

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

IN THE MATTER OF)
LENNAR CORPORATION)
_____)

FILE NUMBER 042-3135
FILE NUMBER P944809
CONFIDENTIAL

FEDERAL TRADE COMMISSION
2009 DEC 14 PM 2:32
MINUTES SECTION

**LENNAR CORPORATION'S PETITION TO
LIMIT OR QUASH CIVIL INVESTIGATIVE DEMAND**

I. INTRODUCTION AND SUMMARY

On December 15, 2008, the Federal Trade Commission ("FTC") opened a non-public investigation of "various unnamed loan brokers, lenders, loan servicers, and other marketers of loans." Resolution Directing Use of Compulsory Process in Non-Public Investigations of Various Unnamed Loan Brokers, Lenders, Loan Servicers, and Other Marketers of Loans (December 15, 2008) ("12/15/08 Resolution"). The investigation is to determine whether any of the above styled entities named in the Resolution violated Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, or the Consumer Credit Protection Act, 15 U.S.C. §1601 *et seq.*, and whether FTC action is warranted. This Resolution provides a five year time period in which the FTC is authorized to serve compulsory process in connection with this investigation. On August 1, 1994, the FTC issued a resolution for the investigation of potential violations of the Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.*, and Regulation B, 12 C.F.R. § 202 *et seq.* Resolution Directing Use of Compulsory Process in Nonpublic Investigation (August 1, 1994) ("8/1/94 Resolution"). The 8/1/94 Resolution contains no expiration date.

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On November 3, 2009, Lennar Corporation (“Lennar”) was served with a civil investigative demand (“CID”) in connection with the 12/15/08 Resolution and the 8/1/94 Resolution. Including subparts, this CID contains 262 specifications,¹ ranging from requests for exemplar contracts and corporate structure to complex requests for company policies with as many as nineteen individual subsections of additional information. The CID does not identify any particular practices the FTC may deem to be violative of the statutes and regulations, but instead broadly requests answers to nearly impossible to answer questions and seeks the production of virtually every document created by Lennar since January 1, 2006. Lennar respectfully submits this petition to limit or quash the CID.²

II. LENNAR’S BUSINESS OPERATIONS

Lennar is a Fortune 500 company that was ranked as the nation’s third largest homebuilder in 2008. Currently Lennar builds single-family homes in 41 markets in 16 states. *See* <http://www.lennar.com/about/about.aspx>.³ The Company has four homebuilding segments: East, Central, West, and Houston. These reporting segments have homebuilding operations located in the following 14 states:

- East: Florida, Maryland, Massachusetts, New Jersey, North Carolina, South Carolina, and Virginia;
- Central: Colorado, Illinois, and Minnesota;

¹ The CID includes 40 Interrogatories (129 inclusive of subparts), 32 Document Requests (50 inclusive of subparts), and 83 Data Requests.

² Consistent with its obligations under 16 C.F.R. §2.7(d)(2), counsel for petitioner Lennar Corporation sent two letters to the Staff of the FTC in an effort to resolve the matters raised herein. Those letters are attached hereto as Exhibits A and B and they are incorporated herein as part of Lennar’s petition to quash or limit the CID.

³ The number of markets and states in which the Company is constructing homes is constantly changing due to changes in the market place.

- West: Arizona, California, and Nevada;
- Houston: Texas.

III. LEGAL OBJECTIONS

A. The Challenged CID Specifications Seek Documents and Information That Are Not Relevant to the Inquiry and Are Unreasonable

1. The Applicable Relevancy and Reasonableness Standard

Although the FTC has broad statutory authority under 15 U.S.C. § 45(a) to investigate what it suspects may be deceptive or unfair practices when used in the course of trade, it is well-established that the FTC's subpoena powers are not limitless. While Congress has provided agencies with authority to conduct reasonable investigations through the use of investigatory tools such as administrative subpoenas and CIDs, the federal courts serve as a safeguard against agency abuse by retaining the power to enforce such subpoenas and CIDs. *See, e.g., SEC v. Arthur Young & Co.*, 584 F.2d 1018, 1024 (D.C. Cir. 1978), *cert. denied*, 439 U.S. 1071 (1979) (“[t]he federal courts stand guard, of course, against abuses of their subpoena-enforcement processes. . .”) (citing *U.S. v. Powell*, 379 U.S. 48, 58 (1964) and *Oklahoma Press Publ'g Co. v. Walling*, 327 U.S. 186, 208 (1946)). Further, a party is entitled to notice of the conduct deemed to violate FTC regulations. *See, e.g.,* 16 C.F.R. § 2.6 (“Any person under investigation . . . shall be advised of the purpose and scope of the investigation and of the nature of the conduct constituting the alleged violation which is under investigation . . .”). Administrative agencies may not use their subpoena powers to go on fishing expeditions. *FDIC v. Garner*, 126 F.3d 1138, 1146 (9th Cir. 1997); *FTC v. Nat'l Claims Serv., Inc.*, No. S. 98-283, 1999 WL 819640, at *1 (E.D. Cal. Feb. 9, 1999). *See also* S. Rep. 96-500 (“The FTC's broad investigatory powers have been retained but modified to prevent fishing expeditions undertaken merely to satisfy its ‘official curiosity.’”). “It is contrary to the first principles of justice to allow a search through all

the respondents' records, relevant or irrelevant, in the hope that something will turn up." *FTC v. Am. Tobacco Co.*, 264 U.S. 298, 306 (1924).

The recognized standard in determining whether a CID should be quashed or limited in scope or breadth was adopted by the Supreme Court in *U.S. v. Morton Salt Co.*, 338 U.S. 632 (1950). Although the Court enforced the decree in *Morton Salt Co.*, it recognized that "a governmental investigation into corporate matters may be of *such a sweeping nature and so unrelated to the matter properly under inquiry* as to exceed the investigatory power." *Id.* at 652 (emphasis added). Accordingly, the Court instructed that agency subpoenas or CIDs should not be enforced if it is determined that they demand information that is: (a) not "within the authority of the agency," (b) "too indefinite," or (c) not "reasonably relevant to the inquiry." *Id.* The agency subpoena enforcement standard enunciated in *Morton Salt Co.* has been consistently applied by the courts. As the court recognized in *SEC v. Arthur Young & Co.*, 584 F.2d at 1030 "[t]he gist of the protection is in the requirement . . . that the disclosure sought shall not be unreasonable. Correspondingly, the need for moderation in the subpoena's call is a matter of reasonableness." 584 F.2d at 1030. The court explained further that "the requirement of reasonableness . . . comes down to specification of the documents to be produced adequate, but not excessive, for the purposes of the relevant inquiry." 584 F.2d at 1030 (quoting *Oklahoma Press*, 327 U.S. at 209). The subpoena request must "not [be] so overbroad as to reach into areas that are irrelevant or immaterial," the court added; "the test is relevance to the specific purpose." *Id.*, 584 F.2d at 1028, 1031.

Following *Morton Salt Co.*, the court in *SEC v. Blackfoot Bituminous, Inc.*, 622 F.2d 512 (10th Cir. 1980), confirmed that "[t]o obtain judicial enforcement of an administrative subpoena, an agency must show that the inquiry is not too indefinite, is reasonably relevant to

an investigation which the agency has authority to conduct, and all administrative prerequisites have been met.” *Id.* at 514 (quoting *U.S. v. Powell*, 379 U.S. 48, 57-58 (1964)); accord *SEC v. Wall St. Transcript Corp.*, 422 F.2d 1371, 1375 (2d Cir.), *cert. denied*, 398 U.S. 958 (1970).

Other courts following the *Morton Salt Co.* standard have recognized that the disclosure sought by an agency through compulsory process must be both relevant to the inquiry and reasonable. See *U.S. v. Construction Prods. Research, Inc.*, 73 F.3d 464, 471 (2d Cir. 1996) (“the disclosure sought must always be reasonable”); *FTC v. Invention Submission Corp.*, 965 F.2d 1086, 1089 (D.C. Cir. 1993) (CID enforced only “if the information sought is reasonably relevant”); *FTC v. Texaco, Inc.*, 555 F.2d 862, 881 (D.C. Cir. 1977) (“the disclosure sought shall not be unreasonable”).

2. The Challenged CID Specifications Seek Irrelevant Documents And Are Unreasonable

The CID does not identify any specific actions or business practices it believes Lennar may have pursued in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, the Consumer Credit Protection Act, 15 U.S.C. §1601 *et seq.*, or the Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.*, and Regulation B, 12 C.F.R. §202 *et seq.* Accordingly, the specifications that ask for “all documents” relating to the various requests noted above mean just that — all documents. This is more than a fishing expedition, this is equivalent to an open records search of all business conducted by Lennar over the last four years. The FTC may be given wide latitude in its mission, but the inquiry cannot be “too indefinite” *Morton Salt Co.*, 338 U.S. at 652; *Blackfoot Bituminous*, 622 F.2d at 514. These overbroad specifications will require the production of voluminous amounts of irrelevant material, and will require Lennar to conduct an unreasonable search of all Lennar facilities nationwide. The FTC should limit these requests to a reasonable inquiry based upon the alleged conduct it seeks to

prevent or correct, and not based on a hunch that an open records search of Lennar's business records over the past four years will reveal a violation.

B. Compliance With The Challenged CID Specifications Would Be Unduly Burdensome To Lennar

An administrative subpoena may be deemed unduly burdensome if "compliance threatens to unduly disrupt or seriously hinder normal operations of a business." *Invention Submission Corp.*, 965 F.2d at 1086, citing *Texaco, Inc.*, 555 F.2d at 882. The breadth of the document specifications alone would require Lennar to review every document it has produced in the last four years for relevance, and would require a highly conservative estimate of at least 1,360 hours by Lennar and/or its attorneys and any third party vendors it may need to employ, at a potential cost of hundreds of thousands of dollars.

The specifications objected to in this petition require Lennar and/or its attorneys to engage in an internal investigation that could take months of continuous work to complete. Document specifications R-11, R-12, and P-25, for instance, would require Lennar and/or its attorneys to interview each of its 3,900 current employees to determine who speaks non-English languages, whether or not those employees had conversations with non-English speaking customers or potential customers, how many non-English speaking customers or potential customers these employees spoke with, and the content of these discussions. Not only does the sweeping breadth of the subpoena require this for Lennar's current employees, but the subpoena would require the same process to be done for any former Lennar employees. In addition to the actual interview process with these employees, Lennar and/or its attorneys would be required to locate all former employees before the interview process could even begin, a process that in itself could take months to accomplish, given the fact that Lennar has reduced its workforce significantly due to the current economic climate.

In short, compliance with the challenged CID specifications would result in an unreasonable and undue burden upon Lennar in terms of time, cost and resources that would “unduly disrupt or seriously hinder normal operations of [its] business.” *U.S. Commodity Futures Trading Commission v. The McGraw-Hill Companies, Inc.*, 390 F. Supp. 2d 27, 35-36 (D.C. Cir. 2005) (citing *FTC v. Texaco, Inc.*, 555 F.2d at 882 (corporation responding to agency subpoena should not have “to cull its files for data” that would “impose an undue burden” and finding subpoena requiring production of “all documents that in any way reference” the issue in question “would be unduly burdensome”). Accordingly, the CID should be modified to limit the demands which are “excessively broad on their face and technically call for a larger volume of data than may have been intended” by the FTC so as to “not impose an impermissible burden” on Lennar. *Id.*, 390 F. Supp. 2d at 35. The Commission should modify the excessive CID specifications in this case to limit the impermissible burdens imposed upon Lennar which threaten to seriously disrupt its normal business operations.

Additionally, Lennar would need to employ local personnel and/or its attorneys to travel to each location throughout the country to review physical documents located either on site at the local branches or at the off-site storage facilities used by the branches. Considering the extraordinary breadth and scope of the specifications demanded, the CID’s initial return date of December 3, 2009, was completely unrealistic and did not “provide a *reasonable period of time* within which the material so demanded may be assembled and made available for inspection and copying or reproduction,” as is required under 16 C.F.R. § 2.7(b)(1) (emphasis added).

IV. GENERAL OBJECTIONS

Lennar objects generally as set forth in the numbered paragraphs below. Each of these objections is hereby incorporated by reference into each specification of the CID.

1. Lennar objects to the scope of the CID in general based upon the authority under which the FTC purports to use its compulsory powers. The 12/15/08 resolution is designed to “determine whether unnamed persons, partnerships, corporations, or others have engaged or are engaging in deceptive or unfair acts or practices in or affecting commerce in the advertising, marketing, sale, or servicing of *loans and related products . . .*” (emphasis added). The resolution dated August 1, 1994 is designed to find “discrimination in the extension of credit . . .” Neither of these two resolutions is designed to inquire into homebuilding or the practices related to the sales of homes, nor could they reasonably be construed to do so. *See* 16 C.F.R. § 2.6 (“Any person under investigation . . . shall be advised of the purpose and scope of the investigation and of the nature of the conduct constituting the alleged violation which is under investigation . . .”).

2. Many definitions set forth in the CID are impermissibly overbroad, unreasonable, and irrelevant to the Resolutions’ stated purposes. *See Morton Salt*, 338 U.S. at 653 (noting that an administrative demand pursuant to compulsory powers must not be “too indefinite” and the information sought “shall not be unreasonable.”). The all-inclusive language used by the FTC in its definitions (*see, e.g.*, definitions 1, 3, 4, 9, 10, and 12) renders every specification in which one of these words is used impermissibly overbroad, even for seemingly innocuous requests. Indeed, some of the definitions are nonsensical. For example, Definition 4 states: “And” and “or” are to be construed “both conjunctively and disjunctively, as necessary, in order to bring within the scope of any specification in the Schedule all information that might otherwise be

construed to be outside the specification.” Coupled with the CID’s overly broad definition of “Company,” and the terms “Document,” “Marketing and sales activity,” and “Mortgage lending activity,” the CID demands information on every aspect of Lennar’s operations and every document in the possession, custody, or control of the Company. *See* S. Rep. 96-500 (“The FTC’s broad investigatory powers have been retained but modified to prevent fishing expeditions undertaken merely to satisfy ‘official curiosity.’”). Compliance with specifications containing these defined words would require searching all documents, e-mails, letters, internal memos, and other information produced in the normal course of business for any document, in electronic or physical format, that may mention or relate to one of the multitudinous subsections requested by the FTC. *See Nugget Hydroelectric, LP v. Pac. Gas & Elec. Co.*, 981 F.2d 429, 438-39 (9th Cir. 1992) (upholding magistrate judge’s finding that a demand for documents concerning every aspect of the defendant’s business relationships was “unnecessarily burdensome and overly broad.”). Further, these documents are not located in one central location on one central server, but instead are scattered across 41 markets in 14 states. Each of these offices maintains its own separate databases and would require either local personnel to perform these searches, or would require Lennar to hire a company that specializes in electronic discovery to compile all of the electronic information before a central inquiry could even begin.

3. Lennar also specifically objects to the CID’s inclusion of “agents, consultants, and other persons working for or on behalf of the foregoing that are engaged in marketing and sales activity or mortgage lending activity” as overly broad, unduly burdensome, and incomprehensible. Whether an individual or entity is acting as an “agent” is a legal conclusion; the term “consultant” is subject to multiple interpretations; and the demand for information relating to “other persons working for or on behalf of” is unascertainable.

4. The definition of “individuals with ‘limited English proficiency’” assumes that Lennar inquires about the level of English fluency of each of its customers, and makes notations and/or keeps records of such information. Not only does Lennar not keep records on the language capabilities of its customers, but the vague definition also provides no insight as to what constitutes a limited ability to speak English, let alone how one might determine whether other people have such a detriment in language ability.

5. Instruction D, which requires the suspension of “any routine procedures for document destruction” in order to preserve documents “that are in any way relevant to this investigation during its pendency,” when coupled with the scope of the definitions, creates an unreasonable burden upon Lennar to maintain a massive amount of material that would be in no way relevant to the investigation at hand. Lennar has taken document preservation steps it believes are reasonable and appropriate, but without clarification on what material would be “relevant” to this investigation, instruction D effectively requires Lennar to maintain every document it produces during the pendency of the investigation.

6. Instruction H ostensibly limits the scope to documents in the possession or control of Lennar, but continues to state it is in fact not limited to “documents in the possession, custody, or control of your attorneys, accountants, directors, officers, and employees, whether or not such documents were received from or disseminated to any person or entity.” As written, this request appears to state that the FTC may compel Lennar to produce documents not in its actual possession, custody, or control. To the extent that this instruction in fact purports to require Lennar to obtain and produce documents not in its possession, custody, or control, Lennar objects and will not be producing any such documents or data. Any specification that requests information from former employees or companies with whom Lennar no longer works or

associates is inappropriate. Lennar cannot be compelled to extract information from people or entities over whom it has no access or control. *Equal Employment Opportunity Commission v. Maryland Cup Corp.*, 785 F.2d 471, 479 (4th Cir. 1986) (“[The subject of an investigation] cannot be compelled to interview former supervisors who are no longer employed by the company, because the company no longer has access or control over these persons.”). While Lennar is making a general objection to any specification requesting this information, Lennar will renew this objection whenever appropriate and reserves the right to do so when necessary.

7. Lennar objects to Instruction I to the extent it purports to require Lennar to produce all documents at its principal place of business. The Company’s principal place of business is 700 NW 107th Ave., Ste. 400, Miami, FL. However, many of the documents being requested are used (and stored) at different locations throughout the various states where the Company conducts its business. *See, e.g.*, P-13, 14 (produce specific purchase and disclosure documents for every “prospective home buyer[.]” and “consumer”). The demand that the Company disrupt its business operations in order to remove files, including working files for ongoing transactions, constitutes an unnecessary, and undue, burden on the Company. Accordingly, Lennar reserves its right to produce responsive documents at the place where such materials are kept. *See In re Copper Market Antitrust Litig.*, 200 F.R.D. 213 (S.D.N.Y. 2001) (noting that a party responding to a subpoena has the option of allowing the requesting party to inspect the documents sought where they are normally kept).

