Docket #0079 Date Filed: 7/24/2012

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Case No. 12-12020 (MG)
RESIDENTIAL CAPITAL, LLC, et al.,	Chapter 11
Debtors.	Jointly Administered
RESIDENTIAL CAPITAL, LLC, et al.,	Adv. Case No. 12-ap-01671 (MG)
Plaintiffs,	
v.	
ALLSTATE INS. CO., et al.,	
Defendants.	

STIPULATION AND ORDER WITH RESPECT TO DEBTORS' MOTION TO EXTEND THE AUTOMATIC STAY OR, IN THE ALTERNATIVE, FOR INJUNCTIVE RELIEF

Subject to the approval of the Court, this Stipulation (the "Stipulation") is made and entered into by, between and among the debtors and debtors in possession in the above-captioned bankruptcy case (collectively, the "Debtors") and the Federal Deposit Insurance Corporation as receiver for Citizens National Bank and Strategic Capital Bank (the "Stipulating Defendant" and, together with the Debtors, the "Parties").[1] The Parties intend this Stipulation to resolve, against the Stipulating Defendant, the Debtors' Motion, filed on May 25, 2012 (the "Motion"), to Extend the Automatic Stay or, in the Alternative, for Injunctive Relief Enjoining Prosecution of Certain Litigation Against Debtors' Directors and Officers and Non-Debtor Corporate Affiliates, as it

[1] "Stipulating Defendant" does not include the FDIC acting as receiver for any institution other than Citizens National Bank or Strategic Capital Bank or in any other capacity.

relates to the continued prosecution of the FDIC's MBS Action[2] against the Non-Debtor Affiliates (entitled *Fed. Deposit Ins. Corp., as Receiver for Citizens Nat'l Bank and Strategic Capital Bank v. Bear Stearns Asset Backed Securities I LLC et al.*, No. 12-cv-4000 (S.D.N.Y.)) (the "FDIC Case").

WHEREAS, notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the particular circumstances and that no other or further notice need be given.

NOW THEREFORE, the Parties have reached the following agreement:

1. The Stipulating Defendant agrees to a temporary stay of the continued prosecution, including the pursuit of any discovery, of the FDIC Case against the Non-Debtor Affiliates through October 31, 2012 (the "Stay Period"), except as specifically provided in paragraph 2 below, and the Parties agree to extend any deadlines that occur in the FDIC Case brought by the Stipulating Defendant during the Stay Period, other than the deadlines imposed by the court in the FDIC Case that relate to the items set forth in paragraph 2 below.

2. Notwithstanding paragraph 1 above:

   a. The Parties do not object to Non-Debtor Affiliate Ally Securities, LLC ("Ally Securities") briefing a motion to dismiss in the FDIC Case and the court issuing an order on such motion to dismiss during the Stay Period, and the Parties are not precluded from filing a motion to reconsider any such orders or seeking interlocutory review of such order.

   b. The Parties do not object to Non-Debtor Affiliate Ally Securities, LLC participating in the court-ordered meet and confer on or before July 20, 2012 and the pre-trial conference on August 10, 2012.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

c. If the Court in the FDIC Case permits discovery during the Stay Period, the Parties do not object to the FDIC pursuing the production of documents from Ally Securities that are in Ally Securities' possession or custody, nor do they object to Ally Securities making its initial disclosures under Rule 26 of the Federal Rules of Civil Procedure. For the sake of clarity, Ally Securities will not be required to and will not produce any documents in the Debtors' possession during the Stay Period.

d. The Parties agree that the Debtors' response to the Stipulating Defendant's motion to dismiss filed on July 5, 2012 in the adversary proceeding is stayed until 21 days after the expiration of the Stay Period.

3. The Parties agree that if the Stipulating Defendant's motion to withdraw the reference to the bankruptcy court is granted, they will agree to the entry of an order by the U.S. District Court Judge assigned the case containing the same terms and conditions agreed to herein for the duration of the Stay Period.

4. During the Stay Period, all Parties and Non-Debtor Affiliates will preserve documents, data, and tangible things currently in their possession, custody and control that are subject to discovery in the FDIC Case.

5. The Non-Debtor Corporate Affiliates will agree (in a form of agreement reasonably acceptable to the Stipulating Defendant and the Non-Debtor Affiliates) to toll any statute or period of limitations, statutes of repose, or other time-based limitations or defenses which might be asserted as a time bar and/or limitation to any claim that could be asserted against them by the Stipulating Defendant in the FDIC Case during the Stay Period, and the Stipulating Defendant shall forbear bringing any lawsuits, in its capacity as Receiver for Citizens

National Bank or Strategic Capital Bank, against the Non-Debtor Affiliates during the Stay Period. Nothing in this Stipulation shall operate (or constitute an agreement or a requirement) to revive or extend the time for filing any claim against a Non-Debtor Affiliate in the FDIC Case that is now time barred or barred by any applicable statute or period of limitations, statutes of repose or other time-related defense as of the date of this Stipulation.

6. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation, until such time as the Stipulating Defendant's motion to withdraw the reference to the bankruptcy court may be granted by the district court.

7. Except as specifically provided for herein, the Parties reserve all rights and defenses they may have in the FDIC Case, the above-captioned adversary proceeding, or the above-captioned bankruptcy case, and entry into this Stipulation shall not impair or otherwise affect such rights and defenses, and all such rights and defenses are expressly preserved.

8. This Stipulation is without prejudice to any further requests for an Order pursuant to 11 U.S.C. §§ 362(a)(1) and/or 362(a)(3) extending the automatic stay imposed by 11 U.S.C. § 362(a) to the continued prosecution of the FDIC Case against the Non-Debtor Affiliates or, in the alternative, for entry of an order pursuant to 11 U.S.C. § 105(a) enjoining and prohibiting the continued prosecution of the FDIC Case against the Non-Debtor Affiliates, or the right of any party to contest such requests.

9. Notwithstanding anything herein to the contrary, this Stipulation shall not modify or affect the terms and provisions of, nor the rights and obligations under, (a) the Board of Governors of the Federal Reserve System Consent Order, dated April 13, 2011, by and among AFI, Ally Bank, ResCap, GMAC Mortgage, LLC, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation, (b) the consent judgment

entered April 5, 2012 by the District Court for the District of Columbia, dated February 9, 2012, (c) the Order of Assessment of a Civil Money Penalty Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as amended, dated February 10, 2012, and (d) all related agreements with AFI and Ally Bank and their respective subsidiaries and affiliates.

10. Nothing in this stipulation will alter the rights of the Stipulating Defendant to seek discovery in the Chapter 11 cases.

11. The Stipulating Defendant reserves the right to challenge the Bankruptcy Court's jurisdiction in this matter and/or otherwise object to the Bankruptcy Court's ability to enter judgment in this matter.

Dated: July 20, 2012

/s/ Joel C. Haims
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Gary S. Lee
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Proposed Counsel to the Debtors and Debtors in Possession With Respect to All Defendants Except Federal Home Loan Bank of Boston and Federal Home Loan Bank of Chicago

Dated: July 20, 2012

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Attorneys for Federal Deposit Insurance Corporation as Receiver for Citizens National Bank and as Receiver for Strategic Capital Bank

IT IS SO ORDERED

New York, New York
Dated: July 24, 2012

/s/Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge