

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.,**¹
20
21 Debtors.

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

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

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

27 **ORDER GRANTING MOTION OF THE**
28 **PC TRUSTS FOR ORDER APPROVING**
SETTLEMENT AGREEMENT
BETWEEN THE PC TRUSTS AND
FULCRUM TOWER I, LP REGARDING
CLAIM NO. 465

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

29 *The Notice of Motion and Motion of The PC Trusts for Order Approving Settlement*
30 *Agreement Between the PC Trusts And Fulcrum Tower I, LP Regarding Claim No. 465 (the*
31

32 ¹ The Debtors in these cases were People's Choice Home Loan, Inc.; People's Choice Funding, Inc.; and People's
33 Choice Financial Corporation.

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



1 “Motion”)² [Docket No. 2575] filed on July 31, 2012 by the Liquidating Trusts of People’s Choice
2 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 Fulcrum Tower I, LP (“Fulcrum”) (the “Settlement Agreement”),
16 attached as **Exhibit A** to the Motion, and the Settlement Agreement is approved in all respects;
- 17 3. The PC Trusts are authorized to enter into and take any and all actions reasonably
18 necessary to effectuate the Settlement Agreement;
- 19 4. Pursuant to the Settlement Agreement, Claim No. 465 is reduced and allowed as a
20 general, unsecured, non-priority claim against PCHLI in the amount of \$244,766;

21 //

22 //

23
24
25
26
27
28 _____
² Capitalized terms undefined herein shall have the meaning attributed to them in the Motion.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

5. Fulcrum’s allowed claim is allocated to the Mortgage Loans and in the amounts as set forth in the Settlement Agreement and Exhibit A thereto; and

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

IT IS SO ORDERED.

###



United States Bankruptcy Judge

DATED: August 23, 2012

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, 13th 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 FULCRUM TOWER I, LP REGARDING CLAIM NO. 465** 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 FULCRUM TOWER I, LP REGARDING CLAIM NO. 465** 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
- Daniel L Hembree efcacbsfv@piteduncan.com

- Garrick A Hollander ghollander@winthropicouchot.com, pj@winthropicouchot.com;vcorbin@winthropicouchot.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, kpression@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@winthropicouchot.com, pj@winthropicouchot.com;vcorbin@winthropicouchot.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 ecfcab@piteduncan.com
- Christopher M McDermott ecfcab@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@jldolawyers.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
- 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 Szafranec 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

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

Fulcrum Tower I, LP

Matthew Hamilton
111 Congress Avenue, Suite 2550
Austin, TX 78701

**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