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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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In re : Case No.: 12-12020 (MG)
: :
RESIDENTIAL CAPITAL, LLC, et al., : Chapter 11
: :
Debtors. : Jointly Administered
: :
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**TALCOTT FRANKLIN INVESTOR GROUP STATEMENT IN SUPPORT OF, AND IN
RESPONSE TO OBJECTIONS TO, JOINT CHAPTER 11 PLAN PROPOSED BY
RESIDENTIAL CAPITAL, LLC, ET AL AND THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS**



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TO THE HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE:

The Talcott Franklin Investor Group (“Talcott Franklin Group”) files this statement in support of, and in response to objections to, the Joint Chapter 11 Plan proposed by Residential Capital, LLC, et al and the Official Committee of Unsecured Creditors (the “Plan”)¹.

A. PRELIMINARY STATEMENT

1. As of the Third Amended and Restated RMBS Trust Settlement Agreement dated as of September 20, 2012 (DN 1887-3, filed October 19, 2012), 57 investors designated in this case as the Talcott Franklin Group held or controlled 25% or more of one or more classes of interests in notes, bonds and/or certificates (collectively, the “RMBS Securities”) in at least 193 of the approximately 392 trusts backed by residential mortgage loans held by certain of the RMBS Trusts².

2. The Plan is an extraordinary and hard-fought for accomplishment in these Chapter 11 cases. It implements a global settlement consented to by all but one of the major creditor constituencies in this case, and will do so in a way that will maximize creditor recoveries. The alternative to the Plan is years of bitter litigation between disparate and conflicting creditor constituencies that would threaten to exhaust all of the Debtors’ remaining

¹ All capitalized terms not defined in this Statement have the meanings ascribed to them in Article I of the Plan.

² The RMBS Trusts hold claims (each, a “RMBS Trust Claim”), as defined in § 101(5) of the Bankruptcy Code, against the Debtors, including claims arising out of alleged breaches of representations and warranties contained in Pooling and Servicing Agreements (the “PSAs”), Assignment and Assumption Agreements, Indentures, Mortgage Loan Purchase Agreements and/or other agreements governing the sale and administration of residential mortgage loans sold to the Trusts (the “Governing Agreements”). The bases of the Trust Claims against certain Debtors include: (a) breaches of warranties about the quality, nature, history, and characteristics of the loans, and failures to remedy such breaches of warranty as required by the Governing Agreements of the RMBS Trusts in connection with sales of residential mortgage loans to the RMBS Trusts by certain of the Debtors; (b) failures to service those loans in accordance with the Governing Agreements; and (c) obtaining consideration from mortgage loan Originators for breaches of representations and warranties without providing compensation to the RMBS Trusts.

assets. Most importantly, the Plan satisfies all of the requirements for confirmation under the Bankruptcy Code and Bankruptcy Rules.

3. In addition to the Debtors and the Committee, the Plan is supported by the Consenting Claimants, the NCUAB, the RESPA Plaintiffs, and many others. In addition, the objections of the FHFA, Freddie Mac, and a number of other parties have been resolved and those objections will be withdrawn.

4. The fact that a consensual plan could be reached among these disparate creditor constituencies is a remarkable achievement, and only came about as a result of the significant compromises made by each of those creditor constituencies during the lengthy negotiation/mediation process led by Judge Peck. This Plan, which incorporates the global settlement between the Plan Proponents, Ally, and the Consenting Claimants, provides the best alternative for creditors in these cases to collectively maximize their returns in an efficient and timely manner.

5. When the Chapter 11 case was filed, the Debtors had in hand the initial RMBS Settlement Agreements with the Institutional Investors and Plan Support Agreements with the Institutional Investors, certain of the JSNs, and Ally.

6. The Chapter 11 case, however, quickly collapsed into months of infighting over the Original RMBS Settlement Agreements, the size of Ally's contribution, and the respective priority or subordination of the claims of many disparate creditor constituencies. Eventually, in February 2013, the Debtors allowed the May 13, 2012 Plan Support Agreement with Ally to expire and the Committee and the Debtors began their efforts to reach a global agreement on a Plan.

7. After the Debtors allowed the original Plan Support Agreement with Ally to expire and Ally withdrew its settlement offer from the table, and amidst continued litigation over the Original RMBS Settlement, the Talcott Franklin Group re-commenced the process of directing the RMBS Trustees to bring actions against Ally, with a commitment to indemnify the RMBS Trustees for such actions.

8. After the Talcott Franklin Group gave that direction, and based on mediation efforts led by Judge Peck, Ally came back to the table and the difficult and lengthy mediation process moved forward, culminating in the Plan Support Agreement between the Debtors, the Committee, Ally, and the Consenting Claimants that is the foundation of this Plan.

9. The contentious litigation during the first 12 months of the case between Debtors and the Committee, between the proponents of the Original RMBS Settlement and the objectors to that Settlement, and involving the respective rights of Ally, the Senior Unsecured Note Holders, the Junior Secured Noteholders, the Monolines, the Borrowers, the Private Securities Claimants, etc., demonstrates the depths to which this case will descend if the Plan is not confirmed.

10. The broad base of support of the Plan is evidenced not only by the very large number of creditor constituencies that actively support the Plan and the overwhelming percentage of creditors who have voted to accept the Plan, but also by the fact that very few substantive objections to confirmation remain pending before this Court.

B. PLAN OBJECTIONS

11. As noted previously, the largely consensual Plan before the Court is strongly supported by every major creditor constituency in this case, with the exception of the JSNs, as being in the best interests of all creditors in this case. More importantly, the Plan satisfies all of the requirements of the Bankruptcy Code and Bankruptcy Rules.

12. The Court, of course, has the detailed responses to objections and the legal arguments in favor of confirmation of the Plan Proponents before it with regard to those requirements. The Talcott Franklin Group joins in the statements and responses of the Plan Proponents in support of confirmation of the Plan and will not repeat those arguments here.

13. The United States Trustee has filed its Objection to the Plan at Docket No. 5412 (the "UST Objection"). Although the UST Objection is not addressed specifically to the RMBS Settlement or the Allowed Fee Claim of Institutional Investors' counsel incorporated in the RMBS Settlement under the Plan (5.7% of the distribution to the RMBS Trusts), it argues generally that any fees payable under the Plan should be approved by the Court as reasonable under § 1129(a)(4), or otherwise be approved under § 503(b)(3)(D) and § 503(b)(4) to the extent sought under that basis.

14. Notably, no RMBS Investor has objected to the Plan, the RMBS Settlement incorporated in the Plan, or the Allowed Fee Claim for the attorneys for the Institutional Investors that is part of the RMBS Settlement and the Plan.³ Additionally, the Plan, the RMBS Settlement, and the Allowed Fee Claim have the support of all of the RMBS Trustees.

15. The Allowed Fee Claim is not being paid by the Debtors. Rather, it is to be paid out of the recovery of the RMBS Trusts under the Plan. It does not diminish the recovery of any other creditor constituency under the Plan.

16. To the extent that § 1129(a)(4) applies, the Allowed Fee Claim is subject to approval by this Court as part of both the Court's approval of the RMBS Settlement, as modified and incorporated in the Plan, and the Court's approval of confirmation of the Plan, which Plan expressly provides for the RMBS Settlement and the Allowed Fee Claim. And the

³ No party in interest has objected to the Allowed Fee Claim.

Court has before it an extensive record going to the reasonableness of the Allowed Fee Claim. See Declaration of Ralph Mabey in Support of Joint Chapter 11 Plan Proposed by Residential Capital, LLC, et al., and the Official Committee of Unsecured Creditors (the “Mabey Declaration”); Declaration of Talcott Franklin, attached to this Statement as **Exhibit A** (the “Franklin Declaration”).

**C. EFFORTS OF COUNSEL FOR TALCOTT FRANKLIN
GROUP IN THIS PROCEEDING**

17. The Original RMBS Settlement Agreement was the result of extended arms-length negotiations between the Talcott Franklin Group and the Debtors, and is at least the third major settlement agreement iteration. Franklin Declaration, ¶ 5.

18. In 2011, some of the Talcott Franklin Group decided to pursue various claims against sellers and servicers of the RMBS Securities and their affiliates, including Ally. On behalf of those investors, attorneys from Talcott Franklin P.C. (“TFPC”) contacted Ally and ResCap and began discussing a means to resolve their dispute. These contacts initially resulted in various back and forth discussions between TFPC and Tim Devine, head of litigation for Ally. Mr. Devine set up a meeting in Normandale, MN between TFPC and ResCap for February 28, 2012. In addition to Talcott Franklin, TFPC attorneys Jerry Phelps, Paul Snyder, and Sheri Deterling met with Tammy Hamzhepour, general counsel of ResCap, and other inside or outside counsel. Franklin Declaration, ¶ 6.

19. At the meeting, TFPC made a presentation concerning the claims and defenses at issue, the manner in which certain TFPC attorneys had resolved the Fremont General repurchase claims in 2008-2011, and other legal and documentary issues reflected in the presentation. Franklin Declaration, ¶ 7.

20. When negotiations failed to progress as hoped and bankruptcy rumors concerning ResCap surfaced, TFPC, on behalf of certain members of the Talcott Franklin Group (the “Directing Investors”), directed the Trustee of over 20 Trusts to commence an action against Ally asserting: (a) breaches of representations and warranties; (b) breaches of servicing obligations; (c) conversion; and (d) piercing the corporate veil. Franklin Declaration, ¶ 8.

21. That direction regarding Ally was accompanied by an offer of reasonable indemnity as the Trustee might require against the costs, expenses, and liabilities to be incurred, which willingness to provide such indemnity was unique to the Directing Investors, and, as such, represented the only credible threat of suit against Ally on behalf of certain of the RMBS Trusts. Franklin Declaration, ¶ 9.

22. As the sixty-day time limit for the Trustee to act on the direction ran, certain Debtors and Ally entered into a non-disclosure agreement with certain of the Talcott Franklin Group (the “NDA Investors”). The NDA Investors’ negotiations with Ally and ResCap were focused on broad and significant goals that benefited all investors in the related RMBS Trusts. Some of the goals of the negotiations from the NDA Investors’ perspective were to: (a) ensure a minimally disruptive servicing transition from ResCap entities to a prospective purchaser of the servicing rights and obligations, which would benefit both borrowers and the RMBS Trust investors, while maximizing the amounts obtained as part of any sale of servicing rights; (b) obtain as much of the proceeds of any sale of servicing rights as possible to compensate investors in the RMBS Trusts; (c) preserve claims against non-ResCap entities related to the servicing of the RMBS Trusts; (d) obtain compensation for the investors’ claims, including the RMBS Trust Claims; (e) require Ally to contribute funds to pay investor claims; and (f) ensure that all investors in a RMBS Trust would have the opportunity to evaluate and

express a view regarding a settlement, and that a RMBS Trust could choose to “opt out” of the settlement under appropriate circumstances. Franklin Declaration, ¶ 10.

23. Negotiations continued until Ally informed TFPC that ResCap was planning to file for Chapter 11 relief within the next few days. Shortly thereafter, the Talcott Franklin Group also learned that the Debtors were negotiating a settlement with the Steering Committee Group of RMBS Holders, that ResCap wanted to settle with both groups, and that the settlement would contain the provisions that TFPC had requested and with regard to which TFPC had already put RMBS Trusts in a position to enforce through the Directing Investors. Franklin Declaration, ¶ 11.

24. On May 7, 2012, Paul Snyder and Jerry Phelps from TFPC met and/or spoke with representatives of the Debtors and their professionals. They discussed different scenarios of distributions in a liquidation setting to various claimant principals, based on assumptions and different amounts of possible Ally contributions. It also became apparent that ResCap and Ally were still negotiating with one another while they were negotiating with TFPC. Franklin Declaration, ¶ 12.

25. TFPC was provided with a copy of a draft settlement agreement that Debtors proposed to enter into with the so-called Steering Committee Group of RMBS Holders. TFPC focused its attention during the short time-frame on the goals outlined above. Franklin Declaration, ¶ 13.

26. During this time TFPC discussed with Morrison & Foerster various issues, including that certain servicing claims should be separate from breach of representation and warranty claims, that RMBS Trustees could not be forced to settle on time frames shorter than those allowed in the related PSAs, and that monoline involvement in the negotiations was

important. Because the draft settlement agreement reflected many of the provisions TFPC had been negotiating for and time was pressing, TFPC's concerns were narrowed down to two issues: (a) language that, in TFPC's estimation, waived claims against non-ResCap entities involved in servicing the Loans; and (b) that the short time frame for Trustee approval might not give other investors or the Trustees an adequate opportunity to evaluate and participate in the settlement. TFPC's negotiations at this point were entirely with Debtors' counsel on the terms of the settlement agreement, although TFPC had occasional discussions with Mr. Devine in which he urged TFPC's clients to enter the settlement. Franklin Declaration, ¶ 14.

27. As a consequence, the NDA Investors did not enter into the initial settlement and the related Plan Support Agreement until the eleventh hour, when those issues were resolved to their satisfaction. On the first issue, the TFPC settlement agreement contained express language preserving claims against non-ResCap entities involved in the servicing of the Loans, which differed from the Steering Committee Group of RMBS Holders agreement. On the second issue, the NDA Investors accepted ResCap's language, as they rightly predicted that the planned 45-day approval process would ultimately be changed because, among other things, the PSAs at issue required a 60-day period for the Trustees to act. Franklin Declaration, ¶ 15.

28. When the Talcott Franklin Group first began negotiating with the Debtors, the group consisted of less than 30 investors. A smaller sub-group of these investors were Directing Investors and/or NDA Investors. Between the filing of these bankruptcy cases and the Original RMBS Settlement Agreement, the Talcott Franklin Group increased to 57 investors. Franklin Declaration, ¶ 16.

29. In early May 2012, TFPC engaged, with the Consent of the Talcott Franklin Group, Carter Ledyard & Milburn LLP and Miller Johnson Snell & Cummiskey, P.L.C.

as bankruptcy co-counsel to represent the Members in pursuing mortgage repurchase and servicing claims against the Debtors (with TFPC the three law firms are collectively “TFPC Group Counsel”). Franklin Declaration, ¶ 18.

30. One of TFPC’s goals in negotiating the RMBS settlement agreement, which was achieved, was to preserve each investors’ right to evaluate the settlement agreement for itself and give notice to the related Trustee as to whether or not to enter it. Franklin Declaration, ¶ 19.

31. As described in detail in the Franklin Declaration at ¶¶ 20 through 29, TFPC Group Counsel performed substantial and important work on behalf of the Talcott Franklin Group, and by extension the Debtors.

32. For example, TFPC Group Counsel consolidated, coordinated and advised a diverse group of 57 certificateholders, which group could have provided contrary instructions to the trustees in nearly half of the trusts in the RMBS Settlement and threatened the RMBS Settlement. Franklin Declaration, ¶ 20. Additionally, the work of TFPC Group Counsel helped to gain assent to the various settlements, including the multiple revisions and addenda to the RMBS Settlement Agreement and the Plan, and maintain consensus within the group. Franklin Declaration, ¶¶ 21-23. TFPC Group Counsel made significant efforts to confirm and preserve consensus among its clients, and others, after finalizing the RMBS Settlement. Franklin Declaration, ¶¶ 26-27.

