

EXHIBIT 3

WOLLMUTH MAHER & DEUTSCH LLP
500 FIFTH AVENUE
NEW YORK, NEW YORK 10110

TELEPHONE (212) 382-3300
FACSIMILE (212) 382-0050

March 6, 2015

BY EMAIL AND FEDERAL EXPRESS

Robert A. Sacks
Sullivan & Cromwell LLP
1888 Century Park East
Los Angeles, CA 90067-1725

Re: *In the Matter of U.S. Bank National Association, et al.,*
Index No. 652382/2014 (Sup. Ct. N.Y. Cty)

Dear Robert:

We write on behalf of the intervenors in this action opposing the Proposed Settlement (the "Respondent Investors") in response to your letter dated March 4, 2015.

As an initial matter, my statements to the Court during the February 23 teleconference were entirely accurate. During our meet and confer call on January 12, 2015 you indicated that JPMorgan intended to produce no documents in response to the document requests propounded by the Respondent Investors. We agreed that we were at an impasse with respect to those requests and no further discussions would be productive. Indeed, the upshot of your March 4 letter is that JPMorgan *still* intends to produce no documents in response to the Respondent Investors' requests.¹ How you could deny this was JPMorgan's position during the February 23 teleconference is beyond me. In light of the acknowledged impasse, your expression of surprise that the Respondent Investors continue to seek discovery from JPMorgan and brought the dispute to the Court's attention is unwarranted.

The parties have already submitted briefs on the scope of discovery and there is no reason to repeat our arguments concerning the relevance of the Respondent Investors' document requests via letter. Suffice it to say that JPMorgan's objection to producing documents "going to the underlying merits of the settled claims" is unfounded. For example, such objection ignores that JPMorgan agreed in its settlement offer to provide the Trustees with whatever documents

¹ Your offer to "entertain" some hypothetical set of narrowed requests is neither here nor there. The Respondent Investors have served requests. If JPMorgan seeks to compromise by producing a narrower subset of the documents we requested, then it behooves JPMorgan to make a proposal. You have made no proposal. The Respondent Investors should not have to guess at what categories of documents JPMorgan might agree to produce.

they reasonably requested to evaluate the Proposed Settlement. *See* Proposed Settlement Agreement, §2.05(a). The Respondent Investors' requests seek, for the most part, documents that a reasonable trustee would have requested from JPMorgan to evaluate the settlement. Accordingly, these documents go directly to the reasonableness of the Trustees' evaluation process.

It is unnecessary to debate JPMorgan's relevance objection for the further reason that the Court indicated during the teleconference that it was not inclined to preclude relatively non-burdensome discovery on the basis of relevance. *See* Feb. 23, 2015 Tr. at 33-34. The Court specifically identified re-underwriting results as an example of materials that should be produced without prejudice to any parties' rights as to relevance. *Id.* As discussed below, the majority of the Respondent Investors' requests seek similarly discrete and easily identifiable quantitative and summary information that the Trustees could and should have obtained from JPMorgan but apparently made no attempt to do so. These documents pose no significant burden and should be produced.

With these points in mind, we discuss the Respondent Investors' specific requests and JPMorgan's responses (to the extent you provided a response) below.

Requests on Behalf of All Respondent Investors

- **Request 1 – Draft DOJ Complaint:** You did not address this document in your letter. The existence of the Draft DOJ Complaint was widely discussed for almost the entire period the Trustees considered the settlement. It would have provided the Trustees with a focused and detailed roadmap for the claims they were asked to release and any reasonably diligent trustee would have requested it. It appears the Trustees did not. Obviously, producing a draft complaint and any documents attached to or referenced in it imposes virtually no burden on JPMorgan. In light the Court's comments concerning production of non-burdensome documents without prejudice to relevance objections, these documents should be produced.
- **Requests 2-4 – Prior Depositions, Exhibits, and DOJ Investigation Materials:** JPMorgan cherry picks these requests to portray the Respondent Investors' requests as a whole as unduly burdensome. Whatever the volume of the documents, we would be shocked if Sullivan & Cromwell did not have them electronically stored and indexed such that they could easily be produced. We therefore believe JPMorgan's concerns about burden are overstated. Nevertheless, in the interest of compromise, the Respondent Investors would agree to take these requests off the table for the present time if JPMorgan agrees to comply with the Respondent Investors' other requests.
- **Request 5 – Communications With Trustees Concerning Breaches:** To the extent the Trustees produce these documents in full, the Respondent Investors will not seek the identical documents from JPMorgan. However, JPMorgan should produce any responsive documents not produced by the Trustees or confirm that none exist.