8. Lennar objects to Instruction M to the extent it requires Lennar to redact sensitive personally identifiable information from its production. Because the CID is seeking complete copies of loan files, among many other materials, it is impossible to redact all of the “sensitive personally identifiable information.” Therefore, even though the FTC has provided Lennar with

a certificate of compliance with the Right to Financial Privacy Act, Lennar would like assurances of the FTC's ability to maintain the confidentiality of this information prior to producing it.⁴

V. THE CHALLENGED CID SPECIFICATIONS

Lennar seeks to quash or limit the entirety of the Commission's broadly worded CID. The specifications therein encompass the entirety of Lennar's business records over the past four years, are impermissibly broad, and would prohibitively hinder Lennar's current and ongoing business operations because of the time and expense involved in responding to them. Illustrative of the expansive approach the Commission has taken, the Lennar CID includes 40 Interrogatories (129 inclusive of subparts); 32 Document Requests (50 inclusive of subparts) and 83 Data Requests. Subparts of Interrogatories are considered separate questions. *See* Fed. R. Civ. P. 33(a)(1) (including "all discrete subparts" of interrogatories in the total number allowed). Accordingly, the CID contains 262 separate requests. This number does not even include the subparts that are not listed as such. *See, e.g.*, R-9 (provide a list of all job titles or positions that relate to marketing and sales activity **and** mortgage lending activity operations . . . [**and**] [d]escribe the duties and responsibilities for each such job title or position." (emphasis added)); R-14 (multiple subparts); R-22 (multiple subparts); P-4 (requesting documents responsive to R-5, which has four subparts); P-6 (requesting documents responsive to R-15, which has 19 subparts); P-7 (requesting documents responsive to R-20, which has nine subparts).

⁴ Further, the Company objects to all specifications to the extent that they may be construed as seeking the disclosure of confidential commercial or proprietary information protected by the right of privacy, trade secret privilege or any other applicable protection. The Company also objects to any specification to the extent they may be construed to seek information that invades the privacy rights of third-parties, including, but not limited to, borrowers, the Company's current employees, and/or the Company's former employees.

In addition, Lennar objects to the production of any privileged material as denoted within the descriptions below, and reserves the right to object on the grounds of privilege to any specification whenever it may become apparent that a particular specification implicates privileged material. Because of the sweeping breadth and scope of the CID, Lennar is reproducing each objectionable specification in full and stating its objections immediately thereafter.

INTERROGATORIES

R-3: Identify and describe all corporate acquisitions and mergers involving the Company during the relevant time period, specifying the surviving entities and which entities are responsible for the liabilities of the merged entities.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar objects to specification R-3 based on its vague and undefined terms. It is impossible to ascertain what the FTC means by terms such as “liabilities.” The all-inclusive nature of the definitions used by the FTC renders even this seemingly innocuous interrogatory so broad as to encompass irrelevant materials such as assumed leases or janitorial services contracts. *See FTC v. Invention Submission Corp.*, 965 F.2d 1086, 1089 (D.C. Cir. 1993) (CID enforced only “if the information sought is reasonably relevant”). Finally, information regarding corporate acquisitions and mergers is publicly available in Lennar’s public financial filings with the United States Securities and Exchange Commission.

R-5: Describe the Company’s policies and procedures for ensuring compliances with each of the following, specifying any changes to such policies and procedures and the dates of any such changes:

- a. The Federal Trade Commission Act, 15 U.S.C. § 45, et seq.;*
- b. The Truth in Lending Act, 15 U.S.C. § 1601, et seq., and 12 C.F.R. pt. 226;*

- c. The Fair Credit Reporting Act, 15 U.S.C. § 1681, et seq.; and*
- d. The ECOA and Regulation B, including its anti-discrimination, record keeping, and adverse action notice requirements.*

R-7: Describe the Company's policies and procedures for training its employees with respect to compliance with each of the following, specifying any changes to such policies and procedures and the dates of any such changes:

- a. The Federal Trade Commission Act, 15 U.S.C. § 45, et seq.;*
- b. The Truth in Lending Act, 15 U.S.C. § 1601, et seq., and 12 C.F.R. pt. 226;*
- c. The Fair Credit Reporting Act, 15 U.S.C. § 1681, et seq.; and*
- d. The ECOA and Regulation B, including its anti-discrimination, record keeping, and adverse action notice requirements.*

OBJECTION

In response to R-5 and R-7, Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. In addition, while current policies could be provided, Lennar will require additional time to produce prior versions of the policies requested because the Company did not generally track changes made to many of its policies.

R-8: Provide a complete organizational chart illustrating the structure, management, and ownership of the marketing and sales activity and mortgage lending activity operations of the Company, including retail, broker, telemarketing and Internet operations, and all management units for such operations.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar objects to specification R-8 to the extent it requires Lennar to create documents that do not already exist. Lennar is under no obligation to create documents where none previously existed. *See* Fed. R. Civ. P. 45(d)(1)(a) (“A person responding to a subpoena to produce documents must produce them as they are kept in the ordinary course of business . . .”).

R-9: Provide a list of all job titles or positions that relate to marketing and sales activity or mortgage lending activity of persons employed by or acting on behalf of the Company. Describe the duties and responsibilities for each such job title or position.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Specifically, while much of this information is readily available, full compliance with this interrogatory would require considerable time to prepare a description of duties and responsibilities for each job title or position because of the decentralized nature of the homebuilding operations of Lennar. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this interrogatory will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

R-10: Identify each office or branch location from or through which the Company has engaged in marketing and sales activity or mortgage lending activity at any time during the relevant time period, and for each such office or branch location state the following:

- a. The nature of business conducted at the office or branch location;*
- b. The date the office or branch location opened for business;*
- c. The date, if any, that the office or branch location closed and the reason(s) for which the office or branch location closed; and*
- d. The name(s) and dates of employment of the person(s) who are or were responsible for managing the office or branch location.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Specifically, while current information is readily available, full compliance with this interrogatory would require considerable resources to respond for the time period requested by the CID. Currently, Lennar operates in 41 markets in 14 states nationwide, although during the relevant time period it

operated in other states as well. Lennar does not maintain computerized records regarding the date a branch office opened, nor does Lennar maintain a database regarding the history of who has served as a branch manager in the past but no longer does so. Accordingly, in order to respond to this Interrogatory, Lennar would be required to make an inquiry of every office that was in existence at any time during the period from January 1, 2006, to the present.

R-11: Identify all persons who were ever employed or engaged by the Company (including but not limited to sales brokers) during the relevant time period whose duties or responsibilities involved marketing and sales activity, and for each such individual:

- a. State the relationship of the individual to the Company (e.g., employee or sales broker);*
- b. State whether the individual ever directly communicated orally with customers in the Spanish language, functioned as an interpreter for customers, interpreting the English language to Spanish language, or translated documents written in English language to the Spanish language for customers;*
- c. Identify his/her duties or responsibilities;*
- d. State the date that the Company began its relationship with the individual;*
- e. State the date, if any, that the Company ended its relationship with the individual; and*
- f. State the unique identifier used by the Company to identify the individual.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar objects to the use of “all” as defined in the definitions and as applied to this specification. *See, e.g., Bennett v. Unum Life Ins. Co. of America*, 321 F. Supp. 2d 925, 937 (E.D. Tenn. 2004); *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d 1260, 1267-68 (N.D. Okla. 2001) (“A cursory review of Plaintiffs’ request for production of documents establishes that Plaintiffs are in fact seeking to require CSI to respond to very broad discovery requests seeking documents relating to

all aspects of CSI's relationship with CFS and the underlying securities transactions. These are not 'particularized' discovery requests.").

Lennar currently employs over 3,900 employees, and during the relevant time period, employed approximately 15,000 employees. Thousands of these employees were involved in marketing and sales, and putting together this information for each of them would be unduly burdensome and unreasonable. *McGraw Hill*, 390 F. Supp. 2d at 35 (an administrative subpoena should not "threaten to unduly disrupt or seriously hinder normal operations of [the target's] business.").

R-12: Identify each loan originator who has engaged in mortgage lending activity with or on behalf of the Company at any time during the relevant time period, and, for each such individual:

- a. State the relationship of the individual to the Company (e.g., employee, loan broker, or correspondent lender);*
- b. State whether the individual ever directly communicated orally with customers in the Spanish language, functioned as an interpreter for customers, interpreting the English language to Spanish language, or translated documents written in English language to the Spanish language for customers;*
- c. State the date that the Company began its relationship with the individual;*
- d. State the date, if any, that the Company ended its relationship with the individual; and*
- e. State the unique identifier used by the Company to identify the individual.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar objects to the use of "all" as defined in the definitions and as applied to this specification. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68.

Lennar currently employs over 3,900 employees, and during the relevant time period, employed approximately 15,000 employees. Thousands of these employees were involved in

marketing and sales, and putting together this information for each of them would be unduly burdensome and unreasonable. *McGraw Hill*, 390 F. Supp. 2d at 35 (an administrative subpoena should not “threaten to unduly disrupt or seriously hinder normal operations of [the target’s] business.”).

R-13: Identify the Company employee(s) responsible for and most knowledgeable about the Company’s relationships with and business practices with respect to the sales brokers, loan brokers, and correspondent lenders with whom the Company did business during the relevant time period.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. This overly broad request does not even identify the specific “relationship” or “business practice” that the FTC is interested in. Accordingly, the request purports to seek the identity of persons “most knowledgeable” about anything having to do with “sales brokers, loan brokers, and correspondent lenders.” This is impossible to ascertain. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. In addition, while information is readily available at the corporate level and relates to current practices, full compliance with this interrogatory would require considerable time to prepare because of the decentralized nature of the homebuilding operations of Lennar. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this interrogatory will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

R-14: Identify and describe all training related to marketing and sales activity or mortgage lending activity provided to employees, brokers, correspondent lenders or persons acting on behalf of the Company, including, but not limited to, the type, timing, and substance of the training, all topics and issues included in the training, the job positions receiving the training, and the individuals or entities providing the training.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar further objects to the scope of this request because it is impermissibly broad, unreasonable, and not designed to garner material relevant to the FTC's investigation. For example, the request is not limited to any specific topics but rather requests the identification of all training, which would include, for example, first aid, retirement, and equal employment opportunity training. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. In addition, while some information is readily available at the corporate level and relating to current training, full compliance with this interrogatory would require considerable time to prepare because of the decentralized nature of the homebuilding operations of Lennar. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this interrogatory will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

R-15: For the relevant period, describe the policies, practices, methods, and procedures of the Company relating to the following, specifying the dates during which the policies, practices, methods, and procedures were effective and any changes to the policies, practices, methods, and procedures:

- a. *Identifying or targeting potential home buyers or borrowers, including methods based on their race, religion, sex or national origin or their limited English proficiency;*
- b. *Marketing or advertising homes or mortgages to individuals of a particular race, religion, sex or national origin or with limited English proficiency;*
- c. *Permitting customers to use real estate agents;*
- d. *Referring actual or potential home buyers to the Company's mortgage affiliate(s), or otherwise recommending the Company's mortgage affiliate(s) to actual or potential home buyers, including but not limited to offering any incentives to the customer for using the Company's mortgage affiliate;*
- e. *Determining whether actual or potential home buyers and borrowers have limited English proficiency;*

- f. *Engaging in communications with actual or potential home buyers and borrowers with limited English proficiency;*
- g. *Providing language assistance in the course of buying a home or the mortgage lending process to actual or potential home buyers and borrowers with limited English proficiency, including but not limited to retaining and offering translators, retaining and offering interpreters, retaining and offering employees who serve as interpreters or translators, or obtaining, creating, and offering translated documents;*
- h. *Underwriting loans;*
- i. *Computing interest, points, or fees;*
- j. *Disclosing mortgage loan terms, prices, rates, monthly payments, types of loan(s), good faith estimates, property taxes, and escrow payments to actual or potential home buyers and borrowers, including but not limited to the time of such disclosure;*
- k. *Structuring loan transactions, including but not limited to the type of loan offered, whether a mortgage involves one or two loans, a balloon payment, or an adjustable rate;*
- l. *Selecting or approving appraisers of real property;*
- m. *Providing appraisal reports used in connection with the mortgage loan to actual or potential home buyers and borrowers;*
- n. *Making representations regarding the ability to refinance to actual or potential home buyers and borrowers;*
- o. *Making statements to actual or potential home buyers and borrowers regarding the value of the home to be purchased;*
- p. *Providing closing documents to borrowers in advance of the closing;*
- q. *Closing loans, including but not limited to the provision of documents in languages other than English and the availability of and offering of interpreters or translators to individuals with limited English proficiency;*
- r. *Requiring earnest money deposits, including but not limited to instances in which such deposits are returned to actual or potential home buyers; and*
- s. *Requiring sales targets or goals of Company employees, retail brokers, or loan originators.*

OBJECTION

This specification contains 19 separate interrogatories, and Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. In addition, as noted previously, the Company has no ability to ascertain whether “actual or potential home buyers and borrowers have limited English proficiency,” accordingly, it has no ability to respond to demands for information relating to those inquiries. Further, several of the demands are incomprehensible. For example,

the demands for “policies, practices, methods and procedures . . . relating to underwriting loans . . . structuring loan transactions . . . making representations regarding the ability to refinance . . . providing closing documents to the borrowers . . . [and] closing loans” are either insufficiently defined or simply a demand for every policy and procedure of Lennar. Either way, absent a narrowing of this request, Lennar objects to the entire interrogatory. In addition, while some information is readily available at the corporate level and relates to current training, full compliance with this interrogatory would require considerable time to prepare because of the decentralized nature of the homebuilding operations of Lennar. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this interrogatory will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

R-16: Identify the Company employee(s) responsible for and most knowledgeable about the company’s policies, practices, methods, and procedures identified in response to Specification R-15.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III, and in response to specification R-15. This overly broad request does not even identify the specific conduct that the FTC is interested in, and how it may relate to the various levels of employees the FTC requests information about in this specification. As has been noted, Lennar currently employs approximately 3,900 employees and, including former employees, this number increases well above 15,000. Accordingly, the request purports to seek the identity of persons “most knowledgeable” about anything having to do with the nineteen subparts of R-15. This is impossible to ascertain, and even if it were possible to do so, the breadth would pose an

unreasonable burden upon Lennar. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68.

R-17: Identify and describe all lists, databases, or other compilations of potential customers maintained by the Company and describe how such lists or databases are compiled and used.

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar objects to the use of “all” as defined in the definitions and as applied to this specification. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. In addition, lists of customers are maintained in each office of Lennar and because of the decentralized nature of the homebuilding operations of Lennar, this interrogatory presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this interrogatory will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

R-18: Describe the Company’s policies, procedures, and calculations for how each category of employee and person acting on behalf of the Company at all levels (including sales and loan brokers and correspondent lenders), either individually or on a branch, group, or team basis, are compensated (including any monetary and non-monetary rewards, penalties, or limits) for the following:

- a. Referring prospective buyers to the Company;*
- b. Selling homes;*
- c. Referring actual or prospective buyers to the Company’s mortgage affiliate(s);*
- d. Originating loans; and*
- e. Soliciting customers;*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. In addition, general terms such as “referring” “selling” and “soliciting” are unduly broad and subject to

multiple interpretations. For example, as drafted, R-18 demands a description of every policy, every procedure for, and calculation of, all compensation for every employee of the Company, which includes every subsidiary, joint venture, unincorporated divisions, as well as all “directors, officers, employees, agents, consultants, and other persons working for or on behalf of the foregoing that are engaged in marketing and sales activity or mortgage lending activity.” There is no legitimate basis for such a demand. Lennar also objects to the use of “all” as defined in the definitions and as applied to this specification. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68.

Lennar currently employs over 3,900 employees in connection with its operations in 41 markets in 14 states nationwide, and during the relevant time period, employed approximately 15,000 employees. This specification would require Lennar to compile information about each one of those thousands of individuals employed during the relevant time period and, as such, constitutes an undue burden on the Company.

R-19: Identify the Company employee(s) responsible for and most knowledgeable about the Company’s policies and procedures identified in response to Specification R-18:

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III, and those set forth in response to R-18. This overly broad request does not even identify the specific conduct that the FTC is interested in, and how it may relate to the various levels of employees the FTC requests information about in this specification. As has been noted, Lennar currently has approximately 3,900 employees and, including former employees, this number increases well above 15,000. Accordingly, the request purports to seek the identity, from amongst tens of

thousands of persons, of those “most knowledgeable” about anything having to do with the five subparts of R-18. This is impossible to ascertain, and even if it were possible to do so, the breadth would pose an unreasonable burden upon Lennar. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68.

R-20. For each method used by the Company to solicit, market to, or advertise to potential customers for home purchases or mortgage loans, including but not limited to the referral of actual or potential home buyers to the Company's mortgage affiliate(s):

- a. Identify and describe each such method, including but not limited to methods utilized with respect to individuals with limited English proficiency;*
- b. Identify any scripts used in conjunction with the method;*
- c. Describe how potential customers for the solicitation or advertisement are selected, including but not limited to the extent to which race, religion, sex, national origin, or limited English proficiency is taken into account in any way;*
- d. Identify the source(s) of any compilations of potential customers used for the solicitation or advertisements;*
- e. Describe the geographical distribution of the solicitation or advertisement;*
- f. Describe the timing of the distribution of the solicitation or advertisement.*
- g. Identify the entity or individual that prepares and disseminates or executes the solicitation or advertisement;*
- h. Describe the frequency with which the solicitation or advertisement is executed or disseminated to the same potential customer; and*
- i. Describe any subsequent actions taken after the execution or dissemination of the solicitation or advertisement.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar objects to the scope of specification R-20. A quick inquiry of several of Lennar's divisions indicates that the number of print advertisements for each office will number in the thousands. In addition, advertising is conducted by each office of Lennar and, because of the decentralized nature of its homebuilding operations, this interrogatory presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this interrogatory will

require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

Moreover, given the passage of time and the closure of many of its offices, it will be virtually impossible for Lennar to compile four years worth of advertising for all states. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68.

R-21: Describe how the Company prepares any promotional materials or communications that contain representations that:

- a. consumer may save money by obtaining a mortgage from the Company's mortgage affiliate; or*
- b. a consumer will have a specific monthly payment on a mortgage loan.*

Specify how any numerical figures contained in such promotional materials are calculated.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar also objects to the undefined scope of specification R-21 in that it is unclear what is meant by the phrase “how the Company prepares . . . promotional materials or communications.” This Interrogatory includes, for example, descriptions as to how print and/or electronic media communications are physically prepared, which is beyond the scope of the FTC’s investigation. In addition, a demand for a description of “communications” that “have a specific monthly payment on a mortgage loan” includes, for example, the disclosure documents that are contained in every specific borrower’s loan file. Absent a narrowing of this Interrogatory, it is not possible for Lennar to respond.

