

1 Stanley E. Goldich (CA Bar No. 92659)  
2 Jeffrey W. Dulberg (CA Bar No. 181200)  
3 Scotta E. McFarland (CA Bar No. 165391)  
4 Pachulski Stang Ziehl & Jones LLP  
5 10100 Santa Monica Blvd., 13th Floor  
6 Los Angeles, California 90067-4100  
7 Telephone: 310/277-6910  
8 Facsimile: 310/201-0760  
9 Email: sgoldich@pszjlaw.com  
10 jdulberg@pszjlaw.com  
11 smcfarland@pszjlaw.com



12 Counsel for the Liquidating Trusts  
13 of PCHLI, PCFI, and PCFC

14 **UNITED STATES BANKRUPTCY COURT**  
15 **CENTRAL DISTRICT OF CALIFORNIA**  
16 **LOS ANGELES DIVISION**

17 In re:  
18 **PEOPLE'S CHOICE HOME LOAN,**  
19 **INC., et al.,**<sup>1</sup>  
20  
21 Debtors.

22 Case No.: 2:12-bk-15811-RK  
23 Chapter 11

(Jointly Administered with Case Nos.  
2:12-bk-16200-RK and 2:12-bk-16201-RK)

(Transferred from 8:07-bk-10765-RK and  
Jointly Administered with 8:07-bk-10767-RK  
and 8:07-bk-10772-RK)

**ORDER GRANTING MOTION OF THE  
PC TRUSTS FOR ORDER APPROVING  
SETTLEMENT AGREEMENT  
BETWEEN THE PC TRUSTS AND  
MERRILL LYNCH MORTGAGE  
LENDING, INC. REGARDING CLAIM  
NO. 467**

Hearing:

Date: August 21, 2012  
Time: 2:30 p.m.  
Place: Courtroom 1675  
255 E. Temple Street  
Los Angeles, CA 90012  
Judge: Hon. Robert N. Kwan

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25  
26 *The Notice of Motion and Motion of The PC Trusts for Order Approving Settlement*  
27 *Agreement Between the PC Trusts And Merrill Lynch Mortgage Lending, Inc. Regarding Claim No.*

28 <sup>1</sup> The Debtors in these cases were People's Choice Home Loan, Inc.; People's Choice Funding, Inc.; and People's Choice Financial Corporation.

PACHULSKI STANG ZIEHL & JONES LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA



1 467 (the “Motion”)<sup>2</sup> [Docket No. 2573] filed on July 30, 2012 by the Liquidating Trusts of People’s  
2 Choice Home Loan, Inc. (“PCHLI”), People’s Choice Funding, Inc. (“PCFI”), and People’s Choice  
3 Financial Corporation (“PCFC”) (collectively, the “PC Trusts” and formerly the “Debtors”), by and  
4 through Ronald F. Greenspan, solely as the duly authorized and acting Liquidating Trustee for each  
5 of the PC Trusts (the “Liquidating Trustee”) under the confirmed chapter 11 Plan in the Debtors’  
6 cases came before the Court at the above-referenced date and time.

7 The Court, having considered the Motion, the supporting Memorandum of Points and  
8 Authorities, and the files and records of the herein Case; the Court having found that notice of the  
9 Motion was sufficient and appropriate; no objection or opposition to the Motion having been filed;  
10 and good cause appearing for the granting of the Motion as set forth in the Court’s Tentative Ruling  
11 thereon;

12 **IT IS HEREBY ORDERED** that:

- 13 1. The Motion is GRANTED in its entirety;
- 14 2. The Debtors are authorized to enter into the Repurchase Claim Settlement Agreement  
15 between the PC Trusts and Merrill Lynch Mortgage Lending, Inc. (“MLML”) (the “Settlement  
16 Agreement”), attached as **Exhibit A** to the Motion, and the Settlement Agreement is approved in all  
17 respects;
- 18 3. The PC Trusts are authorized to enter into and take any and all actions reasonably  
19 necessary to effectuate the Settlement Agreement;

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<sup>2</sup> Capitalized terms undefined herein shall have the meaning attributed to them in the Motion.

