

EXHIBIT 1

March 6, 2015

BY EMAIL

To: Counsel Identified in the Attached Service List

Re: *In the matter of the application of U.S. Bank National Association, et al., for an order, pursuant to CPLR § 7701, seeking judicial instruction, and approval of a proposed settlement, N.Y. Supreme Court Index No. 652382/2014 (Friedman, J.)*

Dear Counsel:

We write this letter to confirm the categories of documents and information that the Trustees¹ have agreed to produce over the course of our six meet and confers.²

In November 2014, you served the Trustees with two sets of requests for production containing sixty individual document requests with numerous subparts and two sets of interrogatories containing twenty-three individual interrogatories with numerous subparts.³ It is firmly established that the only issue before the Court is whether the Trustees acted “reasonably and in good faith” in accepting the Settlement and that the purpose of an Article 77 proceeding is not to “micromanage and second guess” the Trustees’ decisions. *See In re The Bank of New York Mellon, et al.*, Order and Judgment, Index No. 651786/2011, at 9, 13 (1st Dep’t March 5, 2015) (attached hereto as Exhibit A). As such, as the Trustees have explained previously, the only arguably relevant information in this special proceeding is that which each Trustee considered when determining whether to accept the Settlement with respect to Settlement Trusts in which your clients have a beneficial ownership interest or other interest (the “Subject Trusts”). The Trustees’ views concerning the appropriate bounds of discovery have not changed, but the Trustees have nevertheless offered to produce additional documents and information over the course of our meet and confer process. Notwithstanding the objectors’ refusal to compromise during the meet and confer process, the Trustees ultimately agreed to produce an expansive universe of documents that goes far beyond the information that is relevant in this proceeding.

¹ “Trustees” refers to the petitioners U.S. Bank National Association, The Bank of New York Mellon, The Bank of New York Mellon Trust Company, N.A., Wilmington Trust, National Association, Law Debenture Trust Company of New York, Wells Fargo Bank, National Association, HSBC Bank USA, N.A., and Deutsche Bank National Trust Company, solely in their respective capacities as trustees, indenture trustees, successor trustees, and/or separate trustees. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Modified Proposed Settlement Agreement, dated August 1, 2014 (the “Settlement” or “Settlement Agreement”).

² While your recent communications contain numerous mischaracterizations concerning the meet and confer process, the Trustees decline to correct them at this time.

³ In a recent email dated February 20, 2015, you stated that the chart you provided to the Trustees as an attachment to a February 9, 2015 letter is the “operative version” of your discovery requests. That chart in many respects broadened your discovery requests, as we have previously explained. On March 3, 2015, you provided a revised chart to the Trustees that again broadened your discovery requests.

In sum, the Trustees have agreed to produce non-privileged documents, if any, responsive to the following categories:

1. all documents the Trustees provided to Jeremy E. Reifsnnyder, Boston Portfolio Advisors, Inc.; Faten Sabry, PhD, National Economic Research Associates, Inc.; or Daniel R. Fischel, Compass Lexecon LLC (collectively, the “Financial Advisors”) in connection with their respective evaluations of the Settlement. These documents include:
 - a. deal documents concerning the trusts covered by the offer in the Settlement (the “Covered Trusts”);
 - b. certain JPMorgan loan repurchase data concerning government-sponsored entities;
 - c. repurchase data concerning the Covered Trusts;
 - d. mortgage loan cure/repurchase demand correspondence and supporting materials concerning the Covered Trusts;
 - e. SEC Form ABS 15-G filings;
 - f. public information including pleadings and other material concerning RMBS cases and settlements;
 - g. mortgage loan diligence data concerning certain covered loans;
 - h. loan modification data concerning certain covered loans;
 - i. loan tapes for certain covered loans;
 - j. documents identifying originators, servicers, and insurers for certain covered loans;
 - k. servicing-related ratings agency information;
 - l. monthly housing scorecards concerning the U.S. Treasury’s “Making Home Affordable Program”;
 - m. Select Portfolio Servicing, Inc. (“SPS”) subservicing agreements and agreement supplements;
 - n. documents identifying loans transferred to SPS for subservicing;
 - o. additional subservicing-related documents and information;

- p. loan servicing database extracts;
 - q. document exception reports concerning certain Covered Trusts;
 - r. presentations given to the Trustees by Quinn Emanuel attorneys concerning the Settlement, and related materials;
 - s. analyst reports concerning the Settlement;
 - t. certain correspondence between the Trustees and holders of beneficial interests in the Covered Trusts;
 - u. certain public company periodic reporting; and
 - v. information concerning cure periods under governing agreements for Covered Trusts;
2. all correspondence between the Trustees and investors in the Subject Trusts concerning the Settlement in addition to the correspondence provided to the Trustees' Financial Advisors;
 3. all communications between the Trustees and their Financial Advisors or professional staff of the Trustees' Financial Advisors concerning the Settlement;
 4. all communications between the Trustees and JPMorgan concerning the Settlement;
 5. all communications between the Trustees and the Institutional Investors concerning the Settlement;
 6. all documents and communications concerning the Trustees' evaluation and retention of their Financial Advisors;
 7. all communications within and between the Trustees identifying the assignments of the Trustees' Financial Advisors;
 8. all communications within and between the Trustees identifying determinations concerning the selection of the documents and information provided to the Trustees' Financial Advisors;
 9. all documents considered by each Trustee's committee or other relevant decision maker(s) when determining whether to accept the Settlement;
 10. all documents concerning the selection of material provided to each Trustee's committee or other relevant decision maker(s) when determining whether to accept the Settlement;

11. any analyses prepared by the Trustees concerning the adequacy of the Settlement Payment other than the analyses prepared by the Trustees' Financial Advisors;
12. all notices to investors in the Subject Trusts;
13. all tolling agreements applicable to the Subject Trusts;
14. any analyses concerning the rationale for Section 3.05(b)(ii) of the Settlement Agreement;
15. all final document exception reports for the Subject Trusts;
16. any mortgage loan diligence reports concerning loans in the Subject Trusts in addition to the reports provided to the Trustees' Financial Advisors;
17. the pooling and servicing agreement or the indenture and sale and servicing agreement, and the prospectus supplement and/or private placement memorandum for the Subject Trusts;
18. unredacted reports of the Trustees' Financial Advisors; and
19. identification of any lawsuits against any Trustee with regard to the Settlement Trusts, excluding any loan-level lawsuits.

