

UNITED STATES OF AMERICA
Before the
CONSUMER FINANCIAL PROTECTION BUREAU

ADMINISTRATIVE PROCEEDING
File No. 2014-CFPB-

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In the Matter of:)

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PHH CORPORATION,)

PHH MORTGAGE CORPORATION,)

PHH HOME LOANS LLC,)

ATRIUM INSURANCE CORPORATION,)

and ATRIUM REINSURANCE)

CORPORATION)

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DECLARATION OF DONALD R. GORDON

I, Donald R. Gordon, declare as follows:

1. I am Enforcement Counsel for the Consumer Financial Protection Bureau. I have personal knowledge of the facts stated below. I submit this declaration in support of Enforcement Counsel’s Opposition to Respondents’ Motion to Dismiss or, in the Alternative, for Summary Disposition, filed on February 20, 2014 with the Bureau’s Office of Administrative Adjudication.

2. Attached hereto as Exhibit A is a true and correct copy of a redacted version of a January 22, 1998 presentation to the Arizona Department of Insurance titled, “Captive Reinsurance and Other Risk Sharing Arrangements.”

3. Attached hereto as Exhibit B is a true and correct copy of excerpts of the transcript of the deposition of Mark Danahy, taken on October 22, 2009.

4. Attached hereto as Exhibit C is a true and correct copy of excerpts of the transcript of the investigational hearing of Sam Rosenthal, taken on August 13, 2013.

5. Attached hereto as Exhibit D is a true and correct copy of Atrium Reinsurance Corporation's GAAP Unaudited Financial Statements, dated September 30, 2012.

6. Attached hereto as Exhibit E is a true and correct copy of Atrium Reinsurance Corporation's GAAP Unaudited Financial Statements, dated March 31, 2012.

7. Attached hereto as Exhibit F is a true and correct copy of a printout of an Excel spreadsheet produced by PHH titled "MI Remittance Summary.xls."

8. Attached hereto as Exhibit G is a true and correct copy of a printout of an Excel spreadsheet produced by PHH titled "0912 Sep Settlement.xls."

9. Attached hereto as Exhibit H is a true and correct copy of a printout of an Excel spreadsheet produced by PHH titled "1Q12-Atrium-Summary."

10. Attached hereto as Exhibit I is a true and correct copy of a printout of an Excel spreadsheet produced by PHH titled "trust-Atrium."

11. Attached hereto as Exhibit J is a true and correct copy of a printout of excerpts of an Excel spreadsheet produced by PHH titled "1QTR 2009."

12. Attached hereto as Exhibit K is a true and correct copy of the Declaration of Michael Bogansky in Support of PHH's NORA submission, dated September 5, 2013, and Exhibit A attached thereto.

13. Attached hereto as Exhibit L is a true and correct copy of an internal PHH memorandum titled "Captive Strategy."

14. Attached hereto as Exhibit M is a true and correct copy of a January 8, 2007 email from Sam Rosenthal (PHH) to Dan Walker (UGI).

15. Attached hereto as Exhibit N is a true and correct copy of Amendment #7 to the Reinsurance Agreement By and Between United Guaranty Residential Insurance Company and Atrium Reinsurance Corporation, dated February 1, 2007.

16. Attached hereto as Exhibit O is a true and correct copy of a July 5, 2006 email from Sam Rosenthal (PHH) to Mark Danahy (PHH) and attachments to that email.

17. Attached hereto as Exhibit P is a true and correct copy of an October 27, 2006 email from Sam Rosenthal (PHH) to Steven Beagles (PMI).

18. Attached hereto as Exhibit Q is a true and correct copy of the Annual Statement of the Atrium Insurance Corporation, For the Year Ended December 31, 2008.

19. Attached hereto as Exhibit R is a true and correct copy of excerpts of PHH's Supplemental NORA submission to the Bureau.

20. Attached hereto as Exhibit S is a true and correct copy of a January 25, 2010 letter from Jack Buchmiller (New York Insurance Department) to Vincent Laurenzano (Stroock & Stroock & Lavan LLP).

21. Attached hereto as Exhibit T is a true and correct copy of Milliman, Inc.'s Supplemented Response to Interrogatory No. 2 of the Bureau's June 18, 2012 Civil Investigative Demand.

22. Attached hereto as Exhibit U is a true and correct copy of a printout from Milliman, Inc.'s website, available at https://www.captive.com/service/milliman/article3_mortgage.shtml (visited February 11, 2014).

23. Attached hereto as Exhibit V is a true and correct copy of an August 13, 2009 email from Alan Bahr (CMG) to Sam Rosenthal (PHH).

24. Attached hereto as Exhibit W is a true and correct copy of an April 5, 2013 Final Consent Judgment and Order entered in the Southern District of Florida action *Consumer Financial Protection Bureau v. United Guaranty Corporation*.

25. Attached hereto as Exhibit X is a true and correct copy an August 6, 1997 letter to Nicolas Retsinas (HUD) to Sandor Samuels (Countrywide).

26. Attached hereto as Exhibit Y is a true and correct copy PHH's Reply Brief in Support of its Motion for Judgment on the Pleadings in the action *Munoz v. PHH Corp.*, 2009 WL 3288774 (E.D. Cal. Jan. 26, 2009).

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: February 20, 2014

/s/ Donald R. Gordon
Donald R. Gordon
Enforcement Counsel

Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552
(202)435-7357

Certificate of Service

I hereby certify that on this 20th day of February 2014, I caused a copy of the foregoing “Declaration of Donald R. Gordon” to be filed with the Office of Administrative Adjudication and served by electronic mail on the following persons who have consented to electronic service on behalf of Respondents:

Mitch Kider
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/s/ Donald R. Gordon
Donald R. Gordon