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**VIA ECF AND HAND DELIVERY**

Justice Marcy S. Friedman, Part 60  
New York State Supreme Court  
60 Centre Street, Courtroom 248  
New York, New York 10007

**Re: *In the Matter of U.S. Bank Nat'l Ass'n, et al.,*  
N.Y. Sup. Ct. No. 652382/2014 (Friedman, J.)**

Dear Justice Friedman:

We represent Intervenor-Respondents QVT Fund V LP, QVT Fund IV LP and Quintessence Fund L.P. (collectively, the "QVT Funds") in the above-referenced proceeding and write to set forth the bases for the QVT Funds' proposed motion for partial summary judgment. Pursuant to Your Honor's instructions during the February 23, 2015 conference call, U.S. Bank National Association ("U.S. Bank") and counsel for the supporting investors join in this letter and set forth their respective positions with respect to the QVT Funds' proposed motion.

**The QVT Funds' Proposed Motion for Summary Judgment**

The QVT Funds seek leave to file a motion for partial summary judgment with respect to the Proposed Settlement for JPMAC 2006-WMC1, which is one of the Accepting Trusts at issue in this proceeding and is the only Accepting Trust with respect to which the QVT Funds are asserting an objection. U.S. Bank is the Trustee for JPMAC 2006-WMC1. As of the August 1, 2014 deadline for accepting or rejecting the Proposed Settlement, the QVT Funds collectively owned approximately 27.62% of all the outstanding securities issued in JPMAC 2006-WMC1 (and 34.75% of the Group 2 Certificates).<sup>1</sup>

After careful consideration, the QVT Funds determined that the Proposed Settlement was not in the best interests of investors in JPMAC 2006-WMC1. Although the total settlement compensation offered by JPMorgan reflects approximately 7.1% of losses projected for the trusts in the aggregate (itself an unreasonably low figure), the settlement payment to investors in JPMAC 2006-WMC1 is subject to a massive, unjustifiable 90% discount (the "Haircut") and, according to the Trustees' expert, reflects only 0.8% of the more than \$393 million in lifetime losses to the trust – the quantitative

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<sup>1</sup> JPMAC 2006-WMC1 issued different classes of securities backed by different groups of mortgage loans. The Proposed Settlement permits U.S. Bank to accept or reject on a trust by trust or loan group by loan group basis, and U.S. Bank has purported to consider the Proposed Settlement on that basis. Moreover, U.S. Bank owes distinct duties to certificateholders with respect to each separate trust pursuant to separate PSAs. Accordingly, U.S. Bank's argument that the QVT Funds' motion with respect to JPMAC 2006-WMC1 is not logically distinct and severable from the remainder of the case is unfounded.

