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September 11, 2017

VIA EFILE

Hon. Saliann Scarpulla
Supreme Court of the State of New York
New York County
Commercial Division
60 Centre Street
New York, NY 10007

RE: *In re Bank of N.Y. Mellon, No. 150973/2016*: Letter from AEGON, AIG, BlackRock, BlueMountain, Prosirir, and Tilden Park Regarding Their Request to Settle Judgment.

Dear Justice Scarpulla:

We represent Center Court, LLC (“Center Court”) in the above-referenced action. This letter responds to the letters of September 7, 2017 and September 11, 2017 filed via ECF.

Previously, Center Court jointly submitted a proposed form of counter judgment along with respondents AIG, BlackRock and AEGON. The Court thereafter instructed the parties to work together to resolve their disagreements over the proposed form of judgment. The other parties did not heed the instruction and, as a result, Center Court was unaware until the filing on September 7, 2017 that other respondents’ positions had changed with respect to the proposed form of judgment.

Having now had the opportunity to review the proposed form of judgment submitted late Thursday, Center Court reiterates its request that the Court enter its prior proposed form of judgment found at NYSCEF Dkt. No. 257, attached hereto as Exhibit A for the Court’s convenience. Any other form of judgment will result in unfair prejudice and irreparable harm to Center Court and other senior holders in the fourteen trusts. As the Court is aware, the funds are being held in escrow. Center Court and other parties have filed notices of appeal. If the Court were to execute Tilden Park and Prosirir’s form of judgment, the funds would be at risk of imminent distribution. Any form of judgment that effects a distribution prior to appellate ruling on the distribution methodology will cause senior holders irreparable harm. Indeed, once a distribution is effected, in the event that the methodology reflected in the Order is modified on appeal, it would be impossible to claw back the Settlement Payment from third-party certificateholders and redistribute the appropriate amounts to Center Court and other senior

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holders. AIG, BlackRock and AEGON have agreed that immediate distribution would result in irreparable harm pending appeal. *See* NYSCEF Dkt. No. 256.

If the Court is not inclined to enter Center Court's proposed form of judgment, we respectfully make two requests. First, Center Court respectfully requests that the Court enter a form of judgment that deals with all fourteen trusts, and not the thirteen encompassed by NYSCEF No. 266. It is undisputed that the language in dispute in the Governing Agreements for the fourteen trusts at issue is virtually identical. Center Court, therefore, has always argued for a single, principled approach applicable to each of the fourteen trusts and the Court's opinion relates to all fourteen. As Tilden Park and Prosirris advocate, the Court's judgment should implement the April 4 decision.

Second, Center Court is concerned by the possibility that the Trustee may distribute the funds in September should a judgment be entered on or before September 15, 2017. Such a timeframe may not afford Center Court the opportunity to seek a stay of the judgment pending appeal prior to distribution. Accordingly, given the short timeframe and the unfair prejudice and irreparable harm to Center Court and other senior holders should the funds be distributed, Center Court respectfully requests the Court enter judgment no sooner than September 18, 2017. Such timing would afford Center Court the opportunity to seek a stay pending appeal and would not result in undue prejudice to Tilden Park and Prosirris.

Finally, Tilden Park and Prosirris question whether Center Court has standing to raise issues in any trust other than CWALT 2005-61. Center Court unquestionably does. Indeed, no one previously has ever disputed Center Court's standing to assert claims relating to all fourteen trusts. AIG, Blackrock and AEGON have admitted in filings that Center Court is an interested person, and Center Court clearly meets the standing requirement of this Court's order to show cause of being a person who "claims an interest in any of the Covered Trusts." NYSCEF Dkt. No. 14. And Tilden Park and Prosirris have always understood that Center Court sought relief with respect to all fourteen trusts and have responded to Center Court's arguments in kind. *See*, e.g. NYSCEF Dkt. No. 58 at p. 9 (recognizing Center Court asked for relief for all 14 trusts and stating that Center Court's argument "is inapplicable to the 14 Trusts"); NYSCEF Dkt. No. 122 (responding to Center Court's argument that paying first for four of the fourteen trusts is absurd because it might result in disproportionate payments to junior Subordinated Certificates). Any standing challenge raised in Mr. Molo's September 11, 2017 letter is, therefore, a red herring.¹