R-22: For each advertisement or promotional document provided in response to Specifications P-19 and P-20, identify the time period during which the Company distributed or used the advertisement or promotional document and the

geographic area in which the document was distributed. For each internet advertisement, additionally identify the Internet address(es) used to advertise.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III, and the objections set forth in response to R-21. Lennar objects to the scope of this Interrogatory. A quick inquiry of several of Lennar's divisions indicates that the number of print advertisements for each office will number in the thousands. In addition, advertising is conducted by each office of Lennar and, because of the decentralized nature of its homebuilding operations, this interrogatory presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this interrogatory will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

Moreover, given the passage of time and the closure of many offices, it will be virtually impossible for Lennar to compile four years worth of advertising for all states. *See, e.g., Bennett, 321 F. Supp. 2d at 937; In re CFS-Related Secs. Fraud Litig., 179 F. Supp. 2d at 1267-68.*

R-23: Identify and describe any analysis, study, or examination that the Company made of the following:

- a. The number of individuals with limited English proficiency who may be potential customers of the Company;*
- b. The frequency with which individuals with limited English proficiency are potential or actual customers of the Company; and*
- c. The costs of or resources required for providing interpretation or translation assistance to individuals with limited English proficiency.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. While the Company is not aware of any documents responsive to items a and b of this Interrogatory,

without conducting a time consuming survey of every office of every subsidiary, joint venture, unincorporated divisions, as well as all “directors, officers, employees, agents, consultants, and other persons working for or on behalf of the foregoing that are engaged in marketing and sales activity or mortgage lending activity,” the Company cannot provide a full and complete response to this Interrogatory. With respect to subsection c, the request is overly broad and unduly vague because it does not identify the subjects on which the interpretation or translation assistance is being provided. Finally, while Lennar is not currently aware of any information responsive to this specification, to the extent the Company can locate any documents that are responsive, they will be produced.

R-24: Describe all practices and procedures used to monitor, oversee, supervise, inspect, or audit the compliance by employees and persons acting on behalf of the Company with the Company's established policies, procedures, and practices relating to marketing and sales activity and mortgage lending activity.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Further, as drafted, the Interrogatory demands a description of every practice and procedure of the Company with respect to monitoring, overseeing, supervising, inspecting or auditing any aspect of the Company as well as every one of its subsidiaries, joint ventures, unincorporated divisions, “directors, officers, employees, agents, consultants, and other persons working for or on behalf of the foregoing.” As such, this Interrogatory is impossible to answer. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. In addition, due to the decentralized nature of its homebuilding operations, this interrogatory presents an undue burden because each office has responsibility for the supervision of its employees and overall operation. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response

to this interrogatory will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006. Finally, to the extent that this specification demands the production of any internal audits or self-evaluative analyses performed by Lennar, Lennar objects based on the self-evaluative reports privilege. *See Wright & Miller, 23 Federal Practice and Procedure § 5431 (2009).*

R-25: Identify all government and/or law enforcement investigations or proceedings concerning the Company's possible violation of laws with respect to marketing and sales activity or mortgage lending activity that occurred during the relevant time period, and for each such investigation.

- a. State the name of the government and/or law enforcement agency that conducted or is conducting the investigation or proceeding;*
- b. State the resolution or current status of the investigation or proceeding;*
- c. State the legal name of each Company entity or individual subject to the investigation or proceeding; and*
- d. State whether the investigation or proceeding concerned possible violations of any local, state, or federal anti-discrimination or anti-fraud law.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. The terms “marketing and sales activity” and “mortgage lending activity” are defined as “all actions, activities, transactions, or communications that involve or are related to the sale of a home, including but not limited to the targeting or identification of potential home buyers for home sales; the marketing or advertising of homes; the solicitation of home buyers, and the referral of actual or potential home buyers to the Company’s mortgage affiliate(s)” as well as “all dealings between an application, home buyer or mortgagor and the Company involving a mortgage loan.” Simply stated, the demand for every complaint, legal action, and any regulatory proceeding, as well as every document related to matters, with no regard for the subject matter other than that it relates to a home sale or mortgage loan, is overly broad and unduly burdensome, and will not be

responded to unless and until the Agency narrows this request. *See also Moses v. Halstead*, 236 F.R.D. 667, 672 (D. Kan. 2006) (“On numerous occasions this Court has held that a request or interrogatory is overly broad or unduly burdensome on its face if it: (1) uses an omnibus term such as ‘relating to’ or ‘concerning,’ and (2) applies to a general category or group of documents or a broad range of information.”). For example, this request demands every document in any legal action that is identified such that the Company would be required to produce copies of every pleading as well as all discovery documents and correspondence, regardless of the subject matter of the underlying Complaint. *See Manual for Complex Litigation (Fourth)* § 11.443 (2004) (document requests should not be “sweeping,” such as “those for ‘all documents relating or referring to’ an issue, party or claim,” but should be framed “for production of the fewest documents possible”). In addition, Lennar objects to the demand for information relating to any non-public investigations or “proceedings” by any other “governmental and/or law enforcement [entity]” as privileged and irrelevant to the scope of the FTC’s investigation.

R-26: Describe the Company’s policies, procedures, and software (whether third-party or proprietary), and any changes to such policies, procedures, or software (including the dates of any such changes), for handling consumer complaints related to the Company’s marketing and sales activity or mortgage lending activity.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar also specifically objects to the demand for information relating to all consumer complaints relating to any aspect of its homebuilding or mortgage lending activities as beyond the scope of the FTC’s investigation.

R-27: Identify the Company employee(s) responsible for and most knowledgeable about the Company's policies, procedures, and software for handling consumer complaints related to the Company's marketing and sales activity or mortgage lending activity.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. This overly broad request does not even identify the specific conduct that the FTC is interested in, and how it may relate to the various levels of employees the FTC requests information about in this specification. In addition, consumer complaints are usually handled at each office and, because of the decentralized nature of its homebuilding operations, this interrogatory presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this interrogatory will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

R-28: Identify each regulatory agency with which or by which the Company is licensed with respect to its marketing and sales activity or mortgage lending activity, and specify the license number or numbers (or other identifier or identifiers) issued to the Company by each such agency.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III.

R-29: Identify and describe all electronic mail systems used by the Company during the relevant time period, and, for each such system, specify:

- a) The dates during which the system was used;*
- b) The categories of employees or offices who use or used the system; and*
- c) The Company's policies and procedures with respect to the retention of the system's electronic mail messages.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III.

R-30: Identify and describe each database in which the Company has created and/or retained electronic records at any time during the relevant time period relating to marketing homes, selling homes, mortgage loans, mortgage loan applications, or compensating employees, sales or loan brokers, or correspondent lenders engaged in marketing and sales activity or mortgage lending activity, and for each such database:

- a. Specify the name of the database;*
- b. Describe the purpose of the database;*
- c. Describe the type(s) of data retained in the database;*
- d. Describe the structure of the database;*
- e. Specify the time period covered by the data retained in the database;*
- f. Describe any categorical distinctions or limitations on the type of data retained in the database (e.g., whether the data are limited to brokered loans);*
- g. Describe the software or software platform used to create, operate, or maintain the database;*
- h. Identify the person or persons responsible for maintaining the database;*
- i. Specify the time period during which the Company used the database and, if no longer used, the reasons for discontinuing its use; and*
- j. Describe data retention policies, procedures, and practices relating to each such database.*

OBJECTION

In response to this Interrogatory, which demands information relating to any database used by Lennar, or any of its subsidiaries, joint ventures, unincorporated divisions, "agents," and consultants during the relevant time period, the Company incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. In addition, marketing is conducted by each office of Lennar and,

because of the decentralized nature of its homebuilding operations, this interrogatory presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this interrogatory will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

R-31: If any documents produced in response to the Specifications for Documentary Materials below are in the Spanish language, provide a complete and accurate English-language translation of each such document.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Among other things, this demand would require the Company to produce new documents in response to the CID, to wit, translations of existing documents. To the extent responsive materials are identified and produced, the FTC, not the Company, should bear the expense of translating such materials to English. In addition, to comply with this specification will require an inquiry of each office of Lennar and, because of the decentralized nature of its homebuilding operations, this interrogatory presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this interrogatory will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006. However, if during its production of information the Company locates any responsive documents, they will be produced.

R-32: State the number of mortgage loans the Company originated in each calendar quarter from January 1, 2008 to the date of your compliance with this CID.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III.

R-33: Identify each channel through which the Company solicits, arranges, receives referrals for, or originates mortgage loans or otherwise engages in mortgage

lending activity, and for each channel (namely, loan brokers, correspondent lenders, employee loan originators, and any other identified channel), separately state:

- a. For each year covered by this CID, the number of loan originators in the channel who are or have been involved in soliciting, arranging, referring or originating mortgage loans for, by, or on behalf of the Company; and*
- b. For each year covered by this CID, the aggregate number of mortgage loans originated for, by, or on behalf of the Company through each channel.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Further, Lennar sees no difference between specification R-33 and the information sought in subpart d of R-15, and therefore objects to specification R-33 on the grounds that it is duplicative.

R-34: State whether the Company allows or has allowed its employee loan originators discretion of any kind in any aspect of mortgage loan pricing, including but not limited to allowing variable overages and/or underages.

- a. If your response to this Specification, in whole or in part, is "yes," state whether and in what form the Company imposes or has imposed any limits or caps, in addition to those required by state or federal law, on the amount of discretion as to mortgage loan pricing exercised by those employee loan originators; and*
- b. If your response to this Specification, in whole or in part, is "yes," state whether the Company has or has had a formal system for monitoring the pricing discretion exercised by employee loan originators in order to ensure compliance with the ECOA and Regulation B.*

If your response differs for different categories of employee loan originators, respond separately as to each category.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III.

R-35: State whether the Company allows or has allowed its loan brokers discretion of any kind in any aspect of mortgage loan pricing, including but not limited to allowing variable yield-spread premiums and origination fees.

- a. *If your response to this Specification is "yes," state whether and in what form the Company imposes or has imposed any limits or caps, in addition to those required by state or federal law, on the amount of discretion as to mortgage loan pricing exercised by those employee loan originators; and*
- b. *If your response to this Specification is "yes," state whether the Company has or has had a formal system for monitoring the pricing discretion exercised by employee loan originators in order to ensure compliance with the ECOA and Regulation B.*

c.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III.

R-36: State whether the Company compensates or has compensated its employee loan originators in whole or in part on the basis of the prices borrowers paid for loans originated by those employee loan originators. If your response would differ for different categories of employee loan originators, respond separately as to each category.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III.

R-37: For each year covered by this CID, state the number of mortgage loans for which the Company uses automated underwriting systems in general, and specifically state:

- a. *The number of mortgage loans for which the Company uses Fannie Mae Desktop Underwriter;*
- b. *The number of mortgage loans for which the Company uses Freddie Mac Loan Prospector; and*
- c. *Each other automated underwriting system that the Company uses and, for each, the number of mortgage loans for which the Company uses that automated underwriting system.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III.

R-38: *For each year covered by this CID, state the number of mortgage loans for which the Company does not use an automated underwriting system and, for such mortgage loans:*

- a. *State the number of mortgage loans that are underwritten by Company employees;*
- b. *State whether the Company maintains formal written underwriting policies for such mortgage loans; and*
- c. *State whether the Company allows any employee discretion to approve or deny such mortgage loans and, if so, whether the Company has or has had a formal system for monitoring the exercise of such underwriting discretion by its employees in order to ensure compliance with the ECOA and Regulation B.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III.

R-39: *State whether the Company authorizes or has authorized any of its employees to override a decision issued by an automated underwriting system on mortgage loans. For purposes of this Specification, the term "override" shall include the authorization of the origination of a mortgage loan for which an automated underwriting system returns any result other than an approval.*

- a. *If your response to this Specification is "yes," state whether any of the employees authorized to override such a decision are or were employee loan originators or loan brokers.*
- b. *If your response to this Specification is "yes," state whether the Company has or has had a formal system for monitoring the use of such overrides by its employees in order to ensure compliance with the ECOA and Regulation B.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III.

R-40: *State whether the Company is or has ever been party to administrative proceedings or lawsuits alleging the Company's violation of any local, state, or federal anti-discrimination law, and, if so, for each such proceeding:*

- a. *State the forum in which the proceeding is being or was conducted;*
- b. *State the docket or other identification number of the proceeding;*
- c. *State the resolution or current status of the proceeding; and*
- d. *State the legal name of each Company entity or other party to the proceedings.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar further objects to specification R-40 on the grounds that it is substantially similar to specification R-25, accordingly, it is therefore duplicative. Simply stated, this request is no different than specification R-25's demand for every complaint, legal action, and any regulatory proceeding, as well as every document related to matters, with no regard for the subject matter other than that it relates to a home sale or mortgage loan, and therefore is overly broad and unduly burdensome. *See also Moses*, 236 F.R.D. at 672 ("On numerous occasions this Court has held that a request or interrogatory is overly broad or unduly burdensome on its face if it: (1) uses an omnibus term such as 'relating to' or 'concerning,' and (2) applies to a general category or group of documents or a broad range of information."). *See also* Objection to R-25.

DOCUMENT REQUESTS

P-1: For 2007 to the present, produce all annual reports, annual financial statements, and the most recent unaudited finance statement for the Company.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar is a publicly traded company and, therefore, the information sought by specification P-1 is publicly available in Lennar's public filings with the United States Securities and Exchange Commission.

P-2: Produce exemplars of all applications, purchase contracts, deposit forms, and any other standardized forms, contracts, or worksheets used by the Company in connection with its marketing and sales activity.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. In addition, home sales are conducted by each office of Lennar and subject to varying state laws; accordingly, this specification presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-3: Produce exemplars of all applications, contracts, documents presented to consumers at loan closings, documents used by employees and persons acting on behalf of the Company at or in preparation for loan closings (including but not limited to forms, worksheets, and pre-closing loan summaries), adverse action notices, disclosure forms, and any other standardized forms or worksheets used by the Company in connection with its mortgage lending activity.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. In addition, mortgage loan documents are subject to varying state laws; accordingly, this specification presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information regarding closings that are conducted in every market in which the Company conducted business since January 1, 2006.

P-4: Produce all documents that describe, reflect, or relate to the Company's policies, procedures, and practices identified in response to Specification R-5.

OBJECTION

Lennar incorporates by reference and renews its objections to specification R-5 as if fully set forth here in response to specification P-4.

- P-5: Produce all documents that relate to, analyze, or evaluate the compliance of the Company, its employees, its sales or loan brokers, or its correspondence lenders, or any subset or combination thereof, with each of the following:*
- a. The Federal Trade Commission Act, 15 U.S.C. § 45, et seq.;*
 - b. The Truth in Lending Act, 15 U.S.C. § 1601, et seq., and 12 C.F.R. pt. 226;*
 - c. The Fair Credit Reporting Act, 15 U.S.C. § 1681, et seq.; and*
 - d. The ECOA and Regulation B, including its anti-discrimination, record keeping, and adverse action notice requirements.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. This overly broad request does not even identify the specific conduct that the FTC is interested in, and how it may relate to the various levels of employees the FTC requests information about in this specification. In addition, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibility for the supervision of its employees and overall operation. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

Finally, as has been noted, Lennar currently employs approximately 3,900 employees and, including former employees, this number increases well above 15,000. Accordingly, the request purports to seek all documents relating to, analyzing, or evaluating the compliance of thousands of employees. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68.

- P-6: Produce all documents that describe, reflect, or relate to the Company's policies, practices, methods, and procedures identified in response to Specification R-15.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. Lennar also incorporates by reference and renews its objections to specification R-15 as if fully set forth here in response to specification P-6.

P-7: Produce all documents that describe, reflect, or relate to the Company's solicitation, marketing, and advertising methods identified in response to Specification R-20.

OBJECTION

Lennar incorporates by reference its objection to specification R-20 as if set forth fully herein. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. In addition, advertising is conducted by each office of Lennar and, because of the decentralized nature of its homebuilding operations; this specification presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006. Finally, Lennar also incorporates by reference and renews its objections to specification R-20 as if fully set forth here in response to specification P-7.

P-8: Produce all documents that describe, reflect, or relate to the Company's studies, analyses, or examination identified in response to Specification R-23.

OBJECTION

Lennar incorporates by reference its objection to specification R-23 as if set forth fully herein. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. Lennar also incorporates by reference and renews its objections to specification R-23 as if fully set forth here in response to specification P-8.

- P-9: Produce all documents that describe, reflect, or relate to the Company’s promotional materials or communications that contain representations that:*
- a. a consumer may save money by obtaining a mortgage from the Company’s mortgage affiliate(s); or*
 - b. a consumer will have a specific monthly payment on a mortgage loan.*

OBJECTION

Lennar incorporates by reference its objections to specifications R-20 through R-22 as if set forth fully herein. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. In addition, advertising is conducted by each office of Lennar and, because of the decentralized nature of its homebuilding operations; this specification presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

- P-10: Produce all documents and materials used during the relevant time period to conduct training for the Company’s employees, retail or loan brokers, or correspondent lenders, relating to the Company’s marketing and sales activities or mortgage lending activities.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar incorporates by reference its objection to specification R-14 as if set forth fully herein. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. In addition, as noted in response to R-14, this demand is not limited to any particular activity of the homebuilder or lender; accordingly, it seeks information that is beyond the scope of the FTC’s investigation. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. In addition, training is conducted by each office of Lennar and, because of the decentralized nature of its homebuilding operations, this specification presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-11: Produce all documents relating to the Company’s efforts to monitor, oversee, supervise, inspect, or audit the compliance by employees and persons acting on behalf of the Company with the Company’s policies, procedures, and practices relating to marketing and sales activities or mortgage lending activities.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar incorporates by reference its objection to specification R-24 as if set forth fully herein. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. In addition, as noted in response to R-24, this demand is not limited to any particular activity of the homebuilder or lender; accordingly, it seeks information that is beyond the scope of the FTC’s investigation. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs.*

Fraud Litig., 179 F. Supp. 2d at 1267-68. In addition, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibility for the supervision of its employees and overall operation. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006. Finally, to the extent that this specification demands the production of any internal audits or self-evaluative analyses performed by Lennar, Lennar objects based on the self-evaluative reports privilege. *See Wright & Miller*, 23 Federal Practice and Procedure § 5431 (2009).

P-12: Produce all documents relating to the performance evaluation process for all the Company's divisions, branches, employees, and persons acting on behalf of the Company, involved in any way (including in a supervisory or management capacity) in marketing and sales activities or mortgage lending activities, including but not limited to exemplar evaluation forms.