For categories one through eleven, the Trustees anticipate searching the files of the respective Trustee personnel identified in Exhibit B hereto, who were the primary persons responsible for the evaluation of the Settlement and/or were on such Trustee's committee, or were the relevant decision makers, that determined whether to accept the Settlement (the "Trustee Settlement Custodians"), as well as the files of each respective Trustee's outside counsel identified in Exhibit C hereto (the "Trustee Outside Counsel Custodians"). For categories twelve through sixteen, the Trustees anticipate searching the files of the Trustee Settlement Custodians. The Trustees intend to search for documents ranging from at the latest the date that each custodian became involved in the evaluation of the Settlement to and including the acceptance date for the Trustees, which was either August 1, 2014 or October 1, 2014 for Trustees of extended acceptance date Settlement Trusts.⁴ For reference, attached hereto as Exhibit B is a chart showing the objectors' document requests for which the Trustees have agreed to produce responsive documents and the objectors' document requests for which the Trustees have not agreed to produce responsive documents.

The Trustees anticipate the above categories constitute substantially all or all of the non-privileged documents related to the Settlement in the files of the Trustee Settlement Custodians and the Trustee Outside Counsel Custodians. These categories comprise an expansive volume of

⁴ With regard to the objectors' interrogatories, consistent with Rule 11-a of the Rules of the Commercial Division of the Supreme Court, the Trustees have identified witnesses with knowledge of information material and necessary to the subject matter of this proceeding.

information that amounts to at least a million, if not several million, pages of documents from the files of over a hundred custodians. These categories are also responsive to the majority of the objectors' document requests, including for example all communications between the Trustees and JPMorgan, the Institutional Investors, or the Trustees' Financial Advisors concerning the Settlement, substantially all of the documents and information underlying the reports of the Trustees' Financial Advisors, all correspondence between the Trustees and investors in the Subject Trusts concerning the Settlement, and documents and communications concerning the Trustees' evaluation and retention of their Financial Advisors. All told, this material far exceeds the information conceivably necessary for the Court to determine whether the Trustees properly exercised their discretion in accepting the Settlement and constitutes all non-privileged information that could potentially be relevant in this special proceeding.

For the reasons set forth in our responses and objections to your discovery requests, repeatedly discussed during the meet and confer process, and further set forth below, the objectors' remaining requests are manifestly outside the bounds of the appropriate scope of discovery in this special proceeding.

In their requests for documents beyond those already being produced regarding the Trustees' "awareness" of alleged representations and warranties and servicing breaches, the objectors seek, among other things, emails spanning a ten-year period from the files of essentially all Trustee personnel discussing or analyzing loan-level breaches or defects, or breaches by, or the performance of, any servicer or master servicer. Notwithstanding that such documents were not considered by the Trustees in determining whether to accept the Settlement or by the Trustees' Financial Advisors, it goes without saying that it would be a tremendous undertaking for the Trustees to collect such documents. If the objectors want to challenge the fact that the Trustees did not consider these documents in connection with their evaluation of the Settlement, they can do so without this fishing expedition.

The objectors' requests for information related to "conflicts of interest" broadly seek documents related to the Trustees' alleged potential liability with respect to the Covered Trusts. These documents are irrelevant for a host of reasons, including the fact that they relate to claims that are not released in the Settlement. Furthermore, as part of the Trustees' production of their communications with JPMorgan, the objectors will be receiving the December 12, 2013 letter agreement between JPMorgan and the Trustees concerning expense reimbursement and any communications regarding expense reimbursement, despite the complete lack of relevance of such documents. The Trustees should not be required to produce anything beyond this.

The objectors' requests for documents regarding the "Trustees' good faith in determining the extent of their duties" seek all emails from the Trustees' files that discuss the Trustees' rights and duties. These requests are objectionable because not only would collecting such documents require a herculean effort from the Trustees, but any such documents relate to pure legal issues and may be privileged. The Court will decide whether the Trustees properly discharged their duties in connection with the Settlement, and the Trustees' internal analyses of these duties will not further the Court's analysis.

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Finally, underpinning nearly all of the objectors' remaining requests is the objectors' assertion that any documents not considered by the Trustees in their evaluation of the Settlement may be relevant in this proceeding. This cannot be the proper standard for relevance. It has no coherent limiting principle and would completely upend the summary nature of Article 77. Indeed, if the Court were to adopt this boundless standard, which it should not, the Trustees would be required to search for and review any and all documents in the Trustees' files with any relation to the Covered Trusts, the claims being released in the Settlement, the parties to the Settlement, the Trustees' rights and duties, and residential mortgage-backed securities generally—that is, essentially everything in the Trustees' files spanning the approximately ten-year period since the closing of the Covered Trusts.

