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

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

**MOTION OF AD HOC GROUP OF JUNIOR SECURED NOTEHOLDERS PURSUANT
TO SECTION 107(b) OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 9018,
AND CASE MANAGEMENT ORDER FOR AUTHORITY TO FILE OBJECTION AND
SUPPORTING EXHIBITS UNDER SEAL**

TO THE HONORABLE MARTIN GLENN,
UNITED STATES BANKRUPTCY JUDGE:

The Ad Hoc Group of Junior Secured Noteholders (the “Ad Hoc Group”)¹, by and through its undersigned counsel, hereby submits this motion (the “Motion”) pursuant to section

¹ The Ad Hoc Group is comprised of certain holders of 9.625% Junior Secured Guaranteed Notes due 2015 (the “Junior Secured Noteholders”) issued under that certain Indenture dated as of June 6, 2008.

107(b) of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”), Rule 9018 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Case Management Order² for authority (i) to file in partially redacted form the Ad Hoc Group’s objection to the Debtors’ motion for approval of the RMBS Trust Settlement³ (the “Objection”) and certain exhibits to the Declaration of Harrison Denman in Support of the Objection (the “Denman Declaration”); and (ii) to file unredacted copies under seal. The Ad Hoc Group respectfully states as follows:

Jurisdiction

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2). The predicates for the relief requested herein are Section 107(b) of the Bankruptcy Code and Bankruptcy Rule 9018.

Relevant Factual Background

2. On February 17, 2012 White & Case LLP as counsel to the Ad Hoc Group (together with Milbank Tweed Hadley & McCloy LLP,⁴ “Counsel”) entered into a nondisclosure agreement with the Debtors (the “NDA”) under which the Debtors agreed to furnish certain information (the “Evaluation Material”) to Counsel. The NDA imposes certain restrictions on the disclosure of any such Evaluation Material.

3. The Debtors have stated that they believe certain documents and deposition testimony produced during discovery in connection with the motion for approval of the RMBS

² Order Under Bankruptcy Code Sections 102(1), 105(a) and 105(d), Bankruptcy Rules 1015(c), 2002(m) and 9007 and Local Bankruptcy Rule 2002-2 Establishing Certain Notice, Case Management and Administrative Procedures [ECF No. 141] (the “Case Management Order”).

³ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Objection.

⁴ Milbank Tweed Hadley & McCloy LLP is co-counsel to the Ad Hoc Group.

Trust Settlement constitute Evaluation Material subject to the NDA (the “Purported Evaluation Material”). The Objection and certain exhibits to the Denman Declaration refer to and/or include certain Purported Evaluation Material. The Debtors have waived any applicable confidentiality restrictions with respect to some, but not all, of the Purported Evaluation Material.

Relief Requested

4. By this Motion, the Ad Hoc Group requests entry of an order, substantially in the form attached hereto as Exhibit A, pursuant to Section 107(b) of Bankruptcy Code, Bankruptcy Rule 9018, and the Case Management Order authorizing the Ad Hoc Group (i) to file in partially redacted form the Objection and certain exhibits to the Denman Declaration and (ii) to file unredacted copies under seal.

Basis for Relief

5. Section 107(b) of the Bankruptcy Code provides that “[o]n request of a party in interest, the bankruptcy court shall . . . protect an entity with respect to a trade secret or confidential research, development, or commercial information.” 11 U.S.C. § 107(b). In addition, Bankruptcy Rule 9018 provides that “[o]n motion or on its own initiative, with or without notice, the court may make any order which justice requires (1) to protect the estate or any entity in respect of a trade secret or other confidential research, development or commercial information.” Fed. R. Bankr. P. 9018(1).

6. Paragraph 22 of the Case Management Procedures provides:

If a party seeks to file any document (including any Filing) or part thereof under seal, such party shall file either (a) a motion with the Court seeking such relief (a “Motion to File Under Seal”), with notice thereof to parties entitled to such notice under the Bankruptcy Rules, and shall schedule a hearing on such motion at the next Omnibus Hearing in accordance with the provisions of this Order or (b) a notice of presentment of an order granting such relief (a “Seal Order”) pursuant to Local Bankruptcy Rule 9074-1(b) (a “Notice of Presentment of Seal Order”), with notice thereof to parties entitled to such notice under Local

Bankruptcy Rule 9074-1(b). Contemporaneously with the filing of a Motion to File Under Seal or a Notice of Presentment of Seal Order, the party shall transmit to the Court's chambers a copy of such Motion to File Under Seal or Seal Order and, if the movant determines it is necessary or appropriate, the document(s) sought to be sealed. The party may seek to shorten the notice period for a Motion to File Under Seal or a Notice of Presentment of Seal Order upon proper motion (which may be made as part of the Motion to File Under Seal).