1 4. Pursuant to the Settlement Agreement, Claim No. 467 is reduced and allowed as a  
2 general, unsecured, non-priority claim against PCHLI in the amount of \$3,915,425.00;

3 5. MLML's allowed claim is allocated to the Mortgage Loans and in the amounts as set  
4 forth in the Settlement Agreement and Exhibit A thereto; and

5 6. Nothing herein is intended to alter the terms of the Settlement Agreement, the terms  
6 of which are approved in their entirety.

7 IT IS SO ORDERED.

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PACHULSKI STANG ZIEHL & JONES LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA

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DATED: August 23, 2012

  
United States Bankruptcy Judge

## 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:  
10100 Santa Monica Boulevard, 13<sup>th</sup> Floor, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled (*specify*): **ORDER GRANTING MOTION OF THE PC TRUSTS FOR ORDER APPROVING SETTLEMENT AGREEMENT BETWEEN THE PC TRUSTS AND MERRILL LYNCH MORTGAGE LENDING, INC. REGARDING CLAIM NO. 467** 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 (*date*) \_\_\_\_\_, 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 \_\_\_\_\_, 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 **August 22, 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.

**Via HAND DELIVERY**

U.S. Bankruptcy Court  
Attn: Honorable Robert N. Kwan  
255 East Temple Street  
Courtroom 1675  
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.

August 22, 2012  
Date

Nancy H. Brown  
Printed Name

/s/ Nancy H. Brown  
Signature

## NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled (*specify*): **ORDER GRANTING MOTION OF THE PC TRUSTS FOR ORDER APPROVING SETTLEMENT AGREEMENT BETWEEN THE PC TRUSTS AND MERRILL LYNCH MORTGAGE LENDING, INC. REGARDING CLAIM NO. 467** was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner stated below:

1. **SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)** – Pursuant to controlling General Orders and LBRs, the foregoing document was served on the following persons by the court via NEF and hyperlink to the judgment or order. As of **August 23, 2012**, the following persons are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email addresses stated below.

Service information continued on attached page

2. **SERVED BY THE COURT VIA UNITED STATES MAIL:** A copy of this notice and a true copy of this judgment or order was sent by United States mail, first class, postage prepaid, to the following persons and/or entities at the addresses indicated below:

Service information continued on attached page

3. **TO BE SERVED BY THE LODGING PARTY:** Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by United States mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following persons and/or entities at the addresses, facsimile transmission numbers, and/or email addresses stated below:

Service information continued on attached page

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):**

- Jose D Alarcon jalarcon@bettzedek.org
- Daniel L Alexander daniel@colemanfrost.com
- Todd M Arnold tma@lnbyb.com
- Alvin M Ashley mashley@irell.com
- Daniel I Barness daniel@spiromoss.com
- Henkie F Barron hbarron@winston.com, docketsf@winston.com
- Richard J Bauer rbauer@mileslegal.com
- Ron Bender rb@lnbyb.com
- Andrew W Caine acaine@pszyjw.com
- Rebecca J Callahan rcallahan@callahanlaw.biz
- Theodore A Cohen tcohen@sheppardmullin.com, amontoya@sheppardmullin.com
- Deborah Conley bkmail@prommis.com
- Vincent M Coscino vcoscino@allenmatkins.com, jaallen@allenmatkins.com
- Paul J Couchot pcouchot@winthropcouchot.com, pj@winthropcouchot.com
- Theron S Covey tcovey@coveylawpc.com
- Kevin A Crisp kcrisp@irell.com
- Peter A Davidson pdavidson@mdfslaw.com, lpekrul@ecjlaw.com
- Joseph C Delmotte efcacb@piteduncan.com
- Willis B Douglass Willis.B.Douglass@irscounsel.treas.gov
- Jeffrey W Dulberg jdulberg@pszjlaw.com
- Theresa H Dykoschak tdykoschak@faegre.com
- Louis J Esbin Esbinlaw@sbcglobal.net
- Charles J Filardi abothwell@filardi-law.com
- H Alexander Fisch afisch@stutman.com
- Parisa Fishback pfishback@fishbacklawgroup.com
- Steven B Flancher flanchers@michigan.gov
- J Rudy Freeman rfreeman@linerlaw.com
- Anthony A Friedman aaf@lnbyb.com
- Jerome Bennett Friedman jfriedman@jbflawfirm.com,  
bbalonick@jbflawfirm.com;jmartinez@jbflawfirm.com
- Jose A Garcia efcacb@piteduncan.com
- Jeffrey K Garfinkle bkgroup@buchalter.com,  
jgarfinkle@buchalter.com;docket@buchalter.com;svanderburgh@buchalter.com
- Oscar Garza ogarza@gibsondunn.com
- Barry S Glaser bglaser@swjlaw.com
- Eric D Goldberg egoldberg@stutman.com
- Nancy S Goldenberg nancy.goldenberg@usdoj.gov
- Stanley E Goldich sgoldich@pszyjw.com
- Richard H Golubow rgolubow@winthropcouchot.com,  
pj@winthropcouchot.com;vcorbin@winthropcouchot.com
- Ronald F Greenspan ron.greenspan@fticonsulting.com
- Kevin Hahn kevin@mclaw.org
- Farhad Hajimirzaee fhajimirzaee@winston.com
- Matthew W Hamilton mhamilton@fulcruminv.com
- D Edward Hays ehays@marshackhays.com, ecfmarshackhays@gmail.com

