Docket #8601 Date Filed: 5/11/2015

KRAMER LEVIN NAFTALIS & FRANKEL LLP
Kenneth H. Eckstein
Douglas H. Mannal
Joseph A. Shifer
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, et al.,	)	Chapter 11
Debtors.	)	Jointly Administered

THIRD 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 quarterly period ending on March 31, 2015 (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]

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.

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

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 letter to beneficiaries (collectively, the "**Financial Statements**") detailing the Liquidating Trust's activity during the Reporting Period. The Financial Statements have been posted to the Liquidating Trust's website at http://rescapliquidatingtrust.com.

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 11, 2015
New York, New York

KRAMER LEVIN NAFTALIS & FRANKEL LLP

/s/ Joseph A. Shifer
Kenneth H. Eckstein
Douglas H. Mannal
Joseph A. Shifer
1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-9100

Counsel for the ResCap Liquidating Trust

Exhibit A

ResCap Liquidating Trust

Consolidated Financial Statements
as of and for the Quarter Ended March 31, 2015
(Unaudited)

Table of Contents

Consolidating Statement of Net Assets in Liquidation 3
Consolidated Statement of Cash Receipts and Disbursements 4
Consolidated Statement of Changes in Net Assets in Liquidation 5
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS 6
1. Description of Business and Basis of Presentation 6
2. Restricted Cash 7
3. Claims and Settlements 8
4. Estimated Costs to Operate the Trust 8
5. Distributions to Beneficiaries and Disputed Claims Reserve 8
6. Commitments and Contingencies 10
7. Subsequent Events 11

ResCap Liquidating Trust

Consolidating Statement of Net Assets in Liquidation

(Unaudited)
In thousands (except per unit)

	March 31, 2015				December 31, 2014
Assets:	ResCap Liquidating Trust	Cap Re of Vermont, LLC	International	Consolidated ResCap Liquidating Trust	Consolidated ResCap Liquidating Trust
Cash and cash equivalents	$ 92,287	$ 829	$ 23,370	$ 116,486	$ 311,859
Restricted cash	143,404	57,226	-	200,630	207,742
Assets held for sale	249,764	-	-	249,764	288,438
Other receivables	2,552	9,939	619	13,110	15,829
Other assets	-	-	62	62	18
Total assets	488,007	67,994	24,051	580,052	823,886
Liabilities:					
Claims and settlements	44,130	37,313	1,992	83,435	88,628
DOJ/AG consent settlement	46,985	-	-	46,985	52,389
Estimated costs to operate Trust	184,044	3,493	2,921	190,458	203,250
Liability for undistributed funds	79,720	-	-	79,720	73,118
Total liabilities	354,879	40,806	4,913	400,598	417,385
Net Assets in Liquidation	$ 133,128	$ 27,188	$ 19,138	$ 179,454	$ 406,501
Total units in the Trust				100,000,000	100,000,000
Net assets per authorized unit				$ 1.79	$ 4.07

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

Consolidated Statement of Cash Receipts and Disbursements

(Unaudited)
In thousands

Receipts	Quarter Ended March 31, 2015	Effective Date through March 31, 2015
Receipts on assets held for sale	$ 12,730	$ 345,110
Litigation/claim recoveries	21,441	39,596
Other receipts	4,164	67,589
Plan settlements	-	2,100,000
Total receipts	38,335	2,552,295
Disbursements		
Claims and settlements	(10,165)	(1,608,938)
DOJ/AG consent settlement	(5,240)	(44,364)
Costs to operate the Trust	(32,017)	(109,077)
Declared distribution	(200,000)	(2,230,000)
Change in undistributed funds	6,602	79,720
Total disbursements	(240,820)	(3,912,659)
Net cash flow	(202,485)	(1,360,364)
Cash and restricted cash, beginning of period	519,601	1,677,480
Cash and restricted cash, March 31, 2015	$ 317,116	$ 317,116

