

KRAMER LEVIN NAFTALIS & FRANKEL LLP
Kenneth H. Eckstein
Kelly Porcelli
1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-9100
Facsimile: (212) 715-8000

Counsel for the ResCap Liquidating Trust

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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

**FORTY-SECOND POST-CONFIRMATION STATUS
REPORT OF THE RESCAP LIQUIDATING TRUST**

The ResCap Liquidating Trust (the “**Liquidating Trust**”), as successor in interest to the debtors (collectively, the “**Debtors**”) in the above-captioned cases (the “**Chapter 11 Cases**”), hereby submits this post-confirmation status report for the period ending on March 31, 2025 (the “**Reporting Period**”), and respectfully represents as follows:

STATUS REPORT

1. On December 11, 2013, the Court entered the *Order Confirming Second Amended Joint Chapter 11 Plan Proposed by Residential Capital, LLC et al. and the Official Committee of Unsecured Creditors* (the “**Confirmation Order**”) [Docket No. 6065] approving the terms of the Chapter 11 plan, as amended (the “**Plan**”), filed in these Chapter 11 Cases [Docket No. 6065-1].¹

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.



2. On December 17, 2013, the Effective Date of the Plan occurred (the “**Effective Date**”), and the Liquidating Trust was established [Docket No. 6137]. Pursuant to the Plan, the Liquidating Trust was established to wind down the affairs of the Debtors. *See* Plan, Art. VI.

3. On August 13, 2014, the Liquidating Trust filed an application for entry of a post-confirmation order (the “**Post-Confirmation Order**”) [Docket No. 7385]. On August 26, 2014, the Court entered an amended Post-Confirmation Order [Docket No. 7431]. Pursuant to the Post-Confirmation Order, the Liquidating Trust is required to file quarterly and annual status reports detailing the actions taken by the Liquidating Trust and the progress made toward the consummation of the Plan.

4. Attached hereto as **Exhibit A** is a copy of the Liquidating Trust’s consolidated financial statements and letters to beneficiaries (collectively, the “**Financial Statements**”) detailing the Liquidating Trust’s activity during the Reporting Period. The Financial Statements are available on the claims agent’s website at <https://www.kccllc.net/rescap>.

NOTICE

5. Notice of this Status Report has been provided to the parties identified on the Special Service List and General Service List, as those terms are defined in the Notice, Case Management, and Administrative Procedures approved by the Court [Docket No. 141], including the Office of the U.S. Trustee for the Southern District of New York.

Dated: May 7, 2025
New York, New York

KRAMER LEVIN NAFTALIS & FRANKEL LLP

/s/ Kelly Porcelli

Kenneth H. Eckstein

Kelly Porcelli

1177 Avenue of the Americas

New York, New York 10036

Telephone: (212) 715-9100

Facsimile: (212) 715-8000

Counsel for the ResCap Liquidating Trust

Exhibit A

ResCap Liquidating Trust

ResCap Liquidating Trust

**Consolidated Financial Statements
as of and for the Period Ended March 31, 2025
(Unaudited)**

ResCap Liquidating Trust

Consolidated Statement of Net Assets in Liquidation

(Unaudited)

In thousands (except per unit)

Assets:	31-Mar-25	December 31, 2024
Cash and cash equivalents	\$ 58,819	\$ 60,435
Total assets	58,819	60,435
Liabilities:		
Estimated costs to operate Trust	25,387	27,633
Total liabilities	25,387	27,633
Net assets in liquidation	\$ 33,432	\$ 32,802
Total units in the Trust	98,853,649	98,853,649
Net assets per authorized unit	\$ 0.34	\$ 0.33

The Notes to Consolidated Financial Statements are an integral part of these statements.

ResCap Liquidating Trust

Consolidated Statement of Changes in Net Assets in Liquidation

(Unaudited)

In thousands

	Quarter to date ended 31-Mar-25	Year to date Ended 31-Mar-25	Effective Date through 31-Mar-25
Receipts			
Receipts on assets held for sale	\$ 3	\$ 3	\$ 645,879
Litigation / claim recoveries	-	-	1,340,462
Interest - MMF	608	608	18,737
Other receipts	31	31	162,718
Plan settlements	-	-	2,100,000
Total receipts	642	642	4,267,796
Disbursements			
Claims and settlement	-	-	(1,642,074)
DOJ / AG consent settlement	-	-	(88,201)
Costs to operate the Trust	(2,258)	(2,258)	(757,417)
Total disbursements	(2,258)	(2,258)	(2,487,692)
Distributions			
Total distributions	-	-	(3,398,766)
Net cash flow	(1,616)	(1,616)	(1,618,662)
Other non-cash changes affecting:			
Increase (decrease) in asset value assumptions	-	-	(55,026)
(Increase) decrease in costs to operate the Trust	(12)	(12)	(576,626)
(Increase) decrease in DOJ/AG consent settlement	-	-	(7,551)
Basis of assets/liabilities liquidated/resolved	2,258	2,258	(224,304)
(Increase) decrease in distributions held for Beneficiaries	-	-	-
Total non-cash changes	2,246	2,246	(863,507)
Total increase (decrease) in net assets	630	630	(2,482,169)
Net assets in liquidation, beginning of period	32,802	32,802	2,515,601
Net assets in liquidation, end of period	\$ 33,432	\$ 33,432	\$ 33,432

ResCap Liquidating Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Description of Business and Significant Accounting Policies

The ResCap Liquidating Trust ("Trust") was formed in connection with the Plan of Reorganization under chapter 11 of the United States Bankruptcy Code ("Plan") in the bankruptcy case of Residential Capital, LLC ("ResCap"). The Plan became effective on December 17, 2013 ("Effective Date").

