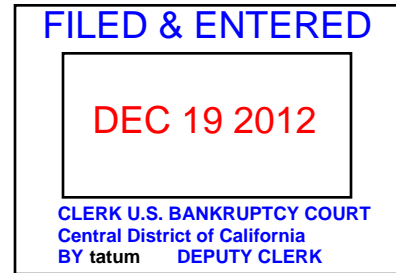


1 Stanley E. Goldich (CA Bar No. 92659)  
2 Jeffrey W. Dulberg (CA Bar No. 181200)  
3 Scotta E. McFarland (CA Bar No. 165391)  
4 Pachulski Stang Ziehl & Jones LLP  
5 10100 Santa Monica Blvd., 13th Floor  
6 Los Angeles, California 90067-4100  
7 Telephone: 310/277-6910  
8 Facsimile: 310/201-0760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

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

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

**ORDER GRANTING MOTION OF  
THE PC TRUSTS FOR ORDER  
APPROVING SETTLEMENT  
AGREEMENT BETWEEN THE PC  
TRUSTS AND RESIDENTIAL  
FUNDING COMPANY, LLC  
REGARDING THE WAREHOUSE  
UNSECURED CLAIM PORTION OF  
CLAIM NO. 508 IN THE PCHLI CASE,  
CLAIM NO. 119 IN THE PCFI CASE  
AND CLAIM NO. 127 IN THE PCFC  
CASE**

Hearing:

Date: December 18, 2012  
Time: 2:30 p.m.  
Place: Courtroom 1675  
255 E. Temple Street  
Los Angeles, CA 90012

<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           The *Notice of Motion and Motion of The PC Trusts for Order Approving Settlement*  
2 *Agreement Between the PC Trusts And Residential Funding Company, LLC Regarding the*  
3 *Warehouse Unsecured Claim Portion of Claim No. 508 in the PCHLI Case, Claim No. 119 in the*  
4 *PCFI Case And Claim No. 127 In The PCFC Case* (the “Motion”) <sup>2</sup> [Docket No. 2640] filed on  
5 November 27, 2012 by the Liquidating Trusts of People’s Choice Home Loan, Inc. (“PCHLI”),  
6 People’s Choice Funding, Inc. (“PCFI”), and People’s Choice Financial Corporation (“PCFC”)  
7 (collectively, the “PC Trusts” and formerly the “Debtors”), by and through Ronald F. Greenspan,  
8 solely as the duly authorized and acting Liquidating Trustee for each of the PC Trusts (the  
9 “Liquidating Trustee”) under the confirmed chapter 11 Plan in the Debtors’ cases came before the  
10 Court at the above-referenced date and time. Appearances are as reflected on the Court’s record.

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

16           **IT IS HEREBY ORDERED** that:

- 17           1.       The Motion is GRANTED in its entirety;
- 18           2.       The Debtors are authorized to enter into the Warehouse Claim Settlement Agreement  
19 between the PC Trusts and Residential Funding Company, LLC (“RFC”) (the “Settlement  
20 Agreement”), attached as **Exhibit A** to the Motion, and the Settlement Agreement is approved in all  
21 respects;
- 22           3.       The PC Trusts are authorized to enter into and take any and all actions reasonably  
23 necessary to effectuate the Settlement Agreement;
- 24           4.       Pursuant to the Settlement Agreement, Claim No. 119, Claim No. 127 and the  
25 Warehouse Unsecured Claim Portion of Claim No. 508 are reduced and allowed as a general,  
26 unsecured, non-priority claim against PCHLI in the amount of \$44,082,558.55 upon approval of the  
27 Settlement Agreement by the RFC Bankruptcy Court in the RFC Bankruptcy Case;

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

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

3 **IT IS SO ORDERED.**

4 ###

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

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25 DATED: December 19, 2012

  
United States Bankruptcy Judge

26  
27  
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 RESIDENTIAL FUNDING COMPANY, LLC REGARDING THE WAREHOUSE UNSECURED CLAIM PORTION OF CLAIM NO. 508 IN THE PCHLI CASE, CLAIM NO. 119 IN THE PCFI CASE AND CLAIM NO. 127 IN THE PCFC CASE** 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 \_\_\_\_\_, 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 December 19, 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.

RFC

Michael Stewart / Theresa Dykoschak  
Faegre & Benson  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-3901

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 **December 19, 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.

December 19, 2012  
Date

Paige Doyle  
Printed Name

/s/ Paige Doyle  
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 RESIDENTIAL FUNDING COMPANY, LLC REGARDING THE WAREHOUSE UNSECURED CLAIM PORTION OF CLAIM NO. 508 IN THE PCHLI CASE, CLAIM NO. 119 IN THE PCFI CASE AND CLAIM NO. 127 IN THE PCFC CASE** 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 December 19, 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 hfbarron@gmail.com
- Richard J Bauer rbauer@mileslegal.com
- Ron Bender rb@lnbyb.com
- Patrick K Bruso generalmail@alvaradoca.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;chipp@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 ecfacb@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,  
msobkowiak@jbflawfirm.com;jmartinez@jbflawfirm.com
- Jose A Garcia ecfacb@piteduncan.com
- Jeffrey K Garfinkle bkgroup@buchalter.com,  
jgarfinkle@buchalter.com;docket@buchalter.com;svanderburgh@buchalter.com
- Oscar Garza ogarza@gibsondunn.com
- Nancy S Goldenberg nancy.goldenberg@usdoj.gov
- Stanley E Goldich sgoldich@pszyjw.com
- Stanley E Goldich sgoldich@pszjlaw.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 ecfacbsfv@piteduncan.com

- Garrick A Hollander ghollander@winthropcouchot.com, pj@winthropcouchot.com;vcorbin@winthropcouchot.com;chipp@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@texasattorneygeneral.gov, sherri.simpson@texasattorneygeneral.gov
- 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@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 ecfcacb@piteduncan.com
- Christopher M McDermott ecfcacb@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;chanson@rcolegal.com
- JaVonne M Phillips bknotice@mccarthyholthus.com
- Dean G Rallis Jr drallis@sulmeyerlaw.com
- Kurt Ramlo kurt.ramlo@dlapiper.com, evelyn.rodriquez@dlapiper.com
- Justin E Rawlins jrawlins@winston.com, docketla@winston.com
- Richard J Reynolds rreynolds@bwsllaw.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 seansullivan@dwt.com
- Julia Szafraniec bknotice@mccarthyholthus.com
- Derrick Talerico dtalerico@loeb.com, kpresson@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@zievelaw.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

**RFC**

Michael Stewart / Theresa Dykoschak  
Faegre & Benson  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-3901

**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