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

Consolidated Statement of Changes in Net Assets in Liquidation

(Unaudited)
In thousands (except per unit)

	Quarter Ended March 31, 2015	Effective Date through March 31, 2015
Net cash flow	$ (202,485)	$ (1,360,364)
Other non-cash changes:		
(Decrease) in asset value assumptions	(28,518)	(81,295)
(Increase) in costs to operate the Trust	(19,346)	(98,379)
(Increase)/decrease in DOJ/AG consent settlement	165	(13,868)
Basis of assets/liabilities liquidated/resolved	29,739	(702,521)
(Increase) in distributions held for Beneficiaries	(6,602)	(79,720)
Total non-cash changes	(24,562)	(975,783)
Total (decrease) in net assets	(227,047)	(2,336,147)
Net assets in liquidation, beginning of period	406,501	2,515,601
Net assets in liquidation, March 31, 2015	$ 179,454	$ 179,454

Per unit information:

	$ per Unit	$ per Unit
Net assets per unit, beginning of period	$ 4.07	$ 25.16
Decrease in net assets per unit	(0.28)	(1.07)
Declared distribution per unit	(2.00)	(22.30)
Net asset per unit, March 31, 2015	$ 1.79	$ 1.79

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Description of Business and Basis of Presentation

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") and 50 of its direct and indirect subsidiaries (collectively, the "Debtors"). The Plan was confirmed by the bankruptcy court on December 11, 2013 and became effective on December 17, 2013 ("Effective Date").

Under the terms of the Plan and LTA, units of beneficial interest ("Units") were issued by the Trust to holders of allowed general unsecured claims ("Allowed Claims") against the Debtors, other than holders of general unsecured claims in classes for which the Plan prescribes payments of cash. The Units entitle their holders ("Beneficiaries") to receive a proportionate amount of cash distributions made by the Trust. The Units are issued only in book-entry form in accordance with the procedures of the Depository Trust Company. Certain holders of Allowed Claims are still in the process of providing information needed to be issued their Units.

The Disputed Claims Reserve ("DCR") was established to hold Units, and cash and other assets for the benefit of holders of general unsecured claims that become Allowed Claims after the Effective Date, unless such claims are satisfied in cash in accordance with the Plan. The Trust makes distributions of Units and cash from the DCR to holders of disputed claims that become Allowed Claims at intervals determined by the Board.

The Consolidated Financial Statements (the "Consolidated Financial 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. The assets are stated at their estimated net realizable value, which is the non-discounted amount of cash into which an asset is expected to be converted during the liquidation period. Assets are also established for future income expected to be earned by the Trust. Assets held for sale are valued based on estimated sales price for each asset type, and include mortgage loans, servicer advances, interest income, mortgage servicing rights, real estate owned, and trading securities. Costs to dispose of assets are also accrued and are netted in assets held for sale. The Trust also accrues costs that it expects to incur through the end of its liquidation, if and when it has a reasonable basis for estimation. The Trust will record affirmative litigation settlements or judgments when realized and collectability is assured.

The Consolidated Financial Statements include the accounts of the Trust and its majority-owned subsidiaries after eliminating all significant intercompany balances and transactions. The Consolidated Financial Statement presentation has been modified from prior periods:

- The Consolidating Statement of Net Assets in Liquidation has been changed to a consolidating schedule;
- A Consolidated Statement of Cash Receipts and Disbursements has been added ; and,
- The Consolidated Statement of Changes in Net Assets in Liquidation has been reformatted. In the Consolidated Statement of Changes in Net Assets, the impact on Net Assets of the elimination of previously recorded basis on assets liquidated and liabilities resolved is presented

as a non-cash reduction (assets) or increase (liabilities), while the cash impact of such transactions is included in net cash flow.