- Request 6 – Re-Underwriting Results: As discussed above, the Court specifically identified re-underwriting results as an example of materials that should be produced on a without prejudice basis. We would be happy to confer with you regarding JPMorgan’s confidentiality concerns. To the extent those concerns are not ultimately resolved by a protective order, they can be addressed via redactions as the Court suggested during the teleconference.
- Requests 7-8 – Analysis of Losses and JPMorgan Liabilities Provided By Certificateholders: The Respondent Investors acknowledge that JPMorgan is asserting a “mediation privilege” under California law with respect to materials and analyses exchanged with the Institutional Investors. We do not believe the assertion of privilege has merit, and this issue may have to be resolved by the Court. However, JPMorgan should produce any responsive material exchanged with other certificateholders, with respect to which there is no claim of privilege.
- Request 9 – Documents Provided to Trustee Experts: As with Request 5, if the Trustees produce these documents in full, the Respondent Investors will not seek the identical documents from JPMorgan. To the extent JPMorgan has an index of such materials or cover letters detailing what documents were provided, we request they be produced so the Respondent Investors can confirm all responsive documents were produced by the Trustees.
- Request 10 – Notices of Events of Default or Servicer Breaches: Your letter does not address these documents. The existence of Events of Default bears on the scope of the Trustees’ duties under the applicable trust documents, and therefore these documents are highly relevant. You have articulated no issue as to burden or any other basis not to produce the documents.
- Request 11 – Fleischmann Whistleblower Documents: Your letter also does not address these documents. The existence of Ms. Fleischmann’s whistleblower reports was the subject of numerous media reports during the period the Trustees evaluated the Proposed Settlement, and a reasonably diligent trustee would have requested them. Based on these reports, we understand this to be a relatively small volume of communications. You have articulated no issue as to burden or any other basis not to produce the documents.

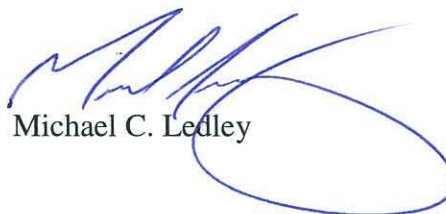
Requests on Behalf of Ambac

The Ambac requests are similarly targeted, reasonable, and seek documents that the Trustees could and should have requested from JPMorgan to evaluate the proposed Settlement. You have not articulated any issue of burden or specific objection with respect to these particular requests – and we believe there can be none, as JPMorgan can simply agree that all documents responsive to these requests that otherwise have been, or will be, produced in *Ambac Assurance Corporation et al. v. EMC Mortgage LLC et al.*, Index No. 651013/2012 (N.Y. Supreme Court), may be used in this proceeding (subject to the protective order ultimately entered by the Court). This eliminates entirely the issue of burden on JPMorgan in this proceeding.

As set forth above, the Respondent Investors seek a discrete and narrowly tailored universe of materials from JPMorgan. The Respondent Investors' requests were not unduly burdensome as drafted, and we have proposed several compromises in an effort to further minimize burden. Therefore, the only colorable objection that remains is relevance. Based on the Court's comments during the teleconference, it is obvious that the Court would strongly prefer to avoid lengthy and time consuming motion practice concerning relevance objections where documents can be produced with minimal burden. We hope JPMorgan will take up the Court's suggestion and produce the documents we have requested without prejudice to its arguments regarding relevance. Moreover, if JPMorgan has any specific burden concerns, please let us know and we will consider whether we can modify one or more requests to alleviate those concerns.

Feel free to contact me if you would like to discuss these issues.

Very truly yours,



Michael C. Ledley

cc: All Counsel (via email)