OBJECTION

Lennar incorporates by reference its objection to specification R-24 as if set forth fully herein. Lennar also specifically objects to this demand for every performance appraisal, or any other document related to performance, for every individual in the Company, as well as every individual employed by its subsidiaries, affiliates, etc. In addition, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibilities for the supervision of its employees and overall operation. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-13: Produce all documents, contracts or agreements relating to the referral of actual or prospective home buyers to the Company's mortgage affiliate(s), including but not limited to the following:

- a. *Agreements between the Company and its mortgage affiliate(s); and*
- b. *Documents explaining any compensation that the Company may receive for referrals to its mortgage affiliate(s).*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. Moreover, in order to comply with this document demand, the Company would be required to review and produce documents from every transaction since January 1, 2006. Accordingly, this demand is unduly burdensome. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. In addition, because of the decentralized nature of its homebuilding operations; this specification presents an undue burden on Lennar. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-14: Produce all documents given to consumers which relate to the Company's referrals to its mortgage affiliate(s), including but not limited to the following:

- a. *Disclosures of the relationship between the Company and its mortgage affiliate(s);*
- b. *Description of any effects of using the Company's mortgage affiliate(s), including but not limited to reduced closing costs; and*
- c. *Description of any effects of not using the Company's mortgage affiliate(s).*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar also incorporates by reference its objection to specification P-13 as if set forth fully herein. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly

broad document request. Moreover, in order to comply with this document demand, the Company would be required to review and produce documents from every transaction since January 1, 2006. Accordingly, this demand is unduly burdensome. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68.

P-15: Produce all documents relating to how the Company trains, instructs, or directs its employees and retail brokers on the referral of actual or prospective home buyers to its mortgage affiliate(s), including but not limited to the following:

- a. Scripts or suggested methods of making a referral;*
- b. Directions on how to quote loan prices or loan terms;*
- c. Materials explaining eligibility criteria for loan products; and*
- d. Materials explaining the terms of loan products.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar also incorporates by reference its objections to specifications R-14 and P-13 as if set forth fully herein. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. Moreover, in order to comply with this document demand, the Company would be required to review and produce documents from every transaction since January 1, 2006. Accordingly, this demand is unduly burdensome. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. Further, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibility for the training and supervision of its employees and overall operation. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-16: Produce all documents relating to the Company’s annual sales targets and profit goals with regard to the referral of actual and prospective buyers to its mortgage

affiliate(s). If the sales targets and profit goals vary by division or region, produce documents specific to each division or region.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. In addition, Lennar specifically objects to this specification on the grounds of relevance since sales targets and related information is irrelevant to the FTC's investigation. Further, requesting "any and all" documents or "all documents relating to" a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. Finally, due to the decentralized nature of its homebuilding operations; this specification presents an undue burden because each office has responsibilities for its own overall operation. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-17: Produce all reports produced by or relating to any branch, group, division, region or headquarters office concerning the following:

- a. The percentage or volume of actual or prospective home buyers who were referred to the Company's mortgage affiliate(s);*
- b. The percentage or volume of loans for which the home buyer was extended a loan by the Company's mortgage affiliate(s); and*
- c. The percentage or volume of home buyers who were not extended a loan by the Company's mortgage affiliate(s).*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Further, requesting "any and all" documents or "all documents relating to" a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs.*

Fraud Litig., 179 F. Supp. 2d at 1267-68. Finally, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibilities for its own overall operation. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-18: Produce all documents that describe, reflect, or relate to the policies, procedures, and calculations for compensation identified in response to Specification R-18, including all documents that relate to the Company's decision to implement such monetary or non-monetary rewards, penalties, or limits.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar also incorporates by reference its objections to R-18 as if fully set forth herein. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68.

P-19: Produce all advertisements or marketing materials related to the Company's marketing and sales activities or mortgage lending activities that were used in the States of Arizona, California, Florida, Nevada, North Carolina, or Texas during the relevant time period, including:

- a. All non-identical printed advertisements and materials used, including, but not limited to newspaper and magazine advertisements, pamphlets, brochures, flyers, mailers, direct mail solicitations, electronic mail solicitations, signs, and other materials;*
- b. All telephone scripts, audio tapes, and video tapes (including printed transcripts for such audio and video tapes); and*
- c. In printed form, all information made available on the World Wide Web, including the Internet address (URL) of the site.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar also

incorporates by reference its objection to specification R-22 as if set forth fully herein. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. Finally, advertising is conducted by each office of Lennar and, because of the decentralized nature of its homebuilding operations, this specification presents an undue burden. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-20: Produce all advertisements and marketing materials related to the Company's marketing and sales activities or mortgage lending activities that are in the Spanish language, in whole or in part, and were used during the relevant time period, including:

- a. All non-identical printed advertisements and materials used, including, but not limited to newspaper and magazine advertisements, pamphlets, brochures, flyers, mailers, direct mail solicitations, electronic mail solicitations, signs, and other materials;*
- b. All telephone scripts, audio tapes, and video tapes (including printed transcripts for such audio and video tapes); and*
- c. In printed form, all information made available on the World Wide Web, including the Internet address (URL) of the site.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar also incorporates by reference its objection to specifications R-20 through R-22 as if set forth fully herein. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. Finally, advertising is conducted by each office of Lennar and, because of the decentralized nature of its homebuilding operations, this specification presents an undue burden. Currently, Lennar operates in 41 markets in 14

states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-21: Produce all documents relating to the Company's policies, procedures, and practices for the handling of consumer complaints and inquiries related to the Company's marketing and sales activities or mortgage lending activities.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar also specifically objects to the demand for information relating to all consumer complaints relating to any aspect of its homebuilding or mortgage lending activities as beyond the scope of the FTC's investigation. Further, requesting "any and all" documents or "all documents relating to" a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. Finally, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibility for responding to customer complaints regarding its operations. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-22: Produce all documents that relate to the following:

- a. Complaints from actual or prospective buyers or borrowers that relate to the Company's marketing and sales activities or mortgage lending activities;*
- b. Private litigation in which claims or counterclaims against the Company that relate to the Company's marketing and sale activities or mortgage lending activities were asserted; and*
- c. Law enforcement and regulatory proceedings, actions, and investigations of the Company that relate to the Company's marketing and sale activities or mortgage lending activities.*

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Specifically, this demand is overly broad and beyond the scope of the FTC's investigation. The demand for all complaints, as well as all documents "related" to private litigation and "law enforcement and regulatory proceedings, actions and investigations" that relate to the "Company's marketing and sales activities or mortgage lending activities," is a demand for every complaint, legal action, and any regulatory proceeding, as well as every document related to matters, with no regard for the subject matter other than that it relates to a home sale or mortgage loan. As such, this demand is overly broad and unduly burdensome. Further, requesting "any and all" documents or "all documents relating to" a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. Finally, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibility for responding to customer complaints regarding its operations. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-23: Produce all documents relating to actual or alleged abuses or violations of law or Company policy by employees, retail or loan brokers, correspondent lenders, and persons acting on behalf of the Company in relation to the Company's marketing and sales activities or mortgage loan activities, including but not limited to internal investigations, responses to accusations of malfeasance, and the minutes of Executive Committee or Board of Director meetings.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar

incorporates by reference its objections to specification R-25 as if set forth fully herein. Lennar also objects to this demand because it seeks information relating to any “actual or alleged abuses of law or Company policy,” regardless of the subject matter; accordingly, this request for production is beyond the scope of the FTC’s investigation. This demand is also overly broad and beyond the scope of the FTC’s investigation. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68.

Lennar also objects to the demand for minutes of Executive Committee or Board of Director meetings as irrelevant to the FTC’s inquiry.

P-24: Produce all documents relating to any customer survey taken by or on behalf of the Company.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Moreover, in order to comply with this document demand, the Company would be required to review and produce documents from every transaction since January 1, 2006. Accordingly, this demand is unduly burdensome. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. Finally, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibility for monitoring its relationships with its customers regarding its operations. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-25: For those individuals identified in response to Specifications R-11 and R-12 that ever directly communicated orally with customers in the Spanish language, functioned as an interpreter for customers, interpreting the English language to Spanish language, or translated documents written in the English language to the Spanish language for customers, produce a copy of the complete consumer loan application and loan file for each consumer who ultimately purchased a home through or was extended a loan by that individual. If more than 1,000 consumer applications files are responsive to this request, please contact us within 10 days of receipt of this CID so that we may discuss the possibility of limiting the request.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Lennar incorporates by reference its objections to specifications R-11 and R-12 as if set forth fully herein. Moreover, in order to comply with this document demand, the Company would be required to review and produce documents from every transaction since January 1, 2006.

Accordingly, this demand is unduly burdensome.

P-26: Produce a copy of the complete consumer loan application and loan file for each applicant who received a mortgage loan from the Company or its mortgage affiliate to the States of Arizona, California, Florida, Nevada, North Carolina, or Texas, and for which the Universal Residential Loan Application (Spanish), Fannie Mae Form 1003S, or other Spanish language loan application was used. If more than 250 consumer application files are responsive to this request per state, please contact us within ten days of receipt of this CID so that we may discuss the possibility of limiting the request.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Moreover, in order to comply with this document demand, the Company would be required to review and produce documents from every transaction since January 1, 2006. Accordingly, this demand is unduly burdensome. While Lennar is not currently aware of any documents responsive to this

demand, in order to fully comply it will be required to verify the lack of responsive documents with every office that was in existence at any time since January 1, 2006.

P-27: Produce exemplars of the Company's contracts with its employees who engage in the sale of homes and retail brokers with whom the Company does business.

OBJECTION

In response to this Request, which demands copies of "contracts" for every employee of Lennar, as well as all of its subsidiaries, joint ventures, unincorporated divisions, "agents," and consultants during the relevant time period, the Company incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. In addition, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibility for the employment and supervision of its employees and overall operation. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-28: Produce exemplars of the Company's contracts with its employee loan originators, loan brokers, and correspondent lenders with whom the Company does business.

OBJECTION

In response to this Request, which demands copies of "contracts" for every employee of Lennar, as well as all of its subsidiaries, joint ventures, unincorporated divisions, "agents," and consultants during the relevant time period, the Company incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. In addition, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibility for

the employment and supervision of its employees and overall operation. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-29: Produce all documents that reflect the schema, architecture, and/or design of each database identified in the Company's response to Specification R-30 of this CID.

OBJECTION

In response to this Request, which demands information relating to any database used by Lennar, or any of its subsidiaries, joint ventures, unincorporated divisions, "agents," and consultants during the relevant time period, the Company incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. In addition, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibility for its overall operation, including the use of databases. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006. Lennar also incorporates by reference its objections to R-30 as if fully set forth herein.

P-30: Produce all manuals or handbooks related to any software used by the Company in its marketing and sales activity or mortgage lending activity.

OBJECTION

In response to this Request, which demands information relating to any software used by Lennar or any of its subsidiaries, joint ventures, unincorporated divisions, "agents," and consultants during the relevant time period, the Company incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. Further, requesting "any and all" documents or "all documents

relating to” a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68.

In addition, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibility for its marketing and overall operation, including the software used by the office. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the Company to retrieve information from every office that was in existence at any time since January 1, 2006. Lennar also incorporates by reference its objections to R-30 as if fully set forth herein.

P-31: Produce all manuals or handbooks utilized or made available by the Company to its employees, sales or loan brokers, or correspondent lenders that relate to marketing and sales activity or mortgage lending activity.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. This demand is overly broad in that it seeks information relating to any manuals or handbooks used by Lennar, or any of its subsidiaries, joint ventures, unincorporated divisions, “agents,” and consultants during the relevant time period. Further, requesting “any and all” documents or “all documents relating to” a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68.

In addition, due to the decentralized nature of its homebuilding operations, this specification presents an undue burden because each office has responsibility for its marketing and overall operation, including the software used by the office. Currently, Lennar operates in 41 markets in 14 states nationwide, and a full response to this specification will require the

Company to retrieve information from every office that was in existence at any time since January 1, 2006.

P-32: Produce all documents that relate to any third-party audit, report, review, or assessment of the Company's operations that relate to the Company's marketing and sales activity or mortgage lending activity, including any such audit, report, review, or assessment conducted by a government agency or agencies.

OBJECTION

Lennar incorporates by reference all of its general objections set forth in § IV above, as well as its specific objections regarding burden and relevance set forth in § III. In addition, because the request is not limited by subject matter, it exceeds the scope of the FTC's investigation. Further, requesting "any and all" documents or "all documents relating to" a subject is an impermissibly broad document request. *See, e.g., Bennett*, 321 F. Supp. 2d at 937; *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d at 1267-68. Finally, to the extent that this specification demands the production of any internal audits or self-evaluative analyses performed by Lennar, Lennar objects based on the self-evaluative reports privilege. *See Wright & Miller*, 23 Federal Practice and Procedure § 5431 (2009).

DATA REQUESTS

Lennar objects generally to the demands for data on the following grounds. First, the time allowed for production, 30 days, is too short. As we are sure the Commission is aware, Lennar is required to make a number of changes to its loan origination system based on recent regulatory changes. As a result, the CID allows insufficient time to ascertain whether the information requested is available and, if it is available, to produce that information. Second, a number of the demands for data are vague and incomprehensible. For example, D-44 requests, for each individual loan, "whether the mortgage loan had or could have had a balloon payment." Whether a loan has a balloon payment is one thing, whether it could have had a balloon payment

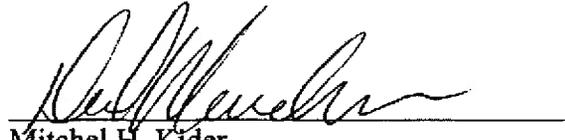
is impossible to ascertain. If, for example, the borrower stated that he/she did not want a balloon payment, then does that mean that the loan could not have had a balloon payment? Further, it is impossible to comprehend what relevance the ability to structure a balloon payment into a particular transaction could have on any legitimate topic for investigation by the FTC. Third, as noted above, Lennar simply does not collect information regarding “limited English proficiency,” which is undefined by the CID because of the failure to explain what constitutes “limited ability to read, write, speak or understand English.” *See* Definition 19. Fourth, Lennar has already determined that a number of the requests can only be responded to after a file-by-file review of, among other things, the credit reports in the file. Finally, Lennar objects to the FTC’s refusal to reimburse the Company for the cost of extracting the overly broad demands for documents and data.

CONCLUSION

The CID served on Lennar by the FTC on November 3, 2009 is impermissibly broad, unreasonable, and large portions of it are irrelevant to the stated purpose of the Resolutions under which the FTC exercises its compulsory power. Lennar realizes the FTC’s broad investigatory powers, and is willing to work with the FTC on production of information and documents that will advance its investigation. However, the CID, as currently written, places an undue burden on Lennar to comply with it. Therefore, the CID is unenforceable, and Lennar respectfully requests that the Commission quash or limit the CID in a manner reasonably designed to extract relevant information.

Respectfully submitted,

By:



Mitchel H. Kider

David M. Souders

WEINER BRODSKY SIDMAN KIDER PC

1300 19th Street, NW, 5th Floor

Washington, DC 20036

Telephone: (202) 628-2000

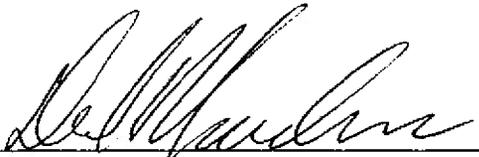
Facsimile: (202) 628-2011

Counsel for Lennar Corporation

CERTIFICATE OF SERVICE

I hereby certify that on the 11th day of December, 2009, I caused the original and twelve (12) copies of the Petition to Quash or Limit with attached Exhibits to be hand delivered to the Secretary of the Federal Trade Commission, 601 New Jersey Avenue, N.W., Washington, D.C. 20580; and one copy of the of same to be hand delivered to Rebecca J.K. Gelfond at the following address:

Rebecca J.K. Gelfond
Division of Financial Practices
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Mail Drop NJ-3158
Washington, DC 20580



David M. Souders

November 20, 2009

BY ELECTRONIC AND FIRST CLASS MAIL DELIVERY

Joel Winston
Associate Director
Federal Trade Commission
Division of Financial Practices
601 New Jersey Avenue, N.W.
Washington, DC 20580

CONFIDENTIAL COMMUNICATION

Dear Mr. Winston:

Our firm represents Lennar Corporation ("Lennar"), in connection with the Civil Investigative Demand ("CID") that was served on November 3, 2009. We are writing to attempt to resolve a number of issues related to the CID in lieu of filing a Petition to Quash or Limit ("Petition") with respect to a number of the demands for information, documents, and data. Pursuant to the terms of the CID, Lennar is required to file its Petition on or before November 24, 2009; accordingly, we ask that you contact us immediately to discuss the issues raised herein.

As an initial matter, the demands in the CID are extremely overbroad and burdensome.¹ Specifically, the CID is requesting virtually every single document within the

¹ The CID includes 40 Interrogatories (129 inclusive of subparts), 32 Document Requests (50 inclusive of subparts) and 83 Data Requests. Subparts of Interrogatories are considered separate questions. *See, e.g.* Fed. R. Civ. P. 33(a)(1) (including "all discrete subparts" of interrogatories in the total number allowed). Accordingly, the CID contains at least 262 separate requests. Please note that this number does not even include the subparts that are not listed as such. *See, e.g.* R-9 (provide a list of all job titles or positions that relate to marketing and sales activity or mortgage lending activity ... [and] [d]escribe the duties and responsibilities for each such job title or position." (emphasis added)); R-14 (multiple subparts); R-22 (multiple subparts); P-4 (requesting documents responsive to R-5, which has four

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possession, custody, or control of Lennar that refers or relates to the sale of homes or the origination of mortgages by its subsidiaries. This is accomplished through the use of excessively broad definitions, e.g., "and" as well as "or" are to be construed to include "all information that otherwise might be construed to be outside the scope of the specification," and the overly broad definition of "Lennar Corporation" which is defined to include, for example, every wholly or partially owned subsidiary, unincorporated divisions, joint ventures, and affiliates, as well as all "directors, officers, employees, agents, consultants, and other persons working for or on behalf of the foregoing that are engaged in marketing and sales activity or mortgage lending activity."

In addition to its lender subsidiary, Universal American Mortgage Company, I LC ("UAMC"), Lennar also has a title company subsidiary, North American Title Group, Inc. ("North American Title"), which has offices in fifteen states. From the terms of the CID, North American Title would be compelled to produce every document in its possession since all of its documents relate to the sale of the property and/or the origination of a mortgage loan. That would be true, regardless of whether Lennar was the builder or UAMC was the lender. On that basis, Lennar objects to the CID to the extent that it defines "Lennar Corporation" or "the Company" to include, *inter alia*, all subsidiaries and affiliates.

Lennar also objects to the CID to the extent it seeks information and/or documents and data from Eagle Home Mortgage, LLC ("Eagle"). While there is no question that Eagle is a subsidiary of Lennar Corporation, it is essentially a "stand alone" mortgage company that does not work directly with Lennar's builder divisions. Eagle is based in Washington State and absent some justification by the FTC, Lennar objects to its inclusion within the scope of the CID.

subparts); P-6 (requesting documents responsive to R-15, which has 19 subparts), P-7 (requesting documents responsive to R-20, which has nine subparts).

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In addition to being exceedingly overbroad and burdensome, much of the information sought by the CID falls outside the scope of the Commission's Resolutions dated December 15, 2008, and August 1, 1994. The Resolutions pertain to "advertising, marketing, sale, or servicing of loans" and discriminatory acts in connection with the "extension of credit." The CID is not limited to these topics. Rather, the CID's definitions and many of the requests seek information about the sales and marketing of homes. Thus, it is our position that the CID exceeds the authority and permissible scope of investigation granted by the Resolutions.

Further, the Resolutions do not assist our client in identifying the scope of the investigation. Rather, the December 15, 2008 Resolution states that the "nature and scope of investigation" is to determine whether "unnamed persons, partnerships, corporations, or others have engaged or are engaging in deceptive or unfair acts or practices in or affecting commerce in the advertising, marketing, sale, or servicing of loans and related products in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended." The Resolution goes on to include an investigation of "acts and practices" that may violate the Consumer Credit Protection Act, 15 U.S.C. § 1601, *et seq.* The August 1, 1994 Resolution is aimed at acts or practices that violate the Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.*, including "discriminating in the extension of credit on the basis of an applicant's gender, race, marital status, national origin, color, age, religion, receipt of public assistance income, or because an applicant in good faith exercised any right under the Consumer Credit Protection Act."

Needless to say, the Resolutions do not provide any guidance to our client with respect to the type of information that the FTC needs in order to conduct its investigation. For that reason, Instruction F, which invites us to discuss with the Commission any request for narrowing the scope of the requests, is nonsensical and meaningless because Lennar is unable to ascertain what it could offer that would be "consistent" with the "Commission's need" when it was served with a CID seeking virtually every document in its possession that refers or relates to the sale of homes or the origination of mortgages by its affiliate. In a good faith attempt to comply, however, we are copying

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Ms. Rebecca Gelfond on this correspondence and request that she contact us as well to discuss our concerns with the CID ²

In addition to being hampered by the sheer number of requests and the complexity of the requests, Lennar faces significant challenges to responding to the CID as written. As you are well-aware, these are very difficult times for builders and mortgage lenders, and Lennar and UAMC are no exceptions. In addition to the difficult economic market, Lennar and UAMC are undergoing substantial changes to their operations in order to comply with new regulations, including, for example, the sweeping changes to the Real Estate Settlement Procedures Act ("RESPA") which require new Good Faith Estimates ("GFEs") and HUD-1 Settlement Statements by January 1, 2010. Thus, as expected, these companies are presently devoting substantial resources to ensure compliance with all of the new laws and regulations being enacted.

The applicable time period for the CID – "January 1, 2006 until the date of full and complete compliance with this request" – presents further challenges for Lennar. Just three years ago, Lennar had nearly 15,000 associates; today it has about 3,900. The 11,000 associates terminated included managers, trainers and IT associates. In addition, the Company has terminated relationships with many outside vendors, such as advertising agencies. The Company has closed dozens of offices. Likewise, UAMC has terminated loan advisors and managers and closed offices. Thus, the task of locating

² Similarly, we have concerns regarding Instruction D, which requires the suspension of "any routine procedures for document destruction" in order to preserve documents "that are in any way relevant to this investigation during its pendency." The FTC's citation to, *inter alia*, 18 U.S.C. §§ 1505, 1519, is telling. A party is entitled to notice of the conduct deemed to violate FTC regulations. *See, e.g.*, 16 C.F.R. § 2.6 ("Any person under investigation . . . shall be advised of the purpose and scope of the investigation and of the nature of the conduct constituting the alleged violation which is under investigation . . ."); S. Rep. 96-500 ("The FTC's broad investigatory powers have been retained but modified to prevent fishing expeditions undertaken merely to satisfy its 'official curiosity.'). While Lennar has taken steps it believes appropriate, the fact of the matter is that Instruction D is meaningless as drafted. Accordingly, by this letter we are also requesting that the Agency clarify the information that is "relevant" to its investigation so that our client can ensure that the necessary documents and information are preserved.

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and attempting to interview thousands of terminated (and presumably disgruntled) employees in order to respond to many of the interrogatories will be monumental, if not impossible. Moreover, the documents pertaining to this time period may now be scattered in various storage facilities around the country or lost/destroyed in the normal course of closing/consolidating Lennar's divisions, branches, and office spaces nationwide. Accordingly, Lennar anticipates the search for responsive documents to many of the requests to be monumental.

In short, given the enormous scope and breadth of the CID, and the current challenges facing Lennar, at a minimum, our client will require substantial time to investigate, gather, and produce materials responsive to the requests.

Turning to the specifics of the CID, we have serious concerns regarding the scope and breadth of a number of the requests as well as the time period for compliance. We discuss these issues in seriatim:

I. OVERLY BROAD REQUESTS

While we have a number of concerns regarding the scope of many of the requests, for purposes of this letter we have focused on a few of the specific requests with the understanding that this discussion is not intended to detail all of Lennar's objections to the CID.

First, Lennar objects to the demands for information from every wholly or partially owned subsidiary, unincorporated division, joint venture, affiliate, as well as all "directors, officers, employees, agents, consultants, and other persons working for or on behalf of the foregoing that are engaged in marketing and sales activity or mortgage lending activity," all of which are identified as "Lennar." Lennar is a Fortune 500 company that was ranked as the nation's third largest homebuilder in 2008. Lennar builds single-family homes in 54 markets in 17 states. See <http://www.lennar.com/about/about.aspx>. The Company has four homebuilding segments: East, Central, West, and Houston. These reporting segments have homebuilding operations located in the following states:

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East: Delaware, Florida, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, and Virginia

Central: Colorado, Illinois, and Minnesota

West: Arizona, California, and Nevada

Houston: Texas

Further, the Company currently employs approximately 3,900 associates nationwide. Given its size, and the fact that it sells homes in local markets which requires a decentralized marketing effort, all of the requests in the CID which seek "all documents" relating to the sale of homes, *see, e.g.*, P-4 through P-18, will require a search of each local office in each of the four segments. Further, as noted above, dozens of offices have been closed and the files have been sent to storage or may be lost or destroyed. This task alone will require hundreds of man-hours of effort. *See, e.g., Nugget Hydroelectric, LP, v. Pac. Gas & Elec. Co.*, 981 F.2d 429, 438-39 (9th Cir. 1992) (upholding a magistrate judge's finding that a demand for documents concerning every aspect of the defendant's business relationships was "unnecessarily burdensome and overly broad").

Second, Lennar objects to the CID's demand to make "all responsive documents available for inspection and copying at your principal place of business." The Company's principal place of business is 700 NW 107th Ave., Ste. 400 Miami, FL. However, many of the documents being requested are used (and stored) at various locations throughout the various states where the Company conducts its business. *See, e.g., P-13, 14* (produce specific purchase and disclosure documents for every "prospective home buyer[]" and "consumer"). The demand that the Company disrupt its business operations in order to remove files, including working files for ongoing transactions, constitutes an unnecessary, and undue, burden on the Company. Accordingly, Lennar reserves its right to produce responsive documents at the place where such materials are kept.

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Third, it appears that a number of the requests seek information that is already available to the FTC through the Company's SEC filings. For example, information regarding "all corporate acquisitions and mergers involving the Company during the relevant time period" *see* R-3, is certainly available on the SEC's website: <http://www.sec.gov/edgar.shtml>. In addition, the Company's recently filed 10-Q statement dated October 6, 2009, contains the most recent financial information which should be sufficient for R-4. Given the availability of this information, we fail to see the point in requiring the Company to reproduce the information in response to the CID.

Fourth, Lennar also objects to the demand for all complaints, as well as all documents "related" to private litigation as well as "law enforcement and regulatory proceedings, actions and investigations" that relate to the "Company's marketing and sales activities or mortgage lending activities." P-22. These terms are defined as "all actions, activities, transactions, or communications that involve or are related to the sale of a home, including but not limited to the targeting or identification of potential home buyers for home sales; the marketing or advertising of homes; the solicitation of home buyers, and the referral of actual or potential home buyers to the Company's mortgage affiliate(s)" as well as "all dealings between an application, home buyer or mortgagor and the Company involving a mortgage loan." Simply stated, the demand for every complaint, legal action, and any regulatory proceeding, as well as every document related to matters, with no regard for the subject matter other than that it relates to a home sale or mortgage loan, is overly broad and unduly burdensome, and will not be responded to unless and until the Agency narrows this request.³ *See Moses v. Halstead*, 236 F.R.D. 667, 672 (D. Kan. 2006) ("On numerous occasions this Court has held that a request or interrogatory is overly broad or unduly burdensome on its face if it: (1) uses an

³ For example, this request demands every document in any legal action that is identified such that the Company would be required to produce copies of every pleading as well as all discovery documents and correspondence, regardless of the subject matter of the underlying Complaint. *See Manual for Complex Litigation (Fourth)* § 11.443 (2004) (document requests should not be "sweeping," such as "those for 'all documents relating or referring to' an issue, party or claim," but should be framed "for production of the fewest documents possible").

omnibus term such as 'relating to' or 'concerning,' and (2) applies to a general category or group of documents or a broad range of information."').⁴

Similarly, the demand for "all documents related to the performance evaluation process for all of the Company's divisions, branches, employees, and persons acting on behalf of the Company, . . . including, but not limited to exemplar evaluation forms" is a demand for every performance appraisal, or any other document related to performance, for every individual in the Company, its subsidiaries, affiliates, etc. See P-12. It is curious that, after demanding every completed form for every employee, the FTC is also demanding "exemplars" of the completed forms as well.

Fifth, other requests are simply impossible to comply with. For example, R-13 demands the identification of "Company employee(s)" most knowledgeable about the "Company's relationships with and business practices with respect to the sales brokers, loan brokers, and correspondent lenders with whom the Company did business." This overly broad request does not even identify the specific "relationship" or "business practice" that the FTC is interested in. Accordingly, the request purports to seek the identity of persons "most knowledgeable" about anything having to do with "sales brokers, loan brokers, and correspondent lenders." This is impossible to ascertain. See, e.g., *Bennett v. Unum Life Ins. Co. of America*, 321 F. Supp. 2d 925, 937 (E.D. Tenn. 2004) ("No. 15 requests 'any and all documents that show or describe in any way the relationship between UnumProvident and the Unum Life Insurance Company of America.' This request is overly broad as there could be any number of documents which might 'show' 'in any way' the relationship between the two companies. If the plaintiff wants documents which evince the legal relationship between the two companies, the plaintiff must appropriately narrow the request to ask for such documents."); *In re CFS-Related Secs. Fraud Litig.*, 179 F. Supp. 2d 1260, 1267-68 (N.D. Okla. 2001) ("A cursory review of Plaintiffs' request for production of documents

⁴ For these same reasons, Lennar also objects to the overly broad demand for "all documents relating to actual or alleged abuses or violations of law or Company policy by employees, retail or loan brokers, correspondent lenders and persons acting on behalf of the Company . . . including internal investigations, responses to accusations of malfeasance, and the minutes of Executive Committee or Board of Director meetings." See P-23.

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establishes that Plaintiffs are in fact seeking to require CSI to respond to very broad discovery requests seeking documents relating to all aspects of CSI's relationship with CFS and the underlying securities transactions. These are not 'particularized' discovery requests.").

Even what might appear to be a relatively straightforward request for information is rendered ridiculously overbroad by the inclusion of vague and undefined terms. For example, R-3 seeks information regarding "all corporate acquisitions and mergers" and the identification of "the surviving entities and which entities are responsible for the liabilities of the merged entities." What "liabilities" are being referred to? Would this include, for example, the assumption of a lease agreement for office space? If so, what possible relevance could that have to the FTC's investigation? Simply demanding information on irrelevant matters is inappropriate and objectionable.

II. TIME FOR COMPLIANCE

As you know, the CID served on November 3, 2009, did not contain a date by which the documents must be made available. While we were initially encouraged by what we thought was recognition on the part of the Agency that the information identified will require substantial time to identify, gather, review and produce, that belief was extinguished when our client was informed this week that the due date is December 3, 2009. That production date is entirely unrealistic. More to the point, the CID requires that Lennar file its Petition within 20 days of receipt. Accordingly, this places our client in the untenable position of being forced to spend significant resources immediately to analyze what is being sought in the more than 250 interrogatories, document requests, and their subparts in a manner sufficient to prepare a Petition in the event the Agency refuses to narrow the scope of its demands. In order to alleviate this unfairness, we respectfully request on behalf of Lennar that the time for filing a Petition be extended 30 days, or until December 24, 2009, in order to allow the Company sufficient time to work with the Agency in reaching a mutually agreeable schedule for the production of relevant information that is "consistent with the Commission's needs."

III. ADDITIONAL CONCERNS

Lennar also objects to definition No. 19, which identifies individuals "with 'limited English proficiency'" as persons "who do not speak English as their primary language and who have limited ability to read, write, speak or understand English." First, Lennar is not aware of any documents or other records that would contain information regarding the "English proficiency" of its customers. Further, the CID makes no effort to identify what constitutes a "limited" ability to read, write, speak or understand the English language. Finally, absent interviewing every one of the more than 15,000 employees of Lennar and UAMC involved "directly or indirectly" in the sale of a home or the origination of a loan,⁵ it is impossible for Lennar to respond to any demand that relates to individuals "with 'limited English proficiency.'" *See, e.g.,* R-11(b) (Identify all persons who were ever employed or engaged by the Company (including but not limited to sales brokers) [since January 1, 2006] whose duties and responsibilities involved marketing and sales activity [which is defined as "all dealings between an actual or prospective home buyer and the Company and all actions, activities, transactions, or communications that involve or are related to the sale of a home"], and for each such individual "[s]tate whether the individual ever directly communicated orally with customers in the Spanish language, functioned as an interpreter for customers, interpreting the English language to Spanish language, or translated documents written in the English language to the Spanish language for customers." *See also* R-12 (same for loan originators) R-15(e), (f), (g); R-23 (same); P-8; P-25. We will be happy to hear the Agency's position on this point and to work with you to identify what the Agency actually needs in this regard, but absent additional clarification from the FTC, the Company will not be responding to those requests simply because it would be impossible to do so.⁶

⁵ Considering the fact that Lennar is explicitly in the business of selling homes, every employee of the Company would have "indirectly" been involved in the sale of homes. Every job at Lennar is in support of its primary business, and this is yet another example of the breathtaking scope of this CID.

⁶ For these reasons as well, the Company cannot respond to the request in P-25 and P-26 that the Company contact the FTC if more than 1,000 "customer application files" or more than "250 consumer application files . . . per state" are identified as "responsive."

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In the Instructions to the CID, Instruction M "Sensitive Personally Identifiable Information" states, among other things, that before sending "sensitive personally identifiable information" the Company should contact Ms. Gelfond to "discuss whether it would be appropriate to redact the sensitive information." Because the CID is seeking complete copies of loan files, among many other materials, it is impossible to redact all of the "sensitive personally identifiable information." Therefore, the Agency must agree to maintain the confidentiality of the information produced. Alternatively, if the FTC is going to insist that the information be redacted, it can anticipate adding several hundred hours to the production dates.

In addition to the concerns raised above, we are concerned about the cost of compliance with the CID. For example, Lennar's initial rough estimate for the identification, collection, and production of information and documents from it is approximately 560 hours of staff time. This does not include the time necessary to retrieve and produce the Data in the possession of UAMC, which is estimated to be another 800 hours of staff time.

Lennar does not believe that it should bear the entire cost of compliance; accordingly, by this letter, the Company is requesting that the Agency reimburse it for the cost of compliance. Rather than seek the full cost of compliance, however, Lennar is willing to accept reimbursement at the rates charged by the Agency in connection with the time and expense it incurs responding to requests under the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, *et seq.* A copy of the Fee Schedule from the FTC's website is attached hereto. Please advise us as to whether the Agency is agreeable to this arrangement.

Lennar stands ready and willing to work with the FTC to provide information that the Agency believes that it needs in order to conduct its investigation provided that the production can be on terms and conditions that will not interfere with the operation of the Company. Given the FTC's insistence that a Petition to Quash or Limit be filed within 20 days, absent an extension of that deadline, Lennar will be filing its Petition on or before November 24, 2009. Accordingly, as stated above, we believe that it would be

Joel Winston

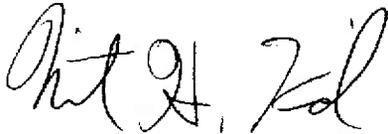
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in the best interests to extend this deadline by 30 days in order to allow both the Agency and the Company to work together to resolve the issues outlined above.

Thank you for your consideration of this letter, and we ask that you contact us immediately to discuss the matters raised herein.

Respectfully submitted on behalf of Lennar Corporation,

A handwritten signature in black ink, appearing to read "Mitchel H. Kider". The signature is written in a cursive, flowing style.

Mitchel H. Kider

Enclosure

cc: Rebecca Gelfond (by electronic mail delivery)

Frequently Asked Question #7

Will I Be Charged Fees?

The FOIA allows the FTC to charge fees to process your FOIA request. If we estimate that the fees for processing your request will exceed \$100, we will not begin to process it without your permission. You may either indicate in your request your willingness to pay fees or wait for us to contact you to discuss the possible fees. In the latter case, however, we will place your request on hold until we have an agreement with you about fees. If you are willing to pay fees only up to a certain amount, you may say that in your letter.