Respectfully submitted,

/s/ Gayle R. Klein

Gayle R. Klein

¹ However, if Tilden Park and Prosirris are intent on the Court taking up standing issues at this late date, we respectfully point the Court to the liquidation of Group 7 of CSMC 2015-6R. The liquidation of the Group 7 assets resulted in the termination of the certificates which we believe served as the basis for Tilden Park and Prosirris' standing with respect to a great number if not all of the 14 trusts at issue.

EXHIBIT

A

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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In the Matter of the Application of	:	Index No. 150973/2016
	:	IAS Part 39
THE BANK OF NEW YORK MELLON, in its	:	Justice Scarpulla
Capacity as Trustee or Indenture Trustee of 530	:	
Countrywide Residential Mortgage-Backed	:	Mot. Seq. 001
Securitization Trusts,	:	
	:	COUNTER-PROPOSED
Petitioner,	:	PARTIAL FINAL
	:	JUDGMENT
For Judicial Instructions under CPLR Article 77	:	(FOURTEEN TRUSTS)
on the Distribution of a Settlement Payment.	:	

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APPEARANCES:

MAYER BROWN LLP (Matthew D. Ingber and Michael O. Ware, of counsel)
*Attorneys for Petitioner The Bank of New York Mellon in its capacity as Trustee
or Indenture Trustee of the Covered Trusts (the "Trustee")*

QUINN EMANUEL URQUHART & SULLIVAN LLP (Michael B. Carlinsky,
Jordan A. Goldstein, and David D. Burnett, of counsel)
*Attorneys for Respondents American International Group, Inc.; AIG Financial
Products Corp.; AIG Property Casualty Company; American General Life
Insurance Company; American Home Assurance Company; American
International Reinsurance Company, Ltd.; Commerce and Industry
Insurance Company; Lexington Insurance Company; National Union Fire
Insurance Company of Pittsburgh, PA; The United States Life Insurance
Company in the City of New York; and The Variable Annuity Life Insurance
Company ("AIG")*

SCHLAM STONE & DOLAN LLP (John M. Lundin, of counsel)
*Attorneys for Respondents Blue Mountain Credit Alternatives Master Fund
L.P., BlueMountain Guadalupe Peak Fund L.P., Blue Mountain Monteners
Master Fund SCA SICAV-SIF, BlueMountain Kicking Horse Fund L.P.,
BlueMountain Logan Opportunities Master Fund L.P., BlueMountain
Foinaven Master Fund L.P., and BlueMountain Credit Opportunities Master
Fund I L.P.*

McKOOL SMITH, P.C. (Gayle R. Klein, Robert W. Scheef, Matthew P. Rand
and Melody L. McGowin, of counsel)
Attorneys for Respondent Center Court, LLC

WARNER PARTNERS, P.C. (Kenneth E. Warner, of counsel) and GIBBS & BRUNS LLP (Kathy D. Patrick, Robert J. Madden and David Sheeren, all pro hac vice, of counsel)

Attorneys for Respondents AEGON (including Transamerica Life Insurance Company, AEGON Financial Assurance Ireland Limited, Transamerica Life International (Bermuda) Ltd., Monumental Life Insurance Company, Transamerica Advisors Life Insurance Company, AEGON Global Institutional Markets, plc, LIICA Re II, Inc., Pine Falls Re, Inc., Transamerica Financial Life Insurance Company, Stonebridge Life Insurance Company, and Western Reserve Life Assurance Co. of Ohio); BlackRock Financial Management, Inc.; Federal Home Loan Bank of Atlanta; Federal National Mortgage Association; Goldman Sachs Asset Management L.P.; Invesco Advisers, Inc.; Kore Advisors, L.P.; Metropolitan Life Insurance Company; Nationwide Mutual Insurance Company and its affiliate companies; Neuberger Berman Europe Limited; Pacific Investment Management Company LLC; Teachers Insurance and Annuity Association of America; Thrivent Financial for Lutherans; Trust Company of the West and the affiliated companies controlled by The TCW Group, Inc.; Voya Investment Management LLC; and Western Asset Management Company

MOLOLAMKEN LLP (Steven F. Molo and Justin M. Ellis, of counsel)
Attorneys for Respondents Prosirris Capital Management LP ("Prosirris") and Tilden Park Capital Management LP ("Tilden Park")

WOLLMUTH MAHER & DEUTSCH LLP (Michael C. Ledley, of counsel) and PERRY, JOHNSON, ANDERSON, MILLER & MOSKOWITZ LLP (Isaac M. Gradman, pro hac vice, of counsel)
Attorneys for TIG Securitized Asset Master Fund LP ("TIG")

WHEREAS, the Trustee commenced this proceeding under CPLR Article 77 to obtain judicial instructions on the distribution of a settlement payment in the amount of \$8.5 billion (the "Settlement Payment") to which it had become entitled in its capacity as trustee or indenture trustee of the 530 residential mortgage-backed securities trusts (the "Covered Trusts") specified in Exhibit A to the Verified Petition herein under a settlement agreement dated June 28, 2011 (the "Settlement Agreement");

WHEREAS, under the Settlement Agreement, each Covered Trust has been assigned an "Allocable Share" of the overall Settlement Payment;

WHEREAS, by Order to Show Cause dated February 5, 2016 (the “February 5 Order”) the Court directed the Trustee to serve the Verified Petition and certain other materials on investors (“Certificateholders”) in the Covered Trusts and certain other persons, and directed that interested persons answer the Verified Petition;

WHEREAS, the February 5 Order authorized and directed the Trustee to place the Settlement Payment in escrow with The Bank of New York Mellon as escrow agent;

WHEREAS, the Court has been advised that the escrow provisions of the February 5 Order have been complied with and that the Settlement Payment, plus the earnings thereon and less amounts distributed pursuant to the Prior Partial Judgments discussed below, is currently invested as directed in the February 5 Order;

WHEREAS, the Court has previously resolved this proceeding as to 515 of the Covered Trusts by partial final judgments (the “Prior Partial Judgments”) entered on consent on May 12, 2016, and November 29, 2016, leaving for the determination by the Court disputed contentions concerning fifteen Covered Trusts. This Partial Final Judgment pertains to CWALT 2005-61, CWALT 2005-69, CWALT 2005-72, CWALT 2005-76, CWALT 2005-IMI, CWALT 2006-OA10, CWALT 2006-OA14, CWALT 2006-OA3, CWALT 2006-OA7, CWALT 2006-OA8, CWALT 2007-OA3, CWALT 2007-OA8, CWHL 2006-3 and CWHL 2006-OA5 (together, the “Fourteen Trusts”);

WHEREAS, on August 31, 2016, the Court heard oral argument from all counsel on the Fourteen Trusts;

WHEREAS, the Court, in its Decision and Order dated March 31, 2017 and entered April 4, 2017 (the “Order”), severed and granted (in the manner set forth in the Order) the

branch of the Verified Petition seeking judicial instructions concerning the Fourteen Trusts, and directed the settlement of judgment;

WHEREAS, AEGON, AIG, and BlackRock Financial Management, Inc. (“BlackRock”) filed a Motion for Leave to Reargue on May 5, 2017 (Dkt. Nos. 231-43), which was fully submitted on May 23, 2017, requesting a deposition of a corporate representative of the Trustee and requesting that the Court reconsider the distribution methodology set forth in the Order;

WHEREAS, granting the Motion for Leave to Reargue could lead this Court to issue a new or modified order which supersedes the distribution methodology set forth in the Order;

WHEREAS, AIG appealed the Order to the First Department on May 4, 2017, as to two of the Fourteen Trusts (Dkt. Nos. 196-197); AEGON and BlackRock appealed the Order to the First Department on May 4, 2017, as to the Fourteen Trusts (Dkt. Nos. 199-200); Center Court, LLC appealed the entire Order to the First Department on May 5, 2017 (Dkt. Nos. 244-49); and Prosirris and Tilden Park filed a cross-appeal in the First Department on May 15, 2017, as to the Fourteen Trusts (Dkt. Nos. 248-49) (collectively, the “Appeals”);

WHEREAS, the First Department may grant one or more of the pending Appeals, which could require this Court to revise the Order and order a new distribution methodology for the Fourteen Trusts;

WHEREAS, it is therefore premature for the Court to order entry of judgment on the Fourteen Trusts, directing the Trustee to distribute the settlement payment to the Fourteen Trusts using a specific distribution methodology, until the Motion for Leave to

Reargue and the Appeals are fully resolved and the correct distribution methodology has been fully and finally determined;

WHEREAS, once the Motion for Leave to Reargue and the Appeals are fully resolved, the Court will direct the Parties to settle judgment based on the final distribution methodology for the Fourteen Trusts, after which the Court will enter a “Future Partial Final Judgment” on the Fourteen Trusts;

WHEREAS, as used herein, the term “Judgment Entry Date” means the future date on which the Clerk’s docketing of the Future Partial Final Judgment first appears publicly on the New York State Court Electronic Filing System, without regard to when the Court actually signs or the Clerk actually enters the Future Partial Final Judgment;

WHEREAS, as used herein the term “Transfer Month” means the month of the Judgment Entry Date if the Judgment Entry Date is on or before the fifteenth calendar date of that month, and otherwise the month immediately following;

WHEREAS, as used herein, the term “Transfer Target Date” means the twenty-second day of the Transfer Month; and

WHEREAS, as used herein, the term “AS Distribution Date” means, for each of the Fourteen Trusts, that trust’s next distribution date following the Transfer Target Date,

NOW, THEREFORE, on the motion of Quinn Emanuel Urquhart & Sullivan, LLP, attorneys for AIG; Warner Partners, P.C. and Gibbs & Bruns LLP, attorneys for AEGON and BlackRock; and McKool Smith, P.C., attorneys for Center Court, LLC, it is hereby

ORDERED, ADJUDGED and DECREED that, once the Future Partial Final Judgment is docketed, and no later than the Transfer Target Date, for each of the Fourteen Trusts the Trustee is to reduce to cash escrow assets with a value equal to that trust’s

Allocable Share plus the earnings thereon and to deposit that amount in that trust's distribution account or payment account, as applicable. From the time of that deposit, the amount so deposited will be treated as that trust's Allocable Share for all purposes under the Settlement Agreement; and it is further

ORDERED, ADJUDGED and DECREED that sums representing interest on the Allocable Share of each of the Fourteen Trusts not received by the Trustee at the time of the deposit directed by the immediately preceding paragraph ("Trailing Interest") shall be distributed to certificateholders in that trust in the month it is received unless such receipt takes place after that month's determination date, in which event distribution will be effected in the month after the month in which the Trailing Interest is received. Trailing Interest shall be distributed within each of the Fourteen Trusts in the manner the Settlement Agreement, the relevant Governing Agreements, and the Future Partial Final Judgment provide for distribution of the Allocable Share; and it is further

ORDERED, ADJUDGED and DECREED that the Trustee shall distribute the Allocable Share of each of the Fourteen Trusts on that trust's AS Distribution Date in accordance with the Future Partial Final Judgment; and it is further

ORDERED, ADJUDGED and DECREED that no party may have costs or disbursements of this proceeding insofar as it concerned the Fourteen Trusts; and it is further

ORDERED that the Clerk of New York County be, and he hereby is, directed to enter this Partial Final Judgment forthwith and without delay.

Dated: New York, New York
_____, 2017

Hon. Saliann Scarpulla, J.S.C.

Judgment signed and entered this _____ day of _____, 2017.

Clerk of New York County