33. Additionally, TFPC Group Counsel gave notice of default and directed trustees to sue Ally directly, which immediately preceded the first big shift towards a global settlement among all parties. Franklin Declaration, ¶ 25. TFPC Group Counsel also actively participated in mediation of the RMBS Settlement, and negotiation of the new Plan Support

Agreement, Term Sheet, Supplemental Term Sheet and Global Settlement that formed some of the bases of the Disclosure Statement and Plan. Franklin Declaration, ¶ 29.

34. TFPC Group Counsel made substantial efforts which not only benefitted its clients, but also the Debtors. Additionally, estimated fees of TFPC Group Counsel will be roughly the same amount that they would charge on an hourly basis. In other words, the expenses and attorney fees that make up the Allowed Fee Claim will not provide TFPC Group Counsel the type of premium that is typically awarded to lawyers working on a contingency fee basis. Franklin Declaration, ¶ 31.

35. For the above reasons, as well as the reasons set forth below, the Allowed Fee Claim is reasonable, under any applicable standard.

D. LEGAL ARGUMENT

I. THE ALLOWED FEE CLAIM IS REASONABLE, BY ANY RELEVANT STANDARD.

A. 11 U.S.C. § 1129(a)(4).

36. The Allowed Fee Claim is reasonable under section 1129(a)(4) of the Bankruptcy Code, to the extent it applies. According to section 1129(a)(4), “[a]ny payment made or to be made by the proponent, by the debtor, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in or in connection with the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable.”

37. Section 1129(a)(4) does not define “reasonable,” and there has been no clear test for reasonableness articulated by courts in the Second Circuit. However, prevailing case law suggests courts should consider the totality of the circumstances. For example, the

Fifth Circuit, in *Mabey v. Southwestern Elec. Power Co. (In re Cajun Elec. Power Coop., Inc.)*, 150 F.3d 503, 517 (5th Cir. 1998), stated:

What constitutes a reasonable payment will clearly vary from case to case and, among other things, will hinge to some degree upon who makes the payments at issue, who receives those payments, and whether the payments are made from assets of the estate. In the typical case, payments that are not payable from, or reimbursable by, the bankruptcy estate should not engender anything like the judicial scrutiny devoted to those that are payable out of the bankruptcy estate.

38. Additionally, in *In re Journal Register Co.*, 407 B.R. 520, 538 (Bankr. S.D.N.Y. 2009), the court thought it important that the payment be disclosed so creditors have “an opportunity to factor the payments into their decision whether to accept the Plan.” Also, the court noted that creditors accepted the Plan “overwhelmingly,” the creditors committee endorsed the payment at issue as reasonable, and there was no suggestion that the payment was not in line with the market. *Id.*

39. The totality of the circumstances suggests the Allowed Fee Claim is reasonable. First of all, the Allowed Fee Claim is not being paid out of estate assets, but rather out of the RMBS Trust Claims, which is fixed pursuant to the RMBS Settlement, so heightened judicial scrutiny of the fee is not warranted. Additionally, the Allowed Fee Claim was negotiated by sophisticated parties, was incorporated into the RMBS Settlement which has been approved by the RMBS Trustees, is supported by the parties to the Plan Support Agreement, including the Debtors, the Official Committee of Unsecured Creditors, Ally, and the Consenting Claimants, as part of the Global Settlement⁴, and has been fully disclosed from the outset of and

⁴ The Global Settlement, which includes the RMBS Settlement, is agreed to and supported by the Debtors, Ally, the Official Committee of Unsecured Creditors, the RMBS Trustees, AIG Asset Management (U.S.), LLC, Allstate Insurance Company, Financial Guaranty Insurance Company, the Kessler Class Claimants, Massachusetts Mutual Life Insurance Company, MBIA Insurance Corporation, Prudential Insurance Company of America, the Supporting Senior Unsecured Noteholders, Wilmington Trust, National Association and Paulson & Co., Inc., among others.

throughout the Chapter 11 cases. Also, as more fully described below, the Allowed Fee Claim is not just in line with the market, but is perhaps below the market percentage contingency fee in similar cases (see ¶ 52, below) and is reasonable in light of the actions of counsel for the Talcott Franklin Group described in ¶¶ 17 through 34, above, ¶ 42(a)-(h), below.

B. State Law.

40. Additionally, the Allowed Fee Claim is reasonable under relevant state law. According to the Model Rules of Professional Conduct, which have been adopted in Michigan, Texas and New York, contingency fees are permitted.

41. According to the New York Rules of Professional Conduct, Rule 1.5(a)⁵:

A lawyer shall not make an agreement for, charge, or collect an excessive or illegal fee or expense. A fee is excessive when, after a review of the facts, a reasonable lawyer would be left with a definite and firm conviction that the fee is excessive.

Additionally, factors to be considered in determining the reasonableness of a fee include:

- (1) the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;
- (2) the likelihood, if apparent or made known to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;
- (3) the fee customarily charged in the locality for similar legal services;
- (4) the amount involved and the results obtained;
- (5) the time limitations imposed by the client or by circumstances;
- (6) the nature and length of the professional relationship with the client;

⁵ Model Rule 1.5, adopted in New York as part of Part 1200 of the Joint Rules of the Appellate Division (22 NYCRR Part 1200)

(7) the experience, reputation and ability of the lawyer or lawyers performing the services; and

(8) whether the fee is fixed or contingent.

Nearly identical versions of Rule 1.5 have also been adopted in Texas and Michigan.⁶

42. Applying these factors to the Allowed Fee Claim confirms that the

Allowed Fee Claim is reasonable and not excessive:

- a. Time and labor required, novelty and difficulty of questions involved, and skill requisite to perform legal service properly. Representing the Talcott Franklin Group required experienced, sophisticated legal counsel, given the complexity, size and scope of ResCap's operations, the number of RMBS Securities and Trusts involved, the number of individual loans covered by the RMBS Trusts, and the complexity of the various claims against sellers and servicers of the loans underlying the RMBS Securities, as well as claims against affiliates of those sellers and services, including Ally. Additionally, the law governing litigating the RMBS Trust claims was evolving and uncertain, making any outcome of the litigation difficult to predict.
- b. Likelihood that the acceptance of the employment will preclude other employment by the lawyer. In order to effectively represent the Talcott Franklin Group, counsel was required to gather reams of factual data, research many complex legal issues, attend numerous in-person meetings and conference calls with the clients and counsel for ResCap and Ally, review thousands of various pleadings and agreements, and prepare for and appear in court. These efforts required TFPC Group Counsel's time which necessarily limited engaging in representations of other potential clients.
- c. Fee customarily charged in the locality for similar legal services. The Allowed Fee Claim is well within the range of market comparables and is reasonable. As explained at length by Ralph Mabey, expert employed by counsel for the Steering Committee, in class action cases with settlements greater than \$1 billion, the average percentage fee ranged from 10.2% to 13.7%, which are significantly higher percentages than the 5.7% fee used to determine the Allowed Fee Claim. Mabey Declaration, ¶ 71.

⁶ See Michigan Rules of Professional Conduct, Rule 1.5, and Tex. Disciplinary R. Prof. Conduct 1.04.

- d. Amount involved and results obtained. TFPC Group Counsel worked to achieve: (i) a minimally disruptive servicing transition from ResCap entities to a prospective purchaser of the servicing rights and obligations; (ii) obtaining as much of the proceeds of any sale as possible to compensate RMBS Securities holders; (iii) preserving claims against non-ResCap, non-Ally entities; (iv) obtaining compensation for investor claims, including the claims of the RMBS Trusts; (v) requiring a contribution by Ally to fund payment of investor claims; (vi) ensuring that all investors in an RMBS Trust had an opportunity to evaluate any settlement, and could choose to “opt out” of the settlement under appropriate circumstances; (vii) assisting in the resolution of a number of inter-creditor disputes; (viii) participating in days long mediation sessions; (ix) supporting and contributing to a timely and largely consensual Plan. These considerable efforts will result in an approximate projected recovery for the RMBS Trusts of \$700 million. Given the complexities of and number of competing parties involved in the Chapter 11 cases, the recovery is more than timely given that it should be realized in less than two years from the Petition Date.

- e. Time limitations imposed by the client or circumstances. Significant time limitations were imposed upon TFPC Group Counsel by the circumstances. For example, the Debtors’ prepetition funding was provided by Ally and Ally was not prepared to fund the Debtors after May 2012. Additionally, once the Debtors filed their chapter 11 cases, the ability to maximize value would be impaired. Further, in the absence of settlement, litigating the various RMBS Trust claims and inter-creditor disputes would consume a substantial amount of time and resources, and the longer the Debtors remained in Chapter 11 the higher the administrative costs would be that would dilute recoveries.

- f. Nature and length of professional relationship with the client. Members of Talcott Franklin Group had a good relationship with Talcott Franklin P.C., and its bankruptcy counsel Carter Ledyard & Milburn LLP and Miller Johnson, which enabled the Talcott Franklin Group to remain a cohesive group and render efficient and effective decisions throughout the Chapter 11 cases.

- g. Experience, reputation, and ability of lawyers performing the services. TFPC Group Counsel are experienced, sophisticated attorneys, with relevant knowledge and skills particularly relevant to the issues involved in representing the Institutional Investors. Tal Franklin “wrote the book” on RMBS litigation. Counsel was actively involved, well-informed and constructive, and their

contributions produced results for the Talcott Franklin Group which were consistent with the goals of their engagements.

- h. Whether the fee is fixed or contingent. The Allowed Fee Claim is a contingency fee which was negotiated by and between sophisticated parties, and is incorporated into the RMBS Settlement that the RMBS Trustees support. The contingency fee does not affect a class of persons unable to protect themselves, and there is no suggestion that anyone affected by the contingency fee has been exposed to unfair disadvantage. The Allowed Fee Claim was negotiated at arms-length by sophisticated parties who were represented by counsel, and was the result of lengthy, complex and difficult settlement negotiations. The parties supporting the RMBS Settlement, and by extension the Allowed Fee Claim, represent virtually all of the major constituents in the Chapter 11 cases.

See Franklin Declaration, at ¶¶ 20 – 29; also Mabey Declaration, at ¶ 71.

43. Importantly, the Allowed Fee Claim, as it pertains to TFPC Group Counsel, has the strong support of RMBS Institutional Investors, as shown by the Declarations attached to this Statement as **Group Exhibit B**.

C. Common Fund Doctrine.

44. Additionally, similar to a class action or other litigation activity that generates a fund benefitting a class of parties, bankruptcy courts have authorized, under the “common fund doctrine,” the payment of contingency fees to counsel for creditors from funds created or established as a result of such counsel’s efforts. *See, e.g., C & E Enterprises, Inc. v. Milton Poulos, Inc. (In re Milton Poulos, Inc.)*, 947 F.2d 1351, 1353 (9th Cir. 1991); *Bergstrom v. Dalkon Shield Claimants Trust (In re A.H. Robins Co., Inc.)*, 86 F.3d 364, 370, 376-77 (4th Cir. 1996); *In re Merry-Go-Round Enterprises, Inc.*, 244 B.R. 327, 343-44 (Bankr. D. Md. 2000).

45. Under the common fund doctrine, if an attorney’s efforts result in a fund or benefit for the attorney’s client and third parties, a court may award fees from that fund to prevent the unjust enrichment of those third parties and provide restitution to the parties (the attorney and client) who procured the benefit. *See, e.g., Boeing Co. v. Van Gemert*, 444 U.S.

472, 478; 100 S.Ct. 745 (1980); *Mulligan Law Firm v. Zyprexa MDL Plaintiffs' Steering Comm. II* (*In re Zyprexa Products Liability Litigation*), 594 F.3d 113, 128-29 (2d. Cir. 2010).

46. In common fund cases, courts award “reasonable” fees, *Boeing*, 444 U.S. at 478, and percentage awards are preferred, *Blum v. Stenson*, 465 U.S. 886, 900, n. 16 (1984). Additionally, in the Second Circuit, courts determine percentage fees in common fund cases on a case-by-case basis, and consider the following factors:

(1) the time and labor expended by counsel; (2) the magnitude and complexities of the litigation; (3) the risk of the litigation; (4) the quality of representation; (5) the requested fee in relation to the settlement; and (6) public policy considerations.

Goldberger v. Integrated Resources, Inc., 209 F.3d 43, 49-50 (2d. Cir. 2000).

47. These factors are detailed and described in subsection (B) above regarding State Law considerations, and demonstrate that the Allowed Fee Claim is reasonable.

D. 11 U.S.C. § 328

48. The Allowed Fee Claim is 5.7% of the Allowed RMBS Trust Claims. Under the circumstances, a contingency fee of only 5.7% of the recovery secured by counsel for the Institutional Investors is more than reasonable.⁷

49. For professionals employed by or at the expense of a chapter 11 estate, the Bankruptcy Code permits employment pursuant to a contingency fee arrangement. According to 11 U.S.C. § 328(a), a professional person may be employed under section 327 or 1103 of the Bankruptcy Code “on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.”

⁷ Counsel for Talcott Franklin Group, Talcott Franklin P.C., Carter Ledyard & Milburn, and Miller Johnson, have reached an agreement with counsel for the Steering Committee, Gibbs & Bruns LLP and Ropes & Gray LLP, to allocate the Allowed Fee Claim among the law firms, which is set forth in Exhibit 14 of the Plan Supplement. Under that allocation, counsel for the Talcott Franklin Group will receive 17.25% of the total Allowed Fee Claim.

50. Counsel for the Institutional Investors have not been employed by or at the expense of the chapter 11 estate. However, the contingent fee arrangement nonetheless satisfies the standards set forth in section 328 of the Bankruptcy Code, if it were to apply, and is otherwise reasonable.

51. The Allowed Fee Claim was negotiated before the bankruptcy by sophisticated parties, took account of the complexity of facts and significant legal risks, uncertainties, costs and time requirements associated with the representation, and is at the lower end of the range of market comparable contingency fee arrangements. *See* Mabey Declaration, at Section VI(A)(1).

52. Contingency fees that have been approved in chapter 11 cases are typically much higher than 5.7%. *See, e.g., Riker, Danzig, Scherer, Hyland & Perretti v. Official Comm. Of Unsecured Creditors (In re Smart World Techs., LLC)*, 552 F.3d 228 (2d Cir. 2009) (contingency fee of 33% of the first \$1.5 million, and for amounts in excess of \$1.5 million a sliding scale between 0% and 37% depending on the length of the litigation, approved); *Pitrat v. Reimers (In re Reimers)*, 972 F.2d 1127, 1128 (9th Cir. 1992) (40% contingency fee approved); *Seiler v. First Nat'l Bank of Babbitt (In re Benassi)*, 72 B.R. 44, 49 (D. Minn. 1987) (33% contingency fee approved); *Merry-Go-Round*, 244 B.R. at 330-333 (40% contingency fee approved); *Solfanelli v. Meridian Bank (In re Solfanelli)*, 230 B.R. 54, 72 (Bankr. M.D. Pa. 1999) (25% contingency fee approved).

