

**DRAFT  
MEMORANDUM**

**TO:** File  
**FROM:** V. Cunicelli  
**DATE:** 9 March 2010, 13:00-13:41 Hours  
**RE:** Telephonic interview of James O'Reilly

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On the above date and time, reporting investigator and Senior Investigator Thomas Borgers interviewed Mr. James O'Reilly. Mr. O'Reilly was interviewed concerning his employment at CitiMortgage and New Century (NC) Financial Corporation, a large subprime lender. Mr. O'Reilly said as follows:

He worked with Citigroup and Associates First Capital as a loan officer "hunter gatherer" prior to his time with New Century. He worked with realtors and builders from whom he received customer referrals. At Citi, he worked under Bill Beckman staffing CitiMortgage offices throughout the Midwest. He was tasked with building 20 offices to start for CitiMortgage. This was roughly May 2007. Shortly after his arrival, CitiMortgage reorganized. By January 2008 he had added 30 branches. These offices on average produced \$4-5M in monthly loan originations. He believes Citi retained servicing on these loans, but was unsure as he characterized Citi as very "siloed." Citi's announcement of \$50B in losses resulted in a hiring freeze which effectively stopped his network expansion activities. He expressed discomfort expounding on his experiences with Citi as he signed a confidentiality agreement prior to his departure.

He started with NC in April 2004 and worked there through March 2007. At NC he was responsible for a private label arrangement between American Home Mortgage and NC. Briefly, this entailed creating an A-paper avenue for NC through AHM's retail network and a subprime avenue for AHM via NC's network. He helped NC launch NC Mortgage Ventures LLC, a joint venture with various builders which underwrote primarily A-paper (97%) loans. He reported directly to John Threadgill (formerly of Royal Bank of Canada) who ran NC Mortgage Ventures. NC had purchased RBC's home mortgage business and 150 U.S. offices. His focus during his tenure at NC was to grow NC's A-paper business and to expand NC's partner relationships with realtors and builders.

He provided a detailed contact list for NC executive personnel. He requested confidentiality concerning his statement to FCIC.