

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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MBIA INSURANCE CORPORATION,

Plaintiff,

- against -

CREDIT SUISSE SECURITIES (USA) LLC,
DLJ MORTGAGE CAPITAL, INC., and
SELECT PORTFOLIO SERVICING, INC.

Defendants.

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**AFFIDAVIT OF AFSHIN AZHARI
IN SUPPORT OF PLAINTIFF'S
REPLY**

Index No. 603751/09

Afshin Azhari, upon penalty of perjury, affirms:

1. I am a Director with AlixPartners, LLP, located at 2101 Cedar Springs Road, Suite 1100, Dallas, TX 75201, and a member of AlixPartners' Information Management Services practice. For more than 8 years, I have specialized in software development, with a focus on solving complex analytical and reporting problems. Prior to joining AlixPartners I was a nuclear physicist at the Cyclotron Institute at Texas A&M University.

2. AlixPartners' Information Management Services practice provides litigation consulting, information management and financial advisory services, with an emphasis on complex legal, regulatory, economic and financial matters. The practice specializes in the analysis, design and implementation of technology-based solutions for financial, operational, and litigation challenges, generally involving large amounts of data and complex data analytics and computer systems.

3. Prior to being retained in this matter, I have provided other litigation consulting services, and have experience analyzing loan information management software,

databases, and business processes designed by other enterprises engaged in mortgage-backed securitization practices similar to those of Credit Suisse here.

4. Patterson Belknap Webb & Tyler LLP (PBWT) has retained AlixPartners on behalf of MBIA to provide consulting services in connection with MBIA's efforts to replicate and analyze databases maintained by or on behalf of Credit Suisse.

5. On May 26, 2010, I and several of my colleagues attended a demonstration of Credit Suisse's RPM database at Credit Suisse's offices in New York, New York. At that meeting, Credit Suisse personnel represented that the RPM database contains information about the loans that Credit Suisse has owned and/or securitized.

6. Credit Suisse produced certain extracts of data from the RPM database relating to the HEMT 2007-2 Transaction, along with other supporting documentation. I have analyzed the data and documentation and concluded that in addition to a "loan_no" field, which is populated with a unique identifier for each of the loans tracked in the RPM system and which corresponds to the loan numbers listed on the HEMT 2007-2 Mortgage Loan Tape, Credit Suisse maintains, in connection with each of the loans in the database, an alternate loan number field, entitled "bought_back_loan_no." As defined by a Credit Suisse provided data dictionary,¹ this field contains the "original loan_no of loan repurchased from [a] deal."

7. Attached as Exhibit 1 is a listing of data extracted from Defendants' production of HEMT 2007-2 data from its RPM database (the "Resecuritization Report") as well as data provided to me by PBWT. The first column of the Resecuritization Report contains the loan numbers ("loan_no") for eleven loans in the HEMT 2007-2 transaction. The second column

¹ A data dictionary is a list of fields and tables and their descriptions as associated with a specific database. The data dictionary was provided by Credit Suisse via email on November 10, 2010.

of the Resecuritization Report contains the additional loan numbers included in the “bought_back_loan_no” field.

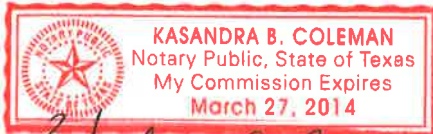
8. To make this determination, I analyzed data contained in the extract of the RPM database produced in this matter by Credit Suisse. Certain HEMT 2007-2 Loans within the HEMT 2007-2 transaction were identified as having a separate and additional loan number in the “bought_back_loan_no” field. The presence of this additional loan number not listed on the HEMT 2007-2 Mortgage Loan Schedule suggests that the Loan was, at one time, securitized into a transaction other than HEMT 2007-2.

