

1 NORTH CAROLINA IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION

2 WAKE COUNTY 19 CVS 10373

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4 MARICOL YUNAIRA TINEO DE
LEON and JAIRO VENSRIQUE
5 LEON DA COSTA,
6 Plaintiffs,
- vs -

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8 EDGEWOOD TOWNHOMES
ASSOCIATION, INC.,
MALDIVES, LLC, and
9 CARA WILLIAMS, in her
capacity as substitute
10 trustee,
11 Defendants.

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14 DEPOSITION
15 OF
16 CAROLYN SOUTHER
17 (Taken by Plaintiffs)
18 Chapel Hill, North Carolina
19 Tuesday, September 17, 2019

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21
22
23 Reported in Stenotype by
24 Vicki Livings, CPR
25 Transcript produced by computer-aided transcription

1 fees if you bring in people that are investing with
2 you on the property.

3 So, you don't ever get a property free and
4 clear. If anyone is investing with you, then you
5 all share in the profits of it.

6 Q. Does The Estates coordinate which
7 properties get bidded on, is that done through the
8 database?

9 A. No, the database simply gives us
10 properties.

11 Q. What happens if three investors want to
12 bid on a property?

13 A. I don't know. If I want to bid on
14 something, and someone else says, I want to bid,
15 one of us needs to back down.

16 Q. What do you mean back down?

17 A. I don't want to bid -- if I know
18 somebody -- even way back, if I knew that someone
19 wanted to buy a property and I did as well, I'll
20 say no, you take this one, I'll go work on another
21 one. So, we're not bidding against, again, my
22 friend.

23 Q. Is that just something you did, or is that
24 something Craig Brooksby was aware of?

25 A. I don't know what he's aware of.

1 But I know one my neighbors bids on
2 properties at auction.

3 So, it's a matter of integrity. If you
4 know somebody else wants a property, and they're
5 bidding on it, sometimes we back down and say no,
6 I'll bid on a different one.

7 Through The Estates -- I know what you're
8 asking. You're saying through The Estates is it --

9 So, we know if one us is bidding on a
10 property, then the others go back for another, or
11 we find a different property.

12 Q. And then The Estates takes a finders fee
13 from the bidder who decides to bid?

14 A. If it's a successful bid, if it's
15 successful and we confirm on it.

16 Q. Does that person have to use Tonya Newell
17 to bid?

18 A. No, I can go down and bid myself, and I
19 have many times before.

20 Q. Do you log that information into The
21 Estates database; do you say, I'm bidding on this
22 property and this is what I'm going to pay?

23 A. Have I, no, I have not. It's possible,
24 yeah.

25 Again, we talk a lot, so we know who is

1 working on what properties. That's one of the
2 reasons for having our meetings. We talk about
3 what properties, so if someone brings up a specific
4 property, we understand that's the one they are
5 pursuing.

6 Q. Is there any requirement if you get
7 information on a property from The Estates
8 database, that you tell The Estates that this is
9 where you learned about it?

10 A. Yeah, if I find a property through The
11 Estates, then I am going to pay a finders fee for
12 that, that's part of my commitment to them.

13 Q. And part of your commitment is that you're
14 not going to bid on a property with another Estates
15 member, against another member?

16 A. Right.

17 Q. At these meetings, do people ever talk
18 about what the best way to bid at a homeowner
19 association foreclosure is, what the best price to
20 pay is, or increments, or those sorts of things?

21 A. We talk about all kinds of things. You
22 can either bid one dollar over the other person's
23 bid, or 5 percent over, something like that, or if
24 you really like a property, you can jump the bid
25 up, and secure it that way.

1 Q. Does the Estates offer any advice on how
2 to bid?

3 A. We all offer advice.

4 Q. It has meetings --

5 A. It's roundtable discussion; we're all
6 talking.

7 Q. Does The Estates itself offer advice; in
8 other words, in our opinion, a good price to bid on
9 this property would be X?

10 A. Sure, we all offer advice.

11 Q. Through the database or through the
12 communications, does The Estates say, based on our
13 analysis, this is a good price for the property, or
14 you shouldn't pay more than X?

15 A. We can pay whatever we want to pay. If it
16 works for us, that's what we pay. We are all
17 educated.

18 Q. Does The Estates provide any information
19 to educate you, do they --

20 A. It's an education company.

21 Q. Is one of the things they educate you
22 on -- for example, your communications with the
23 De Leons, you talked about your estimate of what
24 the equity in their property is?