While the Trustees are prepared to continue to confer in good faith regarding discovery in this proceeding, as explained in previous correspondence, the Trustees' view remains that the objectors should not be permitted to obtain additional discovery beyond the documents and information identified herein. The Trustees reserve all rights.

Very truly yours,

JONES DAY

/s/ Matthew A. Martel

Matthew A. Martel

*Attorney for Petitioner U.S. Bank
National Association*

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/s/ Michael E. Johnson

Michael E. Johnson

*Attorney for Petitioner Wilmington Trust,
National Association*

MAYER BROWN LLP

/s/ Matthew D. Ingber

Matthew D. Ingber

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*Attorneys for the National Credit Union
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EXHIBIT A

of Grand Rapids General Retirement System, City of Grand Rapids Police and Fire Retirement System and The Westmoreland County Employee Retirement System, respondents-appellants.

Halperin Battaglia Raicht, LLP, New York (Donna H. Lieberman of counsel), for United States Debt Recovery VIII, LP and United States Debt Recovery X, LP, respondents-appellants.

Federman & Sherwood, New York (William B. Federman of counsel), for American Fidelity Assurance Company, respondent-appellant.

Alston & Bird LLP, New York (Michael E. Johnson of counsel), for amici curiae.

Order and judgment (one paper), Supreme Court, New York County (Barbara R. Kapnick, J.), entered February 21, 2014, modified, on the law and the facts, to approve the settlement in all respects, including the aspect releasing the loan modification claims, and otherwise affirmed, without costs.

Opinion by Saxe, J. All concur.

Order filed.

SUPREME COURT, APPELLATE DIVISION, FIRST DEPARTMENT,

David Friedman, J.P.
Rolando T. Acosta
David B. Saxe
Sallie Manzanet-Daniels
Judith J. Gische, JJ.

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Index 651786/11

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In re The Bank of New York
Mellon, etc., et al.,
Petitioners.

- - - - -

The Bank of New York Mellon,
etc.,
Petitioner-Appellant-Respondent,

Blackrock Financial Management
Inc., et al.,
Intervenors-Petitioners-
Appellants-Respondents,

-against-

The Retirement Board of the
Policemen's Annuity and Benefit
Fund of the City of Chicago, et al.,
Respondents-Respondents-Appellants,

Triax Prime CDO 2006-1, Ltd., et al.,
Respondents,

The Knights of Columbus,
Intervenor-Respondent.

- - - - -

The American Bankers Association
and the New York Bankers Association,
Amici Curiae.

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Cross appeals from the order and judgment (one paper), of the Supreme Court, New York County (Barbara R. Kapnick, J.), entered February 21, 2014, in this special proceeding brought pursuant to CPLR article 77, approving the settlement agreement except to the extent it releases the loan modification repurchase claims.

Mayer Brown LLP, New York (Matthew D. Ingber, Christopher J. Houpt, Hannah Y.S. Chanoine, Michael Kimberly and Michael Rafield of counsel), and Dechert LLP, New York (James M. McGuire, Hector Gonzalez and Mauricio A. España, of counsel), for The Bank of New York Mellon, appellant-respondent.

Gibbs & Bruns LLP, Houston, TX (Kathy D. Patrick of the bar of the State of Texas, admitted pro hac vice, of counsel), and Warner Partners, P.C., New York (Kenneth E. Warner of counsel), for intervenors-appellants-respondents.

Scott+Scott, LLP, New York (Beth A. Kaswan, William C. Fredericks and Max R. Schwartz of counsel), for The Retirement Board of the Policemen's Annuity & Benefit Fund of the City of Chicago, City of Grand Rapids General Retirement System, City of Grand Rapids Police and Fire Retirement System and The Westmoreland County Employee Retirement System, respondents-appellants.

Halperin Battaglia Raicht, LLP, New York (Donna H. Lieberman and Scott A. Ziluck of counsel), for United States Debt Recovery VIII, LP and United States Debt Recovery X, LP, respondents-appellants.

Federman & Sherwood, New York (William B. Federman of counsel), for American Fidelity Assurance Company, respondent-appellant.

Alston & Bird LLP, New York (Michael E.
Johnson and Alexander S. Lorenzo of counsel),
for amici curiae.

SAXE, J.

This appeal requires us to consider the nature and extent of the scrutiny the court may properly apply to a trustee's settlement of claims of misconduct on the part of the originator and servicer of residential mortgage backed securities.

Petitioner Bank of New York Mellon (BNYM), as trustee, commenced this proceeding pursuant to CPLR Article 77, seeking court approval for a settlement of claims brought on behalf of a large group of certificateholders against the originator and servicer of the residential mortgage backed securitization trusts for which BNYM serves as trustee. Some other certificateholders opposed the settlement, asserting a number of failures with regard to the Trustee's handling of the negotiation and with regard to the proposed settlement. We conclude that the Trustee properly exercised its discretion in its settlement of all the claims.

Background

Between 2004 and 2008, approximately 1.6 million residential mortgage loans were bundled together into securities pursuant to Pooling and Servicing Agreements (PSAs) or Sale and Servicing Agreements (collectively, Governing Agreements), and held in 530 residential mortgage-securitization trusts, with BNYM serving as Trustee. These mortgage-backed securities were originated and

sold by Countrywide Home Loans, then underwritten and sold to investor-certificateholders. Countrywide serviced the loans until it was acquired by Bank of America (BoFA) in July 2008.

On October 18, 2010, following the collapse in the housing market and the decline in the value of mortgage-backed securities, a Notice of Non-Performance was issued to Countrywide and Bank of New York by a large group of the certificateholders, referred to here as the Institutional Investors,¹ who collectively hold more than \$34 billion in certificates in the Trusts, representing 24% of the face value of all such certificates.

¹ The Institutional Investors, intervenors-petitioners here, consist of: BlackRock Financial Management Inc.; Kore Advisors, L.P.; Maiden Lane, LLC; Metropolitan Life Insurance Company; Trust Company of the West and affiliated companies controlled by The TCW Group, Inc.; Neuberger Berman Europe Limited; Pacific Investment Management Company LLC; Goldman Sachs Asset Management, L.P.; Teachers Insurance and Annuity Association of America; Invesco Advisors, Inc.; Thrivent Financial for Lutherans; Landesbank Baden-Wuerttemberg; LBBW Asset Management (Ireland) plc, Dublin; ING Bank fsb; ING Capital LLC; ING Investment Management LLC; Nationwide Mutual Insurance Company and its affiliated companies; AEGON USA Investment Management LLC, authorized signatory for 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; Federal Home Loan Bank of Atlanta; Bayerische Landesbank, Prudential Investment Management, Inc.; and Western Asset Management Company.

The Settlement

Beginning in November 2010, the Institutional Investors, with the participation of the Trustee and its retained counsel, engaged in negotiations with Countrywide and BofA to reach a settlement of the claims raised in their Notice of Non-Performance for the benefit of the Trusts. Ultimately, with the assistance and participation of the Trustee, the Institutional Investors arrived at a proposed settlement agreement with BofA and Countrywide, dated June 28, 2011. Under the settlement, BofA and Countrywide agreed to: (1) pay \$8.5 billion into the Trusts, allocated pursuant to an agreed-upon methodology that accounts for past and expected future losses associated with the loans in each Trust; (2) implement improvements in mortgage servicing procedures, including transfer of high-risk loans to specialty subservicers, which improvements could not have been achieved in litigation, and were valued at \$3 billion; and (3) indemnify the Trusts against certain losses caused by an alleged failure by the seller to deliver mortgage loan files in the proper form.

The Trustee then commenced this special proceeding under CPLR Article 77, for court approval of the settlement agreement, and the Institutional Investors made a motion to intervene as co-petitioners. Following a worldwide notice program, the

Objectors,² a group of certificateholders who opposed the settlement, were permitted to intervene. A lengthy hearing was then held.

In opposition to the settlement, the Objectors argued that the Trustee had acted unreasonably, in bad faith, and outside its discretion by (1) failing to represent Certificateholders' interests during settlement negotiations and placing its own interests above those of Certificateholders, focusing on its own liability exposure; (2) retaining conflicted counsel who immediately focused on a settlement without properly investigating the loans or evaluating the strengths and weaknesses of the various claims; (3) relying on faulty assumptions to estimate a low settlement range for the claims; and (4) failing to insist on a loan file review. Additionally, some of the Objectors specifically argued that the seller or servicer of the Trusts' loans had breached their obligation under the PSAs to repurchase modified loans from the Trusts, and that

² The Objectors consist of the Retirement Board of the Policemen's Annuity & Benefit Fund of the City of Chicago, the City of Grand Rapids General Retirement System, and the City of Grand Rapids Police and Fire Retirement System [the "Public Pension Funds"], United States Debt Recovery VIII, LP and United States Debt Recovery X, LP [the "US Debt Recovery Entities"], and American Fidelity Assurance Company ["American Fidelity"]. The AIG Entities and the Triaxx Entities that appear as respondents in the caption have withdrawn their appeals.

the settlement improperly releases those claims without the necessary scrutiny or assessment of their value.

While Supreme Court approved the bulk of the settlement, and rejected the claims faulting the Trustee's conduct, it agreed with those Objectors who took issue with the settlement's release of claims arising out of the alleged failure to repurchase modified loans. The court held that the Trustee had acted "unreasonably or beyond the bounds of reasonable judgment" by failing to investigate the potential worth or strength of those claims before releasing them. Specifically, the court asserted that the Trustee's attorney, Jason Kravitt, had not shown that a factual assessment had been made of the value of those claims. It disapproved of Kravitt's reliance on the reasoning that (1) BofA had a strong argument that the language in the PSAs did not require the repurchase of loans modified for loss mitigation purposes; (2) since loss mitigation modifications were favored by both state and federal governments, it did not think BofA would agree to repurchase the loans that were modified on that basis; and (3) the claim for compensation based on the failure to repurchase the modified loans was a weak one for negotiation purposes, and it was a better negotiation strategy to focus on the strong contentions. In rejecting the Trustee's foregoing reasoning, the court explained that the submissions lacked

evidentiary material supporting the Trustee's interpretation of the language in the PSAs regarding the repurchase obligation for modified loans, particularly noting that the Trustee had not retained an expert for this issue.

Discussion

The ultimate issue for determination here is whether the trustee's discretionary power was exercised reasonably and in good faith (see *Haynes v Haynes*, 72 AD3d 535, 536 [1st Dept 2010]). It is not the task of the court to decide whether we agree with the Trustee's judgment; rather, our task is limited to ensuring that the trustee has not acted in bad faith such that his conduct constituted an abuse of discretion (*id.*).

We agree with Supreme Court that the Trustee did not abuse its discretion or act unreasonably or in bad faith in embarking on the settlement here. The Trustee acted within its authority throughout the process, and there is no indication that it was acting in self-interest or in the interests of BofA rather than those of the certificateholders.

