Docket #0045 Date Filed: 6/28/2012

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: RESIDENTIAL CAPITAL, LLC, *et al*., Debtors.	Case No. 12-12020 (MG) Chapter 11 Jointly Administered
RESIDENTIAL CAPITAL, LLC, *et al*., Plaintiffs, v. ALLSTATE INS. CO., THE OTHER PARTIES LISTED ON EXHIBIT A TO THE COMPLAINT, JOHN DOES 1-1000, Defendants.	Adv. Case No. 12-01671 (MG)

DEFENDANT FEDERAL HOUSING FINANCE AGENCY'S EX PARTE MOTION FOR AUTHORITY TO EXCEED PAGE LIMIT ON MEMORANDUM OF LAW (I) IN SUPPORT OF FHFA'S MOTION TO DISMISS THE COMPLAINT FOR LACK OF JURISIDICTION AND (II) IN OPPOSITION TO DEBTORS' MOTION TO EXTEND AUTOMATIC STAY AND TO ENJOIN LITIGATION AGAINST NON-DEBTORS

Defendant Federal Housing Finance Agency ("FHFA" or "Conservator"), as Conservator for the Federal Home Loan Mortgage Corporation ("Freddie Mac"), by and through its counsel, respectfully submits this *ex parte* motion (the "Motion") for an order permitting FHFA to exceed the page limit of twenty-five (25) pages on its memorandum of law (the "Opposition Brief") (1) in support of dismissal of the complaint in the above-captioned adversary proceeding (the "Complaint") and (2) in opposition to the *Motion to Extend Automatic Stay or, in the Alternative, for Injunctive Relief Enjoining Prosecution of Certain Pending Litigation Against Debtors' Directors and Officers and Non-Debtor Corporate Affiliates* (the "Stay Motion") filed by the

above-captioned debtors (the "Debtors"), as plaintiffs in this adversary proceeding (the "Adversary Proceeding") commenced in the United States Bankruptcy Court for the Southern District of New York (the "Court"). In support of this Motion, FHFA respectfully states as follows:

JURISDICTION

1. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.[1]

BACKGROUND

2. On September 2, 2011, FHFA, in its capacity as conservator for Freddie Mac, commenced the action styled *Federal Housing Finance Agency, as Conservator for the Federal Home Loan Mortgage Corporation v. Ally Financial Inc. f/k/a GMAC, LLC et al.* in the Supreme Court of the State of New York, County of New York. The action was then removed to the United States District Court for the Southern District of New York (the "District Court") where it is pending before Judge Denise L. Cote as Case No. 11- Civ. 7010 (the "FHFA Case"). The FHFA Case is one of sixteen similar securities actions brought by FHFA. All of these cases have been assigned to Judge Cote. The District Court has stayed the FHFA Case with respect to the Debtors (defined below) only.

[1] Nothing herein shall constitute a waiver of FHFA's right to contest the jurisdiction of this Court to grant the relief requested in the Motion against FHFA.

3. On May 14, 2012 (the "Petition Date"), each of the above-captioned debtors (the "Debtors") filed a voluntary petition in this Court for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

4. On May 23, 2012, the Court entered the *Order Under Bankruptcy Code Sections 102(1), 105(a) and 105(d), Bankruptcy Rules 1015(c), 2002(m) and 9007 and Local Bankruptcy Rule 2002-2 Establishing Certain Notice, Case Management and Administrative Procedures* (the "Case Management Order") [Docket No. 141]. The Case Management Order, among other things, sets a twenty-five (25) page limit (the "Page Limit") for briefs in support of, or in opposition to, motions for relief.

5. On May 25, 2012, the Debtors filed the Stay Motion which is forty-five (45) pages in length. The Debtors also filed an *ex parte* motion for authority to exceed the twenty-five (25) page limit for the Stay Motion, which the Court granted on June 1, 2012 [Docket No. 11].