Fee Schedule

Fees for processing FOIA requests depend on the status of the requestor. To facilitate the FOIA's goal of making government information available to the public, some services are provided without charge, as noted in the table below. Generally, commercial requesters are those who seek information to further the commercial, trade, or profit interests of the requestor or the person on whose behalf the request is made. An educational institution is a school or institution of higher learning which operates a program or programs of scholarly research. A representative of the news media is a person actively gathering news for an entity that publishes or broadcasts news to the public. More exact definitions of these terms can be found at 16 C.F.R. § 4.8(b).

Requester Fee Categories

Requester Category	Searching	Reviewing	Copying
Commercial (including law firms)	Fee	Fee	None
Educational institutions	No charge	No charge	No charge for first 100 pages
News media	No charge	No charge	No charge for first 100 pages
Other (General Public)	No charge for first 2 hours	No charge	No charge for first 100 pages

Search and Review Fees (per Quarter Hour)

Clerical	\$4.50
Other Professional	\$8.00
Attorney/Economist	\$12.00
Minimum charge	\$14.00

Paper Fees

Paper copy (up to 8.5 x 14 inches)	
Reproduced by Commission	\$0.14
Reproduced by Requestor	\$0.05
Computer Paper	\$0.14

Microfiche Fees

Film Copy- Paper to 16 mm Film (per frame)	\$0.04
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Fiche Copy-Paper to 105 mm Fiche (per frame)	\$0.08
Film Copy- Duplication of existing 100 ft. roll of 16 mm film	\$9.50
Fiche Copy-Duplication of existing 105 mm fiche	\$0.26
Paper Copy-Converting existing 16mm Film to Paper	
Conversion by Commission Staff	\$0.26
Paper Copy-Converting existing 105 mm Fiche to Paper	
Conversion by Commission Staff	\$0.23
Film Cassettes	\$2.00

Electronic Services

Converting paper into electronic format (scanning), per page	\$2.50
Computer programming, per quarter hour	\$8.00

Other Fees

Computer Tape	\$18.50
Certification	\$10.35
Express Mail (first pound)	\$3.50
Each additional pound, up to \$15.00	

December 10, 2009

BY ELECTRONIC AND FIRST CLASS MAIL DELIVERY

Rebecca J.K. Gelfond
Division of Financial Practices
Federal Trade Commission
601 New Jersey Avenue, N.W.
Washington, DC 20580

CONFIDENTIAL COMMUNICATION

Dear Ms. Gelfond:

As you know, our firm represents Lennar Corporation ("Lennar" or "the Company") in connection with the Civil Investigative Demand ("CID") that was served on November 3, 2009. We are writing to follow up on our conversation of November 30, 2009, and your letter of December 2, 2009. Please note that while we are providing herewith a response and/or objection to each item in the CID, as explained at the end of this letter, we believe that a face-to-face meeting with the Staff would be appropriate in lieu of additional correspondence and a motion to quash or limit the CID.

We continue to take issue with the breadth and scope of the CID, and while we appreciate the opportunity to discuss these issues, we do not think the Agency recognizes the massive burden that it is placing on the Company. Many of the specifications request information that requires a highly localized response. Lennar operates in 40 markets in 14 states nationwide. The nature of the homebuilding industry requires an operating presence in these various markets and states, and retrieving information from each of these subsidiaries and affiliates would require considerable time and effort on the part of Lennar's employees and attorneys. Where applicable, as noted below, Lennar requests limitations to lessen this substantial burden. Lennar suggests that, at a minimum, the FTC limit these specifications that require highly localized responses to the states in which it has the most interest, as has already been done in specifications P-19 and P-26.

Concurrent with this request, Lennar requests a limitation regarding offices that it no longer operates. While Lennar would be able to provide the FTC a list of offices closed during the relevant time period, and to the extent possible, the employees who worked there, providing documents and further information regarding these offices would take a considerable amount of time and potentially yield little to nothing because of normal attrition related to office closings. Lennar believes its efforts are best directed towards those materials most relevant and accessible in order to expedite the FTC's investigation.

In addition to the overly broad drafting of each request, *e.g.*, the repeated use of the phrase "all documents," the fundamental problem with respect to the demands for information from the homebuilding operations is the decentralized structure of that part of the operation. As we indicated, Lennar operates in 40 markets in 14 states nationwide. The bulk of the requests (identified more specifically below) would require the manual collection of information and documents from each separate office. Given the fact that Lennar delivered more than 90,000 homes since January 1, 2006, and as a result of the current economic climate the Company has been forced to operate with a minimum number of employees, the massive search and collection effort required would be prohibitively expensive and time consuming.

Further, while we appreciate the effort to limit the definition of "Company" to the marketing and sale of homes and mortgage lending activity, the problem with the panoply of requests remains the decentralized nature of the homebuilding operations and requirement that each Division be queried for responsive information and documents.

Lennar wants to cooperate with the FTC and produce the requested information in a reasonable manner. To this end, Lennar is suggesting a rolling production schedule to begin on December 18, 2009. Lennar understands that the FTC is amenable to such a modification based on the breadth of the CID. On this first date, Lennar would produce all of the information, documents, and data requested by the FTC that is readily available, and has already been compiled, from its mortgage affiliate Universal American Mortgage Company ("UAMC"). These specifications to which Lennar

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proposes producing this material are noted below. Due to the numerous religious and federal holidays that occur in the months of December and January, as well as the reporting deadlines for public filings to the U.S. Securities and Exchange Commission, year-end auditing requirements, and heavily scheduled employee vacation time during this period, Lennar suggests that the second round of production be 120 days after we reach an agreement on the scope of production to allow a reasonable and appropriate amount of time for compliance. Of course, Lennar would be open to producing material in the interim period on a rolling basis as it becomes available. Further rounds of production could then be scheduled by mutual agreement based on what specifications may remain unfulfilled at that time. However, Lennar suggests this timeline because it believes that it can substantially comply with the CID within this timeframe, providing that reasonable limitations are agreed upon between the parties during these negotiations.

Finally, Lennar incorporates by reference the objections set forth in its letter to the FTC dated November 20, 2009. By submitting this letter regarding suggested limitations and potential dates by which the Company may be able to respond to the below specifications, the Company in no way relinquishes its rights to object to the specifications in a subsequent petition to limit or quash. This letter is submitted merely for the purposes of negotiations with the FTC pursuant to conversations with FTC counsel on November 30, 2009, and pursuant to the requirements under 16 C.F.R. §2.7(d).

Interrogatories:

R-1: Provide the following information for the Company:

- a. The correct legal name and principal place of business;*
- b. The date and state of incorporation;*
- c. Each place and state in which the Company does business;*
- d. All trade names under which the Company does business; and*
- e. The names, titles, and dates of employment of all officers, directors, and principal stockholders or owners.*

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Response:

This information is available and could be included in the first suggested production on December 18, 2009.

- R-2: *Describe the complete organizational structure of the Company, identifying all parents, subsidiaries, unincorporated divisions, joint ventures, or affiliates, and for each of these state the following:*
- a. *The correct legal name and principal place of business;*
 - b. *The date and state where the business is organized;*
 - c. *The date, if any, that the business closed and the reason or reasons for which the business closed;*
 - d. *The nature of the relationship of the parent, subsidiary, unincorporated division, and affiliate to the Company (e.g., wholly-owned subsidiary, partially-owned subsidiary, parent, affiliate, etc.);*
 - e. *The type of business that the entity engaged in, particularly noting if the entity engages in marketing and sales activity or extends mortgage loans; and*
 - f. *The names, titles, and dates of employment of all officers, directors, and principal stockholders or owners.*

Response:

This information is available and could be included in the first suggested production on December 18, 2009.

- R-3: *Identify and describe all corporate acquisitions and mergers involving the Company during the relevant time period, specifying the surviving entities and which entities are responsible for the liabilities of the merged entities.*

Response:

This information is readily available and could be included in the first suggested production on December 18, 2009.

- R-4: *State the Company's current net worth, and:*
- a. *State the Company's total gross revenues for the most recently ended fiscal year; and*
 - b. *State the Company's net profit or loss for the most recently-ended fiscal year.*

Response:

This information is available and could be included in the first suggested production on December 18, 2009.

R-5: *Describe the Company's policies and procedures for ensuring compliances with each of the following, specifying any changes to such policies and procedures and the dates of any such changes:*

- a. *The Federal Trade Commission Act, 15 U.S.C. § 45, et seq.;*
- b. *The Truth in Lending Act, 15 U.S.C. § 1601, et seq., and 12 C.F.R. pt. 226;*
- c. *The Fair Credit Reporting Act, 15 U.S.C. § 1681, et seq.; and*
- d. *The ECOA and Regulation B, including its anti-discrimination, record keeping, and adverse action notice requirements.*

Response:

Current policies are available and could be included in the first production. However, older policies would be more difficult to locate and produce, and Lennar does not have a method by which it has tracked changes in the past or could readily do so now. Lennar would be able to provide any changes that have been documented in the past, but these changes would not be available for the first suggested round of production.

R-6: *Identify the name and title of each person responsible for formulating, directing, and controlling the policies, procedures, and practices of the Company relating to compliance with each of the following:*

- a. *The Federal Trade Commission Act, 15 U.S.C. § 45, et seq.;*
- b. *The Truth in Lending Act, 15 U.S.C. § 1601, et seq., and 12 C.F.R. pt. 226;*
- c. *The Fair Credit Reporting Act, 15 U.S.C. § 1681, et seq.; and*
- d. *The ECOA and Regulation B, including its anti-discrimination, record keeping, and adverse action notice requirements.*

Specify the dates during which each such person held these responsibilities.

Response:

This information is available and could be included in the first production if the specification is limited to marketing, sales, and origination of loans as discussed with FTC counsel on November 30, 2009.

- R-7: *Describe the Company's policies and procedures for training its employees with respect to compliance with each of the following, specifying any changes to such policies and procedures and the dates of any such changes:*
- a. *The Federal Trade Commission Act, 15 U.S.C. § 45, et seq.;*
 - b. *The Truth in Lending Act, 15 U.S.C. § 1601, et seq., and 12 C.F.R. pt. 226;*
 - c. *The Fair Credit Reporting Act, 15 U.S.C. § 1681, et seq.; and*
 - d. *The ECOA and Regulation B, including its anti-discrimination, record keeping, and adverse action notice requirements.*

Response:

See response to R-5.

- R-8: *Provide a complete organizational chart illustrating the structure, management, and ownership of the marketing and sales activity and mortgage lending activity operations of the Company, including retail, broker, telemarketing and Internet operations, and all management units for such operations.*

Response:

This information is readily available and could be included in the first production if the specification is limited to marketing, sales, and origination of loans as discussed with FTC counsel on November 30, 2009. If read literally, this specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

- R-9: *Provide a list of all job titles or positions that relate to marketing and sales activity or mortgage lending activity of persons employed by or acting on behalf of the Company. Describe the duties and responsibilities for each such job title or position.*

Response:

Much of this information is readily available, but full compliance with this interrogatory would require considerable time to prepare a description of duties and responsibilities for each job title or position.

- R-10: Identify each office or branch location from or through which the Company has engaged in marketing and sales activity or mortgage lending activity at any time during the relevant time period, and for each such office or branch location state the following:*
- a. The nature of business conducted at the office or branch location;*
 - b. The date the office or branch location opened for business;*
 - c. The date, if any, that the office or branch location closed and the reason(s) for which the office or branch location closed; and*
 - d. The name(s) and dates of employment of the person(s) who are or were responsible for managing the office or branch location.*

Response:

This interrogatory requires a highly localized response and would require considerable time for full compliance. Further, Lennar does not maintain records regarding the date a branch office opened, nor does Lennar maintain records regarding the history of who has served as a branch manager in the past but no longer does so.

- R-11: Identify all persons who were ever employed or engaged by the Company (including but not limited to sales brokers) during the relevant time period whose duties or responsibilities involved marketing and sales activity, and for each such individual:*
- a. State the relationship of the individual to the Company (e.g., employee or sales broker);*
 - b. State whether the individual ever directly communicated orally with customers in the Spanish language, functioned as an interpreter for customers, interpreting the English language to Spanish language, or translated documents written in English language to the Spanish language for customers;*
 - c. Identify his/her duties or responsibilities;*
 - d. State the date that the Company began its relationship with the individual;*

- e. State the date, if any, that the Company ended its relationship with the individual;
and*
- f. State the unique identifier used by the Company to identify the individual.*

Response:

This interrogatory requires a highly localized response and would require considerable time for full compliance. In addition, Lennar does not maintain records regarding communications with customers or potential customers in the Spanish language; accordingly, absent an individualized inquiry of each employee it is not possible to respond to Subsection (b) of this specification.

R-12: Identify each loan originator who has engaged in mortgage lending activity with or on behalf of the Company at any time during the relevant time period, and, for each such individual:

- a. State the relationship of the individual to the Company (e.g., employee, loan broker, or correspondent lender);*
- b. State whether the individual ever directly communicated orally with customers in the Spanish language, functioned as an interpreter for customers, interpreting the English language to Spanish language, or translated documents written in English language to the Spanish language for customers;*
- c. State the date that the Company began its relationship with the individual;*
- d. State the date, if any, that the Company ended its relationship with the individual;
and*
- e. State the unique identifier used by the Company to identify the individual.*

Response:

This information is readily available and could be included in the first suggested round of production on December 18, 2009. Lennar does not, however, maintain records regarding communications with customers or potential customers in the Spanish language.

R-13: Identify the Company employee(s) responsible for and most knowledgeable about the Company's relationships with and business practices with respect to the sales brokers,

loan brokers, and correspondent lenders with whom the Company did business during the relevant time period.

Response:

This interrogatory requires a highly localized response and would require considerable time for full compliance. On November 30, 2009, FTC counsel clarified that this specification is not intended to be burdensome; however, as written, this specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

R-14: Identify and describe all training related to marketing and sales activity or mortgage lending activity provided to employees, brokers, correspondent lenders or persons acting on behalf of the Company, including, but not limited to, the type, timing, and substance of the training, all topics and issues included in the training, the job positions receiving the training, and the individuals or entities providing the training.

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

R-15: For the relevant period, describe the policies, practices, methods, and procedures of the Company relating to the following, specifying the dates during which the policies, practices, methods, and procedures were effective and any changes to the policies, practices, methods, and procedures:

- a. Identifying or targeting potential home buyers or borrowers, including methods based on their race, religion, sex or national origin or their limited English proficiency;*
- b. Marketing or advertising homes or mortgages to individuals of a particular race, religion, sex or national origin or with limited English proficiency;*
- c. Permitting customers to use real estate agents;*
- d. Referring actual or potential home buyers to the Company's mortgage affiliate(s), or otherwise recommending the Company's mortgage affiliate(s) to actual or potential*

- home buyers, including but not limited to offering any incentives to the customer for using the Company's mortgage affiliate;*
- e. Determining whether actual or potential home buyers and borrowers have limited English proficiency;*
 - f. Engaging in communications with actual or potential home buyers and borrowers with limited English proficiency;*
 - g. Providing language assistance in the course of buying a home or the mortgage lending process to actual or potential home buyers and borrowers with limited English proficiency, including but not limited to retaining and offering translators, retaining and offering interpreters, retaining and offering employees who serve as interpreters or translators, or obtaining, creating, and offering translated documents;*
 - h. Underwriting loans;*
 - i. Computing interest, points, or fees;*
 - j. Disclosing mortgage loan terms, prices, rates, monthly payments, types of loan(s), good faith estimates, property taxes, and escrow payments to actual or potential home buyers and borrowers, including but not limited to the time of such disclosure;*
 - k. Structuring loan transactions, including but not limited to the type of loan offered, whether a mortgage involves one or two loans, a balloon payment, or an adjustable rate;*
 - l. Selecting or approving appraisers of real property;*
 - m. Providing appraisal reports used in connection with the mortgage loan to actual or potential home buyers and borrowers;*
 - n. Making representations regarding the ability to refinance to actual or potential home buyers and borrowers;*
 - o. Making statements to actual or potential home buyers and borrowers regarding the value of the home to be purchased;*
 - p. Providing closing documents to borrowers in advance of the closing;*
 - q. Closing loans, including but not limited to the provision of documents in languages other than English and the availability of and offering of interpreters or translators to individuals with limited English proficiency;*
 - r. Requiring earnest money deposits, including but not limited to instances in which such deposits are returned to actual or potential home buyers; and*

- s. *Requiring sales targets or goals of Company employees, retail brokers, or loan originators.*

Response:

This interrogatory will take a considerable amount of time for compliance. The Company does not have policies regarding many of these issues. Regarding the subsections for which the Company does maintain policies or procedures, this specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates. Lennar would be able to produce policies and procedures for the subsections for which Lennar maintains policies; however, as noted in response to specification R-5, Lennar does not maintain records of changes to the policies. This material would be available for the first suggested production on December 18, 2009.

- R-16: *Identify the Company employee(s) responsible for and most knowledgeable about the company's policies, practices, methods, and procedures identified in response to Specification R-15:*

Response:

See response to specification R-15.

- R-17: *Identify and describe all lists, databases, or other compilations of potential customers maintained by the Company and describe how such lists or databases are compiled and used.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

- R-18: *Describe the Company's policies, procedures, and calculations for how each category of employee and person acting on behalf of the Company at all levels (including sales and loan brokers and correspondent lenders), either individually or on a branch, group, or*

team basis, are compensated (including any monetary and non-monetary rewards, penalties, or limits) for the following:

- a. Referring prospective buyers to the Company;*
- b. Selling homes;*
- c. Referring actual or prospective buyers to the Company's mortgage affiliate(s);*
- d. Originating loans; and*
- e. Soliciting customers;*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

R-19: Identify the Company employee(s) responsible for and most knowledgeable about the Company's policies and procedures identified in response to Specification R-18:

Response:

This information is readily available for loan origination policies. However, given the diverse locations of the homebuilding business as described in Lennar's response to specification R-18, this specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

R-20: For each method used by the Company to solicit, market to, or advertise to potential customers for home purchases or mortgage loans, including but not limited to the referral of actual or potential home buyers to the Company's mortgage affiliate(s):

- a. Identify and describe each such method, including but not limited to methods utilized with respect to individuals with limited English proficiency;*
- b. Identify any scripts used in conjunction with the method;*
- c. Describe how potential customers for the solicitation or advertisement are selected, including but not limited to the extent to which race, religion, sex, national origin, or limited English proficiency is taken into account in any way;*
- d. Identify the source(s) of any compilations of potential customers used for the solicitation or advertisements;*

- e. Describe the geographical distribution of the solicitation or advertisement;*
- f. Describe the timing of the distribution of the solicitation or advertisement.*
- g. Identify the entity or individual that prepares and disseminates or executes the solicitation or advertisement;*
- h. Describe the frequency with which the solicitation or advertisement is executed or disseminated to the same potential customer; and*
- i. Describe any subsequent actions taken after the execution or dissemination of the solicitation or advertisement.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates. In addition, Lennar proposes that this specification be limited to solicitations or advertisements that contain financing terms or payment amounts and that the demand is limited to 2008 forward. If so limited, Lennar could comply within the proposed 120 day timeframe.

