

off the \$3,500 note, but she was unaware that there was an existing second deed of trust on her property, for the additional amount, that amounted to the sum that would be required to discount the note.

Senator TYDINGS. How much was the new note or the refinancing?

Mr. WILLIAMS. I understand the new note was an equal amount.

Senator TYDINGS. Around \$7,000?

Mr. WILLIAMS. \$3,500.

Senator TYDINGS. \$3,500?

Mr. WILLIAMS. That is correct.

Senator TYDINGS. Then the proceeds of that went to Monarch?

Mr. WILLIAMS. That is right.

Senator TYDINGS. But, did she initially sign two separate notes?

Mr. WILLIAMS. She signed a series of papers, including the deed of trust.

Senator TYDINGS. And she did not really know quite what she was signing?

Mr. WILLIAMS. Well, this was the type of lady that would not know, and the reason I am making a point of that is because I can relate to you some professionals who have signed deeds of trust and did not know it.

Senator TYDINGS. Our history is full of them, including very well-educated people, even Ph. D.'s.

Mr. WILLIAMS. But unfortunately they did not develop into cases because I can call these various people and tell them to do such and such a thing or I will such and such. I cannot use the language here, and it happens. I saw an article in this morning's paper where you related to Atlas Corp. I call them up and told them that if they did not give me a release on a second deed of trust on this teacher's property, somebody is going to jail.

The reason for that is the teacher did not sign any second deed of trust knowingly because there was no acknowledgment made. But, the acknowledgment was handled out in the community after they had signed this.

Senator TYDINGS. Was there a notary present?

Mr. WILLIAMS. No notary present at the time she signed; no.

Senator TYDINGS. Did Atlas ever call her when they purchased the so-called paper?

Mr. WILLIAMS. Oh, no. Atlas called me 2 weeks ago and said, "Oh, Mr. Williams, before we release that note you said that the lady was going to pay off the balance in her monthly installments."

I said, "Well, I don't know. She's fired me, and now she's got another lawyer." I got my release and I am not interested. This is just 2 weeks ago they called me, bear in mind.

Senator TYDINGS. Let us have the next case.

Mr. WILLIAMS. This is not as revolutionary as that one.

Senator TYDINGS. Let me ask you, Mr. Williams, have you run into Atlas frequently?

Mr. WILLIAMS. Yes, I have, but I referred most of them to a Neighborhood Legal Services or to the Legal Aid Society, and I would like to make a point here now.

The Neighborhood Legal Services does not accept cases where there is a pending foreclosure, where you must go and draw up restraining