The Consolidating Statement of Net Assets in Liquidation combines assets held in bailment and non-material subsidiaries into the Trust entity. Other wholly owned subsidiaries include Cap Re of Vermont, LLC, ("Cap Re"), a captive reinsurance company, and ResCap Foreign Equity Holding Co ("International"), which holds all international businesses. Intercompany balances between entities are excluded, consisting of a Trust receivable from Cap Re of $18.3 million and a net receivable from International of $1.4 million.

The Consolidated Financial Statements as of and for the quarter ended March 31, 2015, are unaudited but reflect all adjustments that are, in management's opinion, necessary for the fair presentation of the results for the periods presented. These unaudited Consolidated Financial Statements should be read in conjunction with the unaudited Consolidated Financial Statements, and the related notes, for the year ended December 31, 2014.

2. Restricted Cash

Restricted cash is comprised of the following (in $000's):

	March 31, 2015	December 31, 2014
Cash held in DCR	$ 76,895	$ 72,024
Cash restricted in Cap Re	57,226	62,304
APSC claims and other administrative claims reserve	42,921	47,946
DOJ/AG consent settlement reserve	20,714	24,324
Distributions held for Beneficiaries	2,825	1,094
Other	49	50
Total restricted cash	$ 200,630	$ 207,742

The restricted cash reserve for administrative and other priority claims, secured claims, unsecured convenience claims and certain other unsecured claims ("APSC") was funded to satisfy obligations for APSC and other administrative claims. The Trust's liability for such obligations is not limited by the reserve balance.

Activity during the quarter ended March 31, 2015 related to the APSC claims restricted cash reserve is as follows (in $000's):

	Amount
Balance, December 31, 2014	$ 47,946
Additions – cash / assets	
Withdrawals – Allowed Claims	(5,025)
Balance, March 31, 2015	$ 42,921

The DOJ/AG consent settlement restricted cash reserve was originally funded to satisfy obligations under the DOJ/AG Settlement. The Trust's liability for such obligations is not limited by the reserve balance. The reserve must maintain a minimum balance of $20.0 million until April 5, 2016, at which time the reserve can be reduced in accordance with a prescribed formula.

Activity during the quarter ended March 31, 2015 related to the DOJ/AG Consent Settlement restricted cash reserve is as follows (in $000's):

	Amount
Balance, December 31, 2014	$ 24,324
Additions	
Releases / Payments	(3,610)
Balance, March 31, 2015	$ 20,714

3. Claims and Settlements

Claims and settlements are comprised of the following (in $000's):

	March 31, 2015	December 31, 2014
Bankruptcy related claims:		
APSC claims and other administrative claims	$ 43,124	$ 47,102
ETS unsecured claim	1,006	1,069
Subtotal – bankruptcy related claims	44,130	48,171
Settlements:		
Cap Re reserves	37,313	39,322
Other settlements	1,992	1,135
Subtotal – settlements	39,305	40,457
Total claims and settlements	$ 83,435	$ 88,628

4. Estimated Costs to Operate the Trust

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

	March 31, 2015	December 31, 2014
Compensation	$ 26,409	$ 29,574
Professional fees	81,452	85,657
Document management	28,932	33,398
Information technology	11,669	13,078
Transition services	5,838	5,261
Other operating costs	36,158	36,282
Total costs to operate the Trust	$ 190,458	$ 203,250

Estimated costs to operate the Trust include incurred costs and estimates of all future cash outlays required to operate the Trust throughout its lifetime.

5. Distributions to Beneficiaries and Disputed Claims Reserve

During the quarter ended March 31, 2015, the Trust declared and paid a cash distribution of $2.00 per Unit to Beneficiaries of record as of March 16, 2015.

Releases to Beneficiaries represent distribution of Units and cash for certain Beneficiaries who subsequently provided the necessary information to the Trust. Distributions on Allowed Claims

represent Units and related cash released from the DCR for claims that became Allowed Claims between December 17, 2013 and February 28, 2015, and includes Units and cash designated as Distributions Held for Beneficiaries, pending receipt of certain information from the holders. Allowed Claims after February 28, 2015 will receive their Units at the next Unit distribution date.