53. The Allowed Fee Claim is also not “improvident in light of developments not capable of being anticipated at the time of the fixing of such terms and conditions,” as cautioned by section 328(a) of the Bankruptcy Code. This standard is “is a high hurdle to clear.” *In re Smart World Technologies, LLC*, 552 F.3d 228, 235 (2d Cir. 2009). The potential

magnitude of the Allowed Fee Claim, the potential for settlement of the RMBS Trust claims against ResCap, the anticipated time period for, complexity of and risks in litigating the RMBS Trust claims against ResCap, the potential for negotiations and settlement in a potential chapter 11 case, and the expected resource commitment of counsel to the Institutional Investors were all capable of being anticipated, both at the time the contingency fee was negotiated and throughout the Chapter 11 cases while the RMBS Settlement and Plan were being negotiated.

E. 11 U.S.C. § 330.

54. Section 330 of the Bankruptcy Code provides that, after notice and a hearing, the court may award a professional person employed under section 327 or 1103 “(A) reasonable compensation for actual, necessary services rendered by the ... professional person, or attorney and by any paraprofessional person employed by any such person; and (B) reimbursement for actual, necessary expenses.”

55. Section 330 of the Bankruptcy Code further provides:

(3) In determining the amount of reasonable compensation to be awarded to [a] ... professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

(A) the time spent on such services;

(B) the rates charged for such services;

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

(D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;

(E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and

(F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

56. Section 328, not section 330, of the Bankruptcy Code addresses contingency fees, and counsel to the Talcott Franklin Groups was not retained as a professional person in the Chapter 11 cases. However, the Allowed Fee Claim would nonetheless be reasonable under the standard set forth in section 330 of the Bankruptcy Code.

57. Courts in the Second Circuit assessing the reasonableness of compensation under section 330 of the Bankruptcy Code begin with the “lodestar” test, which multiplies the reasonable number of hours expended times a reasonable billing rate, and then determine whether to apply any enhancements to the lodestar amount under *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717-20 (5th Cir. 1974).

58. The “Johnson Factors” include (1) the time and labor required for the matter; (2) the novelty and difficulty of the questions presented; (3) the skill needed to perform the services appropriately; (4) the preclusion of the professional from taking other cases by working on the matter; (5) the customary fee involved in similar instances; (6) whether the fee is fixed or contingent; (7) any time limitations imposed by the client; (8) the sums involved and the results obtained; (9) the experience and ability of the employed professional; (10) whether the case is desirable or not; (11) the length of the relationship between the professional and the client; and (12) what awards were granted in similar cases. *Johnson*, 488 F.2d at 717-19. However, enhancements to the lodestar based on the Johnson Factors are “only appropriate in exceptional and rare circumstances and must be supported by detailed evidence and specific findings.” *In re Kohl*, 421 B.R. 115, 131 (Bankr. S.D.N.Y. 2009).

59. The Allowed Fee Claim would be reasonable under section 330 of the Bankruptcy Code even if it applied, including consideration of the *Johnson* Factors, for the reasons described above in subsection (B) regarding State Law considerations.

F. 11 U.S.C. § 503(b)(3)(D) and § 503(b)(4).

60. The Allowed Fee Claim is reasonable under, and meets the standards set forth in, section 503(b)(3)(D) and (b)(4) of the Bankruptcy Code, to the extent the Court determines that it applies.⁸ According to section 503(b)(3)(D), after notice and a hearing, there shall be allowed administrative expenses for the “actual, necessary expenses ... incurred by – (D) a creditor, an indenture trustee, an equity security holder, or a committee representing creditors or equity security holders other than a committee appointed under section 1102 of this title, in making a substantial contribution in a case under chapter 9 or 11 of this title.”

61. To make a substantial contribution, there must be actual demonstrable benefit to the estate as a whole. *In re S & Y Enter., LLC*, 480 B.R. 452, 462-64 (Bankr. E.D.N.Y. 2012); *In re Granite Partners, L.P.*, 213 B.R. 440, 446 (Bankr. S.D.N.Y. 1997). To prove that such a benefit has been made, courts have required meaningful participation in the chapter 11 case that is neither disruptive nor duplicative, which fosters and advances the administration of the bankruptcy estate and reorganization process. *See, e.g., S & Y Enter.*, 480 B.R. at 464 (“applicant’s efforts should advance the entire bankruptcy process, not just the outcome of the case, and should move the bankruptcy case toward a successful reorganization”).

⁸ Court have generally declined to apply the substantial contribution test of section 503(b) of the Bankruptcy Code when assessing reasonableness of fees in connection with a plan of reorganization. *See, e.g., In re AMR Corp.*, No. 11-15463, 2013 Bankr. LEXIS 3809, at *6-12 (Bankr. S.D.N.Y. Sept. 13, 2013) (fees may be reimbursed pursuant to settlement embodied in the plan without satisfying requirements of section 503(b)); *In re Lehman Bros. Holdings Inc.*, 487 B.R. 181, 189-92 (Bankr. S.D.N.Y. 2013) (same); *In re Adelphia Communications Corp.*, 441 B.R. 6, 9 (Bankr. S.D.N.Y. 2010) (same).

62. The Talcott Franklin Group and their counsel have acted, both before and after the commencement of the Chapter 11 Cases, to foster the efficient and consensual resolution of the Chapter 11 Cases. As described in detail above in ¶¶ 17 through 34, the Talcott Franklin Group and their counsel have had a constructive role from pre-petition negotiations of the RMBS Settlement Agreement and the pre-petition Plan Support Agreement, to active participation in the mediation among the parties, to the negotiation of and procuring support for the Global Settlement and the Plan. Counsel for the Talcott Franklin Group consolidated and managed a diverse group of 57 certificateholders, any of whom could have threatened consensus and the RMBS Settlement, and consistently managed this large and diverse group, not only for the benefit of the Talcott Franklin Group, but also for the benefit of the Debtors.

63. The Talcott Franklin Group and its counsel were actively involved in multiple, ongoing settlement negotiations involving the RMBS Trusts, the Monolines and other parties-in-interest. The settlement negotiations, and counsel's assistance in facilitating the mediation of disputes, resulted in the RMBS Settlement Agreement, Plan Support Agreement, Global Settlement and Plan, all of which helped to increase recoveries for creditors by avoiding timely and costly litigation. Additionally, TFPC Group Counsel brought significant, meaningful, substantive expertise to the table with respect to the RMBS Trusts and their claims, and helped educate parties-in-interest as to the issues involved, the size of such claims, and in structuring the settlements.

II. THE ALLOWED FEE CLAIM DOES NOT DIMINISH THE RECOVERY OF OTHER CREDITORS

64. Although the beneficiaries of the Allowed Fee Claim will technically hold an "allowed claim" against the Debtors' estates, and distributions on such claims will be made

directly to the holders of the Allowed Fee Claim, payment of the Allowed Fee Claim will not reduce the recoveries to any other estate creditor.

65. The Allowed Fee Claim is not in addition to the RMBS Trust Claims, but rather is part of, and allocated from, the RMBS Trust Claims fixed pursuant to the RMBS Settlement, and does not deplete the assets of the Debtors' estates. In other words, the allocation of 5.7% of the RMBS Trust Claims to Institutional Investors' counsel reduces the amount of the allowed claim that is ultimately provided to the RMBS Trusts, but does not reduce recoveries to any other creditor constituency.

III. THE ALLOWED FEE CLAIM HAS BEEN DISCLOSED TO ALL INTERESTED PARTIES, AND IS ALMOST UNIVERSALLY SUPPORTED.

66. The Allowed Fee Claim is part of the RMBS Settlement and is incorporated into the Plan as a non-severable provision of the RMBS Settlement. It has been fully disclosed throughout the Chapter 11 cases, and all interested parties have had the opportunity to object to the Allowed Fee Claim.

67. Notice of the Allowed Fee Claim has been provided numerous times:

- a. The Original Steering Committee RMBS Settlement filed on June 11, 2012, and each amendment, provide that counsel for the Institutional Investors will be allocated a percentage of the RMBS Trust Claims for their work relating to the Chapter 11 cases and RMBS Settlement.
- b. The Plan Support Agreement filed on May 23, 2013 discloses the fee arrangement. Specifically, the fee is disclosed in the Supplemental Term Sheet For Proposed Chapter 11 Plan, which is attached as Exhibit B to the Plan Support Agreement.
- c. Certain of the Institutional Investors received direct notice of the settlement and the Allowed Fee Claim from the RMBS Trustees, through Garden City Group, before the motion regarding the Plan Support Agreement was filed.
- d. On May 24, 2013, the RMBS Trustees, through the Garden City Group, provided notice to Institutional Investors regarding the

Global Settlement, the Plan Support Agreement motion, the RMBS Settlement and the FGIC settlement.

- e. The Plan and related Disclosure Statement was served on all parties in interest in these Chapter 11 cases.

68. The RMBS Trusts own the claims that are the subject of the RMBS Settlement and which are being settled in connection with the Plan. The RMBS Trustees, on behalf of the RMBS Trusts, are the parties who may assert, settle and vote such claims. The RMBS Trustees were active participants in the settlement negotiations that led to the Plan Support Agreement, and approval and inclusion of the Allowed Fee Claim in the RMBS Settlement. The RMBS Trustees have consented to, and support, the Allowed Fee Claim.

69. In addition to having the support of the RMBS Trustees, the RMBS Settlement, which includes the Allowed Fee Claim, has been endorsed by all parties to the Plan Support Agreement and Global Settlement, as set forth above. Importantly, no RMBS investor has objected to the Allowed Fee Claim.

70. Given the almost unanimous support of the RMBS Settlement, which includes the Allowed Fee Claim, the Allowed Fee Claim is reasonable and should be approved as reasonable by this Court.

E. CONCLUSION

The Plan satisfies all requirements of the Bankruptcy Code and Bankruptcy Rules. Additionally, under any potential relevant standard, as described above, the Allowed Fee Claim is reasonable. Further, the Allowed Fee Claim will not reduce the recoveries to any other estate creditor, is incorporated into the Plan as a non-severable provision of the RMBS Settlement, has been fully disclosed throughout the Chapter 11 cases with all interested parties having had an opportunity to object, and has almost unanimous support through the RMBS Settlement. Given the circumstances, the Plan should be confirmed and the Allowed Fee Claim should be approved

by the Court as reasonable under § 1129(a)(4), to the extent it applies, or any other applicable provision of the Bankruptcy Code or state law.

Dated: November 12, 2013

Respectfully submitted,

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Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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In re : Case No.: 12-12020 (MG)
: :
RESIDENTIAL CAPITAL, LLC, et al., : Chapter 11
: :
Debtors. : Jointly Administered
: :
-----x

**DECLARATION OF TALCOTT J. FRANKLIN IN SUPPORT OF
TALCOTT FRANKLIN INVESTOR GROUP STATEMENT IN SUPPORT OF,
AND IN RESPONSE TO OBJECTIONS TO, JOINT CHAPTER 11 PLAN
PROPOSED BY RESIDENTIAL CAPITAL, LLC**

I, Talcott J. Franklin, hereby declare, pursuant to 28 U.S.C. §1746 and under penalty of perjury, that the following is true and correct to the best of my knowledge, information and belief:

1. I am an attorney licensed in North Carolina, South Carolina (inactive), and Texas. I graduated *magna cum laude* from Washington & Lee University School of Law where I was Editor in Chief of the Washington & Lee Law Review and a member of the Order of the Coif. I began litigating cases where a Trustee brought suit against a mortgage loan seller for the repurchase of mortgage loans in 2002. In 2008, I co-authored, with Thomas F. Nealon III, MORTGAGE AND ASSET BACKED SECURITIES LITIGATION HANDBOOK (West 2008), in which I served as co-author on the following relevant chapters and sections: 2:8-20 (Overview of Claims Among Securitization Participants); 3 (Claims Arising Prior to and as of the Securitization Transaction Closing Date); 4 (Claims Arising After the Securitization Transaction Closing Date). In 2009, I amicably left my position as an equity partner and head of litigation in the Dallas office of Patton Boggs LLP (where I was also deputy head of litigation firm-wide) to found Talcott Franklin P.C. (“TFPC”), a firm primarily dedicated to representing investors in mortgage-backed securities.

A. The TFPC Investors and Their Claims

2. As of the Third Amended and Restated RMBS Trust Settlement Agreement dated as of September 20, 2012 (Dkt 1887-3, filed 10/19/12), 57 investors designated in this litigation as the “TFPC Investors” (the “TFPC Investors”) held or controlled 25% or more of one or more classes of interests in notes, bonds and/or certificates (collectively, the “Securities”) in at least 193 of the approximately 392 trusts backed by residential mortgage loans held by certain of the securitization trusts (the “RMBS Trusts”). The major creditor constituencies, except the JSNs,

have agreed to the Third Amended and Restated RMBS Trust Settlement Agreement (one for the TFPC Investors and one for other institutional investors) and approval is an integral part of the Plan confirmation.

3. The RMBS Trusts hold claims (each, a “Trust Claim”), as defined in § 101(5) of the Bankruptcy Code, against the Debtors, including claims arising out of alleged breaches of representations and warranties contained in Pooling and Servicing Agreements (the “PSAs”), Assignment and Assumption Agreements, Indentures, Mortgage Loan Purchase Agreements and/or other agreements governing the sale and administration of residential mortgage loans sold to the Trusts (the “Governing Agreements”).

4. The bases of the Trust Claims alleged against certain Debtors include: (a) breaches of warranties about the quality, nature, history, and characteristics of the loans, and failures to remedy such breaches of warranty as required by the Governing Agreements of the RMBS Trusts in connection with sales of residential mortgage loans to the RMBS Trusts by certain of the Debtors; (b) failures to service those loans in accordance with the Governing Agreements; and (c) obtaining consideration from mortgage loan Originators for breaches of representations and warranties without providing compensation to the Trusts.

B. The Settlement Negotiations Between the Debtors, AFI and the TFPC Investors.

5. Pursuant to the Third Amended and Restated RMBS Trust Settlement Agreement dated as of September 20, 2012 (the “RMBS Trust Settlement Agreement,” to which the Unsecured Creditors Committee has agreed and which is part of the proposed Joint Plan presented to the Court) the TFPC Investors requested the Trustees of the RMBS Trusts to enter the RMBS Trust Settlement Agreement. The RMBS Trust Settlement Agreement is the result of

extended arms-length negotiations between the TFPC Investors and the Debtors, and is at least the third major settlement agreement iteration.

