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Liquidating Trusts of PCHLI, PCFI and PCFC  
8

9 **UNITED STATES BANKRUPTCY COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **LOS ANGELES DIVISION**

12 In re:  
13 **PEOPLE'S CHOICE HOME LOAN, INC.,**  
14 *et al.*<sup>1</sup>  
15 Debtors.

**Case No. 2:12-bk-15811-RK**  
(Jointly Administered with 2:12-bk-16200-RK  
and 2:12-bk-16201-RK)  
(Transferred from 8:07-bk-10765-RK and Jointly  
Administered with Case Nos. 8:07-10767-RK and  
8:07-10772-RK)

Chapter 11

16 **STIPULATION BETWEEN THE LIQUIDATING**  
17 **TRUSTS AND THE ILLINOIS OFFICE OF THE**  
18 **SECRETARY OF STATE RE: LIQUIDATING**  
19 **TRUSTS' SIXTH OMNIBUS MOTION FOR**  
20 **ORDER DISALLOWING CLAIMS (LATE**  
21 **FILED)**

Date: June 26, 2012  
Time: 2:30 p.m.  
Place: Courtroom 1675, Roybal Building  
255 East Temple Street  
Los Angeles, CA 90012

22  
23  
24 The Liquidating Trusts of People's Choice Home Loan, Inc., People's Choice  
25 Funding, Inc. and People's Choice Financial Corporation (collectively, the "PC Trusts"), by and  
26 through Ronald F. Greenspan, solely as the duly authorized and acting Liquidating Trustee for each  
27 of the PC Trusts (the "Liquidating Trustee"), and the Office of the Illinois Secretary of State

28  
<sup>1</sup> The Debtors were People's Choice Home Loan, Inc., Pe  
Choice Financial Corporation.



1 (the "Secretary of State" and, together with the PC Trusts, the "Parties") hereby stipulate and agree  
2 as follows:

3 **RECITALS**

4 A. On or about July 30, 2010, the Secretary of State filed a proof of claim [PCHLI  
5 Claims Docket No. 533] ("Claim No. 533") against People's Choice Home Loan, Inc. ("PCHLI").  
6 On or about August 31, 2010, the Secretary of State filed two additional proofs of claim [PCHLI  
7 Claims Docket Nos. 534 and 535] ("Claim No 534" and "Claim No. 535", respectively) against  
8 PCHLI. Finally, on or about September 7, 2010, the Secretary of State filed another proof of claim  
9 [PCHLI Claims Docket No. 536] ("Claim No. 536" and with Claim Nos. 533, 534, and 535,  
10 the "Illinois Claims") against PCHLI. The Illinois Claims purport to assert liability for franchise  
11 taxes owed to the state of Illinois by the People's Choice entities.

12 B. On or about April 26, 2012, the PC Trusts filed their *Sixth Omnibus Motion for Order*  
13 *Disallowing Claims (Late Filed)* [Docket No. 2507] (the "Objection") seeking to disallow a number  
14 of claims, including the Illinois Claims, because the claims were filed after the applicable Claims  
15 Bar Date.<sup>2</sup>

16 C. On or about May 24, 2012, the Parties initiated settlement discussions that resulted in  
17 the agreement memorialized by this Stipulation.

18 **STIPULATION**

19 In light of the foregoing and subject to approval by this Court, the Parties hereby agree and  
20 stipulate as follows:

21 1. The Secretary of State hereby amends Claim 533 to assert an \$875.08 priority tax  
22 claim against PCHLI ("Amended Claim 533").

23 2. The Secretary of State hereby amends Claim 534 to assert a \$445.38 priority tax  
24 claim against PCFI ("Amended Claim 534," and with Amended Claim 533, the "Amended Claims").

25 3. The Secretary of State hereby withdraws Claim Nos. 535 and 536.

26 4. The Amended Claims are allowed in full.  
27  
28

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<sup>2</sup> All capitalized terms not defined herein shall have the same meaning as ascribed to them in the Objection.

1           5.       Within fifteen (15) days of the entry of an Order approving this Stipulation, the  
2 Liquidating Trustee will tender and the Secretary of State will accept payments in the following  
3 amounts:

- 4                   a.       \$875.08 from the PCHLI Trust in satisfaction of Amended Claim 533; and
- 5                   b.       \$445.38 from the PCFI Trust in satisfaction of Amended Claim 534.

6           6.       Upon payment of these amounts all claims that the Secretary of State has asserted or  
7 could have asserted against any of the PC Trusts will be deemed satisfied in full.

8           7.       The Liquidating Trustee hereby withdraws the Objection with respect to the Illinois  
9 Claims.

10          8.       The Liquidating Trustee is authorized to take any action he deems necessary to have  
11 the Illinois Claims amended or expunged from the Debtors' claims dockets.

12          9.       All prior agreements between the Parties are rendered null and void upon entry of the  
13 Court's Order on this Stipulation.

14          10.      The persons signing on behalf of the PC Trusts and on behalf of the Secretary of State  
15 each represent and warrant that such persons have authority to bind, and hereby bind the PC Trusts  
16 and the Secretary of State, respectively, hereto.

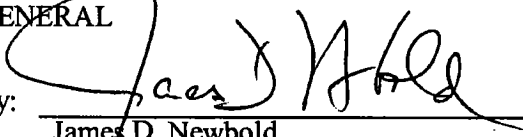
17 Dated: June 29, 2012

WINSTON & STRAWN LLP

18  
19 By: /s/ Gregory A. Martin  
20 Gregory A. Martin  
21 Counsel for Ronald Greenspan, as Trustee  
22 of the Liquidating Trusts of PCHLI, PCFI  
and PCFC

23 Dated: June 29, 2012

OFFICE OF THE ILLINOIS ATTORNEY  
GENERAL

24  
25 By:   
26 James D. Newbold  
27 Assistant Attorney General  
28

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
Winston & Strawn LLP, 333 S. Grand Avenue, 38th Floor, Los Angeles, CA 90071

A true and correct copy of the foregoing document entitled (*specify*): **STIPULATION BETWEEN THE LIQUIDATING TRUSTS AND THE ILLINOIS OFFICE OF THE SECRETARY OF STATE RE: LIQUIDATING TRUSTS' SIXTH OMNIBUS MOTION FOR ORDER DISALLOWING CLAIMS (LATE FILED)** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **June 29, 2012**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On **June 29, 2012**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **June 29, 2012**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.


**Hon. Robert Kwan - Via Federal Express Mail**  
**United States Bankruptcy Court**  
**255 E. Temple Street, Suite 1682**  
**Los Angeles, CA 90012**

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

June 29, 2012  
Date

Linda daSilva  
Printed Name

  
Signature



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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.



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