	Quarter ended March 31, 2015			
Units	Distributed to Beneficiaries	Held By DCR	Held for Beneficiaries	Total Distribution
Balance, December 31, 2014	96,398,151	3,547,976	53,873	100,000,000
Declared distribution	-	-	-	-
Releases to Beneficiaries	26,978	-	(26,978)	-
Distributions on Allowed Claims	-	(99,788)	99,788	-
Balance, March 31, 2015	96,425,129	3,448,188	126,683	100,000,000

	Quarter ended March 31, 2015			
Cash (in 000's)	Distributed to Beneficiaries	Distributions Held by DCR	Distributions Held for Beneficiaries	Total Distribution
Balance, December 31, 2014	$ 1,956,882	$ 72,024	$ 1,094	$ 2,030,000
Declared distribution	192,850	7,096	54	200,000
Releases to Beneficiaries	548	-	(548)	-
Distributions on Allowed Claims	-	(2,225)	2,225	-
Balance, March 31, 2015	$ 2 ,150,280	$ 76,895	$ 2,825	$ 2,230,000

Activity during the quarter ended March 31, 2015 related to disputed claims is as follows ($ in 000's):

	Number of Claims	Asserted Amount
Disputed Claims, December 31, 2014	278	$ 314,980
Amounts established during the period	10	-
Allowed Claims	(6)	(10,184)
Disallowed Claims	(17)	(2,813)
Reclassified to Convenience Claims	(7)	(790)
Disputed Claims, March 31, 2015	258	$ 301,193

Distributions of Units will be made to holders of Allowed Claims based on the following issuance ratios, consistent with the distributions made as of the Effective Date:

- For holders of claims against the ResCap Debtors: 0.014305344 Units per dollar of Allowed Claim;
- For holders of claims against the GMACM Debtors: 0.011848742 Units per dollar of Allowed Claim;
- For holders of claims against the RFC Debtors: 0.003528361 Units per dollar of Allowed Claim.

These issuance ratios may be subject to reduction based upon the total value of future Allowed Claims and the balance of the Units held in the Disputed Claims Reserve.

At the discretion of the Board, Units in the DCR corresponding to claims that have been disallowed may be cancelled and any related cash made available for distribution to all Beneficiaries or added to the

Administrative Expenses Set Aside. Alternatively, such Units and cash may be retained in the DCR for satisfaction of Allowed Claims in the future.

6. Commitments and Contingencies

DOJ/AG Consent Settlement

On February 9, 2012, Ally Financial, Inc., ResCap and certain of ResCap's subsidiaries reached an agreement in principle with respect to investigations into procedures followed by mortgage servicing companies and banks in connection with mortgage origination and servicing activities and foreclosure home sales and evictions ("DOJ/AG Settlement") which was subsequently filed as a consent judgment in the US District Court. On and after the Effective Date, the Trust must continue to perform the remaining obligations under the DOJ/AG Settlement, other than certain obligations assumed by the purchasers of ResCap's mortgage servicing rights in the sales that occurred during the chapter 11 cases pursuant to section 363 of the United States Bankruptcy Code (the "Section 363 Sales"). Under the terms of the DOJ/AG Settlement, the Trust is obligated for certain Office of Mortgage Settlement Oversight ("OMSO") costs related to the purchasers in the Section 363 Sales.

The Trust estimated and established a liability for its DOJ/AG Settlement obligations and related costs and expenses of $47.0 million and $52.4 million as of March 31, 2015 and December 31, 2014, respectively.

Litigation

Claims have been asserted against the Trust. At this time, the Trust cannot estimate the possible financial effect of these claims.

Affirmative Litigation

The Trust is pursuing various affirmative litigation matters. These include:

- Indemnity and breach of contract claims against correspondent lenders that sold loans to Residential Funding Company LLC ("RFC") (a subsidiary of ResCap), seeking recovery of liabilities and losses that RFC incurred by virtue of its purchase from the defendants of residential mortgage loans that breached the defendants' representations and warranties. As of December 31, 2014, there were 79 total filed cases outstanding and tolling agreements with 6 other correspondent lenders.

