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Counsel for the Official Committee of Unsecured Creditors

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

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

**NOTICE OF PROPOSED RESOLUTION OF LITIGATION REGARDING
JUNIOR SECURED NOTES CLAIMS AND OPPORTUNITY TO CHANGE
VOTES WITH RESPECT TO SECOND AMENDED PLAN**

PLEASE TAKE NOTICE that, as reflected in the *Second Amended Joint Chapter 11 Plan Proposed by Residential Capital, LLC, et al. and the Official Committee of Unsecured Creditors* (the "Second Amended Plan") [Docket No. 5993] filed on December 3, 2013, the Plan Proponents¹ and certain holders of the Junior Secured Notes have reached an agreement in principle with respect to resolution of pending litigation regarding the treatment of the Junior Secured Notes Claims. The details of the proposed settlement are set forth in the Second Amended Plan but, generally, provide, in addition to the treatment already prescribed in the Plan, for the payment to the holders of Junior Secured Notes Claims of a sum certain on account of post-petition interest, fees, and charges and the granting of certain releases and

¹ Capitalized terms not defined herein have the meanings ascribed to them in the Second Amended Plan.



exculpations to certain parties, including the Junior Secured Noteholders that vote to accept the Second Amended Plan.

PLEASE TAKE FURTHER NOTICE that the Plan Proponents will seek a Confirmation Date for the Second Amended Plan of December 11, 2013 (the “Confirmation Date”). If you object to the treatment of the Junior Secured Notes Claims proposed in the Second Amended Plan, **you must file a pleading setting forth the grounds for such objection on or before 5:00 p.m. (ET) on Monday, December 9, 2013.**

PLEASE TAKE FURTHER NOTICE that any Junior Secured Noteholder that returned a Ballot rejecting the Plan but changes its vote to accept the Second Amended Plan on or before the Confirmation Date will be treated as a Consenting JSN and be deemed to be both a Debtor Released Party and an Exculpated Party under the Second Amended Plan. Any Junior Secured Noteholder that voted to reject the Plan but fails to change its vote on or before the Confirmation Date will not be deemed either a Debtor Released Party or an Exculpated Party under the Second Amended Plan.

PLEASE TAKE FURTHER NOTICE that (i) if you are a Junior Secured Noteholder and **also a member of the Ad Hoc Group** and wish to change a previously submitted ballot rejecting the Plan to accept the Second Amended Plan, please contact Dennis C. O’Donnell, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (dodonnell@milbank.com), to provide the requisite authorization; and (ii) if you are a Junior Secured Noteholder **and not a member of the Ad Hoc Group**, please contact counsel for the Debtors, Daniel J. Harris, Morrison & Foerster LLP, 1290 Avenue of the Americas, New York, New York 10104-0050 (dharris@mfo.com) to provide the requisite authorization, in each case as soon as practicable, but in no event later than the Confirmation

Date. IF YOU ARE A JUNIOR SECURED NOTEHOLDER AND YOU PREVIOUSLY VOTED TO REJECT THE PLAN, YOU MAY BECOME A DEBTOR RELEASED PARTY AND AN EXCULPATED PARTY ONLY IF YOU AGREE TO CHANGE YOUR VOTE TO ACCEPT THE SECOND AMENDED PLAN PRIOR TO THE CONFIRMATION DATE.

PLEASE TAKE FURTHER NOTICE that if you are a Junior Secured Noteholder that voted to accept the Plan on or before the Voting Deadline, no further action is required at this time; you will be deemed a Debtor Released Party and an Exculpated Party without further submission.

Dated: December 3, 2013

Respectfully submitted,

/s/ Gary S. Lee
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-and-

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