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Attorneys for Defendants  
 7 HSBC BANK USA, NATIONAL  
 ASSOCIATION, as Trustee for ACE  
 8 SECURITIES CORP. HOME EQUITY LOAN  
 TRUST, SERIES 2005-HE7, ASSET BACKED  
 9 PASS-THROUGH CERTIFICATES; and  
 MORTGAGE ELECTRONIC REGISTRATION  
 10 SYSTEMS, INC.

11 UNITED STATES DISTRICT COURT  
 12 NORTHERN DISTRICT OF CALIFORNIA — OAKLAND DIVISION  
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14 ERNESTO S. PURUGANAN and  
 15 ISABELITA G. PURUGANAN,

16 Plaintiffs,

17 vs.

18 HSBC BANK USA, NATIONAL  
 ASSOCIATION, as Trustee for ACE  
 19 SECURITIES CORP. HOME EQUITY  
 LOAN TRUST, SERIES 2005-HE7, ASSET  
 20 BACKED PASS-THROUGH  
 CERTIFICATES; MORTGAGE  
 21 ELECTRONIC REGISTRATION SYSTEMS,  
 INC. and DOES 1 through 100, inclusive,  
 22

23 Defendants.

Case No. 4:12-cv-05168-SBA

**STIPULATION AND ~~PROPOSED~~  
 ORDER THEREON**

Dept.: Ctrm 1, 4th Floor  
 Judge: Hon. Sandra B. Armstrong  
 Complaint Date: October 4, 2012  
 Trial Date: None set

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 25 Plaintiffs ERNESTO S. PURUGANAN and ISABELITA G. PURUGANAN (“Plaintiffs”),  
 26 and defendants HSBC BANK USA, NATIONAL ASSOCIATION, as Trustee for ACE  
 27 SECURITIES CORP. HOME EQUITY LOAN TRUST, SERIES 2005-HE7, ASSET BACKED  
 28 PASS-THROUGH CERTIFICATES; and MORTGAGE ELECTRONIC REGISTRATION

1 SYSTEMS, INC. (“Defendants”), by and through their respective counsel, hereby STIPULATE  
2 AND AGREE as follows (“Stipulation”):

3 1. Plaintiffs and Defendants (collectively referred to herein as the “Parties”) wish to  
4 evaluate potential resolution of this case without further litigation. In order to allow sufficient  
5 time to explore such options, the Parties agree that certain steps must be taken.

6 2. On or before January 7, 2013, Plaintiffs shall complete and return the financial  
7 information package provided by Defendants (“Financial Information Package”). Any additional  
8 information requested by Defendants in relation to the Financial Information Package (after it has  
9 been submitted) shall be provided by Plaintiffs within fifteen (15) days of such request by  
10 Defendants.

11 3. In anticipation of the foregoing steps being taken by Plaintiffs, Defendants shall  
12 stay the foreclosure of that certain Deed of Trust, secured by the Subject Property, recorded of  
13 August 19, 2005, as Instrument No. DC-2005-0313410 in the official records Contra Costa  
14 County, during the resolution evaluation process (the “Stay Period”). Defendants shall have sole  
15 authority to determine when the resolution evaluation process is completed. After the resolution  
16 evaluation process is either completed, or if Plaintiffs fail to comply with the requirements listed  
17 above, Defendants may terminate the Stay Period, effective fifteen (15) days after Defendants’  
18 written notice of such termination to Plaintiffs.

19 4. Defendants expressly reserve all rights to proceed with foreclosure on the Deed of  
20 Trust after the termination of the Stay Period.

21 5. During the Stay Period, Plaintiffs will not seek a temporary restraining order or  
22 preliminary injunction against Defendants to stop foreclosure on the Deed of Trust. Defendants  
23 reserve all rights to seek a temporary restraining order and preliminary injunction against  
24 Defendants after the termination of the Stay Period.

25 6. Defendants have filed a Motion to Dismiss the above-captioned lawsuit, and the  
26 Court is currently holding the Motion to Dismiss in abeyance pending the Parties evaluation of  
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1 potential resolution. The Parties agree that upon termination of the Stay Period, Defendants may  
2 immediately re-notice hearing on the Motion to Dismiss.

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IT IS SO STIPULATED.

DATED: December 13, 2012

SEVERSON & WERSON  
A Professional Corporation

By: \_\_\_\_\_

Jason M. Julian

Attorneys for Defendants  
HSBC BANK USA, NATIONAL  
ASSOCIATION, as Trustee for ACE  
SECURITIES CORP. HOME EQUITY LOAN  
TRUST, SERIES 2005-HE7, ASSET BACKED  
PASS-THROUGH CERTIFICATES; and  
MORTGAGE ELECTRONIC REGISTRATION  
SYSTEMS, INC.

DATED: December 13, 2012

BUSINESS AFFAIRS CONSULTANTS INC.  
ALC

By: \_\_\_\_\_

Christopher P. Epsa

Attorneys for Plaintiffs  
ERNESTO S. PURUGANAN and ISABELITA  
G. PURUGANAN,

~~PROPOSED~~ ORDER

Upon reading the foregoing Stipulation, and good cause appearing therefor, IT IS SO  
ORDERED.

12/18/12



HON. SAUNDRA BROWN ARMSTRONG  
DISTRICT COURT JUDGE