Importantly, "if a trustee has selected trust counsel prudently and in good faith, and has relied on plausible advice on a matter within counsel's expertise, the trustee's conduct is significantly probative of prudence" (Restatement [Third] of Trusts § 77, Comment b[2]). While reliance on the advice of

counsel may not always be the end of the analysis regarding a claimed breach of trust -- it is possible for a trustee to specifically seek out legal advice that would support the trustee's desired course of conduct, or there may be other circumstances establishing that it was unreasonable to follow the legal advice (*id.*) -- a party challenging the decisions of a trustee who followed the advice of a highly-regarded specialist in the relevant area of law can prevail only upon a showing that, based on the particular circumstances, the reliance on such counsel's assessment was unreasonable and in bad faith. Court approval of the settlement does not require that the court agree with counsel's judgment or assessment; all that is required is a determination that it was reasonable for the Trustee to rely on counsel's expert judgment.

Supreme Court correctly rejected the arguments that the Trustee's retained law firm, Mayer Brown, suffered from a disabling conflict of interest such that the firm could not render valid legal analysis and advice. The nature of the asserted conflict was disclosed and waived, and had no impact on the propriety of the advice on which the Trustee relied.

Indeed, reliance on the advice of lead counsel, Jason Kravitt, was eminently reasonable. Kravitt was a leading expert in the field of securitization, and he and his team of

experienced securitization lawyers thoroughly reviewed the relevant governing agreements. Ultimately, they reasonably embraced a negotiating strategy that did not specifically seek recovery for the claimed failure to repurchase modified loans for any of the 530 Trusts. Viable legal reasoning led to the conclusion that the PSAs did not appear to require repurchase by the seller of loans that the seller or servicer modified for loss mitigation purposes -- the only type of modification actually performed on the mortgage loans in the Trust. Moreover, it was reasonable to suggest that BofA was unlikely to agree to repurchase such loans because that type of modification was being encouraged by government policy in the foreclosure crisis. Nor was it unreasonable for Kravitt to recommend against pressing what he perceived to be a weak argument regarding the claimed repurchase obligation for loan modifications, since doing so could detract from efforts to press the stronger claims for breach of warranty and servicing obligations. Indeed, the release of weak claims in the context of comprehensive settlements may be a viable and reasonable negotiation strategy (see e.g. *In re Triac Cos., Inc.*, 791 A2d 872, 876, 878 [Del Ch 2001]; *Manacher v Reynolds*, 165 A2d 741, 747 [Del Ch 1960]); here, there was reason to suggest that declining to press the weak claims would not reduce the total amount of money the

Trustee would ultimately achieve in pressing the stronger claims.

In evaluating the elements of the settlement, the Trustee properly obtained and considered the opinions of several highly respected outside experts, including not only the assessment of the money value of the claims, but assessments of Countrywide's ability to pay -- estimated by experts as a maximum of \$4.5 billion -- and the likelihood of success of BofA's defense against a claim of successor liability, a claim which experts warned had never been successfully applied in such a situation. Kravitt's decision not to have an outside expert evaluate the legal merits of the loan modification claims does not undermine his assessment. Retained legal counsel can properly assess legal issues and nothing in the Trustee's retention, or non-retention, of experts warrants the rejection of counsel's assessment and advice or the Trustee's ultimate decision to accept the terms of the negotiated settlement. It is also worth noting that it would have been unreasonable to decline to enter into the settlement with the expectation of obtaining a much greater judgment after years of litigation, while knowing that attempts to enforce such a judgment would likely result in the actual collection of a lesser sum than that offered in the proposed settlement.

In rejecting the portion of the settlement that released the loan modification repurchase claims, and in finding that the

Trustee lacked the necessary basis for its assessment that the loan modification claims were too weak to warrant pursuing in negotiating the global settlement, Supreme Court disregarded the standard of deference due to a trustee's exercise of discretionary judgment. Indeed, in doing so the court was, in effect, improperly imposing a stricter and far less deferential standard, one that allows a court to micromanage and second guess the reasoned, and reasonable, decisions of a Trustee. We therefore find that the Trustee did not abuse its discretion in deciding to release the claims based on the failure to repurchase the modified mortgages, and we approve the settlement in its entirety.

Accordingly, the order and judgment (one paper), of the Supreme Court, New York County (Barbara R. Kapnick, J.), entered February 21, 2014, in this special proceeding brought pursuant to CPLR article 77, approving the settlement agreement except to the extent it releases the loan modification repurchase claims, should be modified, on the law and the facts, to approve the

settlement in all respects, including the aspect releasing the loan modification claims, and otherwise affirmed, without costs.

All concur.

THIS CONSTITUTES THE DECISION AND ORDER
OF THE SUPREME COURT, APPELLATE DIVISION, FIRST DEPARTMENT.

ENTERED: MARCH 5, 2015


CLERK

EXHIBIT B

Objectors' Document Requests for Which the Trustees Have Agreed to Produce Responsive Documents			
Trustee Category	Trustees' Description	Responsive to Objector Request(s)	Objectors' Description
1	All documents Trustees provided to the Financial Advisors in connection with their respective evaluations of the Settlement, including:		
1(a)	Deal documents concerning the Covered Trusts	2, 15	Information supplied to the trustee experts with regard to the evaluation of the settlement; pooling and servicing agreements, indentures, sales and servicing agreements, prospectus supplements, and private placement memoranda for all JPM Trusts
1(b)	Certain JPMorgan loan repurchase data concerning government-sponsored entities	2, 3	Information supplied to the trustee experts with regard to the evaluation of the settlement; documents discussing or analyzing actual or alleged breaches of representation and warranties, defaults, or trust losses due to representation and warranty breaches in the JPM Trusts
1(c)	Repurchase data concerning the Covered Trusts	2, 3	Information supplied to the trustee experts with regard to the evaluation of the settlement; documents discussing or analyzing actual or alleged breaches of representation and warranties, defaults, or trust losses due to representation and warranty breaches in the JPM Trusts
1(d)	Mortgage loan cure/repurchase demand correspondence and supporting materials concerning the Covered Trusts	2, 3	Information supplied to the trustee experts with regard to the evaluation of the settlement; documents discussing or analyzing actual or alleged breaches of representation and warranties, defaults, or trust losses due to representation and warranty breaches in the JPM Trusts; re-underwriting reports, analyses or summaries with regard to loans backing any of the JPM Trusts or JPM loans