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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.

June 2012

**F 9021-1.1.NOTICE.ENTERED.ORDER**

DOCS\_LA:257146.1 30395-005

- Daniel L Hembree efcacbsfv@piteduncan.com
- Garrick A Hollander ghollander@winthropcouchot.com,  
pj@winthropcouchot.com;vcorbin@winthropcouchot.com
- Thomas J Holthus bknotice@mccarthyholthus.com
- Gil Hopenstand ghopenstand@wwolawyers.com
- David I Horowitz david.horowitz@kirkland.com,  
keith.catuara@kirkland.com;terry.ellis@kirkland.com;jay.bhimani@kirkland.com
- Eric D. Houser scleere@houser-law.com
- James KT Hunter jhunter@pszjlaw.com
- Jay W Hurst jay.hurst@oag.state.tx.us, sherri.simpson@oag.state.tx.us
- Douglas R Irvine irvine@lbbslaw.com
- Lance N Jurich ljurich@loeb.com, kpesson@loeb.com
- Ivan L Kallick ikallick@manatt.com, ihernandez@manatt.com
- David Kaplan dkaplan@irell.com
- Grant C Keary gck@dlklaw.com
- John W Kim jkim@nossaman.com
- Benjamin J Kimberley bkimberley@winston.com,  
kmorris@winston.com;hhammon@winston.com;docketsf@winston.com
- Jessica Kronstadt jessica.kronstadt@lw.com
- Donna L La Porte donna@laportelaw.net
- David B Lally davidlallylaw@gmail.com
- Ian Landsberg ilandsberg@landsberg-law.com, bgomelsky@landsberg-law.com;ssaad@landsberg-  
law.com
- Scott Lee slee@lbbslaw.com
- Leib M Lerner leib.lerner@alston.com
- Peter W Lianides plianides@winthropcouchot.com,  
pj@winthropcouchot.com;vcorbin@winthropcouchot.com
- Ganna Liberchuk gliberchuk@haincapital.com
- Kerri A Lyman klyman@irell.com
- William Malcolm bill@mclaw.org
- Gregory A Martin gmartin@winston.com
- Laura E Mascheroni lmascheroni@corbsteel.com
- David E McAllister efcacb@piteduncan.com
- Christopher M McDermott efcacb@piteduncan.com
- Scotta E McFarland smcfarland@pszjlaw.com, smcfarland@pszjlaw.com
- David J McCarty dmccarty@sheppardmullin.com, pibsen@sheppardmullin.com
- David W. Meadows david@davidwmeadowslaw.com
- Robert K Minkoff rminkoff@jefferies.com
- Catherine A Moscarello - SUSPENDED - catherine@moscarellolaw.com
- Tania M Moyron tmoyron@peitzmanweg.com
- Randall P Mroczynski randym@cookseylaw.com
- Sean A Okeefe sokeefe@okeefelc.com
- John D Ott Jott@jdlawyers.com
- Daryl G Parker dparker@pszjlaw.com
- Renee M Parker bknotice@earthlink.net, bknotice@rcolegal.com;bknotice@earthlink.net
- JaVonne M Phillips bknotice@mccarthyholthus.com
- Dean G Rallis Jr drallis@sulmeyerlaw.com
- Kurt Ramlo kurt.ramlo@dlapiper.com, evelyn.rodriguez@dlapiper.com