RELIEF REQUESTED

6. By this Motion, FHFA requests entry of an order allowing its Opposition Brief to exceed the Page Limit set forth in the Case Management Order. The Opposition Brief shall not exceed the length of the Stay Motion, forty-five (45) pages.

BASIS FOR RELIEF

7. FHFA believes that the requested expansion of the Page Limit is reasonable and necessary. First, the Opposition Brief is a combined motion to dismiss the Adversary Proceeding *and* an objection to the Stay Motion. If FHFA were to file two separate pleadings – one moving to dismiss the Adversary Proceeding and the other responding to the Stay Motion – it would be allowed fifty (50) pages, whereas the Opposition Brief is only thirty-four (34) pages. FHFA

believes that filing separate pleadings would result in unnecessary repetition of standard factual and procedural background and other matters which are more efficiently addressed in one pleading. Inasmuch as FHFA could have filed separate pleadings, but chose not to in the interest of efficiency, it should not be penalized with the twenty-five (25) page limit applicable to single pleadings.

8. Second, although FHFA made its best efforts to be concise in the Opposition Brief, it was required to significantly expand on the facts regarding the FHFA Case, which the Debtors addressed only in a cursory fashion in the Stay Motion (which is forty-five (45) pages). Absent the requested expansion of the Page Limit, FHFA would not be able to put forth all relevant facts that are required to address the arguments in the Stay Motion and that are necessary for the adjudication of the issues. Further, in order to address fairly each argument in the Stay Motion, it is necessary for FHFA to track such arguments in its Opposition Brief, and therefore it is logical that the Opposition Brief will be of similar length to the Stay Motion.

9. Therefore, FHFA believes that the request to exceed the Page Limit for the reasons set forth herein is warranted under the foregoing circumstances.

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CONCLUSION

WHEREFORE, FHFA respectfully requests that the Court enter an order, substantially in the form annexed hereto as Exhibit A: (i) authorizing FHFA to exceed the Page Limit with respect to the Opposition Brief and (ii) granting such other and further relief to FHFA as the Court may deem just and proper.

DATED: June 28, 2012
New York, New York

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EXHIBIT A

PROPOSED ORDER

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: RESIDENTIAL CAPITAL, LLC, *et al*., Debtors.	Case No. 12-12020 (MG) Chapter 11 Jointly Administered
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ORDER AUTHORIZING FEDERAL HOUSING FINANCE AGENCY TO EXCEED PAGE LIMIT ON OPPOSITION BRIEF FILED IN RESPONSE TO DEBTORS' STAY MOTION

Upon the *ex parte* motion (the "Motion") of the Federal Housing Finance Agency ("FHFA") for an order permitting FHFA to exceed the page limit on its memorandum of law (the "Opposition Brief") (1) in support of dismissal of the complaint in the above-captioned adversary proceeding and (2) in opposition to the *Motion to Extend Automatic Stay or, in the Alternative, for Injunctive Relief Enjoining Prosecution of Certain Pending Litigation Against Debtors' Directors and Officers and Non-Debtor Corporate Affiliates* (the "Stay Motion") filed by the above-captioned debtors (the "Debtors"), as plaintiffs in this adversary proceeding commenced in the United States Bankruptcy Court for the Southern District of New York (the "Court"); and the Court having reviewed the Motion; and the Court having found that (i) the

Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b) and (iii) the *ex parte* filing of the Motion was appropriate under the circumstances; and the Court having found that the relief requested in the Motion is in the best interests of FHFA and other parties-in-interest; and the Court having determined that the legal and factual bases for the relief set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefore, it is hereby ordered, adjudged and decreed that:

1. The Motion is granted as set forth herein.

2. The Opposition Brief may exceed the Page Limit set forth in the Case Management Order, provided, however, that the Opposition Brief shall not exceed forty-five (45) double-spaced typewritten pages in twelve-point Times New Roman font, with one inch margins (not including pages reserved for the caption, table of contents and table of authorities).

Dated: _____, 2012
New York, New York

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The Honorable Martin Glenn
United States Bankruptcy Judge