R-21: Describe how the Company prepares any promotional materials or communications that contain representations that:

- a. consumer may save money by obtaining a mortgage from the Company's mortgage affiliate; or*
 - b. a consumer will have a specific monthly payment on a mortgage loan.*
- Specify how any numerical figures contained in such promotional materials are calculated.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

R-22: For each advertisement or promotional document provided in response to Specifications P-19 and P-20, identify the time period during which the Company distributed or used the advertisement or promotional document and the geographic area in which the

document was distributed. For each internet advertisement, additionally identify the Internet address(es) used to advertise.

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates. Further, Lennar employs a third party advertiser, and this third party has advised the Company that it would require four months to comply with this request.

R-23: Identify and describe any analysis, study, or examination that the Company made of the following:

- a. The number of individuals with limited English proficiency who may be potential customers of the Company;*
- b. The frequency with which individuals with limited English proficiency are potential or actual customers of the Company; and*
- c. The costs of or resources required for providing interpretation or translation assistance to individuals with limited English proficiency.*

Response:

Not applicable.

R-24: Describe all practices and procedures used to monitor, oversee, supervise, inspect, or audit the compliance by employees and persons acting on behalf of the Company with the Company's established policies, procedures, and practices relating to marketing and sales activity and mortgage lending activity.

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

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R-25: Identify all government and/or law enforcement investigations or proceedings concerning the Company's possible violation of laws with respect to marketing and sales activity or mortgage lending activity that occurred during the relevant time period, and for each such investigation:

- a. State the name of the government and/or law enforcement agency that conducted or is conducting the investigation or proceeding;*
- b. State the resolution or current status of the investigation or proceeding;*
- c. State the legal name of each Company entity or individual subject to the investigation or proceeding; and*
- d. State whether the investigation or proceeding concerned possible violations of any local, state, or federal anti-discrimination or anti-fraud law.*

Response:

This information is readily available and could be included in the first suggested production on December 18, 2009, if the specification is limited to marketing, sales, and origination of loans as discussed with FTC counsel on November 30, 2009. Further, to the extent that this interrogatory requests privileged material, Lennar objects and will not produce that material. However, Lennar suggests a modification limiting this specification only to those government and/or law enforcement investigations specifically regarding mortgage lending activity. As currently written, this specification incorporates the whole of the FTC unfair and deceptive trade practices act, which could include many matters wholly unrelated to marketing, sales, and origination of mortgage lending activity. For instance, as discussed with FTC counsel on November 30, 2009, this specification could include any investigation into the ongoing controversy regarding Chinese drywall.

R-26: Describe the Company's policies, procedures, and software (whether third-party or proprietary), and any changes to such policies, procedures, or software (including the dates of any such changes), for handling consumer complaints related to the Company's marketing and sales activity or mortgage lending activity.

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Response:

This information is readily available and could be included in the first suggested production on December 18, 2009.

R-27: Identify the Company employee(s) responsible for and most knowledgeable about the Company's policies, procedures, and software for handling consumer complaints related to the Company's marketing and sales activity or mortgage lending activity.

Response:

This information is readily available and could be included in the first suggested production on December 18, 2009.

R-28: Identify each regulatory agency with which or by which the Company is licensed with respect to its marketing and sales activity or mortgage lending activity, and specify the license number or numbers (or other identifier or identifiers) issued to the Company by each such agency.

Response:

This information is readily available, but will take a considerable amount of time to compile. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

R-29: Identify and describe all electronic mail systems used by the Company during the relevant time period, and, for each such system, specify:

- a. The dates during which the system was used;*
- b. The categories of employees or offices who use or used the system, and*
- c. The Company's policies and procedures with respect to the retention of the system's electronic mail messages.*

Response:

This information is available and could be included in the first suggested production on December 18, 2009.

R-30: Identify and describe each database in which the Company has created and/or retained electronic records at any time during the relevant time period relating to marketing homes, selling homes, mortgage loans, mortgage loan applications, or compensating employees, sales or loan brokers, or correspondent lenders engaged in marketing and sales activity or mortgage lending activity, and for each such database:

- a. Specify the name of the database;*
- b. Describe the purpose of the database;*
- c. Describe the type(s) of data retained in the database;*
- d. Describe the structure of the database;*
- e. Specify the time period covered by the data retained in the database;*
- f. Describe any categorical distinctions or limitations on the type of data retained in the database (e.g., whether the data are limited to brokered loans);*
- g. Describe the software or software platform used to create, operate, or maintain the database;*
- h. Identify the person or persons responsible for maintaining the database;*
- i. Specify the time period during which the Company used the database and, if no longer used, the reasons for discontinuing its use; and*
- j. Describe data retention policies, procedures, and practices relating to each such database.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

R-31: If any documents produced in response to the Specifications for Documentary Materials below are in the Spanish language, provide a complete and accurate English-language translation of each such document.

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates. In addition, UAMC notes that it is not aware of any documents that it utilized that are in the Spanish language.

R-32: State the number of mortgage loans the Company originated in each calendar quarter from January 1, 2008 to the date of your compliance with this CID.

Response:

This information is readily available and could be included in the first suggested production on December 18, 2009.

R-33: Identify each channel through which the Company solicits, arranges, receives referrals for, or originates mortgage loans or otherwise engages in mortgage lending activity, and for each channel (namely, loan brokers, correspondent lenders, employee loan originators, and any other identified channel), separately state:

- a. For each year covered by this CID, the number of loan originators in the channel who are or have been involved in soliciting, arranging, referring or originating mortgage loans for, by, or on behalf of the Company; and*
- b. For each year covered by this CID, the aggregate number of mortgage loans originated for, by, or on behalf of the Company through each channel.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

R-34: State whether the Company allows or has allowed its employee loan originators discretion of any kind in any aspect of mortgage loan pricing, including but not limited to allowing variable overages and/or underages.

- a. If your response to this Specification, in whole or in part, is "yes," state whether and in what form the Company imposes or has imposed any limits or caps, in addition to*

those required by state or federal law, on the amount of discretion as to mortgage loan pricing exercised by those employee loan originators; and

- b. If your response to this Specification, in whole or in part, is "yes," state whether the Company has or has had a formal system for monitoring the pricing discretion exercised by employee loan originators in order to ensure compliance with the ECOA and Regulation B.*

If your response differs for different categories of employee loan originators, respond separately as to each category.

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

R-35: State whether the Company allows or has allowed its loan brokers discretion of any kind in any aspect of mortgage loan pricing, including but not limited to allowing variable yield-spread premiums and origination fees.

- a. If your response to this Specification is "yes," state whether and in what form the Company imposes or has imposed any limits or caps, in addition to those required by state or federal law, on the amount of discretion as to mortgage loan pricing exercised by those employee loan originators; and*
- b. If your response to this Specification is "yes," state whether the Company has or has had a formal system for monitoring the pricing discretion exercised by employee loan originators in order to ensure compliance with the ECOA and Regulation B.*

Response:

The Company does not utilize loan brokers in connection with its operations.

R-36: State whether the Company compensates or has compensated its employee loan originators in whole or in part on the basis of the prices borrowers paid for loans originated by those employee loan originators. If your response would differ for different categories of employee loan originators, respond separately as to each category.

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

- R-37: For each year covered by this CID, state the number of mortgage loans for which the Company uses automated underwriting systems in general, and specifically state:*
- a. The number of mortgage loans for which the Company uses Fannie Mae Desktop Underwriter;*
 - b. The number of mortgage loans for which the Company uses Freddie Mac Loan Prospector; and*
 - c. Each other automated underwriting system that the Company uses and, for each, the number of mortgage loans for which the Company uses that automated underwriting system.*

Response:

This interrogatory would take a considerable amount of time for Lennar's employees to compile the requisite information. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

- R-38: For each year covered by this CID, state the number of mortgage loans for which the Company does not use an automated underwriting system and, for such mortgage loans:*
- a. State the number of mortgage loans that are underwritten by Company employees;*
 - b. State whether the Company maintains formal written underwriting policies for such mortgage loans; and*
 - c. State whether the Company allows any employee discretion to approve or deny such mortgage loans and, if so, whether the Company has or has had a formal system for monitoring the exercise of such underwriting discretion by its employees in order to ensure compliance with the ECOA and Regulation B.*

Response:

This interrogatory would take a considerable amount of time for Lennar's employees to compile the requisite information. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

R-39: State whether the Company authorizes or has authorized any of its employees to override a decision issued by an automated underwriting system on mortgage loans. For purposes of this Specification, the term "override" shall include the authorization of the origination of a mortgage loan for which an automated underwriting system returns any result other than an approval.

- a. If your response to this Specification is "yes," state whether any of the employees authorized to override such a decision are or were employee loan originators or loan brokers.*
- b. If your response to this Specification is "yes," state whether the Company has or has had a formal system for monitoring the use of such overrides by its employees in order to ensure compliance with the ECOA and Regulation B.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

R-40: State whether the Company is or has ever been party to administrative proceedings or lawsuits alleging the Company's violation of any local, state, or federal anti-discrimination law, and, if so, for each such proceeding:

- a. State the forum in which the proceeding is being or was conducted;*
- b. State the docket or other identification number of the proceeding;*
- c. State the resolution or current status of the proceeding; and*
- d. State the legal name of each Company entity or other party to the proceedings.*

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Response:

This interrogatory would take a considerable amount of time for Lennar's employees to compile the requisite information. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

Documents:

P-1: For 2007 to the present, produce all annual reports, annual financial statements, and the most recent unaudited finance statement for the Company.

Response:

This information is readily available and could be included in the first suggested production on December 18, 2009.

P-2: Produce exemplars of all applications, purchase contracts, deposit forms, and any other standardized forms, contracts, or worksheets used by the Company in connection with its marketing and sales activity.

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

P-3: Produce exemplars of all applications, contracts, documents presented to consumers at loan closings, documents used by employees and persons acting on behalf of the Company at or in preparation for loan closings (including but not limited to forms, worksheets, and pre-closing loan summaries), adverse action notices, disclosure forms, and any other standardized forms or worksheets used by the Company in connection with its mortgage lending activity.

Response:

This information is readily available and could be included in the first suggested production on December 18, 2009.

P-4: Produce all documents that describe, reflect, or relate to the Company's policies, procedures, and practices identified in response to Specification R-5.

Response:

See response to specification R-5.

P-5: Produce all documents that relate to, analyze, or evaluate the compliance of the Company, its employees, its sales or loan brokers, or its correspondence lenders, or any subset or combination thereof, with each of the following:

- a. The Federal Trade Commission Act, 15 U.S.C. § 45, et seq.;*
- b. The Truth in Lending Act, 15 U.S.C. § 1601, et seq., and 12 C.F.R. pt. 226;*
- c. The Fair Credit Reporting Act, 15 U.S.C. § 1681, et seq.; and*
- d. The ECOA and Regulation B, including its anti-discrimination, record keeping, and adverse action notice requirements.*

Response:

This interrogatory would take a considerable amount of time for Lennar's employees to compile the requisite information. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

P-6: Produce all documents that describe, reflect, or relate to the Company's policies, practices, methods, and procedures identified in response to Specification R-15.

Response:

See response to specification R-15. Further, this interrogatory would take a considerable amount of time for Lennar's employees to compile the requisite information. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

P-7: Produce all documents that describe, reflect, or relate to the Company's solicitation, marketing, and advertising methods identified in response to Specification R-20.

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Response:

See response to specification R-20.

P-8: Produce all documents that describe, reflect, or relate to the Company's studies, analyses, or examination identified in response to Specification R-23.

Response:

See response to specification R-23.

P-9: Produce all documents that describe, reflect, or relate to the Company's promotional materials or communications that contain representations that:

- a. a consumer may save money by obtaining a mortgage from the Company's mortgage affiliate(s); or*
- b. a consumer will have a specific monthly payment on a mortgage loan.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

P-10: Produce all documents and materials used during the relevant time period to conduct training for the Company's employees, retail or loan brokers, or correspondent lenders, relating to the Company's marketing and sales activities or mortgage lending activities.

Response:

This interrogatory would take a considerable amount of time for Lennar's employees to compile the requisite information. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

P-11: Produce all documents relating to the Company's efforts to monitor, oversee, supervise, inspect, or audit the compliance by employees and persons acting on behalf of the

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Company with the Company's policies, procedures, and practices relating to marketing and sales activities or mortgage lending activities.

Response:

This interrogatory would take a considerable amount of time for Lennar's employees to compile the requisite information. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

P-12: Produce all documents relating to the performance evaluation process for all the Company's divisions, branches, employees, and persons acting on behalf of the Company, involved in any way (including in a supervisory or management capacity) in marketing and sales activities or mortgage lending activities, including but not limited to exemplar evaluation forms.

Response:

As discussed with FTC counsel on November 30, 2009, Lennar suggests a modification to this specification limiting it to documents sufficient to describe the evaluation process. Otherwise, this specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

P-13: Produce all documents, contracts or agreements relating to the referral of actual or prospective home buyers to the Company's mortgage affiliate(s), including but not limited to the following:

- a. Agreements between the Company and its mortgage affiliate(s); and*
- b. Documents explaining any compensation that the Company may receive for referrals to its mortgage affiliate(s).*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

- P-14: Produce all documents given to consumers which relate to the Company's referrals to its mortgage affiliate(s), including but not limited to the following:*
- a. Disclosures of the relationship between the Company and its mortgage affiliate(s);*
 - b. Description of any effects of using the Company's mortgage affiliate(s), including but not limited to reduced closing costs; and*
 - c. Description of any effects of not using the Company's mortgage affiliate(s).*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

- P-15: Produce all documents relating to how the Company trains, instructs, or directs its employees and retail brokers on the referral of actual or prospective home buyers to its mortgage affiliate(s), including but not limited to the following:*
- a. Scripts or suggested methods of making a referral;*
 - b. Directions on how to quote loan prices or loan terms;*
 - c. Materials explaining eligibility criteria for loan products; and*
 - d. Materials explaining the terms of loan products.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

- P-16: Produce all documents relating to the Company's annual sales targets and profit goals with regard to the referral of actual and prospective buyers to its mortgage affiliate(s). If the sales targets and profit goals vary by division or region, produce documents specific to each division or region.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

- P-17: Produce all reports produced by or relating to any branch, group, division, region or headquarters office concerning the following:*
- a. The percentage or volume of actual or prospective home buyers who were referred to the Company's mortgage affiliate(s);*
 - b. The percentage or volume of loans for which the home buyer was extended a loan by the Company's mortgage affiliate(s); and*
 - c. The percentage or volume of home buyers who were not extended a loan by the Company's mortgage affiliate(s).*

Response:

Subsection (a) of this specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

Information responsive to Subsections (b) and (c) is available and could be included in the first suggested production on December 18, 2009.

- P-18: Produce all documents that describe, reflect, or relate to the policies, procedures, and calculations for compensation identified in response to Specification R-18, including all documents that relate to the Company's decision to implement such monetary or non-monetary rewards, penalties, or limits.*

Response:

See response to R-18.

- P-19: Produce all advertisements or marketing materials related to the Company's marketing and sales activities or mortgage lending activities that were used in the States of Arizona,*

California, Florida, Nevada, North Carolina, or Texas during the relevant time period, including:

- a. All non-identical printed advertisements and materials used, including, but not limited to newspaper and magazine advertisements, pamphlets, brochures, flyers, mailers, direct mail solicitations, electronic mail solicitations, signs, and other materials;*
- b. All telephone scripts, audio tapes, and video tapes (including printed transcripts for such audio and video tapes); and*
- c. In printed form, all information made available on the World Wide Web, including the Internet address (URL) of the site.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

P-20: Produce all advertisements and marketing materials related to the Company's marketing and sales activities or mortgage lending activities that are in the Spanish language, in whole or in part, and were used during the relevant time period, including:

- a. All non-identical printed advertisements and materials used, including, but not limited to newspaper and magazine advertisements, pamphlets, brochures, flyers, mailers, direct mail solicitations, electronic mail solicitations, signs, and other materials;*
- b. All telephone scripts, audio tapes, and video tapes (including printed transcripts for such audio and video tapes); and*
- c. In printed form, all information made available on the World Wide Web, including the Internet address (URL) of the site.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

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P-21: Produce all documents relating to the Company's policies, procedures, and practices for the handling of consumer complaints and inquiries related to the Company's marketing and sales activities or mortgage lending activities.

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates.

P-22: Produce all documents that relate to the following:

- a. Complaints from actual or prospective buyers or borrowers that relate to the Company's marketing and sales activities or mortgage lending activities;*
- b. Private litigation in which claims or counterclaims against the Company that relate to the Company's marketing and sale activities or mortgage lending activities were asserted; and*
- c. Law enforcement and regulatory proceedings, actions, and investigations of the Company that relate to the Company's marketing and sale activities or mortgage lending activities.*

Response:

This specification would require localized responses from all of Lennar's subsidiaries, as well as all branch locations and affiliates in the 40 markets in 14 states in which Lennar operates. Lennar suggests a modification limiting this specification only to those government and/or law enforcement investigations specifically regarding mortgage lending activity. As currently written, this specification incorporates the whole of the FTC unfair and deceptive trade practices act, which could include many matters wholly unrelated to marketing, sales, and origination of mortgage lending activity. For instance, as discussed with FTC counsel on November 30, 2009, this specification could include any investigation into the ongoing controversy regarding Chinese drywall.

P-23: Produce all documents relating to actual or alleged abuses or violations of law or Company policy by employees, retail or loan brokers, correspondent lenders, and persons

acting on behalf of the Company in relation to the Company's marketing and sales activities or mortgage loan activities, including but not limited to internal investigations, responses to accusations of malfeasance, and the minutes of Executive Committee or Board of Director meetings.