6. In 2011, some of the TFPC Investors decided to pursue various claims against sellers and servicers of the Loans and their affiliates, including Ally Financial Inc. (“AFI”). On behalf of those investors, TFPC contacted AFI and Residential Capital LLC (“ResCap”) and began discussing a means to resolve their dispute. These contacts initially resulted in various back and forth discussions between TFPC and Tim Devine, who I believe remains head of litigation for AFI. Mr. Devine set up a meeting in Normandale, MN between TFPC and ResCap for February 28, 2012. In addition to me, TFPC attorneys Jerry Phelps, Paul Snyder, and Sheri Deterling met with Tammy Hamzhepour, whom I understood to be general counsel of ResCap, and others who I believe were David Hagens, John Ruckdaschel, and Brad Smith, some of whom were inside or outside counsel.

7. At the meeting, TFPC made a presentation concerning the claims and defenses at issue, the manner in which certain TFPC attorneys had resolved the Fremont General repurchase claims in 2008-2011, and other legal and documentary issues reflected in the presentation.

8. When negotiations failed to progress as hoped and bankruptcy rumors concerning ResCap surfaced, TFPC, on behalf of certain members of the TFPC Investors (the “Directing Investors”), directed the Trustee of over 20 Trusts to commence an action against AFI asserting: (a) breaches of representations and warranties; (b) breaches of servicing obligations; (c) conversion; and (d) piercing the corporate veil.

9. That direction regarding AFI was accompanied by an offer of reasonable indemnity as the Trustee might require against the costs, expenses, and liabilities to be incurred, which willingness to provide such indemnity was, to my knowledge, unique to the Directing

Investors, and, as such, represented the only credible threat of suit against AFI on behalf of the certain of the Trusts.¹ A sample of notice of default and direction letters are attached as Exhibit 1 to this declaration.

10. As the sixty-day time limit for the Trustee to act on the direction ran, certain Debtors and AFI entered into a non-disclosure agreement with certain of TFPC's clients (the "NDA Investors"). The NDA Investors' negotiations with AFI and ResCap were focused on broad and significant goals that benefited all investors in the related Trusts. Some of the goals of the negotiations from the NDA Investors' perspective were to: (a) ensure a minimally disruptive servicing transition from ResCap entities to a prospective purchaser of the servicing rights and obligations, which would benefit both borrowers and the Trust investors, while maximizing the amounts obtained as part of any sale of servicing rights; (b) obtain as much of the proceeds of any sale of servicing rights as possible to compensate investors in the Trusts; (c) preserve claims against non-ResCap entities related to the servicing of the Trusts; (d) obtain compensation for the investors' claims, including the Trust Claims; (e) require AFI to contribute funds to pay investor claims; and (f) ensure that all investors in a Trust would have the opportunity to evaluate and express a view regarding a settlement, and that a Trust could choose to "opt out" of the settlement under appropriate circumstances.

11. Negotiations continued until AFI informed TFPC that ResCap was planning to file for Chapter 11 relief within the next few days. Shortly thereafter, the TFPC Investors also learned that the Debtors were negotiating a settlement with the Steering Committee Group of RMBS Holders, that ResCap wanted to settle with both groups, and that the settlement would

¹ MBIA had previously filed suit against certain of the Debtors, but had not filed suit against AFI. See MBIA Ins. Co. v. Residential Funding Co., LLC, Index No. 603552/08 (N.Y. Sup. Ct.).

contain the provisions that TFPC had requested and with regard to which TFPC had already put Trusts in a position to enforce through the Directing Investors.

C. The Settlement Agreement

12. On May 7, 2012, Paul Snyder and Jerry Phelps from TFPC met and/or spoke with representatives of the Debtors and their professionals. They discussed different scenarios of distributions in a liquidation setting to various claimant principals, based on assumptions and different amounts of possible AFI contributions. It also became apparent that ResCap and AFI were still negotiating with one another while they were negotiating with TFPC.

13. TFPC was provided with a copy of a draft settlement agreement that Debtors proposed to enter into with the so-called Steering Committee Group of RMBS Holders. TFPC focused its attention during the short time-frame on the goals outlined above.

14. During this time TFPC discussed with Morrison & Foerster various issues, including that certain servicing claims should be separate from breach of representation and warranty claims, that RMBS Trustees couldn't be forced to settle on time frames shorter than that allowed in the related PSAs, and that monoline involvement in the negotiations was important. Because the draft settlement agreement reflected many of the provisions TFPC had been negotiating for and time was pressing, TFPC's concerns were narrowed down to two issues: (a) language that, in TFPC's estimation, waived claims against non-ResCap entities involved in servicing the Loans; and (b) that the short time frame for Trustee approval might not give other investors or the Trustees an adequate opportunity to evaluate and participate in the settlement. TFPC's negotiations at this point were entirely with Debtors' counsel on the terms of the settlement agreement, although TFPC had occasional discussions with Mr. Devine in which he urged TFPC's clients to enter the settlement.

15. As a consequence, the NDA Investors did not enter into the initial settlement and the related Plan Support Agreement until the eleventh hour, when those issues were resolved to their satisfaction. On the first issue, the TFPC settlement agreement contained express language preserving claims against non-ResCap entities involved in the servicing of the Loans, which differed from the Steering Committee Group of RMBS Holders agreement. On the second issue, the NDA Investors accepted ResCap's language, as they rightly predicted that the planned 45-day approval process would ultimately be changed because, among other things, the PSAs at issue required a 60-day period for the Trustees to act.

16. When the TFPC Investors first began negotiating with the Debtors, the group consisted of less than 30 investors. A smaller sub-group of these investors were Directing Investors and/or NDA Investors. Between the filing of these bankruptcy cases and the Third Amended and Restated RMBS Trust Settlement Agreement, the TFPC Investors increased to 57 investors.

17. Mr. Devine considered the involvement of TFPC clients in the prospect settlement as important. One of the voice mails he left for me is illustrative. On May 11, 2012:

[...] The record in my mind will reflect that you have been very helpful and that you and I have spoken frequently and that we've had a series of discussions designed to sort of create value in a potential settlement here. [...] and I've said that to Gary and the team. [...] But I want to get you on board. [...] It becomes something completely different than a sort of a – a Gibbs and Bruns deal. Suddenly it becomes a deal with – you know – substantial investor support. And Tal, you're there at the table, Kathy Patrick is at the table, and some of our other key constituents are there. You guys will be at the forefront of the discussions. That's what I'm looking for – [unclear] if we can get this done. [...]

18. In early May 2012, TFPC engaged, with the Consent of the TFPC Investors, Carter, Ledyard & Milburn LLP and Miller Johnson Snell & Cummiskey, P.L.C. as bankruptcy co-counsel to represent the TFPC Investors in pursuing mortgage repurchase and servicing

claims against the Debtors (with TFPC the three law firms are collectively “TFPC Group Counsel”).

19. The TFPC Investors did not coordinate with the investors represented by Gibbs & Bruns and Ropes & Grays (i.e., the “Steering Committee Group” of RMBS Holders) during the negotiations of the Third Amended and Restated RMBS Trust Settlement Agreement and its predecessors. TFPC has never discussed the RMBS Trust Settlement Agreement with any member of that group of RMBS Holders. Further, TFPC did not discuss the RMBS Settlement Agreement with counsel for that group of RMBS Holders until after the Bankruptcy was filed and coordination among counsel became necessary. (The “Steering Committee” does not speak for the TFPC Investors or any group of investors other than the members of the “Steering Committee” group itself.) One of TFPC’s goals in negotiating the settlement agreement, which was achieved, was to preserve each investors’ right to evaluate the settlement agreement for itself and give notice to the related Trustee as to whether or not to enter it.

D. TFPC Group Counsel Performed Substantial and Important Work On Behalf Of Its Clients.

20. By the signing of the RMBS Trust Settlement Agreement, TFPC Group Counsel had consolidated and advised a diverse group of 57 certificateholders, any one of whom could have threatened consensus and the RMBS Settlement. This group could have provided contrary instructions to the trustees in nearly half of the trusts in the RMBS Settlement and threatened the RMBS Settlement. However, the TFPC Investors supported the Settlement. *See e.g.*, Exhibit 2, a direction to the Trustees to support the Settlement.

21. TFPC Group Counsel has consistently advised this large and diverse group, despite the challenge posed by a diverse and numerous group of certificateholders. The work of gaining assent and maintaining consensus within the group has taken significant time, effort and

care. Moreover, the TFPC Group Counsel has understood the issues facing the Trustees and has worked closely with the Trustees to benefit the related certificateholders.

22. For instance, TFPC Group Counsel has hosted dozens of conference calls with its clients to discuss the case, not to mention the countless hours of work its attorneys have spent talking to individual clients on the phone and in person, providing emailed advice, explanations, and information about the Bankruptcy, and providing proposed or filed documents relevant to the Bankruptcy.

23. Further, TFPC Group Counsel has successfully gained assent to multiple revisions and addenda to the RMBS Settlement Agreement through numerous letters, email correspondence and phone calls with clients. Certain of the changes have been included into both the TFPC Investors' and the Steering Committee investors' settlement agreement documents.

24. At the outset of its clients' disputes with Debtors, TFPC Group Counsel also preserved liability (and prevented exculpation) of third-party non-Debtor servicers - thus preserving significant potential claims on behalf of all certificateholders.

25. By letters dated on or about April 18 and April 23, 2013, samples of which are attached as Exhibit 3, TFPC Group Counsel gave notice of default and directed trustees to sue AFI directly, which immediately preceded the first big shift towards a global settlement.

26. Before finalizing or recommending its clients sign, TFPC Group Counsel also took many important behind-the-scenes efforts to confirm and preserve consensus, including making direct contact with RMBS Trustees to ensure their support for the RMBS Settlement.

27. Further, after the RMBS Settlement Agreement was signed, TFPC Group Counsel engaged in behind-the-scenes consensus building at critical times when the RMBS Settlement

looked to be in peril, such as after certain parties sought to add a “HoldCo” provision to the proposed bankruptcy plan.

28. TFPC Group Counsel also calculated and monitored statutes of limitation and negotiated for tolling those limitations to preserve leverage and the TFPC Investors’ right to litigate if the settlement efforts ultimately fail.

29. TFPC Group Counsel’s constant efforts to protect its clients, and all certificateholders, cannot be neatly summarized. However, TFPC Group Counsel also:

- a. Monitored or participated in countless conference calls held by Debtors, the Consenting Claimants, the Unsecured Creditors’ Committee and others to defend the RMBS Settlement and push all parties towards a global settlement and bankruptcy plan that benefitted its clients and all RMBS certificateholders;
- b. Attended, in person or by telephone, all hearings in front of Judge Glenn about which its clients should have been aware and/or that might affect the RMBS Settlement and plan confirmation;
- c. Actively participated in mediation of the RMBS Settlement and global settlement of major creditors in New York City over numerous days late into the night each day;
- d. Managed discovery and subpoenas served on its clients from FGIC, MBIA, UCC and others, including managing an electronic discovery production pursuant to these requests;
- e. Negotiated portions of the new Plan Support Agreement, Term Sheet and Supplemental Term Sheet that formed some of the bases of the Disclosure Statement and Plan, as amended;

- f. Provided support, comments and revisions to Unsecured Creditors Committee regarding the revised Plan Support Agreement, Term Sheet, Supplemental Term Sheet, Plan, and Disclosure Statement.
- g. Provided comments to each amended and restated RMBS Settlement Agreement and fought for provisions to benefit its clients and all certificateholders;
- h. Managed and executed proofs of claim filing on behalf of clients, which included approximately 169 proofs of claim filed according to the detailed requirements of the Bankruptcy Code and negotiated the terms for their withdrawal upon the Effective Date of the Plan, once the Plan Support Agreement was approved;
- i. Negotiated and monitored portions of the Disclosure Statement and Plan affecting the TFPC Investors; and
- j. Monitored, reviewed and commented on proposed filings in the Bankruptcy affecting the TFPC Investors, communicating as appropriate to counsel for the appropriate party.

F. Attorneys' Fees

30. Attached to this Declaration as Exhibits 4a, 4b and 4c are billing rates for the attorneys who have worked on this matter. These are the rates each attorney receives for work on behalf of clients who pay for their services on an hourly basis.

31. Our internal projections, which are admittedly based on a number of assumptions concerning the ultimate amount recovered by the RMBS Trusts and the additional time our group of attorneys will have to expend on the case, estimate that the fee we obtain will be roughly the same amount we would obtain if we were reimbursed for expenses and billed this case hourly. In other words, we currently project that our fee will not provide us with the type of premium

that is typically awarded to lawyers working on a contingency fee case in order to provide compensation for the risks inherent in such litigation.

32. This fee is reasonable given: (a) the substantial efforts taken by TFPC Group Counsel; (b) the risk counsel took in agreeing to be paid if and only if the RMBS Settlement were approved and the bankruptcy plan were confirmed; and (c) the billing rates that are lower than the rates paid out of the bankruptcy estate to the New York firms involved in this litigation for lawyers of similar quality.¹

I swear under penalty of perjury that the foregoing is true and correct, to the best of my knowledge, information and belief.

Dated: November 11, 2013



Talcott J. Franklin

¹ While this disparity of rates for TFPC and Miller Johnson is based primarily on geography, I note that even the rates of Carter Ledyard, a 159-year old New York law firm, are substantially lower than those of most of the firms who have filed fee applications in this case.

EXHIBIT 1a

TALCOTT FRANKLIN P.C.
208 NORTH MARKET STREET
SUITE 200
DALLAS, TEXAS 75202
214.736.8730
WWW.TALCOTTFRANKLIN.COM

SENDER'S DIRECT DIAL:
214.321.3838

April 27, 2012

DELIVERED BY HAND

Deutsche Bank Trust Company Americas
Corporate Trust Office
1761 East St. Andrew Place
Santa Ana, California 92705-4934
Attention: See Schedule 1 attached

Deutsche Bank Trust Company Americas
Corporate Trust Office
1761 East St. Andrew Place
Santa Ana, California 92705-4934
Attention: See Schedule 2 attached

Re: Series Supplements to Standard Terms of Pooling and Servicing Agreement and Standard Terms of Pooling and Servicing Agreement (collectively, "PSA") regarding Mortgage Asset-Backed Pass-Through Certificates, Series shown on Schedule 1, for which the Trustee is Deutsche Bank Trust Company Americas ("Trustee").¹

Dear Sir or Madam:

This firm represents Certificateholders who have provided proof of ownership under separate cover. This letter constitutes a notice of default under PSA §8.01(c)(iv) with respect to the issues discussed in this letter. Two types of Trusts are represented: Trusts for which Residential Funding Corporation ("RFC") is the current Master Servicer, and Trusts for which RFC is no longer the Master Servicer.

With respect to Trusts for which RFC was the prior Master Servicer, RFC defaulted on its obligations under 3.02(b), including a promise to use its best reasonable efforts to enforce the obligations of each Subservicer and Seller. This default continued throughout RFC's tenure as Master Servicer, and is continuing today as no claims have been filed and the Trusts have not received compensation for such defaults.

