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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  
WASHINGTON MUTUAL MORTGAGE  
SECURITIES CORP. REGARDING  
CLAIM NO. 384-2**

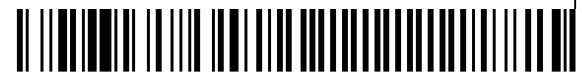
Hearing:

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 Washington Mutual Mortgage Securities Corp. Regarding*

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 *Claim No. 384-2* (the “Motion”) <sup>2</sup> [Docket No. 2576] filed on July 31, 2012 by the Liquidating  
2 Trusts of People’s Choice Home Loan, Inc. (“PCHLI”), People’s Choice Funding, Inc. (“PCFI”),  
3 and People’s Choice Financial Corporation (“PCFC”) (collectively, the “PC Trusts” and formerly  
4 the “Debtors”), by and through Ronald F. Greenspan, solely as the duly authorized and acting  
5 Liquidating Trustee for each of the PC Trusts (the “Liquidating Trustee”) under the confirmed  
6 chapter 11 Plan in the Debtors’ 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 Washington Mutual Mortgage Securities Corp. (“WMMSC”) (the  
16 “Settlement Agreement”), attached as **Exhibit A** to the Motion, and the Settlement Agreement is  
17 approved in all 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. 384-2 is reduced and allowed as a  
2 general, unsecured, non-priority claim against PCHLI in the amount of \$1,488,816;

3 5. WMMSC's allowed claim is allocated to the Mortgage Loans and in the amounts as  
4 set 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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25 DATED: August 23, 2012

26 \_\_\_\_\_  
27 United States Bankruptcy Judge  
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:  
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 WASHINGTON MUTUAL MORTGAGE SECURITIES CORP. REGARDING CLAIM NO. 384-2** 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 WASHINGTON MUTUAL MORTGAGE SECURITIES CORP. REGARDING CLAIM NO. 384-2** 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

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