Response:

Lennar suggests a modification limiting this specification only to those government and/or law enforcement investigations specifically regarding mortgage lending activity. As currently written, this specification incorporates the whole of the FTC unfair and deceptive trade practices act, which could include many matters wholly unrelated to marketing, sales, and origination of mortgage lending activity. For instance, as discussed with FTC counsel on November 30, 2009, this specification could include any investigation into the ongoing controversy regarding Chinese drywall. Further, UAMC estimates that it would require approximately 360 staff hours to comply with request.

P-24: Produce all documents relating to any customer survey taken by or on behalf of the Company.

Response:

This interrogatory would take a considerable amount of time for Lennar's employees to compile the requisite information. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

P-25: For those individuals identified in response to Specifications R-11 and R-12 that ever directly communicated orally with customers in the Spanish language, functioned as an interpreter for customers, interpreting the English language to Spanish language, or translated documents written in the English language to the Spanish language for customers, produce a copy of the complete consumer loan application and loan file for each consumer who ultimately purchased a home through or was extended a loan by that individual. If more than 1,000 consumer applications files are responsive to this request, please contact us within 10 days of receipt of this CID so that we may discuss the possibility of limiting the request.

Response:

See responses to specifications R-11 and R-12.

P-26: Produce a copy of the complete consumer loan application and loan file for each applicant who received a mortgage loan from the Company or its mortgage affiliate to the States of Arizona, California, Florida, Nevada, North Carolina, or Texas, and for which the Universal Residential Loan Application (Spanish), Fannie Mae Form 1003S, or other Spanish language loan application was used. If more than 250 consumer application files are responsive to this request per state, please contact us within ten days of receipt of this CID so that we may discuss the possibility of limiting the request.

Response:

Lennar does not believe that there are any documents responsive to this specification.

P-27: Produce exemplars of the Company's contracts with its employees who engage in the sale of homes and retail brokers with whom the Company does business.

Response:

This information is readily available and could be included in the first suggested production on December 18, 2009.

P-28: Produce exemplars of the Company's contracts with its employee loan originators, loan brokers, and correspondent lenders with whom the Company does business.

Response:

This information is readily available and could be included in the first suggested production on December 18, 2009.

P-29: Produce all documents that reflect the schema, architecture, and/or design of each database identified in the Company's response to Specification R-30 of this CID.

Response:

Due to the voluminous amount of material responsive to this document request, it would take considerable time for Lennar's employees to compile the requisite information. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

P-30: Produce all manuals or handbooks related to any software used by the Company in its marketing and sales activity or mortgage lending activity.

Response:

Due to the voluminous amount of material responsive to this document request, it would take considerable time for Lennar's employees to compile the requisite information. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

P-31: Produce all manuals or handbooks utilized or made available by the Company to its employees, sales or loan brokers, or correspondent lenders that relate to marketing and sales activity or mortgage lending activity.

Response:

Due to the voluminous amount of material responsive to this document request, compliance would take considerable time for Lennar's employees to compile the requisite information. Lennar suggests that this information could be produced at a later date within the anticipated rolling production schedule as discussed with FTC counsel on November 30, 2009.

P-32: Produce all documents that relate to any third-party audit, report, review, or assessment of the Company's operations that relate to the Company's marketing and sales activity or mortgage lending activity, including any such audit, report, review, or assessment conducted by a government agency or agencies.

Response:

This information is readily available and could be included in the first suggested production on December 18, 2009.

Data Requests:

For each mortgage loan application for which you submitted data to the Federal Reserve Board pursuant to HMDA and Regulation C for calendar years 2006, 2007, and 2008, other than those mortgage loans for which you correctly indicated that the "action taken" was "purchased," or code "6," produce ESI or other documents reflecting the following data.

- D-001: The "application or loan number" as reflected in the data you submitted to the Federal Reserve Board pursuant to HMDA and Regulation C, such that the data you provide in response to these requests may be matched to the data you submitted to the Federal Reserve Board pursuant to HMDA and Regulation C;*
- D-002: The annual percentage rate of the mortgage loan or application;*
- D-003: The loan-to-value ratio of the mortgage loan or application;*
- D-004: The FICO or other comparable credit score of the primary applicant for the mortgage loan;*
- D-005: If the application included a co-applicant, the FICO or other comparable credit score of the co-applicant for the mortgage loan;*
- D-006: The debt-to-income ratio used in underwriting the mortgage loan or gathered in support of the application;*
- D-007: Whether the mortgage loan carried a prepayment penalty;*
- D-008: Whether the mortgage loan was a reduced documentation loan;*
- D-009: Whether the mortgage loan was a no documentation loan;*
- D-010: The Fannie Mae Desktop Underwriter result for the application, if any;*
- D-011: The Freddie Mac Loan Prospector result for the application, if any;*
- D-012: Whether the mortgage loan was originated by an employee loan originator, loan broker, correspondent lender, or through some other business channel.*
- D-013: If applicable, the overage or underage on the loan;*
- D-014: If applicable, the total loan broker compensation, including but not limited to any origination fees or discount points retained by, paid to, or payable to the loan broker and the yield-spread premium;*
- D-015: The name of the applicant;*

- D-016: *If applicable, the name or names of the co-applicant or co-applicants;*
- D-017: *The address of the property to be secured by the mortgage loan was owned by, was constructed by, or was to be constructed by the Company;*
- D-017A: *Whether the property secured or to be secured by the mortgage loan was owned by, was constructed by, or was to be constructed by the Company;*
- D-017B: *If applicable, the name of the Company community, development, complex, or group of properties to which the property secured or to be secured by the mortgage loan belongs or belonged;*
- D-018: *The name or other unique identifier of the loan originator who was responsible for the application;*
- D-018A: *The name or other unique identifier of the employee or retail broker who was responsible for the sale of the home used as security for the loan;*
- D-018B: *The name or other unique identifier of the interviewer identified on the loan application;*
- D-019: *The name or other unique identifier of the office or branch location from or through which the application was originated;*
- D-020: *The amortization period of the mortgage loan;*
- D-021: *The contract term of the mortgage loan*
- D-022: *[Intentionally left blank];*
- D-023: *The unique applicant identifier sufficient to identify multiple applications made by the same applicant or applicants;*
- D-024: *The amount of any credit, refund, or rebate paid or credited by the Company to the applicant;*
- D-025A: *The name of each fee charged to the borrower for the mortgage loan;*
- D-025B: *The amount of each fee identified in response to Specification D-025A;*
- D-025C: *[Intentionally left blank];*
- D-025D: *[Intentionally left blank];*
- D-025E: *[Intentionally left blank];*
- D-025F: *The person or entity to whom each fee identified in response to Specification D-025A was or was to be paid or payable;*
- D-026: *Whether the mortgage loan is an adjustable-rate loan or a fixed-rate loan;*
- D-027: *For adjustable-rate mortgage loans, the index;*
- D-028: *For adjustable-rate mortgage loans, the length of time, if any, for which the*

- interest rate is fixed;*
- D-029: *[Intentionally left blank];*
- D-030: *The type of mortgage loan product, at the greatest level of detail available;*
- D-031: *[Intentionally left blank];*
- D-032: *[Intentionally left blank];*
- D-033: *[Intentionally left blank];*
- D-034: *[Intentionally left blank];*
- D-035: *The documentation level of the mortgage loan, at the greatest level of detail available;*
- D-036: *The amount of the yield-spread premium or other payment credited, paid, or payable to the loan originator, for or because of the interest rate of the mortgage loan;*
- D-037: *[Intentionally left blank];*
- D-038: *[Intentionally left blank];*
- D-039: *Any notes or comments made by the loan originator who originated the mortgage loan;*
- D-040: *[Intentionally left blank];*
- D-041X: *Each item of information that the Company is or was required to report to the Federal Reserve Board regarding the mortgage loan and the applicant or applicants therefor pursuant to HMDA and Regulation C;*
- D-042: *The applicant income used in underwriting the mortgage loan or gathered in support of the application;*
- D-043: *If applicable, the co-applicant income used in underwriting the mortgage loan or gathered in support of the application;*
- D-044: *Whether the mortgage loan had or could have had a balloon payment;*
- D-045: *Whether the mortgage loan was a part of a piggy-back loan;*
- D-046: *If applicable, whether the mortgage loan's piggy-back loan was a home equity line of credit;*
- D-047: *Whether the mortgage loan was an interest-only loan for any period of time.*
- D-048: *Whether the mortgage loan allowed negative amortization at any time during the life of the loan;*
- D-049: *The applicant's years of school gathered in support of the application;*
- D-050: *If applicable, the co-applicant's years of school gathered in support of the*

- application;*
- D-051: *Whether the applicant had limited English proficiency;*
- D-052: *If applicable, whether the co-applicant had limited English proficiency;*
- D-053: *Whether a Universal Residential Loan Application (Spanish), Fannie Mae Form 1003S or other loan application form in the Spanish language was used in gathering support for the application;*
- D-054: *The language in which the loan transaction was conducted;*
- D-055: *Whether the applicant is a U.S. citizen;*
- D-056: *If applicable, whether the co-applicant is a U.S. Citizen;*
- D-057: *Whether the applicant is a permanent resident alien;*
- D-058: *If applicable, whether the co-applicant is a permanent resident alien;*
- D-059: *The social security number of the applicant;*
- D-060: *If applicable, the social security number of the co-applicant;*
- D-061: *The applicant's marital status;*
- D-062: *If applicable, the marital status of the co-applicant;*
- D-063A: *The name of each employer of the applicant gathered in support of the application;*
- D-063B: *For each employer identified in response to Specification D-063A, whether the employer is the applicant's current employer;*
- D-063C: *For each employer identified in response to Specification D-063A, the address of that employer;*
- D-063D: *For each employer identified in response to Specification D-063A, the position, title, or type of business held or engaged in by the applicant;*
- D-063E: *For each employer identified in response to Specification D-063A, the dates the applicant was employed by that employer;*
- D-063F: *For each employer identified in response to Specification D-063A, the years the applicant was employed by that employer;*
- D-063G: *For each employer identified in response to Specification D-063A, whether the applicant was self-employed;*
- D-064A: *If applicable, the name of each employer of the co-applicant gathered in support of the application;*
- D-064B: *For each employer identified in response to Specification D-064A, whether the employer is the co-applicant's current employer;*

- D-064C: *For each employer identified in response to Specification D-064A, the address of that employer;*
- D-064D: *For each employer identified in response to Specification D-064A, the position, title or type of business held or engaged in by the co-applicant;*
- D-064E: *For each employer identified in response to Specification D-064A, the dates the co-applicant was employed by that employer;*
- D-064F: *For each employer identified in response to Specification D-064A, the years the co-applicant was employed by that employer;*
- D-064G: *For each employer identified in response to Specification D-064A, whether the co-applicant was self-employed;*
- D-065: *The FHA Total Scorecard result for the application, if any;*
- D-066: *The combined loan-to-value ratio of the property to be secured by the mortgage loan;*
- D-067: *Whether the applicant indicated that he/she had an ownership interest in a property in the last three years;*
- D-068: *If applicable, whether the co-applicant indicated that he/she had an ownership interest in a property in the last three years;*
- D-069: *All telephone numbers of the applicant;*
- D-070: *If applicable, all telephone numbers of the co-applicant;*
- D-071: *The loan program of the mortgage loan (e.g., CRA special lending programs and Expanded Approval); and*
- D-072: *The type of property, at the greatest level of detail, to be secured by the mortgage loan.*

Response:

HMDA data would be available for the first round of production.

As you can see, we have a number of areas where the scope of the demand exceeds the Company's ability to comply while at the same time remaining in business. The Company will be producing responsive information by December 18, 2009, as noted above. In addition, it will continue with its efforts to collect additional information for production within 120 days of agreement on its objections. To the extent information can be gathered and reviewed earlier; it will be produced on a rolling basis. However,

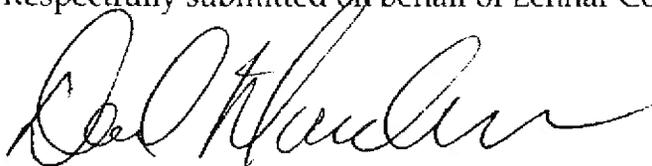
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given the number of issues that remain, please treat this letter as a formal request for an extension of the time for compliance, a request to extend the time to file a petition to limit or quash the CID, and a formal request for a face-to-face meeting with the Staff in an effort to reach an amicable resolution of the issues that remain.

Respectfully submitted on behalf of Lennar Corporation,

A handwritten signature in black ink, appearing to read "David M. Souders", written in a cursive style.

David M. Souders

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**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

IN THE MATTER OF)
LENNAR CORP.)
_____)

FILE NUMBER 042-3135
FILE NUMBER P944809

**DECLARATION OF BECKY L. MOORE IN SUPPORT OF LENNAR CORP.'S
PETITION TO LIMIT OR QUASH CIVIL INVESTIGATION DEMAND**

I, Becky L. Moore, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a Vice President for Universal American Mortgage Company ("UAMC"). I have been employed by UAMC since October, 1986 and I have held my current position with UAMC since 1990.

2. UAMC is a Limited Liability Corporation incorporated in Florida and is licensed to do business in 17 states across the United States. UAMC is a subsidiary of Lennar Corp. ("Lennar").

3. UAMC primarily originates conforming conventional, FHA-insured, VA-guaranteed residential loan products.

4. I have reviewed the Civil Investigative Demand ("CID") that was served on Lennar on November 3, 2009.

5. Currently, UAMC is undergoing substantial changes to their operations and operating systems in order to comply with new regulations, including, for example, the sweeping changes to the Real Estate Settlement Procedures Act ("RESPA") which require new Good Faith Estimates ("GFEs") and HUD-1 Settlement Statements by January 1, 2010.

6. The response date of December 2009, for the CID also places additional hardships on UAMC because the Company has many closings scheduled for the end of December as a result of recent legislative changes which, among other things, provided certain tax credits for homebuyers. While some of those changes have been extended, closings that were based on prior legislation that was set to expire still must be closed. In addition, there are numerous religious and federal holidays that occur in December as well as reporting deadlines for public filings to the U.S. Securities and Exchange Commission, year-end auditing requirements and heavily scheduled employee vacation time during this period.

7. The Company does not track whether its employees ever communicated with customers in the Spanish language. Accordingly, the only way to provide the information requested by R-12 would be to interview every employee loan originator of UAMC who participated in any loan transaction, including transactions that did not result in a closed loan, during the time period covered by the CID. By way of example, during the relevant time period, UAMC employed 473 loan originators and 377 loan processors who are or have been involved in soliciting, arranging, referring or originating mortgage loans for, by, or on behalf of the Company, the majority of who are no longer employed by the Company.

8. The CID seeks certain information regarding persons with "limited English proficiency." While personally I am not clear as to what constitutes "limited English proficiency," I am not aware of any records kept by UAMC that would indicate the ability, limited or not, of any of its customers or potential customers to speak English.

9. UAMC does not keep records on whether its customers or potential customers are proficient in the English language. UAMC also does not have any policies, procedures, or

established methods by which it determines whether a customer or potential customer is proficient in the English language.

10. UAMC does not keep records on whether its customers or potential customers are proficient in the English language. UAMC also does not have any policies, procedures, or established methods by which it determines whether a customer or potential customer is proficient in the English language.

11. The demands for all training materials from January 1, 2006, would be a very difficult demand to comply with because UAMC does not regularly maintain outdated company policies.

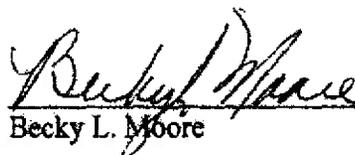
12. The demands for all advertising materials used since January 1, 2006, would be a very difficult demand to comply with because, unless there was a particular state law requirement, those materials were not maintained in any systematic or electronic format. This request would require UAMC employees to review thousands of draft documents in order to determine which documents are responsive to the request.

13. UAMC estimates that the identification, collection, and production of all items responsive to all specifications within the CID would take approximately 800 hours of staff time for the UAMC alone. Lennar estimates it would take an additional 560 hours of staff time for compliance by it in its homebuilding capacity. This would not only cause a substantial financial burden upon the company, but it would also substantially interfere with UAMC's ongoing business activities.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

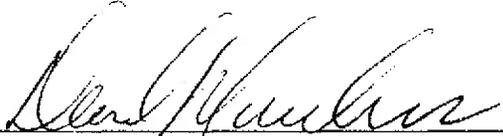
Executed this 11th day of December, 2009.

Miami, Florida


Becky L. Moore

CERTIFICATION

Pursuant to 16 C.F.R. §2.7(d)(2), counsel for petitioner Lennar Corporation, hereby certifies that they have conferred with counsel and staff for The Federal Trade Commission by phone, e-mail and letter correspondence in a good faith effort to resolve by agreement the modifications sought by this Petition, but have been unable to reach an agreement. Counsel for Lennar Corporation, as listed above in this Petition, corresponded with FTC Counsel Ms. Rebecca J.K. Gelfond on November 30, 2009; December 2, 2009; and December 10, 2009; however, the parties have yet to come to any satisfactory agreement beyond an initial one week extension of the time in which to respond and file this Petition.



David M. Souders

Clark, Donald S.

From: David Souders [SOUDERS@WBSK.com]
Sent: Thursday, January 21, 2010 11:24 AM
To: Clark, Donald S.
Cc: Rop, Ami
Subject: RE: Processing of Two Petitions to Quash

Don:

I want to confirm my agreement that the two petitions can be treated as public for purposes of the filing date, as stated in your e-mail below.

Thank you for your attention to this matter.

Dave Souders

David Souders
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Washington DC 20036
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From: Clark, Donald S. [mailto:DCLARK@ftc.gov]
Sent: Thursday, January 21, 2010 11:15 AM
To: David Souders
Cc: Rop, Ami
Subject: Processing of Two Petitions to Quash

Mr. Souders, thank you for your earlier calls with respect to the petitions to quash you filed on behalf of D.R. Horton and Lennar Corporation on December 11, 2009. This is to confirm, from our earlier discussions, that you have agreed that both petitions are to be treated as public in their entirety, so that they can both be treated as having been filed on Friday, December 11, 2009, in conformity with the requirements of Commission Rule 4.2(d) (4). Please let me know if you have any questions; thank you for your attention.

Don Clark

2/3/2010

Donald S. Clark, Esq., Secretary

Federal Trade Commission Washington, D.C. 20580

Telephone: (202) 326-2514; FAX: (202) 326-2496

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2/3/2010