Further, with respect to Trusts for which RFC is currently the Master Servicer, media reports indicate that the Master Servicer may be defaulting on its payment obligations to other creditors. The Master Servicer's failings place the Trustee in the untenable situation of having to risk its own funds and/or incur personal financial liability in the performance of its duties as Trustee, without reasonable grounds for believing that repayment of funds or adequate indemnity against

¹ Capitalized terms not otherwise defined in this letter shall have the meanings ascribed to them in the PSA.

CONFIDENTIAL

TALCOTT FRANKLIN P.C.

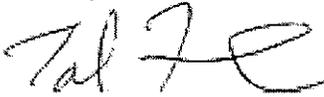
April 27, 2012

Page 2

such risk is reasonably assured to it. We recognize that this is untenable in the long term, particularly because the defaults are continuing and show no signs of abatement.

We appreciate your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Talcott J. Franklin". The signature is written in a cursive style with a large, stylized "T" and "F".

Talcott J. Franklin

Attachments

CONFIDENTIAL

TALCOTT FRANKLIN P.C.
April 27, 2012
Page 3

SCHEDULE 1

Attention: Residential Accredit Loans, Inc. Series 2004-QA1
Attention: Residential Accredit Loans, Inc. Series 2004-QS1
Attention: Residential Accredit Loans, Inc. Series 2005-QA9
Attention: Residential Accredit Loans, Inc. Series 2005-QA13
Attention: Residential Accredit Loans, Inc. Series 2005-QS6²
Attention: Residential Accredit Loans, Inc. Series 2005-QS16
Attention: Residential Accredit Loans, Inc. Series 2005-QS17
Attention: Residential Accredit Loans, Inc. Series 2005-QS3³
Attention: Residential Accredit Loans, Inc. Series 2005-QS5⁴
Attention: Residential Accredit Loans, Inc. Series 2005-QS10
Attention: Residential Accredit Loans, Inc. Series 2005-QS14
Attention: Residential Accredit Loans, Inc. Series 2006-QH1
Attention: Residential Accredit Loans, Inc. Series 2006-QO3
Attention: Residential Accredit Loans, Inc. Series 2006-QO5
Attention: Residential Accredit Loans, Inc. Series 2006-QO7
Attention: Residential Accredit Loans, Inc. Series 2006-QO8
Attention: Residential Accredit Loans, Inc. Series 2006-QS4
Attention: Residential Accredit Loans, Inc. Series 2006-QS6
Attention: Residential Accredit Loans, Inc. Series 2006-QS10
Attention: Residential Accredit Loans, Inc. Series 2006-QS17
Attention: Residential Accredit Loans, Inc. Series 2007-QA2
Attention: Residential Accredit Loans, Inc. Series 2007-QH2
Attention: Residential Accredit Loans, Inc. Series 2007-QH3
Attention: Residential Accredit Loans, Inc. Series 2007-QH4
Attention: Residential Accredit Loans, Inc. Series 2007-QO2
Attention: Residential Accredit Loans, Inc. Series 2007-QO3
Attention: Residential Accredit Loans, Inc. Series 2007-QO4

² Misidentified in PSA as Series 2004-QS6.

³ Misidentified in PSA as Series 2004-QS16.

⁴ Misidentified in PSA as Series 2004-QS5.

TALCOTT FRANKLIN P.C.
April 27, 2012
Page 4

SCHEDULE 2

Attention: Residential Funding Corporation Series 2004-QA1
Attention: Residential Funding Corporation Series 2004-QS1
Attention: Residential Funding Corporation Series 2005-QA9
Attention: Residential Funding Corporation Series 2005-QA13
Attention: Residential Funding Corporation Series 2005-QS6⁵
Attention: Residential Funding Corporation Series 2005-QS16
Attention: Residential Funding Corporation Series 2005-QS17
Attention: Residential Funding Corporation Series 2005-QS3
Attention: Residential Funding Corporation Series 2005-QS5⁶
Attention: Residential Funding Corporation Series 2005-QS10
Attention: Residential Funding Corporation Series 2005-QS14
Attention: Residential Funding Corporation Series 2006-QH1
Attention: Residential Funding Corporation, RALI 2006-QO3
Attention: Residential Funding Corporation, RALI 2006-QO5
Attention: Residential Funding Corporation, RALI 2006-QO7
Attention: Residential Funding Company, LLC, RALI 2006-QO8
Attention: Residential Funding Corporation Series 2006-QS4
Attention: Residential Accredited Loans, Inc. Series 2006-QS6⁷
Attention: Residential Funding Corporation Series 2006-QS10
Attention: Residential Funding Company, LLC Series 2006-QS17
Attention: Residential Funding Company, LLC, RALI 2007-QA2
Attention: Residential Funding Company, LLC, RALI 2007-QH2
Attention: Residential Funding Company, LLC, RALI 2007-QH3
Attention: Residential Funding Company, LLC, RALI 2007-QH4
Attention: Residential Funding Company, LLC, RALI 2007-QO2
Attention: Residential Funding Company, LLC, RALI 2007-QO3
Attention: Residential Funding Company, LLC, RALI 2007-QO4

⁵ Misidentified in PSA as Series 2004-QS6.

⁶ Misidentified in PSA as Series 2004-QS5.

⁷ The same notice attention notation was listed twice in the RALI 2006-QS6 PSA, so the attention notation is listed in both schedules.

CONFIDENTIAL

EXHIBIT 1b

TALCOTT FRANKLIN P.C.
208 NORTH MARKET STREET
SUITE 200
DALLAS, TEXAS 75202
214.736.8730
WWW.TALCOTTFRANKLIN.COM

SENDER'S DIRECT DIAL:
214.321.3838

April 27, 2012

DELIVERED BY HAND

Deutsche Bank Trust Company Americas
Corporate Trust Office
1761 East St. Andrew Place
Santa Ana, California 92705-4934
Attention: See Schedule 1 attached

Deutsche Bank Trust Company Americas
Corporate Trust Office
1761 East St. Andrew Place
Santa Ana, California 92705-4934
Attention: See Schedule 2 attached

Re: Series Supplements to Standard Terms of Pooling and Servicing Agreement and Standard Terms of Pooling and Servicing Agreement (collectively, "PSA") regarding Mortgage Asset-Backed Pass-Through Certificates, Series shown on Schedule 1, for which the Trustee is Deutsche Bank Trust Company Americas ("Trustee").¹

Dear Sir or Madam:

This firm represents Certificateholders who hold in the aggregate not less than 25% of the related Percentage Interests of various Classes of Certificates. The Certificateholders have previously given to the Trustee a written notice of default and of the continuance thereof.

The Certificateholders request the Trustee to institute an action, suit or proceeding in its own name as Trustee against Ally Financial Inc. and any other necessary affiliated entities based on the grounds listed in this letter. After substantial research and significant expenditures of time and resources, the Certificateholders have developed the following claims:

1. Breaches of representations and warranties;
2. Breaches of servicing obligations;
3. Conversion; and
4. Piercing the corporate veil.

Upon entry of an appropriate common interest agreement, the Certificateholders will provide the Trustee with the results of their research.

¹ Capitalized terms not otherwise defined in this letter shall have the meanings ascribed to them in the PSA.

TALCOTT FRANKLIN P.C.
April 27, 2012
Page 2

This letter constitutes the Certificateholders' written request upon the Trustee under PSA §11.03(c)² to institute an action, suit or proceeding in its own name as Trustee. The Certificateholders offer the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein. However, we understand that in light of the complex nature of the matter and the complications and exigency created by RFC's financial condition, that the Trustee may view it to be in the best interests of Certificateholders to allow an action by the Certificateholders on behalf of the Trusts to proceed under PSA § 11.03(c).

Please contact the undersigned concerning these issues. Certifications of beneficial ownership have been provided under separate cover.

Sincerely,



Talcott J. Franklin
Attachments

² PSA 11.03(c) ("No Certificateholder shall have any right by virtue of any provision of this Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Agreement, unless such Holder previously shall have given to the Trustee a written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of Certificates of any Class evidencing in the aggregate not less than 25% of the related Percentage Interests of such Class, shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding it being understood and intended, and being expressly covenanted by each Certificateholder with every other Certificateholder and the Trustee, that no one or more Holders of Certificates of any Class shall have any right in any manner whatever by virtue of any provision of this Agreement to affect, disturb or prejudice the rights of the Holders of any other of such Certificates of such Class or any other Class, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Agreement, except in the manner herein provided and for the common benefit of Certificateholders of such Class or all Classes, as the case may be. For the protection and enforcement of the provisions of this Section 11.03, each and every Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.").

TALCOTT FRANKLIN P.C.
April 27, 2012
Page 3

SCHEDULE 1

Attention: Residential Accredit Loans, Inc. Series 2004-QA1
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Attention: Residential Accredit Loans, Inc. Series 2007-QA2
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³ Misidentified in PSA as Series 2004-QS6.

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TALCOTT FRANKLIN P.C.
April 27, 2012
Page 4

SCHEDULE 2

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⁶ Misidentified in PSA as Series 2004-QS6.

⁷ Misidentified in PSA as Series 2004-QS5.

⁸ The same notice attention notation was listed twice in the RALI 2006-QS6 PSA, so the attention notation is listed in both schedules.

EXHIBIT 2

TALCOTT FRANKLIN P.C.
208 NORTH MARKET STREET
SUITE 200
DALLAS, TEXAS 75202
214.736.8730
WWW.TALCOTTFRANKLIN.COM

SENDER'S DIRECT DIAL:
214.321.3838

June 13, 2012

DELIVERY SPECIFIED IN EXHIBIT A

To the Trustees listed on Exhibit A

Attention: See Exhibit A

Re: Direction from the Clients listed on Exhibit F1 (the "Requesting Certificateholders") as to the Trusts listed on Exhibit F2 (the "Covered Trusts") concerning Residential Capital LLC and its direct and indirect subsidiaries (collectively "ResCap")

Dear Sir or Madam:

This firm represents the Requesting Certificateholders concerning the Covered Trusts. The Covered Trusts are the subject of a settlement agreement, which can be accessed at http://www.talcottfranklin.com/rescap/ResCap_Settlement_Documents.html (the "Settlement").¹ The Settlement was entered on the eve of ResCap's bankruptcy filing in a case styled *In re Residential Capital, LLC et al.*, No. 12-12020 (MG) (S.D.N.Y. Bankr. May 14, 2012) (the "Bankruptcy"). You may access bankruptcy filings at <http://www.kccllc.net/rescap>.

We appreciated the opportunity to meet with each Trustee earlier this month. As you may recall from that meeting, the Requesting Certificateholders support the Settlement and requested that each Trustee accept it. As a follow up to that meeting, and to the extent permissible under the documents governing your obligations as Trustee, this letter constitutes a direction to the Trustee to accept the Settlement and the compromises set forth therein on behalf of each Covered Trust.

As we also said at the meeting, we understand that the Trustees have a process respecting this issue. The Requesting Certificateholders support that process and are willing to actively participate in it. To the extent that the Trustee believes additional directions, information, or support are necessary in this matter, please contact the undersigned at the phone number provided above.

¹ To save environmental resources, we are providing this links to referenced documents. If you would prefer paper copies, are unable to access documents through the links, or intend to take the position that these links are insufficient to provide you notice of the documents, please let us know.

TALCOTT FRANKLIN P.C.
June 13, 2012
Page 2

Proofs of beneficial ownership will be filed in the Bankruptcy under seal, with confidential access provided to the Trustees.

Sincerely,

A handwritten signature in black ink, appearing to read 'Talcott J. Franklin', with a stylized flourish at the end.

Talcott J. Franklin

Attachments

TALCOTT FRANKLIN P.C.
June 13, 2012
Page 3

EXHIBIT A

Trustees

Delivery of this letter to each Trustee is by Federal Express, Overnight Delivery, and delivery to each Trustee's counsel is by email, at the following respective physical and electronic addresses.

The Bank of New York Mellon Trust Company, N.A.
c/o Dechert LLP
1095 Avenue of the Americas
New York, New York 10036-6797
Attn: Hector Gonzales, Esq. and Glen Siegel, Esq.

Counsel for The Bank of New York Mellon Trust Company, N.A., as Trustee
Dechert LLP
1095 Avenue of the Americas
New York, New York 10036-6797
Attn: Hector Gonzales, Esq. and Glen Siegel, Esq.
Emails: hector.gonzalez@dechert.com
glenn.siegel@dechert.com

Wells Fargo Bank, N.A.
9062 Old Annapolis Rd.
Columbia, Maryland 21045
and
Wells Fargo Bank, N.A.
P.O. Box 98
Columbia, Maryland 21046
Attn: Corporate Trust Services

Counsel for Wells Fargo Bank, N.A., as both Indenture Trustee and Trustee
Alston & Bird LLP
90 Park Avenue
New York, NY 10016
Attn.: Martin G. Bunin, Esq. and William Hao, Esq.
Emails: marty.bunin@alston.com
william.hao@alston.com

U.S. Bank National Association
U.S. Bank Global Corporate Trust Services
190 S. LaSalle Street
Chicago, IL 60603 | MK-IL-SL8T
Attn.: Mamta K. Scott, Vice President

TALCOTT FRANKLIN P.C.
June 13, 2012
Page 4

Counsel for U.S. Bank National Association, as Pooling and Servicing Agreement Trustee

Seward & Kissel LLP
One Battery Park Plaza
New York New York 10004
Attn.: Ronald L. Cohen, Esq.
Email: cohenr@sewkis.com

Counsel for U.S. Bank National Association, as Indenture Trustee

Kelley Drye & Warren LLP
101 Park Avenue
New York, NY 10178
Attn: James S. Carr, Esq. and Eric R. Wilson, Esq.
Emails: jcarr@kelleydrye.com
ewilson@kelleydrye.com

Deutsche Bank Trust Company Americas
Corporate Trust Office
1761 East St. Andrew Place
Santa Ana, California 92705-4934
Attn.: ResCap Settlement

Counsel for Deutsche Bank Trust Company Americas

Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10178-0600
Attn.: James L. Garrity, Jr., Esq., Michael S. Kraut, Esq. and John M. Rosenthal, Esq.
Emails: jgarrity@morganlewis.com
mkraut@morganlewis.com
jrosenthal@morganlewis.com

[REDACTED]

REDACTED

TALCOTT FRANKLIN P.C.
June 13, 2012
Page 7

EXHIBIT F2

(Covered Trusts)
Excel spreadsheet enclosed

REDACTED

EXHIBIT F2 to Trustee Direction Letter (As of June 11, 2012)

Deal Name	CUSIP	Class	Bond Original Face	Original Class Face	Percentage Interest	Trustee Name
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

REDACTED

EXHIBIT F2 to Trustee Direction Letter (As of June 11, 2012)

<u>Deal Name</u>	<u>CUSIP</u>	<u>Class</u>	<u>Bond Original Face</u>	<u>Original Class Face</u>	<u>Percentage Interest</u>	<u>Trustee Name</u>
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[REDACTED]						
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REDACTED

EXHIBIT F2 to Trustee Direction Letter (As of June 11, 2012)

<u>Deal Name</u>	<u>CUSIP</u>	<u>Class</u>	<u>Bond Original Face</u>	<u>Original Class Face</u>	<u>Percentage Interest</u>	<u>Trustee Name</u>
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[REDACTED]						
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REDACTED

EXHIBIT F2 to Trustee Direction Letter (As of June 11, 2012)

<u>Deal Name</u>	<u>CUSIP</u>	<u>Class</u>	<u>Bond Original Face</u>	<u>Original Class Face</u>	<u>Percentage Interest</u>	<u>Trustee Name</u>
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[REDACTED]						
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REDACTED

EXHIBIT F2 to Trustee Direction Letter (As of June 11, 2012)

<u>Deal Name</u>	<u>CUSIP</u>	<u>Class</u>	<u>Bond Original Face</u>	<u>Original Class Face</u>	<u>Percentage Interest</u>	<u>Trustee Name</u>
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[REDACTED]						
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REDACTED

EXHIBIT F2 to Trustee Direction Letter (As of June 11, 2012)

<u>Deal Name</u>	<u>CUSIP</u>	<u>Class</u>	<u>Bond Original Face</u>	<u>Original Class Face</u>	<u>Percentage Interest</u>	<u>Trustee Name</u>
------------------	--------------	--------------	---------------------------	----------------------------	----------------------------	---------------------

[REDACTED]						
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REDACTED

EXHIBIT F2 to Trustee Direction Letter (As of June 11, 2012)

Deal Name	CUSIP	Class	Bond Original Face	Original Class Face	Percentage Interest	Trustee Name
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[REDACTED]							
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REDACTED

EXHIBIT F2 to Trustee Direction Letter (As of June 11, 2012)

Deal Name	CUSIP	Class	Bond Original Face	Original Class Face	Percentage Interest	Trustee Name
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[REDACTED]							
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REDACTED

EXHIBIT F2 to Trustee Direction Letter (As of June 11, 2012)

<u>Deal Name</u>	<u>CUSIP</u>	<u>Class</u>	<u>Bond Original Face</u>	<u>Original Class Face</u>	<u>Percentage Interest</u>	<u>Trustee Name</u>
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

EXHIBIT 3a

TALCOTT FRANKLIN P.C.