1(e)	SEC Form ABS 15-G filings	2, 3	Information supplied to the trustee experts with regard to the evaluation of the settlement; documents discussing or analyzing actual or alleged breaches of representation and warranties, defaults, or trust losses due to representation and warranty breaches in the JPM Trusts
1(f)	Public information including pleadings and other material concerning RMBS cases and settlements	2, 3	Information supplied to the trustee experts with regard to the evaluation of the settlement; documents discussing or analyzing actual or alleged breaches of representation and warranties, defaults, or trust losses due to representation and warranty breaches in the JPM Trusts
1(g)	Mortgage loan diligence data concerning certain covered loans	2, 3	Information supplied to the trustee experts with regard to the evaluation of the settlement; documents discussing or analyzing actual or alleged breaches of representation and warranties, defaults, or trust losses due to representation and warranty breaches in the JPM Trusts; re-underwriting reports, analyses or summaries with regard to loans backing any of the JPM Trusts or JPM loans
1(h)	Loan modification data concerning certain covered loans	2	Information supplied to the trustee experts with regard to the evaluation of the settlement
1(i)	Loan tapes for certain covered loans	2	Information supplied to the trustee experts with regard to the evaluation of the settlement
1(j)	Documents identifying originators, servicers, and insurers for certain covered loans	2	Information supplied to the trustee experts with regard to the evaluation of the settlement;
1(k)	Servicing-related ratings agency information	2	Information supplied to the trustee experts with regard to the evaluation of the settlement
1(l)	Monthly housing scorecards concerning the U.S. Treasury's "Making Home Affordable Program"	2	Information supplied to the trustee experts with regard to the evaluation of the settlement

1(m)	SPS subservicing agreements and agreement supplements	2	The correspondence between Trustees and experts with regard to the evaluation of the settlement
1(n)	Documents identifying loans transferred to SPS for subservicing	2	Information supplied to the trustee experts with regard to the evaluation of the settlement
1(o)	Additional subservicing-related documents and information	2	Information supplied to the trustee experts with regard to the evaluation of the settlement
1(p)	Loan servicing database extracts	2	Information supplied to the trustee experts with regard to the evaluation of the settlement
1(q)	Document exception reports concerning certain Covered Trusts	2, 6(b)	Information supplied to the trustee experts with regard to the evaluation of the settlement; documents containing the final certification report with the accompanying exception report provided by the Trustee to the Depositor regarding delivery of mortgage documentation and documents sufficient to show any exceptions cured by the date of the Settlement, and the date of such cure
1(r)	Presentations given to the Trustees by Quinn Emanuel attorneys concerning the Settlement, and related materials	2, 3, 7(a)	Information supplied to the trustee experts with regard to the evaluation of the settlement; all correspondence between the Trustees and certificateholders in JPM Trusts regarding the settlement; documents discussing or analyzing actual or alleged breaches of representation and warranties, defaults, or trust losses due to representation and warranty breaches in the JPM Trusts; documents discussing or concerning the views of any certificateholder considering the settlement or any effort of a Trustee to determine certificateholder views
1(s)	Analyst reports concerning the Settlement	2	Information supplied to the trustee experts with regard to the evaluation of the settlement

1(t)	Certain correspondence between the Trustees and holders of beneficial interests in the Covered Trusts	2, 3, 8	Information supplied to the trustee experts with regard to the evaluation of the settlement; all correspondence between the Trustees and certificateholders in JPM Trusts regarding the settlement; documents discussing or analyzing actual or alleged breaches of representation and warranties, defaults, or trust losses due to representation and warranty breaches in the JPM Trusts; documents discussing or concerning efforts by certificateholders to direct or instruct a Trustee to investigate, litigate or take other action regarding a JPM Trust and any Trustee response; communications between Trustees and certificateholders in JPM Trusts that are not available on the investor website
1(u)	Certain public company periodic reporting	2	Information supplied to the trustee experts with regard to the evaluation of the settlement
1(v)	Information concerning cure periods under governing agreements for Covered Trusts	2, 10	The correspondence between Trustees and experts with regard to the settlement; information supplied to the trustee experts with regard to the evaluation of the settlement; documents discussing or concerning whether representation and warranty or servicing claims of the JPM Trusts were timely or untimely at the time of the Settlement, including in light of any tolling agreements

2	All correspondence between the Trustees and investors in the Subject Trusts concerning the Settlement in addition to the correspondence provided to the Trustees' Financial Advisors	2, 3, 8	All correspondence with JPM certificate holders regarding the settlement; documents discussing or analyzing actual or alleged breaches of representation and warranties, defaults, or trust losses due to representation and warranty breaches in the JPM Trusts; documents discussing or concerning efforts by certificateholders to direct or instruct a Trustee to investigate, litigate or take other action regarding a JPM Trust and any Trustee response; communications between Trustees and certificateholders in JPM Trusts regarding breach of representation and warranty claims that are not available on the investor website; documents discussing or concerning the terms of indemnification demanded by a Trustee from directing certificate holders in any JPM Trust, or which a Trustee was prepared to demand or stated it would require
3	All communications between the Trustees and the Financial Advisors or professional staff of the Financial Advisors concerning the Settlement	1, 2	The process by which the settlement was reviewed, including any consideration of different approaches to evaluation of the settlement and alternatives to accepting the proposed settlement; the selection of information and materials given to the Trustee experts and decision-makers; the tasks the Trustee experts were asked to perform with regard to the evaluation of the settlement; the correspondence between Trustees and experts with regard to the settlement; information supplied to the trustee experts with regard to the evaluation of the settlement