25 A. Correct.

1 to the auctions and acquires properties for us.

2 Q. And she is paid something for doing that?

3 A. If the bid is successful, she gets a
4 commission, which means she does a lot of
5 properties for free.

6 Q. Will The Estates arrange connections of
7 lenders to investors?

8 A. Sometimes.

9 Q. And they are paid to do that?

10 A. Are The Estates paid, I don't know, not
11 that I know of. I find them on my own, personally.

12 Q. Does The Estates have to approve any bid
13 made on a property found in The Estates database?

14 A. Do they have to tell me what I can and not
15 bid on a property; is that what you're asking?

16 Q. No, can you bid at all. Do they have to
17 approve, saying yes, no, you can go bid on this
18 property because they cleared it in terms of the
19 other investors?

20 A. Again, we don't cross bids. If someone is
21 interested in a property, I'm not going to bid
22 against them, or will they bid against me. That's
23 probably within the organization.

24 But if one person decides no, I don't want
25 to, then the other two or three decide that they

1 MS. ROBERTS: I have two questions.

2 EXAMINATION

3 BY MS. ROBERTS:

4 Q. One of the questions that Mr. White asked
5 you was regarding you not bidding against other
6 people that were in The Estates.

7 He asked you if that was part of a
8 commitment, to not bid, or whether you're just
9 doing that as part of your integrity.

10 I didn't understand your answer to that
11 question.

12 A. I will not bid against someone else
13 bidding on The Estates. If somebody else finds the
14 property, I will not go in and bid against them.

15 Q. Is that something that you're prohibited
16 from doing?

17 A. It's an agreement that we make within The
18 Estates. But it's also something I would not do.
19 It's not ethical.

20 Q. To you, personally?

21 A. To me personally. If I did want to bid on
22 it, I would call that person, and I have, to say
23 are you still interested in this particular
24 property, in which case they might say, no, I'm
25 not, and go for it. And I'll say okay.

1 Or they'll say, I am. And I'll say, let
2 me know if you decide against it.

3 Q. Approximately, how many people are in The
4 Estates that you would discuss such a bid; are
5 going to do this, or are you not going to do this
6 with?

7 A. I'm not sure I understand.

8 Q. Whenever you're talking about the people
9 you're not going to bid against, are you talking
10 about five people, ten people, 100 people?

11 A. There might be two interested in a
12 property. If it's a nice property, and it looks
13 like it would renovate and flip easily, there might
14 be four or five people interested in that property.

15 Everybody in the room might be interested
16 in a property if it's a great investment.

17 Q. Was it your hope that you would go to the
18 home at 3435 Archdale, and extract money from the
19 homeowners?

20 A. Extract is an extremely negative word.
21 Was I hoping that they would like to buy their
22 property back, probably, because then they don't
23 have to move, they don't have to disrupt their
24 family.

25 We can also sell it to them at a discount,

1 that they like. Some people, they want the older
2 properties because they can pick them up very
3 inexpensively, and they have crews and renovation
4 teams ready to swoop in.

5 Others want something that's two or three
6 years old because they don't know how to renovate,
7 and they don't want to get involved in it.

8 Others like properties in the country.
9 Others like them in the city.

10 Q. This is something you may well not know
11 the answer to since your involvement came later,
12 but were you aware of other people, other than
13 Mbeja, who were interested in this property?

14 A. I do not know that.

15 Q. You talked about just you, personally,
16 despite whatever agreement, wouldn't bid on a
17 property that someone else was interested in, and
18 you would talk to them about it?

19 A. Yes.

20 Q. Was that because you didn't want to
21 unnecessarily drive the price up for them?

22 A. Nothing to do with it.

23 Q. Why --

24 A. If they say, like on this HOA, they say,
25 I'm only willing to bid \$10,000 for it, then at the

1 point they hit the 10,000, and they're not going
2 higher, I can call and say, are you still not
3 interested. And they'll say, no, I'm done.

4 In that case I'll ask Tonya to go bid on
5 my behalf.

6 MR. WHITE: I don't have anything else.

7 FURTHER EXAMINATION

8 BY MS. ROBERTS:

9 Q. So, there aren't any restrictions keeping
10 you from bidding on your behalf after the other
11 person has reached their limitation bid; is that
12 correct?

13 A. Correct.

14 Q. And that's via The Estates or you
15 personally?

16 A. Or me personally.

17 MS. ROBERTS: Thank you.

18 (DEPOSITION CONCLUDED AT: 4:22 p.m.)

19 (SIGNATURE RESERVED)

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