DALLAS

DIRECT DIAL: 214.321.3838

April 18, 2013

HAND DELIVERY AND EMAIL

U.S. Bank National Association
U.S. Bank Global Corporate Trust Services
190 S. LaSalle Street
Chicago, IL 60603 | MK-IL-SL8T
Attn.: Mamta K. Scott, Vice President
mamta.scott@usbank.com

Re: *Pooling and Servicing Agreements (individually and collectively, "PSA")¹ regarding Mortgage Asset-Backed Pass-Through Certificates, Series shown on Schedule 1, for which the Trustee is U.S. Bank National Association ("Trustee").²*

Dear Sir or Madam:

This firm represents Certificateholders who have provided proof of ownership under separate cover. This letter constitutes a notice of default under the PSA with respect to the issues discussed in this letter. Two types of Trusts are represented: Trusts for which a Debtor was the Master Servicer as of the date said Debtor filed petitions in the bankruptcy styled *In re Residential Capital, LLC, et al.*, No. 12-12020 (MG) (S.D.N.Y. Bankr. May 14, 2012) (jointly administered) (the "Bankruptcy"), and Trusts for which a Debtor was no longer the Master Servicer when the petitions were filed in the Bankruptcy.

During the time a Debtor was the Master Servicer of a Trust, the Debtor defaulted on its obligations to use its best reasonable efforts to enforce the obligations of each Subservicer and/or Seller under their Subservicing agreements and Seller agreements. Until the date the Bankruptcy petition was filed, no breach of representations and warranties or servicing violations had been enforced by the Debtor resulting in the Trusts receiving compensation for such defaults. To the extent that the Debtor directly serviced Mortgage Loans, it failed to give required notices of breaches of representations and warranties under the PSA. For both directly serviced and subserviced Mortgage Loans, the Debtor breached the PSA by failing to properly service the

¹ Certain of the PSAs consist of Series Supplements to Standard Terms of Pooling and Servicing Agreements and Standard Terms of Pooling and Servicing Agreements that jointly make up PSAs.

² Capitalized terms not otherwise defined in this letter shall have the meanings ascribed to them in the PSA.

TALCOTT FRANKLIN P.C.

DALLAS

DIRECT DIAL: 214.321.3838

Mortgage Loans. Finally, upon information and belief, the Debtor converted or enabled the conversion of funds or Mortgage Loans prior to the date the Bankruptcy petitions were filed. All of these Master Servicer defaults and actions caused the Certificateholders damages and other harm and are continuing.

For the avoidance of doubt, by this letter the Certificateholders do not intend to do any of the following: (a) cause the Trustee or others to enforce (or seek derivatively to enforce) any representations and warranties regarding the Mortgage Loans or regarding the servicing of the Mortgage Loans; (b) take or direct the Trustee to take any adverse action against any Debtor in the Bankruptcy, or (c) claim or trigger an additional Event of Default under a PSA.

We appreciate your prompt attention to this matter.

Sincerely,



Talcott J. Franklin

Attachment

cc: U.S. Bank National Association *(Delivered via Federal Express)*
U.S. Bank Corporate Trust Services
60 Livingston Avenue, EP-MN-WS3D
St. Paul, Minnesota 55107-2292

Seward & Kissell LLP *(Delivered via Email)*
One Battery Park Plaza
New York, New York 10004
Ronald L. Cohen (cohen@sewkis.com)
Mark D. Kotwick (kotwick@sewkis.com)
Arlene R. Alves (alves@sewkis.com)
Attorneys for U.S. Bank National Association, as Trustee
of certain Mortgage-Backed Securities Trusts

TALCOTT FRANKLIN P.C.

DALLAS

DIRECT DIAL: 214.321.3838

SCHEDULE 1

Attn: Structured Finance/RAAC Series 2007-SP2
Attn: Structured Finance/RAAC Series 2007-SP3
Attn: Structured Finance/RAAC Series 2007-RP4
Attn: Structured Finance/RASC Series 2007-KS4

EXHIBIT 3b

TALCOTT FRANKLIN P.C.

DALLAS

DIRECT DIAL: 214.321.3838

April 23, 2013

HAND DELIVERY AND EMAIL

U.S. Bank National Association
U.S. Bank Global Corporate Trust Services
190 S. LaSalle Street
Chicago, IL 60603 | MK-IL-SL8T
Attn.: Mamta K. Scott, Vice President
mamta.scott@usbank.com

Re: *Pooling and Servicing Agreements (individually and collectively, "PSA")¹ regarding Mortgage Asset-Backed Pass-Through Certificates, Series shown on Schedule 1, for which the Trustee is U.S. Bank National Association ("Trustee").²*

Dear Sir or Madam:

This firm represents Certificateholders who hold in the aggregate not less than 25% of the related Percentage Interests of various Classes of Certificates.³ The Certificateholders have previously given to the Trustee a written notice of default and of the continuance thereof.

The Certificateholders request the Trustee to institute an action, suit or proceeding in its own name as Trustee against Ally Financial Inc. and any other necessary affiliated entities based on the grounds listed in this letter. After substantial research and significant expenditures of time and resources, the Certificateholders have developed the following claims:

1. Breaches of representations and warranties;
2. Breaches of servicing obligations;
3. Conversion; and
4. Piercing the corporate veil / *alter ego*.

¹Certain of the PSAs consist of Series Supplements to Standard Terms of Pooling and Servicing Agreements and Standard Terms of Pooling and Servicing Agreements that jointly make up PSAs.

²Capitalized terms not otherwise defined in this letter shall have the meanings ascribed to them in the PSA.

³A list of these certificateholders is being provided under separate cover under the protection and terms of the confidentiality agreement between TFPC investors and the Trustee.

TALCOTT FRANKLIN P.C.

DALLAS

DIRECT DIAL: 214.321.3838

Upon entry of an appropriate common interest agreement, the Certificateholders will provide the Trustee with the results of their research.

This letter constitutes the Certificateholders' written request upon the Trustee under PSA §11.03(c)⁴ to institute an action, suit or proceeding in its own name as Trustee. The Certificateholders offer the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein. However, we understand that in light of the complex nature of the matter and the complications and exigency created by RFC's financial condition, the Trustee may view it to be in the best interests of Certificateholders to allow an action by the Certificateholders on behalf of the Trusts to proceed under PSA § 11.03(c).

Please contact the undersigned concerning these issues. Confirmations of directing Certificateholders' beneficial ownership have been provided under separate cover under the protection and terms of the confidentiality agreement between TFPC investors and the Trustee.

Sincerely,



Talcott J. Franklin

Attachment

cc: U.S. Bank National Association (*Delivered via Federal Express*)
U.S. Bank Corporate Trust Services
60 Livingston Avenue, EP-MN-WS3D
St. Paul, Minnesota 55107-2292

⁴PSA 11.03 (c) ("No Certificateholder shall have any right by virtue of any provision of this Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Agreement, unless such Holder previously shall have given to the Trustee a written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of Certificates of any Class evidencing in the aggregate not less than 25% of the related Percentage Interests of such Class, shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding it being understood and intended, and being expressly covenanted by each Certificateholder with every other Certificateholder and the Trustee, that no one or more Holders of Certificates of any Class shall have any right in any manner whatever by virtue of any provision of this Agreement to affect, disturb or prejudice the rights of the Holders of any other of such Certificates of such Class or any other Class, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Agreement, except in the manner herein provided and for the common benefit of Certificateholders of such Class or all Classes, as the case may be. For the protection and enforcement of the provisions of this Section 11.03, each and every Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.")

TALCOTT FRANKLIN P.C.

DALLAS

DIRECT DIAL: 214.321.3838

Seward & Kissell LLP *(Delivered via Email)*
One Battery Park Plaza
New York, New York 10004
Ronald L. Cohen (cohen@sewkis.com)
Mark D. Kotwick (kotwick@sewkis.com)
Arlene R. Alves (alves@sewkis.com)
Attorneys for U.S. Bank National Association, as Trustee
of certain Mortgage-Backed Securities Trusts

TALCOTT FRANKLIN P.C.

DALLAS

DIRECT DIAL: 214.321.3838

SCHEDULE 1

Attn: Structured Finance/RAAC Series 2007-SP2
Attn: Structured Finance/RAAC Series 2007-SP3
Attn: Structured Finance/RAAC Series 2007-RP4
Attn: Structured Finance/RASC Series 2007-KS4

EXHIBIT 4a

Billing Rates for TFPC Attorneys (effective January 1, 2012)*

Attorney	Education	Licenses	Rate
Alexander Boone	J.D., 1995, Washington & Lee Univ.; B.A., 1992 Univ. of Virginia	Virginia	\$575
Shannon Brown	J.D., 1992, Washington & Lee Univ.; B.A., 1988, Middlebury Col.	North Carolina	\$575
Sheri Deterling	J.D., 1989, University of Texas; B.B.A., 1986, Cox School of Business, Southern Methodist University	Texas Washington (inactive)	\$575
Martha Evans	J.D., 1977; B.A., Mathematics 1973, Univ. of Texas	California; Texas	\$575
Tal Franklin	J.D., 1995, Washington & Lee Univ.; M.A., 1992, B.A., 1988, Univ. of Washington	North Carolina; South Carolina (inactive); Texas	\$775
Janet Laughlin	J.D., 1977, Boston Univ.; B.A., 1974, Brown Univ.	Texas	\$575
Jerry Phelps	J.D., 1974, St. John's Univ.; B.A., 1969, Univ. of Iowa	California (inactive); Illinois (inactive); Minnesota (inactive); New York (inactive); Texas	\$575
Dee Price	J.D., 1985, Boston Univ.; M.A., 1981 Marshall Univ.	West Virginia	\$575
Dylan Savage	J.D., 2010, Southern Methodist Univ.; B.S., Computer Science, 2001, Univ. of Texas at Arlington	Texas	\$350
Paul Snyder	J.D., 1990; B.S. 1982, Univ. of Kansas	Kansas; Missouri	\$775
Dennis Taylor	J.D., 1995, Washington & Lee Univ.; M.A., B.A., Marshall Univ.	West Virginia	\$575
Derek Witte	J.D., 2002, The John Marshall Law School Chicago; B.A. 1999, Marian Col.	Illinois; Michigan	\$575

* The firm may add additional attorneys, whose rates will be consistent with those set forth above. Hourly rates are increased annually.

EXHIBIT 4b

MILLER JOHNSON ATTORNEY RATES

Attorney Name	Rates
Jon R. Muth	\$460.00
Thomas P. Sarb	\$450.00/\$460.00
Robert D. Wolford	\$330.00/\$350.00
Rachel L. Hillegonds	\$235.00/\$245.00
Dustin J. Jackson	\$190.00
Jason C. Miller	\$190.00

EXHIBIT 4c

CARTER LEDYARD & MILBURN LLP ATTORNEY RATES

Attorney	2012	2013
Gadsden	\$800	\$825
Cahn	\$735	\$750
Trivigno	\$350	\$500

Attorney	2012	2013
Michael Bauscher	\$250	\$270
Bryce Bernards	\$265	\$285
Melissa Erwin	\$265	\$285

EXHIBIT B

Talcott J. Franklin (admitted *pro hac vice*)
Talcott Franklin P.C.
208 North Market Street, Suite 200
Dallas, Texas 75202
Phone: (214) 736-8730
Fax: (877) 577-1356
tal@talfranklin.com

Aaron R. Cahn
Leonardo Trivigno
Carter, Ledyard & Milburn LLP
2 Wall Street
New York, New York 10005
Phone: (212) 732-3200
bankruptcy@clm.com

Thomas P. Sarb (admitted *pro hac vice*)
Robert Wolford (admitted *pro hac vice*)
Miller Johnson
Calder Plaza Building
250 Monroe Avenue NW, Suite 800
Grand Rapids, MI 49503-2250
Phone: (616) 831-1748
sarbt@millerjohnson.com

Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
In re	: Case No.: 12-12020 (MG)
	: :
	: Chapter 11
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: :
	: Jointly Administered
Debtors.	: :
-----x	

**DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD
AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.**

In connection with the above-captioned chapter 11 cases (the "Chapter 11 Cases")
commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Franklin P.C. subsequently joined. My company is one of the Talcott Franklin P.C. clients that entered this Settlement Agreement.

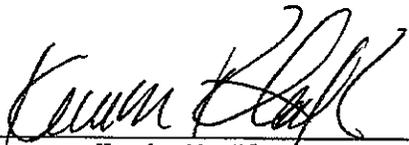
5. I understand that Talcott Franklin P.C. has twice been required to prepare multiple lawsuits against AFI to help leverage a settlement in this action: once before the Bankruptcy when negotiations appeared to have stalled and once after the bankruptcy when AFI appeared to be withdrawing from its settlement obligations.