---

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

- Justin E Rawlins jrawlins@winston.com, docketla@winston.com
- Richard J Reynolds glatimer@trlawyers.com
- Jeremy V Richards jrichards@pszjlaw.com, bdassa@pszjlaw.com;imorris@pszjlaw.com
- Karen Rinehart krinehart@omm.com
- Ronald D. Roup ecf@rouplaw.com
- Eric E Sagerman esagerman@winston.com, docketla@winston.com
- Nicholas W Sarris nsarris@kbrlaw.com
- Robert M Saunders rsaunders@pszjlaw.com, rsaunders@pszjlaw.com
- Kristin A Schuler-Hintz bknotice@mccarthyholthus.com
- Nathan A Schultz nschultzesq@gmail.com
- David B Shemano dshemano@peitzmanweg.com
- Timothy J Silverman tim@sgsslaw.com
- Michael R Stewart mstewart@faegre.com
- Sean Sullivan ssullivan@wildman.com, jchang@wildman.com
- Julia Szafraniec bknotice@mccarthyholthus.com
- Derrick Talerico dtalerico@loeb.com, kpression@loeb.com
- Patricia B Tomasco ptomasco@mailbmc.com
- Robert Trodella robert.trodella@hellerehrman.com
- Robert Trodella rtrodella@jonesday.com
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov
- Darlene C Vigil cdcaecf@bdfgroup.com
- Andrew F Whatnall awhatnall@daca4.com
- John M White - SUSPENDED - scleere@houser-law.com
- David L Wilson dlwilson@winston.com
- Marc J Winthrop mwinthrop@winthropcouchot.com,  
pj@winthropcouchot.com;vcorbin@winthropcouchot.com
- David M Wiseblood dwiseblood@seyfarth.com
- Jennifer C Wong bknotice@mccarthyholthus.com
- Rolf S Woolner rwoolner@winston.com
- Donald A Workman dworkman@bakerlaw.com
- S Christopher Yoo cyoo@adornoca.com
- Les A Zieve bankruptcy@zivelaw.com

**3. SERVED BY THE LODGING PARTY BY UNITED STATES MAIL:**

**Liquidating Trustee**

Ronald Greenspan/Tamara McGrath  
FTI Consulting, Inc.  
633 West 5th Street, Suite 1600  
Los Angeles, CA 90071-2027

**Merrill Lynch Mortgage Lending, Inc.**

Derrick Talerico, Esq.  
Loeb & Loeb LLP  
10100 Santa Monica Blvd., Ste. 2200  
Los Angeles, CA 90067

**U.S. Trustee's Office**

Nancy S. Goldenberg, Esq.  
Office of the U.S. Trustee  
411 W. Fourth Street, Ste. 9041  
Santa Ana, CA 92701-4593



**POST-EFFECTIVE DATE  
COMMITTEE**

Attorneys for Fidelity (f/k/a LSI)  
Donald A. Workman, Esq.  
Baker Hostetler  
1050 Connecticut Ave., NW, Ste. 1100  
Washington, DC 20036-5304

Michael A. Criscito/Megan Kane  
DLJ Mortgage Capital, Inc.  
11 Madison Avenue  
New York, NY 10010

Attys. for DLJ  
Samuel Newman/Sarah Powers  
Gibson, Dunn and Crutcher LLP  
333 S. Grand Ave., Ste. 4600  
Los Angeles, CA 90071-3197

Dennis Hastings/Carla Hastings  
iDirect Marketing, Inc.  
6789 Quail Hill Parkway, Suite 550  
Irvine, CA 92603

Neil Luria/George Koutsonicolis  
Residential Funding Corporation  
c/o Navigant Capital Advisors, LLC  
15900 South Park Blvd.  
Shaker Heights, OH 44120