4	All communications between JPMorgan and the Trustees concerning the Settlement	1, 2, 3, 5(g)	The process by which the settlement was reviewed, including any consideration of different approaches to evaluation of the settlement and alternatives to accepting the proposed settlement; all correspondence with JPM regarding the settlement; all communications discussing the adequacy of the settlement consideration; documents discussing or concerning agreements by JPM to reimburse the Trustees for fees, costs, or expenses incurred in connection with the Settlement; documents discussing or concerning any indemnity requested, promised or provided by JPM to the Trustees
5	All communications between the Trustees and the Institutional Investors concerning the Settlement	2, 3	All correspondence between the Trustees and JPM certificateholders regarding the settlement; all communications between Trustees and certificateholders in JPM Trusts regarding representation and warranty or servicing breaches or the settlement that were not provided on the investor website
6	All documents and communications concerning the Trustees' evaluation and retention of their Financial Advisors	1	The selection of experts utilized by the Trustees for the evaluation of settlement; the tasks the Trustee experts were asked to perform with regard to the evaluation of the settlement
7	All communications within and between the Trustees identifying the assignments of the Trustees' Financial Advisors	1, 2	The tasks the Trustee experts were asked to perform with regard to the evaluation of the settlement; all correspondence among the Trustees concerning the settlement
8	All communications within and between the Trustees identifying determinations concerning the selection of the documents and information provided to the Trustees' Financial Advisors	1, 2	The tasks the Trustee experts were asked to perform with regard to the evaluation of the settlement; the selection of information and materials given to the Trustee experts and decision-makers; all correspondence among the Trustees concerning the settlement

9	All documents considered by each Trustee's committee or other relevant decision maker(s) when determining whether to accept the Settlement	1, 2	The process by which the settlement was reviewed, including any consideration of different approaches to evaluation of the settlement and alternatives to accepting the proposed settlement; information supplied to the Trustee decision-makers with regard to the evaluation of the settlement
10	All documents concerning the selection of material provided to each Trustee's committee or other relevant decision maker(s) when determining whether to accept the Settlement	1	The selection of information and materials given to the Trustee experts and decision-makers
11	Any analyses prepared by the Trustees concerning the adequacy of the Settlement Payment other than analyses prepared by the Trustees' Financial Advisors	3	All communications discussing the adequacy of the settlement consideration
12	All notices to investors in the Subject Trusts	7(a), 8	Documents discussing or concerning the views of any certificateholder considering the settlement or any effort of a Trustee to determine certificateholder views; documents discussing or concerning efforts by certificate holders to direct or instruct a Trustee to investigate, litigate or take other action regarding a JPM Trust and any Trustee response
13	All tolling agreements applicable to the Subject Trusts	10, 13	Documents discussing or concerning whether representation and warranty or servicing claims of the JPM Trusts were timely or untimely at the time of the Settlement, including in light of any tolling agreements; documents discussing or concerning any and all tolling agreements relating to the JPM Trusts with regarding to representation and warranty or servicing claims

14	All analyses concerning the rationale for Section 3.05(b)(ii) of the Settlement Agreement	11	Documents discussing or concerning the haircut set forth in Section 3.05(b)(ii) of the Settlement Agreement, and explaining the basis for the haircut
15	All final document exception reports for the Subject Trusts	2, 6(b)	Information supplied to the trustee experts with regard to the evaluation of the settlement; documents containing the final certification report with the accompanying exception report provided by the Trustee to the Depositor regarding delivery of mortgage documentation and documents sufficient to show any exceptions cured by the date of the Settlement, and the date of such cure
16	Any mortgage loan diligence reports concerning loans in the Subject Trusts in addition to the reports to the Trustees' Financial Advisors	3	Documents discussing or analyzing actual or alleged breaches of representation and warranties, defaults, or trust losses due to representation and warranty breaches in the JPM Trusts
17, 1(a)	The pooling and servicing agreement or the indenture and sale and servicing agreement, and the prospectus supplement and/or private placement memorandum for the Subject Trusts, and any deal documents concerning the Covered Trusts provided to the Financial Advisors	15	Pooling and servicing agreements, indentures, sales and servicing agreements, prospectus supplements, and private placement memoranda for all JPM Trusts