  On February 18, 2015, the Trust entered into a settlement agreement with a correspondent. The agreement provides for the full and final resolution of two pending litigations against this correspondent and a mutual release of all claims relating to residential mortgage loans that the correspondent sold to RFC, in exchange for payment to the Trust of $20.5 million.

  In addition, in 2015, one new case was filed, and one case was dismissed. As of March 31, 2015, there were 77 total filed cases pending; one case dismissed and on appeal; and tolling agreements with 6 other correspondent lenders.

- Claims pursuant to transactions with foreign subsidiaries. During the quarter, one matter was settled related to the Trust's foreign subsidiaries. All proceeds are expected to be received and held by the subsidiary or its parent, RFC Foreign Equity Holdings Co, until such time as determined by the Liquidating Trust Board ("Board") to be transferred to the Trust.

- Other affirmative litigation matters. The Trust is party to certain other affirmative litigation, principally in adversary proceedings before the bankruptcy court seeking avoidance of transfers made to creditors prior to the commencement of the bankruptcy. The Trust also is party to an action against certain insurers for failure to cover certain settlement costs.

- Reservation of rights. The Trust has reserved its rights with respect to other affirmative claims it may bring in the future.

At this time, the Trust cannot predict the outcome of these litigations or estimate the possible financial effect of these matters on the Consolidated Financial Statements, and as such, neither contingent gains nor any contingent costs to pursue these matters are currently recorded.

Other

Prior to the formation of the Trust, on March 18, 2013, the U.S. Attorney's Office for the Central District of California served an investigative subpoena on Residential Capital, LLC pursuant to 12 U.S.C. 1833a (Financial Institutions Reform, Recovery, and Enforcement Act of 1989, or FIRREA). On February 13, 2014, and March 2, 2015, supplemental subpoenas were served on Residential Capital, LLC. The subpoenas seek documents and information related to the Debtor's securitization activities, including the purchase of loans from third-parties. The Trust continues to cooperate with the U.S. Attorney's Office in connection with its investigation.

7. Subsequent Events

Events subsequent to March 31, 2015 were evaluated through May 11, 2015, the date on which these Consolidated Financial Statements were issued.

RESCAP

LIQUIDATING TRUST

May 11, 2015

Dear Beneficiaries:

The Trust's quarterly financial report as of and for the period ended March 31, 2015, has been posted on our website at http://rescapliquidatingtrust.com/financialtaxinformation.aspx. The form of the quarterly financial package has been modified to enhance your understanding of the Trust's financial reporting. Changes include recasting the Consolidated Statement of Net Assets in Liquidation into a consolidating schedule, adding a statement of Consolidated Cash Receipts and Disbursements, reformatting the Consolidated Statement of Changes in Net Assets in Liquidation and eliminating the Supplemental Schedules by incorporating the reporting into this Beneficiary Letter or the Consolidated Financial Statements.

During the first quarter, the Trust continued monetizing assets, pursuing causes of action, and providing distributions to beneficiaries.

Asset Recovery and Monetization Activity

In the first quarter, the Trust:

- Collected $12.7 million in normal course recoveries relating to the Trust's portfolio of assets held for sale.
- Completed the true-up process, relating to a previous sale of certain servicing rights and advances, receiving $0.8 million in additional proceeds.
- Resolved several International issues generating cash receipts within ResCap Foreign Equity Holding Co:
    - Initiated the collapse of a Canadian securitization, resulting in collection of $1.4 million as a final distribution.
    - Completed liquidation of the International special purpose entities and received $0.1 million as a final distribution

The Trust is exploring additional bulk sales of its remaining portfolio of FHA and VA loans, which it would hope to complete during the second quarter of 2015. A sale of the portfolio will eliminate the problems that we have been experiencing with the servicer for the loans since the Trust succeeded to these assets from the ResCap debtors. If the Trust is successful in completing these sales, it will have monetized substantially all of the debtors' non-litigation assets.