Attys. for Residential Funding  
David J. McCarty/Theodore Cohen  
Sheppard, Mullin, Richter & Hampton  
LLP  
333 S. Hope St., 48th Flr.  
Los Angeles, CA 90071

**REQUEST FOR SPECIAL NOTICE  
POST-PETITION**

Ben Barker  
2932 Zircon Pl.  
Carlsbad, CA 92004-4414

Attys. for Robert Harris and David  
Cronenbold  
Richard B. Specter, Esq.  
Corbett, Steelman & Specter  
18200 Von Karman Avenue, Ste. 900  
Irvine, CA 92612-1086

Attys. for Residential Funding  
Company  
Michael Stewart/Theresa Dykoschak  
Faegre & Benson LLP  
90 South Seventh Street  
Minneapolis, MN 55402-3901

Attys. for Residential Funding  
Company  
David McCarty/Theodore Cohen  
Sheppard, Mullin, Richter & Hampton  
LLP  
333 S. Hope Street, 48th Flr.  
Los Angeles, CA 90071-1448

Attys. for Fidelity National  
Donald A. Workman, Esq.  
Baker & Hostetler LLP  
1050 Connecticut Ave., N.W., Ste.  
1100  
Washington, DC 20036-5304

Attys. for Fidelity National  
Joseph L. Chairez, Esq.  
Baker & Hostetler LLP  
600 Anton Blvd., Ste. 900  
Costa Mesa, CA 92626

Attys. for HSBC Mortgage Services,  
Inc.  
Lance Jurich / Derrick Talerico  
Loeb & Loeb LLP  
10100 Santa Monica Blvd., Ste. 2200  
Los Angeles, CA 90067

Attys. for HSBC Mortgage Services,  
Inc.  
Stanley Orszula, Esq.  
Loeb & Loeb LLP  
321 North Clark Street, Suite 2300  
Chicago, IL 60654

Attys. for Washington Mutual Bank  
Robert A. Trodella, Jr.  
Jones Day  
555 California Street, 26th Floor  
San Francisco, CA 94104

Hain Capital Group, LLC  
James Yenzer  
Hain Capital Group, LLC  
301 Route 17, 7th Floor  
Rutherford, NJ 07070

Attys. for Neil Kornswiet  
Daniel L. Alexander, Esq.  
Coleman Frost LLP  
429 Santa Monica Blvd., Suite 700  
Santa Monica, CA 90401

Attys. for The C-BASS Liquidation  
Trust  
Mark Power/Jeffrey Zawadzki/  
Christopher Hunker  
Hahn & Hessen LLP  
488 Madison Avenue  
New York, NY 10022

**ADMINISTRATIVE CLAIMS**

Attys. for Neil Kornswiet  
Gary Klausner/H. Fisch  
Stutman, Treister & Glatt  
1901 Avenue of the Stars, 12th Floor  
Los Angeles, CA 90067

Attorneys for Creditor David Zimmer  
Sara Chenetz, Esq.  
Blank Rome LLP  
1925 Century Park E 19th FL  
Los Angeles, CA 90067

**D&O DEFENDANTS**

Attorneys for Neil B. Kornswiet  
Mark Holscher, Esq., Michael Baumann, Esq.  
David I. Horowitz, Esq., Jay L. Bhimani, Esq.  
Kirkland & Ellis LLP  
333 S. Hope Street  
Los Angeles, CA 90071

Attorneys for Robert L. Harris, David F.  
Cronenbold, and Victor Coleman  
Richard B. Specter, Esq.  
Laura E. Mascheroni, Esq.  
Corbett, Steelman & Specter  
18200 Von Karman Ave., #900  
Irvine, CA 92612-1023

Attorneys for Kathleen Lipps  
Russell F. Sauer Jr., Esq., Charles W. Cox,  
Esq.  
Anita P. Wu, Esq.  
Latham & Watkins LLP  
355 South Grand Avenue  
Los Angeles, CA 90071-1560

Attorneys for Brad Plantiko  
A. Matthew Ashley, Esq.,  
Scott D. Baskin, Esq.  
Kevin A. Crisp, Esq.  
Irell & Manella LLP  
840 Newport Center Drive, Suite 400  
Newport Beach, CA 92660-6324