6. TFPC Group Counsel provided us with numerous updates, explanations and analyses regarding our rights to recover damages from Debtors through the bankruptcy. TFPC Group Counsel has hosted dozens of conference calls over the past nearly two years, responded promptly and thoroughly to direct inquiries and questions about the case, and provided to us timely updates and summaries regarding this matter. TFPC Group Counsel on our behalf reviewed and analyzed significant numbers of filings, attended significant numbers of negotiating sessions and hearings, reviewed countless drafts of proposed agreements, and summarized those filings, events, and agreements in an understandable and thorough manner.

7. On our behalf, and at our direction, TFPC Group Counsel entered into an RMBS Settlement Agreement and subsequent other agreements with the Debtors and, at every turn, has worked diligently to protect our rights under that agreement.

8. Based on the work that TFPC Group Counsel has performed, I believe that TFPC Group Counsel has more than earned its portion of the Allowed Fee Claim of 5.7% of the total recovery by the RMBS Trusts, and that the fee is reasonable. I understand that the TFPC Group's portion is 17.25% of the Allowed Fee Claim (that is, 17.5% of the 5.7% of the total recovery by the RMBS Trusts). I also understand that TFPC, Carter Ledyard, and Miller, Johnson will share this fee based on the proportional dollar value of their billable hours

Dated: November 7, 2013

By: 
Name: Kevin M. Black
Title: President/CEO
Company: Heartland Bank

Talcott J. Franklin (admitted *pro hac vice*)
Talcott Franklin P.C.
208 North Market Street, Suite 200
Dallas, Texas 75202
Phone: (214) 736-8730
Fax: (877) 577-1356
tal@talfranklin.com

Aaron R. Cahn
Leonardo Trivigno
Carter, Ledyard & Milburn LLP
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Phone: (212) 732-3200
bankruptcy@clm.com

Thomas P. Sarb (admitted *pro hac vice*)
Robert Wolford (admitted *pro hac vice*)
Miller Johnson
Calder Plaza Building
250 Monroe Avenue NW, Suite 800
Grand Rapids, MI 49503-2250
Phone: (616) 831-1748
sarbt@millerjohnson.com

Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
In re	: Case No.: 12-12020 (MG)
	: :
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: Chapter 11
	: :
Debtors.	: Jointly Administered
	: :
-----x	

DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.

In connection with the above-captioned chapter 11 cases (the "Chapter 11 Cases") commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. (“TFPC”), Carter Ledyard and Milburn LLP (“Carter Ledyard”), and Miller, Johnson, Snell & Cummiskey, P.L.C. (“Miller Johnson”), hereby declares, under penalty of perjury, that:

1. My name, title, and company for whom I am an authorized representative are attached to this Declaration under my signature.

2. My company (i) directly or indirectly owns, or (ii) manages for others, Certificates in RMBS Trusts sponsored, issued, and/or sold by certain of the Debtors, which Trusts hold loans originated, sold, and/or serviced by certain of the Debtors.

3. I believe the Debtors violated the representations and warranties they made to the RMBS Trusts, and that Debtors’ failure to repurchase loans that were in breach of those representations and warranties harmed my company’s (or my company’s investors’) interests in the Certificates.

4. My company engaged Talcott Franklin P.C., Carter, Ledyard and Milburn LLP and Miller, Johnson, Snell & Cummiskey, P.L.C. (collectively the “TFPC Group Counsel”) to represent it in connection with the above-captioned Bankruptcy involving the Debtors. Prior to the Bankruptcy, my company and/or some of the other clients engaged Talcott Franklin P.C. to attempt to recover from certain of the Debtors and Ally Financial, Inc. (“AFI”) for losses sustained on the Certificates. That representation led to the entry of the original Settlement Agreement entered into by certain clients of Talcott Franklin P.C., which other clients of Talcott

Franklin P.C. subsequently joined. My company is one of the Talcott Franklin P.C. clients that entered this Settlement Agreement.

5. I understand that Talcott Franklin P.C. has twice been required to prepare multiple lawsuits against AFI to help leverage a settlement in this action: once before the Bankruptcy when negotiations appeared to have stalled and once after the bankruptcy when AFI appeared to be withdrawing from its settlement obligations.

6. TFPC Group Counsel provided us with numerous updates, explanations and analyses regarding our rights to recover damages from Debtors through the bankruptcy. TFPC Group Counsel has hosted dozens of conference calls over the past nearly two years, responded promptly and thoroughly to direct inquiries and questions about the case, and provided to us timely updates and summaries regarding this matter. TFPC Group Counsel on our behalf reviewed and analyzed significant numbers of filings, attended significant numbers of negotiating sessions and hearings, reviewed countless drafts of proposed agreements, and summarized those filings, events, and agreements in an understandable and thorough manner.

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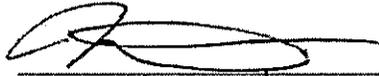
8. Based on the work that TFPC Group Counsel has performed, I believe that TFPC Group Counsel has more than earned its portion of the Allowed Fee Claim of 5.7% of the total recovery by the RMBS Trusts, and that the fee is reasonable. I understand that the TFPC Group's portion is 17.25% of the Allowed Fee Claim (that is, 17.5% of the 5.7% of the total recovery by the RMBS Trusts). I also understand that TFPC, Carter Ledyard, and Miller, Johnson will share this fee based on the proportional dollar value of their billable hours

expended in this case, and I have no objection to this arrangement as I understand it does not in any way affect the total amount of the fee owed, and only affects the way that fee is allocated between those three law firms. I also understand that the Allowed Fee Claim will be paid directly to the TFPC Group Counsel from the RMBS Settlement and will not be paid by my company directly, and that I owe the TFPC Group Counsel no additional fees for this matter.

9. I believe that the efforts of TFPC counsel throughout their representation of my company's interests, including their contributions to the RMBS Settlement, their coordination of strategy with the RMBS Trustees, their participation in the global mediation, and their willingness to pursue our claims against AFI, contributed to the consensual resolution of these case and significantly enhanced the recovery of investors in the RMBS Trusts.

Dated: November 7, 2013

By:

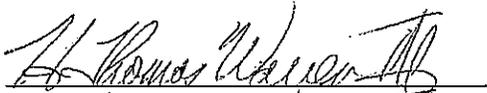


Name: Keith Peterson
Title: Chief Financial Officer
Company: Summit Credit Union

Dated: November 7, 2013

By: Brian L. Schroeder
Name: Brian L. Schroeder
Title: President/CEO
Company: First Farmers State Bank

Dated: November 7, 2013

By: 
Name: *H. Thomas Warron III*
Title: *Chief Financial Officer*
Company: *Pinckney Bank of South Carolina*

Talcott J. Franklin (admitted *pro hac vice*)
Talcott Franklin P.C.
208 North Market Street, Suite 200
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250 Monroe Avenue NW, Suite 800
Grand Rapids, MI 49503-2250
Phone: (616) 831-1748
sarbt@millerjohnson.com

Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
In re	: Case No.: 12-12020 (MG)
	: :
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: Chapter 11
	: :
Debtors.	: Jointly Administered
	: :
-----x	

DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.

In connection with the above-captioned chapter 11 cases (the "Chapter 11 Cases") commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. ("TFPC"), Carter Ledyard and Milburn LLP ("Carter Ledyard"), and Miller, Johnson, Snell & Cummiskey, P.L.C. ("Miller Johnson"), hereby declares, under penalty of perjury, that:

1. My name, title, and company for whom I am an authorized representative are attached to this Declaration under my signature.

2. My company (i) directly or indirectly owns, or (ii) manages for others, Certificates in RMBS Trusts sponsored, issued, and/or sold by certain of the Debtors, which Trusts hold loans originated, sold, and/or serviced by certain of the Debtors.

3. I believe the Debtors violated the representations and warranties they made to the RMBS Trusts, and that Debtors' failure to repurchase loans that were in breach of those representations and warranties harmed my company's (or my company's investors') interests in the Certificates.

4. My company engaged Talcott Franklin P.C., Carter, Ledyard and Milburn LLP and Miller, Johnson, Snell & Cummiskey, P.L.C. (collectively the "TFPC Group Counsel") to represent it in connection with the above-captioned Bankruptcy involving the Debtors. Prior to the Bankruptcy, my company and/or some of the other clients engaged Talcott Franklin P.C. to attempt to recover from certain of the Debtors and Ally Financial, Inc. ("AFI") for losses sustained on the Certificates. That representation led to the entry of the original Settlement Agreement entered into by certain clients of Talcott Franklin P.C., which other clients of Talcott

Franklin P.C. subsequently joined. My company is one of the Talcott Franklin P.C. clients that entered this Settlement Agreement.

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expended in this case, and I have no objection to this arrangement as I understand it does not in any way affect the total amount of the fee owed, and only affects the way that fee is allocated between those three law firms. I also understand that the Allowed Fee Claim will be paid directly to the TFPC Group Counsel from the RMBS Settlement and will not be paid by my company directly, and that I owe the TFPC Group Counsel no additional fees for this matter.

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Dated: November 7, 2013

By: 
Name: *Sean Williams*
Title: *President*
Company: *First National Bank*

Talcott J. Franklin (admitted *pro hac vice*)
Talcott Franklin P.C.
208 North Market Street, Suite 200
Dallas, Texas 75202
Phone: (214) 736-8730
Fax: (877) 577-1356
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Aaron R. Cahn
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Phone: (616) 831-1748
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Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----X	
In re	: Case No.: 12-12020 (MG)
	:
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: Chapter 11
	:
Debtors.	: Jointly Administered
	:
-----X	

DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.

In connection with the above-captioned chapter 11 cases (the "Chapter 11 Cases") commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. (“TFPC”), Carter Ledyard and Milburn LLP (“Carter Ledyard”), and Miller, Johnson, Snell & Cummiskey, P.L.C. (“Miller Johnson”), hereby declares, under penalty of perjury, that:

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Franklin P.C. subsequently joined. My company is one of the Talcott Franklin P.C. clients that entered this Settlement Agreement.

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Dated: November 7, 2013

By: *Charles E. Maurer, Jr.*
Name: Charles E. Maurer, Jr.
Title: Supreme Secretary
Company: Knights of Columbus

Talcott J. Franklin (admitted *pro hac vice*)
Talcott Franklin P.C.
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Thomas P. Sarb (admitted *pro hac vice*)
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Phone: (616) 831-1748
sarbt@millerjohnson.com

Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
In re	: Case No.: 12-12020 (MG)
	: :
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: Chapter 11
	: :
Debtors.	: Jointly Administered
	: :
-----x	

DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.

In connection with the above-captioned chapter 11 cases (the "Chapter 11 Cases") commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. ("TFPC"), Carter Ledyard and Milburn LLP ("Carter Ledyard"), and Miller, Johnson, Snell & Cummiskey, P.L.C. ("Miller Johnson"), hereby declares, under penalty of perjury, that:

1. My name, title, and company for whom I am an authorized representative are attached to this Declaration under my signature.

2. My company (i) directly or indirectly owns, or (ii) manages for others, Certificates in RMBS Trusts sponsored, issued, and/or sold by certain of the Debtors, which Trusts hold loans originated, sold, and/or serviced by certain of the Debtors.

3. I believe the Debtors violated the representations and warranties they made to the RMBS Trusts, and that Debtors' failure to repurchase loans that were in breach of those representations and warranties harmed my company's (or my company's investors') interests in the Certificates.

4. My company engaged Talcott Franklin P.C., Carter, Ledyard and Milburn LLP and Miller, Johnson, Snell & Cummiskey, P.L.C. (collectively the "TFPC Group Counsel") to represent it in connection with the above-captioned Bankruptcy involving the Debtors. Prior to the Bankruptcy, my company and/or some of the other clients engaged Talcott Franklin P.C. to attempt to recover from certain of the Debtors and Ally Financial, Inc. ("AFI") for losses sustained on the Certificates. That representation led to the entry of the original Settlement Agreement entered into by certain clients of Talcott Franklin P.C., which other clients of Talcott

Franklin P.C. subsequently joined. My company is one of the Talcott Franklin P.C. clients that entered this Settlement Agreement.

5. I understand that Talcott Franklin P.C. has twice been required to prepare multiple lawsuits against AFI to help leverage a settlement in this action: once before the Bankruptcy when negotiations appeared to have stalled and once after the bankruptcy when AFI appeared to be withdrawing from its settlement obligations.

6. TFPC Group Counsel provided us with numerous updates, explanations and analyses regarding our rights to recover damages from Debtors through the bankruptcy. TFPC Group Counsel has hosted dozens of conference calls over the past nearly two years, responded promptly and thoroughly to direct inquiries and questions about the case, and provided to us timely updates and summaries regarding this matter. TFPC Group Counsel on our behalf reviewed and analyzed significant numbers of filings, attended significant numbers of negotiating sessions and hearings, reviewed countless drafts of proposed agreements, and summarized those filings, events, and agreements in an understandable and thorough manner.

7. On our behalf, and at our direction, TFPC Group Counsel entered into an RMBS Settlement Agreement and subsequent other agreements with the Debtors and, at every turn, has worked diligently to protect our rights under that agreement.

8. Based on the work that TFPC Group Counsel has performed, I believe that TFPC Group Counsel has more than earned its portion of the Allowed Fee Claim of 5.7% of the total recovery by the RMBS Trusts, and that the fee is reasonable. I understand that the TFPC Group's portion is 17.25% of the Allowed Fee Claim (that is, 17.5% of the 5.7% of the total recovery by the RMBS Trusts). I also understand that TFPC, Carter Ledyard, and Miller, Johnson will share this fee based on the proportional dollar value of their billable hours

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9. I believe that the efforts of TFPC counsel throughout their representation of my company's interests, including their contributions to the RMBS Settlement, their coordination of strategy with the RMBS Trustees, their participation in the global mediation, and their willingness to pursue our claims against AFI, contributed to the consensual resolution of these case and significantly enhanced the recovery of investors in the RMBS Trusts.

Dated: November 7, 2013

By: 
Name: MARK R HOLLAR
Title: C.F.O.
Company: FARMERS AND MERCHANTS TRUST COMPANY

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Robert Wolford (admitted *pro hac vice*)
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Phone: (616) 831-1748
sarbt@millerjohnson.com

Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
In re	: Case No.: 12-12020 (MG)
	: :
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: Chapter 11
	: :
Debtors.	: Jointly Administered
	: :
-----x	

DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.

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Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. (“TFPC”), Carter Ledyard and Milburn LLP (“Carter Ledyard”), and Miller, Johnson, Snell & Cummiskey, P.L.C. (“Miller Johnson”), hereby declares, under penalty of perjury, that:

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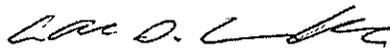
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Dated: November 7, 2013

By: 
Name: Charles G. Cascarilla
Title: Manager
Company: Cedar Hill Capital Partners, LLC

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sarbt@millerjohnson.com

Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
In re	: Case No.: 12-12020 (MG)
	: :
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: Chapter 11
	: :
Debtors.	: Jointly Administered
	: :
-----x	

**DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD
AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.**

In connection with the above-captioned chapter 11 cases (the "Chapter 11 Cases")
commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. (“TFPC”), Carter Ledyard and Milburn LLP (“Carter Ledyard”), and Miller, Johnson, Snell & Cummiskey, P.L.C. (“Miller Johnson”), hereby declares, under penalty of perjury, that:

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3. I believe the Debtors violated the representations and warranties they made to the RMBS Trusts, and that Debtors’ failure to repurchase loans that were in breach of those representations and warranties harmed my company’s (or my company’s investors’) interests in the Certificates.