Administrative Expenses Set Aside

The Administrative Expenses Set Aside was initially established to hold cash or other assets set aside for the payment of Trust operating expenses. The amount of the Administrative Expenses Set Aside, established solely at Board discretion, may increase or decrease over time.

Activity during the first quarter of 2015 related to the Administrative Expenses Set Aside is as follows (in $000's):

	Amount
Balance, December 31, 2014	$ 227,259
Withdrawals - cash	(147,418)
Additions - pledged proceeds from future asset sales and/or recoveries	130,474
Balance, March 31, 2015	$ 210,315

During the quarter, $147.4 million of cash was withdrawn from the Administrative Expenses Set Aside and was utilized to fund the distribution to beneficiaries on March 31, 2015. A portion of future asset sale proceeds and/or recoveries have been pledged to the Administrative Expenses Set Aside to fund future operating expenses.

Distributions

The Trust made a fourth distribution of $200.0 million or $2.00 per unit on March 31, 2015 to record holders of units as of March 16, 2015. Of the total, $192.8 million was distributed to beneficiaries, with substantially all of the remainder being deposited in the Disputed Claims Reserve.

Legal Matters

The Trust continues to focus on the prosecution of lawsuits against correspondent lenders as the successor in interest to Residential Funding Company, LLC ("RFC"). The lawsuits assert claims for indemnity and breach of contract, seeking recovery of liabilities and losses that RFC incurred by virtue of its purchase from the defendants of residential mortgage loans that breached the defendants' representations and warranties to RFC. The Trust is also engaged in several other affirmative litigation matters. Following the anticipated monetization of the Trust's remaining non-litigation assets, future distributions will be largely dependent on the Trust's successful prosecution of these actions.

Since January 1, 2015, one new correspondent lender action was filed by the Trust, another was dismissed without prejudice, and two were settled. As of the end of first quarter of 2015, the Trust was prosecuting 77 correspondent lender litigations, 68 of which were pending in the

federal District Court in Minnesota, 5 of which were pending in the federal Bankruptcy Court for the Southern District of New York, and 4 of which were pending in Minnesota state court. An additional case, which the Minnesota federal District Court dismissed in 2014, remains on appeal to the U.S. Court of Appeals for the Eighth Circuit. The Trust has tolling agreements with 6 other correspondent lenders.

The parties to the correspondent lender litigations continue to engage in pre-trial discovery and motion practice. Federal courts in Minnesota and New York have issued several decisions since year end, including one decision that granted in part the Trust's motion to approve the use of a statistical sampling methodology as to certain loans sold to RFC by the defendants in 23 Minnesota federal cases. This ruling is expected to streamline proof of the Trust's claims in those cases.

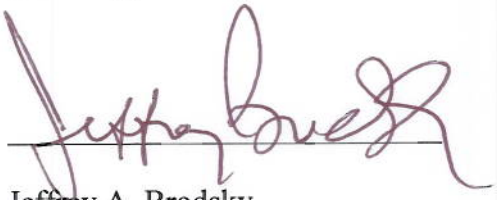
The settlement entered into by the Trust during the quarter provides for the full and final resolution of all pending claims against a defendant involved in two lawsuits, a mutual release, and a payment to the Trust of $20.5 million.

Finally during the quarter, the Trust negotiated an additional settlement within GMAC-RFC Property Finance Limited (UK), one of our U.K. legal entities, with cash related to the settlement to be released to the Trust upon the eventual dissolution of this entity.

* * * * *

The management and Board of the Trust continue to work hard to maximize recoveries for Beneficiaries and will keep you informed of developments.

Sincerely,



Jeffrey A. Brodsky
Member
Quest Turnaround Advisors, LLC
Liquidating Trust Manager