throughout the relevant period. Mr. Culver has knowledge of (1) MGIC’s dealings with Respondents, including but not limited to its efforts to obtain mortgage insurance (MI) business from PHH and any potential captive mortgage reinsurance arrangement between MGIC and Respondents; (2) the use of captive mortgage reinsurance in the

MI industry, including common practices with respect to captive mortgage reinsurance arrangements across the industry; and (3) MGIC's decisions as to whether to participate in such arrangements. Enforcement Counsel will call him to testify regarding these and other related matters, which are relevant to (among other things) the issues of PHH's use of captive arrangements to determine whether or not to refer business to particular MI companies and the value, if any, of captive reinsurance to MIs.

An Interview Report reflecting Mr. Culver's prior statements has been produced to Respondents, and Enforcement Counsel may also seek to introduce those statements.

2. Subpoena for the Testimony of Christopher Kennedy

Christopher Kennedy was employed by RMIC, a mortgage insurance company, during the relevant period. Mr. Kennedy has knowledge of (1) RMIC's dealings with Respondents, including but not limited to its efforts to obtain MI business from PHH and any potential captive mortgage reinsurance arrangement between RMIC and Respondents; (2) the use of captive mortgage reinsurance in the MI industry, including common practices with respect to captive mortgage reinsurance arrangements at RMIC; and (3) RMIC's decisions as to whether to participate in such arrangements. Enforcement Counsel will call him to testify regarding these and other related matters, which are relevant to (among other things) the issues of PHH's use of captive arrangements to determine whether or not to refer business to particular MI companies.

To further expedite the proceedings and preserve resources, Enforcement Counsel may also present Mr. Kennedy's testimony given during his December 17, 2013 Investigational Hearing in lieu of or in addition to his live testimony. The Respondents have already been provided copies of the transcript of that hearing and associated exhibits, which were included on Enforcement Counsel's exhibit list.

3. Subpoena for the Testimony of Larry Pierzchalski

Larry Pierzchalski is currently the Executive Vice President for Risk Management of MGIC, and he was employed by MGIC during the relevant time period. Mr. Pierzchalski has knowledge of (1) MGIC's dealings with Respondents, including but not limited to its efforts to obtain MI business from PHH and any potential captive mortgage reinsurance arrangement between MGIC and Respondents; (2) the use of captive mortgage reinsurance and third-party reinsurance in the MI industry, including common practices with respect to captive mortgage reinsurance arrangements across the industry; and (3) MGIC's decisions as to whether to participate in such arrangements. Enforcement Counsel will call him to testify regarding these and other related matters, which are relevant to (among other things) the issues of PHH's use of captive arrangements to determine whether or not to refer business to particular MI companies and the value, if any, of captive reinsurance to MIs.

An Interview Report reflecting Mr. Pierzchalski's prior statements has been produced to Respondents, and Enforcement Counsel may also seek to introduce those statements.

4. Subpoena for the Testimony of Steve Young

Steve Young was employed by Amerin, later known as Radian Guaranty (collectively, "Radian"), a MI company, during the relevant period. Mr. Young has knowledge of (1) Radian's dealings with Respondents, including but not limited to its efforts to obtain mortgage insurance (MI) business from PHH and the captive mortgage reinsurance arrangement between Radian and Respondents; and (2) Radian's decision to participate in a captive mortgage reinsurance arrangement with PHH. Enforcement Counsel will call him to testify regarding these and other related matters, which are relevant to (among other things) the issues of PHH's use of captive arrangements to determine whether or not to refer business to particular MI companies and the value, if any, of captive reinsurance to MIs.

An Interview Report reflecting Mr. Young's prior statements is being produced to Respondents, and Enforcement Counsel may also seek to introduce those statements.

DATED: March 11, 2014

Respectfully submitted,

Lucy Morris
Deputy Enforcement Director for Litigation

s/ **Donald R. Gordon** _____

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Enforcement Counsel

Certificate of Service

I certify that on this 11th day of March 2014, I caused the **Request for Issuance of Subpoenas Requiring the Attendance and Testimony of Witnesses at the Designated Time and Place of Hearing** to be filed and to be served upon the following parties by electronic service:

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