4. My company engaged Talcott Franklin P.C., Carter, Ledyard and Milburn LLP and Miller, Johnson, Snell & Cummiskey, P.L.C. (collectively the “TFPC Group Counsel”) to represent it in connection with the above-captioned Bankruptcy involving the Debtors. Prior to the Bankruptcy, my company and/or some of the other clients engaged Talcott Franklin P.C. to attempt to recover from certain of the Debtors and Ally Financial, Inc. (“AFI”) for losses sustained on the Certificates. That representation led to the entry of the original Settlement Agreement entered into by certain clients of Talcott Franklin P.C., which other clients of Talcott

Franklin P.C. subsequently joined. My company is one of the Talcott Franklin P.C. clients that entered this Settlement Agreement.

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8. Based on the work that TFPC Group Counsel has performed, I believe that TFPC Group Counsel has more than earned its portion of the Allowed Fee Claim of 5.7% of the total recovery by the RMBS Trusts, and that the fee is reasonable. I understand that the TFPC Group's portion is 17.25% of the Allowed Fee Claim (that is, 17.5% of the 5.7% of the total recovery by the RMBS Trusts). I also understand that TFPC, Carter Ledyard, and Miller, Johnson will share this fee based on the proportional dollar value of their billable hours

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Dated: November 7, 2013

By: 
Name: PAUL THOMPSON
Title: PARTNER
Company: LL FUNDS LLC

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Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
In re	: Case No.: 12-12020 (MG)
	: :
	: Chapter 11
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: :
	: Jointly Administered
Debtors.	: :
-----x	

DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.

In connection with the above-captioned chapter 11 cases (the "Chapter 11 Cases") commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. (“TFPC”), Carter Ledyard and Milburn LLP (“Carter Ledyard”), and Miller, Johnson, Snell & Cummiskey, P.L.C. (“Miller Johnson”), hereby declares, under penalty of perjury, that:

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Dated: November 7, 2013

By: 
Name: Rick L. Reed
Title: Executive VP & COO
Company: First National Bank & Trust Co of Rochelle, IL

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Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
In re	: Case No.: 12-12020 (MG)
	: :
	: Chapter 11
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: :
	: Jointly Administered
Debtors.	: :
-----x	

**DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD
AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.**

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commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. ("TFPC"), Carter Ledyard and Milburn LLP ("Carter Ledyard"), and Miller, Johnson, Snell & Cummiskey, P.L.C. ("Miller Johnson"), hereby declares, under penalty of perjury, that:

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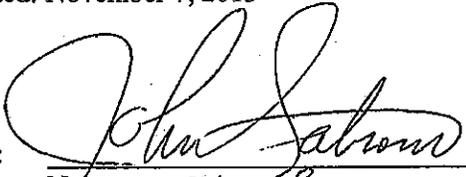
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Dated: November 7, 2013

By: 
Name: John Satrom
Title: Pres/CEO
Company: Northwestern Bank

Talcott J. Franklin (admitted *pro hac vice*)
Talcott Franklin P.C.
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Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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In re	: Case No.: 12-12020 (MG)
	: :
	: Chapter 11
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: :
	: Jointly Administered
Debtors.	: :
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**DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD
AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.**

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3. I believe the Debtors violated the representations and warranties they made to the RMBS Trusts, and that Debtors’ failure to repurchase loans that were in breach of those representations and warranties harmed my company’s (or my company’s investors’) interests in the Certificates.

4. My company engaged Talcott Franklin P.C., Carter, Ledyard and Milburn LLP and Miller, Johnson, Snell & Cummiskey, P.L.C. (collectively the “TFPC Group Counsel”) to represent it in connection with the above-captioned Bankruptcy involving the Debtors. Prior to the Bankruptcy, my company and/or some of the other clients engaged Talcott Franklin P.C. to attempt to recover from certain of the Debtors and Ally Financial, Inc. (“AFI”) for losses sustained on the Certificates. That representation led to the entry of the original Settlement Agreement entered into by certain clients of Talcott Franklin P.C., which other clients of Talcott

Franklin P.C. subsequently joined. My company is one of the Talcott Franklin P.C. clients that entered this Settlement Agreement.

5. I understand that Talcott Franklin P.C. has twice been required to prepare multiple lawsuits against AFI to help leverage a settlement in this action: once before the Bankruptcy when negotiations appeared to have stalled and once after the bankruptcy when AFI appeared to be withdrawing from its settlement obligations.

6. TFPC Group Counsel provided us with numerous updates, explanations and analyses regarding our rights to recover damages from Debtors through the bankruptcy. TFPC Group Counsel has hosted dozens of conference calls over the past nearly two years, responded promptly and thoroughly to direct inquiries and questions about the case, and provided to us timely updates and summaries regarding this matter. TFPC Group Counsel on our behalf reviewed and analyzed significant numbers of filings, attended significant numbers of negotiating sessions and hearings, reviewed countless drafts of proposed agreements, and summarized those filings, events, and agreements in an understandable and thorough manner.

7. On our behalf, and at our direction, TFPC Group Counsel entered into an RMBS Settlement Agreement and subsequent other agreements with the Debtors and, at every turn, has worked diligently to protect our rights under that agreement.

8. Based on the work that TFPC Group Counsel has performed, I believe that TFPC Group Counsel has more than earned its portion of the Allowed Fee Claim of 5.7% of the total recovery by the RMBS Trusts, and that the fee is reasonable. I understand that the TFPC Group's portion is 17.25% of the Allowed Fee Claim (that is, 17.5% of the 5.7% of the total recovery by the RMBS Trusts). I also understand that TFPC, Carter Ledyard, and Miller, Johnson will share this fee based on the proportional dollar value of their billable hours

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9. I believe that the efforts of TFPC counsel throughout their representation of my company's interests, including their contributions to the RMBS Settlement, their coordination of strategy with the RMBS Trustees, their participation in the global mediation, and their willingness to pursue our claims against AFI, contributed to the consensual resolution of these case and significantly enhanced the recovery of investors in the RMBS Trusts.

Dated: November 7, 2013

By: James G. Williamson, Jr.
Name: JAMES G. WILLIAMSON, JR
Title: CHAIRMAN
Company: CITIZENS BANK & TRUST CO.

Talcott J. Franklin (admitted *pro hac vice*)
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Thomas P. Sarb (admitted *pro hac vice*)
Robert Wolford (admitted *pro hac vice*)
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Phone: (616) 831-1748
sarbt@millerjohnson.com

Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
In re	: Case No.: 12-12020 (MG)
	: :
	: Chapter 11
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: :
	: Jointly Administered
Debtors.	: :
-----x	

**DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD
AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.**

In connection with the above-captioned chapter 11 cases (the "Chapter 11 Cases")
commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. ("TFPC"), Carter Ledyard and Milburn LLP ("Carter Ledyard"), and Miller, Johnson, Snell & Cummiskey, P.L.C. ("Miller Johnson"), hereby declares, under penalty of perjury, that:

1. My name, title, and company for whom I am an authorized representative are attached to this Declaration under my signature.

2. My company (i) directly or indirectly owns, or (ii) manages for others, Certificates in RMBS Trusts sponsored, issued, and/or sold by certain of the Debtors, which Trusts hold loans originated, sold, and/or serviced by certain of the Debtors.

3. I believe the Debtors violated the representations and warranties they made to the RMBS Trusts, and that Debtors' failure to repurchase loans that were in breach of those representations and warranties harmed my company's (or my company's investors') interests in the Certificates.

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7. On our behalf, and at our direction, TFPC Group Counsel entered into an RMBS Settlement Agreement and subsequent other agreements with the Debtors and, at every turn, has worked diligently to protect our rights under that agreement.

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Dated: November 7, 2013

By:



Name: BRET S. DERMAN

Title: SENIOR VICE PRESIDENT & DEPUTY GENERAL COUNSEL

Company: RADIAN ASSET ASSURANCE INC.

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sarbt@millerjohnson.com

Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----X	
In re	: Case No.: 12-12020 (MG)
	: :
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: Chapter 11
	: :
Debtors.	: Jointly Administered
	: :
-----X	

**DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD
AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.**

In connection with the above-captioned chapter 11 cases (the "Chapter 11 Cases")
commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. (“TFPC”), Carter Ledyard and Milburn LLP (“Carter Ledyard”), and Miller, Johnson, Snell & Cummiskey, P.L.C. (“Miller Johnson”), hereby declares, under penalty of perjury, that:

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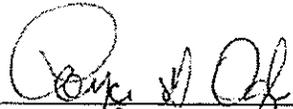
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Dated: November 7, 2013

By: 
Name: Royce A Oyle
Title: Chairman
Company: First Bank

Dated: November 7, 2013

By: 
Name: Royce A. Oyle
Title: President
Company: Peoples independent BANK

Talcott J. Franklin (admitted *pro hac vice*)

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Robert Wolford (admitted *pro hac vice*)
Miller Johnson
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Grand Rapids, MI 49503-2250
Phone: (616) 831-1748
sarbt@millerjohnson.com

Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
In re	: Case No.: 12-12020 (MG)
	: :
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: Chapter 11
	: :
Debtors.	: Jointly Administered
	: :
-----x	

**DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD
AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.**

In connection with the above-captioned chapter 11 cases (the "Chapter 11 Cases")
commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. (“TFPC”), Carter Ledyard and Milburn LLP (“Carter Ledyard”), and Miller, Johnson, Snell & Cummiskey, P.L.C. (“Miller Johnson”), hereby declares, under penalty of perjury, that:

1. My name, title, and company for whom I am an authorized representative are attached to this Declaration under my signature.

2. My company (i) directly or indirectly owns, or (ii) manages for others, Certificates in RMBS Trusts sponsored, issued, and/or sold by certain of the Debtors, which Trusts hold loans originated, sold, and/or serviced by certain of the Debtors.

3. I believe the Debtors violated the representations and warranties they made to the RMBS Trusts, and that Debtors’ failure to repurchase loans that were in breach of those representations and warranties harmed my company’s (or my company’s investors’) interests in the Certificates.

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Franklin P.C. subsequently joined. My company is one of the Talcott Franklin P.C. clients that entered this Settlement Agreement.

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6. TFPC Group Counsel provided us with numerous updates, explanations and analyses regarding our rights to recover damages from Debtors through the bankruptcy. TFPC Group Counsel has hosted dozens of conference calls over the past nearly two years, responded promptly and thoroughly to direct inquiries and questions about the case, and provided to us timely updates and summaries regarding this matter. TFPC Group Counsel on our behalf reviewed and analyzed significant numbers of filings, attended significant numbers of negotiating sessions and hearings, reviewed countless drafts of proposed agreements, and summarized those filings, events, and agreements in an understandable and thorough manner.

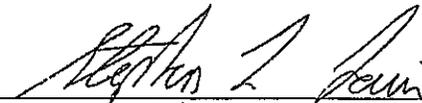
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Dated: November 7, 2013

By: 
Name: Stephen L. Lewis
Title: CEO/President
Company: Thomasbn Savings Bank

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Calder Plaza Building
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Grand Rapids, MI 49503-2250
Phone: (616) 831-1748
sarbt@millerjohnson.com

Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
In re	: Case No.: 12-12020 (MG)
	: :
	: Chapter 11
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	: :
	: Jointly Administered
Debtors.	: :
-----x	

**DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD
AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.**

In connection with the above-captioned chapter 11 cases (the "Chapter 11 Cases")
commenced by the Debtors on May 14, 2012, and in support of the Talcott Franklin Investor

Group Statement in Support of, and in Response to Objections to, Joint Chapter 11 Plan Proposed by Residential Capital, LLC, *et. al.* and the Official Committee of Unsecured Creditors, the undersigned, a duly authorized representative of a client represented in this matter by Talcott Franklin P.C. (“TFPC”), Carter Ledyard and Milburn LLP (“Carter Ledyard”), and Miller, Johnson, Snell & Cummiskey, P.L.C. (“Miller Johnson”), hereby declares, under penalty of perjury, that:

1. My name, title, and company for whom I am an authorized representative are attached to this Declaration under my signature.

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Dated: November 7, 2013

By: 
Name: Ken Blacker
Title: Partner
Company: Vertical Capital, LLC

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Attorneys for the TFPC Investors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x
In re : Case No.: 12-12020 (MG)
: :
RESIDENTIAL CAPITAL, LLC, et al., : Chapter 11
: :
Debtors. : Jointly Administered
: :
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**DECLARATION OF CLIENTS OF TALCOTT FRANKLIN P.C., CARTER LEDYARD
AND MILBURN LLP, AND MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.**

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6. TFPC Group Counsel provided us with numerous updates, explanations and analyses regarding our rights to recover damages from Debtors through the bankruptcy. TFPC Group Counsel has hosted dozens of conference calls over the past nearly two years, responded promptly and thoroughly to direct inquiries and questions about the case, and provided to us timely updates and summaries regarding this matter. TFPC Group Counsel on our behalf reviewed and analyzed significant numbers of filings, attended significant numbers of negotiating sessions and hearings, reviewed countless drafts of proposed agreements, and summarized those filings, events, and agreements in an understandable and thorough manner.

7. On our behalf, and at our direction, TFPC Group Counsel entered into an RMBS Settlement Agreement and subsequent other agreements with the Debtors and, at every turn, has worked diligently to protect our rights under that agreement.

8. Based on the work that TFPC Group Counsel has performed, I believe that TFPC Group Counsel has more than earned its portion of the Allowed Fee Claim of 5.7% of the total recovery by the RMBS Trusts, and that the fee is reasonable. I understand that the TFPC Group's portion is 17.25% of the Allowed Fee Claim (that is, 17.5% of the 5.7% of the total recovery by the RMBS Trusts). I also understand that TFPC, Carter Ledyard, and Miller, Johnson will share this fee based on the proportional dollar value of their billable hours

expended in this case, and I have no objection to this arrangement as I understand it does not in any way affect the total amount of the fee owed, and only affects the way that fee is allocated between those three law firms. I also understand that the Allowed Fee Claim will be paid directly to the TFPC Group Counsel from the RMBS Settlement and will not be paid by my company directly, and that I owe the TFPC Group Counsel no additional fees for this matter.

9. I believe that the efforts of TFPC counsel throughout their representation of my company's interests, including their contributions to the RMBS Settlement, their coordination of strategy with the RMBS Trustees, their participation in the global mediation, and their willingness to pursue our claims against AFI, contributed to the consensual resolution of these case and significantly enhanced the recovery of investors in the RMBS Trusts.

Dated: November 7, 2013

By: 
Name: Robert M. Damante
Title: EVP and CFO
Company: SBLI USA Mutual Life Insurance Company, Inc.