7. The Debtors have stated that disclosure by the Ad Hoc Group of any Purported Evaluation Material excluded from the Debtors' waiver of confidentiality restrictions would violate the NDA. The Ad Hoc Group disagrees. Nonetheless, out of an abundance of caution, the Ad Hoc Group seeks authority (i) to file in partially redacted form the Objection and certain exhibits to the Denman Declaration and (ii) to file unredacted copies under seal.

8. No party in interest will be prejudiced by the relief requested.

9. For the foregoing reasons, the Ad Hoc Group respectfully requests that this Court grant the relief requested herein.

Notice

10. Notice of this Motion has been given to all parties that are entitled to service of the Objection pursuant to the Case Management Order. The Ad Hoc Group respectfully submits that no other or further notice is necessary under the circumstances.

Prior Requests

11. No prior request for the relief sought in this Motion has been made to this or any other court.

Conclusion

12. WHEREFORE, the Ad Hoc Group respectfully requests that the Court enter an order substantially in the form attached hereto as Exhibit A, authorizing the Ad Hoc Group (i) to file in partially redacted form the Objection and certain exhibits to the Denman Declaration, (ii) to file unredacted copies under seal, and (iii) granting such other and further relief as the Court deems just and proper.

Dated: February 1, 2013
New York, New York

Respectfully submitted,

By: /s/ J. Christopher Shore
J. Christopher Shore

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EXHIBIT A

FORM OF PROPOSED ORDER

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

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

**ORDER GRANTING MOTION OF AD HOC GROUP FOR AUTHORITY TO FILE
OBJECTION TO RMBS TRUST SETTLEMENT MOTION AND CERTAIN
SUPPORTING EXHIBITS UNDER SEAL**

Upon the motion dated February 1, 2013 (the "Motion") of the Ad Hoc Group of Junior Secured Noteholders (the "Ad Hoc Group")¹ pursuant to Section 107(b) of title 11 of the United States Code (the "Bankruptcy Code"), Rule 9018 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and the Case Management Order² for authority (i) to file in partially redacted form the Ad Hoc Group's objection to the Debtors' motion for approval of the RMBS Trust Settlement³ (the "Objection") and certain exhibits to the Declaration of Harrison Denman in Support of the Objection (the "Denman Declaration"), and (ii) to file unredacted copies under seal; and it appearing that the Court has jurisdiction over this matter; and it appearing that notice of the Motion as set forth therein is sufficient, and that no other or further notice need be provided; and it further appearing that the relief requested in the Motion is in the best interests of

¹ The Ad Hoc Group is comprised of certain holders of 9.625% Junior Secured Guaranteed Notes due 2015 (the "Junior Secured Noteholders") issued under that certain Indenture dated as of June 6, 2008.

² Order Under Bankruptcy Code Sections 102(1), 105(a) and 105(d), Bankruptcy Rules 1015(c), 2002(m) and 9007 and Local Bankruptcy Rule 2002-2 Establishing Certain Notice, Case Management and Administrative Procedures [ECF No. 141] (the "Case Management Order").

³ Capitalized terms not otherwise used herein shall have the meanings ascribed to such terms in the Motion.

the Debtors and their estates and creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Motion is granted; and it is further

ORDERED that the Ad Hoc Group is authorized to file in partially redacted form the Objection and certain exhibits to the Denman Declaration; and it is further

ORDERED that the Ad Hoc Group is authorized to file unredacted copies under seal; and it is further

ORDERED that the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order; and it is further

ORDERED that this Order is without prejudice to the rights of any party in interest, including the United States Trustee for Region 2, to seek to unseal the Objection or any part of it.

Dated: February __, 2013

THE HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE