

EXHIBIT 2

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1 UNITED STATES DISTRICT COURT
1 SOUTHERN DISTRICT OF NEW YORK

2 -----x

3 THE BANK OF NEW YORK MELLON,
3
4 Petitioner,

5 v.

11 Civ. 5988 (WHP)

6 WALNUT PLACE LLC, et al.,
6
7 Respondents.

8 -----x

9 RETIREMENT BOARD OF THE
9 POLICEMEN'S ANNUITY AND BENEFIT
10 FUND OF THE CITY OF CHICAGO,
10 et al.,

11 Plaintiffs,

12 v.

11 Civ. 5459 (WHP)

13 THE BANK OF NEW YORK MELLON,
14
14 Defendant.

15 -----x

Argument

New York, N.Y.
September 21, 2011
10:30 a.m.

18 Before:

19 HON. WILLIAM H. PAULEY III

District Judge

21 APPEARANCES

22
23 MAYER BROWN LLP
23 Attorneys for Petitioner
24 BY: MATTHEW D. INGBER
24 CHRISTOPHER J. HOUPT

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24 Insurance Company

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1 value of those trusts was.

2 THE COURT: You know what, I'll take your best guess.

3 MR. INGBER: Your Honor, I just don't know what the
4 unpaid principal balance of those trusts is.

5 THE COURT: Wouldn't that be something that one could
6 consider material in deciding whether, as the trustee, you
7 should come forward recommending a settlement in these cases?

8 MR. INGBER: No, your Honor. The trustee was
9 presented with a settlement that involved these 530 trusts, and
10 it had to make a decision with respect to these 530 trusts.
11 The decision it made to enter into the settlement was based on
12 a number of factors, including some of the issues that we
13 discussed at the last conference, one of which was whether,
14 after several years of litigation, the trustee on behalf of the
15 trust would be likely to recover any more than what Bank of
16 America and Countrywide were willing to pay.

17 THE COURT: That raises an interesting question,
18 doesn't it? If your client made the decision for 530 trusts to
19 settle but not others, doesn't that suggest that there are more
20 than one plaintiff?

21 MR. INGBER: No. The trustee is The Bank of New York
22 Mellon in its capacity as trustee.

23 THE COURT: You just told me that it made 530 separate
24 decisions and decided with respect to other trusts not to
25 settle. Am I correct about that?

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