The Trust issued units of beneficial interest ("Units"). The Units entitle their holders ("Beneficiaries") to receive a proportionate amount of cash distributions ("Declared Distributions") made by the Trust.

Basis of Presentation

The unaudited Consolidated Financial Statements (the "Statements") reflect the accounts of the Trust and subsidiaries after eliminating all significant intercompany balances and transactions. The Statements reflect all adjustments that are, in management's opinion, necessary for the fair presentation of the results for the periods presented. The Statements have not been prepared in accordance with generally accepted accounting principles; rather they have been prepared using a liquidation basis of accounting, which the Trust considers an appropriate basis of accounting at this time. Assets are stated at their estimated net realizable value, which is the amount of cash into which an asset is expected to be converted during the liquidation period. The Trust also accrues costs that it expects to incur through to the end of its liquidation. The Trust currently accrues costs through December 31, 2026, however, the prosecution of the remaining litigation discussed below, and the corresponding timeline for resolving such litigation through trial or appeals may cause the Trust to be further extended beyond December 31, 2026, resulting in an increase to future accrued costs for such extended periods and a corresponding reduction in cash available as discussed in the subsequent event note below. The Trust will record and value affirmative settlements or judgements when realized and collectability is reasonably anticipated.

2. Estimated Costs to Operate the Trust

Estimated costs to operate the Trust are comprised of the following (in \$000's):

	31-Mar-25		December 31, 2024	
	Accrued	Future	Total	Total
Professional fees (legal, expert, other professional costs)	270 \$	22,530 \$	22,800 \$	25,001
Compensation	375	-	375	375
Document management	-	148	148	149
Information technology	-	955	955	995
Other operating costs	-	1,109	1,109	1,113
Total costs to operate the Trust	645 \$	24,742 \$	25,387 \$	27,633

The estimated cost to operate the Trust is \$25.4 million including \$.6 million of expenses that have been incurred but not yet paid and \$24.7 million of expected future costs for the period April 2025 through December 2026. Of the \$24.7 million cost, \$9.1 million is a cash reserve for future costs for the on-going insurance recovery case pending currently on appeal to the United States Court of Appeal for the Second Circuit, ("Second Circuit") and

ResCap Liquidating Trust

\$15.6 million represents existing contractual obligations and the future costs for the operations and wind-down of the Trust.

3. Commitments and Contingencies

Affirmative Matters

The Trust is pursuing the following affirmative matter:

Insurance Recovery Action - The Trust (along with its co-Plaintiff, the “Plaintiffs”) has an appeal pending in the Second Circuit, *ResCap Liquidating Trust v. Certain Underwriters at Lloyd’s, London, et al.*, Case #25-118. The appeal arises from an adversary proceeding initiated in the Bankruptcy Court, which was subsequently appealed to the United States District Court (the “District Court”). On October 11, 2024 the District Court issued an order declining to adopt the Bankruptcy Court’s Report and Recommendation in part and granting Defendant Insurers’ motion for summary judgment with respect to the application of a certain policy exclusion referred to as the Return of Fee Exclusion. Then, on November 20, 2024, the District Court issued an order adopting the Bankruptcy Court’s Report and Recommendation in part and granting Plaintiff’s motions for summary judgment with respect to the application of another exclusion, referred to as the Mortgage Fee Claim Exclusion. As a result of these two orders, Plaintiff’s claims in the Third Amended Adversarial Complaint dated February 4, 2020 were dismissed with prejudice. Accordingly, the District Court entered final judgment terminating Plaintiffs’ claims on December 16, 2024. The final judgment expressly preserved the portions of the Bankruptcy Court’s Report and Recommendation that were not the subject of the District Court’s October 11, 2024, and November 20, 2024 orders. The Trust’s total claims, with interest exceed \$150 million, excluding attorney fees.

At this time, the Trust cannot predict the outcome of this matter or estimate the possible financial effect of this matter on the Consolidated Financial Statements, and as such, no contingent gains are currently recorded.

4. Subsequent Events

Events subsequent to March 31, 2025, were evaluated through May 6, 2025, the date on which these Consolidated Financial Statements were issued.

RESCAP

LIQUIDATING TRUST

ResCap Liquidating Trust

Q1 2025 Beneficiary Letter

RESCAP

LIQUIDATING TRUST

May 6, 2025

Dear Beneficiaries:

The Trust continued its efforts to wind down the Trust effectively and efficiently.

The Administrative Set Aside of \$24.7million (net of costs incurred but not yet paid) reflects the extension of the Trust through December 2026 to support the continuing work with the insurance adversary action and final wind down actions. A breakdown of the costs is shown in the accompanying financial statements.

The Trust's quarter end Q1 2025 financial report has been filed with the bankruptcy court. The financial report along with certain tax information have been posted to the Verita Global (Kurtzman Carson Consulting) website at <https://www.veritaglobal.net/Rescap>.

The Trust continues to work diligently towards the goal of maximizing value for Beneficiaries in the most efficient manner possible. We look forward to reporting on the results of our efforts.

Sincerely,

ResCap Liquidating Trust Board