9. Because Credit Suisse has provided extracts of RPM data only as it relates to the HEMT 2007-2 loan numbers and certain associated loans, and not its entire database, I am unable to examine other data relating to the HEMT 2007-2 Loans listed on the Resecuritization Report to the extent that the data is associated with the previous (i.e., “bought back”) loan numbers. Furthermore, I cannot determine whether any of the other HEMT 2007-2 Loans were previously assigned alternate loan numbers through processes other than repurchases from other deals.

10. Additionally, after seeking more information about Credit Suisse’s putback process and examining a spreadsheet provided to me by counsel (document CS_M0005386139), I am still unable to examine fully the life cycle of the HEMT 2007-2 Loans. For example, Credit Suisse has not produced data for the following fields: “rolloff_date,” “loan_status_desc,” or “pbs_loan_status_desc.” According to the document “RPM/PBS System Overview” (Affirmation of Erik Haas dated Mar. 25, 2010, Ex. 33), there is another application used by Credit Suisse called the PBS System (document CS_M0005721854), which Credit Suisse has not produced in prior productions. The overview document indicates that the PBS

system contains additional data regarding the servicing, putbacks, and quality control that do not exist in the RPM system. This information includes but is not limited to, the fields listed above and the following:

- a. Remittance reports showing all the schedules activities for borrower's accounts, and servicer remittance reports (document CS_M0005721864)
- b. 'Make Whole Process' (document CS_M0005721865)
- c. Quality control (documents CS_M0005721866 through CS_M0005721868):
 - i. Results from outside Quality Control firms
 - ii. Action history of quality control loan data
 - iii. Breach maintenance
 - iv. Advice letter maintenance.



Kassandra B. Coleman
Dallas, Texas
April 29, 2011

Afshin Azhari

Afshin Azhari

EXHIBIT 1

Exhibit 1

Resecuritization Report

Information From Credit Suisse's Extract of RPM						Data Provided by Counsel		
bought_back_1								
loan_no	oan_no	Channel	Originator	mod_time	Date Sold	Prior Deal	Doc Support	Reason for Repurchase
		Bulk	NuMAX Mortgage Corp.	1/2/07 3:55 PM	5/1/07 8:06 AM	CSFB 2001-S23	CS_M0005386139	Bnrprt & Delinquent 30 days
		Bulk	First Franklin Financial Corporation	1/2/07 3:55 PM	5/1/07 8:06 AM	CSFB 2001-S18	CS_M0005386139	DELQ
		Bulk	Accredited Home Lenders Inc.	1/2/07 3:55 PM	5/1/07 8:06 AM	CSFB 2001-S31	CS_M0005386139	DELQ
		Bulk	Long Beach Mortgage	1/2/07 3:55 PM	5/1/07 8:06 AM	HEMT 2003-4	CS_M0005386139	DELQ
		Bulk	Long Beach Mortgage	1/2/07 3:55 PM	5/1/07 8:06 AM	HEMT 2003-04	CS_M0005386139	DELQ
		Bulk	Meritage Mortgage Corporation	1/2/07 3:55 PM	5/1/07 8:06 AM	HEMT 2003-04	CS_M0005386139	DELQ
		Bulk	Long Beach Mortgage	1/2/07 3:55 PM	5/1/07 8:06 AM	HEMT 2003-04	CS_M0005386139	DELQ
		Loan by loan	DLJ Mortgage Capital	1/2/07 3:55 PM	5/1/07 8:06 AM	HEMT 2003-04	CS_M0005386139	DELQ
		Bulk	Meritage Mortgage Corporation	1/2/07 3:55 PM	5/1/07 8:06 AM	HEMT 2003-3	CS_M0005386139	DELQ
		Loan by loan	DLJ Mortgage Capital	1/4/07 5:18 PM	5/1/07 8:06 AM	HEMT 2003-5	CS_M0005386139	DELQ
		Loan by loan	DLJ Mortgage Capital	1/4/07 5:18 PM	5/1/07 8:06 AM	HEMT 2003-5	CS_M0005386139	DELQ

REDACTED