18	Unredacted reports of the Trustees' Financial Advisors	1, 3, 4, 6(a), 10	The process by which the settlement was reviewed, including any consideration of different approaches to evaluation of the settlement and alternatives to accepting the proposed settlement; documents discussing or analyzing actual or alleged breaches or defaults by any servicer or master servicer of its servicing obligations to any JPM Trust; documents discussing or analyzing any breach or defect, actual or alleged, in the servicing of any loan by JPM; all documents analyzing or discussing the performance of JPM as servicer or master servicer; documents analyzing or discussing actual or alleged breaches or defaults by any servicer or master servicer of its servicing obligations to any JPM Trust; documents discussing or concerning whether representation and warranty or servicing claims of the JPM Trusts were timely or untimely at the time of the Settlement, including in light of any tolling agreements
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Objectors' Document Requests for Which the Trustees Have Not Agreed to Produce Any Responsive Documents	
Objectors' Request	Objectors' Description
1 (partial)	The selection of Trustee decision-makers regarding approval of the settlement
3 (partial)	Documents referring to risks or liabilities pertaining to JPM Trusts, or loans originated by JPM
4 (partial)	Communications between Trustees and master servicers regarding servicing breaches or otherwise pertaining to Trustee failure to perform its servicing obligations for JPM Trusts, including with respect to loan modifications
5(a)	All documents discussing or concerning actual or potential Trustee conflicts of interest pertaining to the settlement, JPM, or any Institutional Investor
5(b)	Documents discussing or concerning actual or potential Trustee liability to RMBS investors with regard to the JPM Trusts for failure to pursue timely claims
5(c)	Documenting [sic] discussing or concerning Trustee conflicts of interests resulting from Institutional Investor lawsuits against Trustees regarding trusts other than the Accepting Trusts
5(d)	Documents discussing or concerning actual or potential impact or implications of JPM settlement on Trustees' exposure to RMBS investors in other trusts for which Trustees serve as trustees
5(e)	Documents analyzing or discussing Trustee parent or affiliate actual or potential liability in connection with its issuance, origination and servicing of RMBS or RML from 2004-2008
8 (partial)	Documents discussing or concerning consideration of any policy, practice, standard, legal considerations, or risk in the terms of indemnification required from directing certificateholders
9	Documents concerning Trustees' good faith in determining the extent of their duties to the Trusts
14	Documents discussing or concerning conflict waivers obtained by JPM, the Institutional Investors, or the Trustees, or counsel for these entities, in connection with the Settlement.

EXHIBIT C

Trustee Settlement Custodians

The Bank of New York Mellon, as trustee

1. Melissa Adelson
2. Frank Amodeo, Meeting invitee
3. Susan Bowers, Committee Secretary
4. Steven Chrysanthis
5. Kelly Crosson
6. Robert Griffin, Meeting invitee
7. Donald Lancaster, Ex-officio Committee Member
8. Patrick Lankford, Meeting invitee
9. Carolyn Lee, Ex-officio Committee Member
10. Loretta Lundberg
11. James Maitland
12. Robert Major
13. Nandini Mani
14. Philip Reinle
15. Richard Stanley, Trust Committee Chairman
16. Alex Tsarnas

The Bank of New York Mellon Trust Company, as trustee

1. Frank Amodeo, Meeting invitee
2. Susan Bowers, Committee Secretary
3. Kari J. Bradley
4. Julz Burgess
5. Robert Griffin, Meeting invitee
6. Donald Lancaster, Ex-officio Committee Member
7. Patrick Lankford, Meeting invitee
8. Carolyn Lee, Ex-officio Committee Member
9. Loretta Lundberg
10. Jocelyn Lynch
11. Robert Major
12. Nandini Mani
13. Antonio Portuondo, Trust Committee Chairman
14. Michael J. Rogers
15. Sarah Stout
16. Scott Thompson

Deutsche Bank National Trust Company, as trustee

1. David Co, Director
2. Ronaldo Reyes, Vice President
3. Kellie Rodriguez, Director

HSBC Bank USA, National Association, as trustee

1. Fernando Acebedo, Vice President
2. Domenic Cervoni, Vice President
3. Ronald DeSorbo, Vice President
4. Kevin Fisher, Senior Vice President
5. Raz Haramati, Vice President
6. Lindsay Jernigan, Vice President
7. Thomas Mackay, Senior Vice President
8. Robert Tunney, Senior Vice President

Law Debenture Trust Company of New York, as separate trustee

1. Thomas Musarra, Senior Vice-President
2. Kevin O'Brien, President and Chief Executive Officer

U.S. Bank National Association, as trustee

1. James Byrnes, Vice President
2. Edward Frere, Jr., Senior Vice President
3. David Hagens, Vice President
4. Eve Kaplan, Senior Vice President
5. Timothy Pillar, Senior Vice President
6. Scott Strodthoff, Senior Vice President
7. Elizabeth Taraila, Vice President
8. Nicolas Valaperta, Vice President
9. Brad Zwetzig, Vice President

Wells Fargo Bank, National Association, as trustee

1. John Berczuk, CTS Account Management Manager
2. Kathy Jones, CTS Account Manager
3. Troy Kilpatrick, Head of Corporate Trust
4. Mary Sohlberg, CTS Special Accounts Consultant
5. Linda Stinson, CTS Special Accounts Management Manager
6. William Walther, CTS Division Manager
7. Mike Watchke, CTS Division Manager

Wilmington Trust, National Association, as trustee

1. Steve Cimalore, Vice President
2. Robert Fiedler, Vice President and Counsel
3. Garry Hills, Vice President
4. Jennifer Luce, Vice President

5. Roseline Maney, Administrative Vice President
6. Joseph Nardi, Group Vice President

EXHIBIT D

Trustee Outside Counsel Custodians

The Bank of New York Mellon, as trustee and the Bank of New York Mellon Trust Company, as trustee

Mayer Brown LLP

1. Christopher B. Horn
2. Christopher J. Houpt
3. Matthew D. Ingber
4. Jason H. P. Kravitt
5. Jarman D. Russell
6. Sagi Tamir

Deutsche Bank National Trust Company, as trustee

Morgan, Lewis & Bockius LLP

1. Laya Kaigh
2. Michael Kraut
3. Kurt Rademacher
4. John Rosenthal

HSBC Bank USA, National Association, as trustee

Mayer Brown LLP

1. Jean-Marie Atamian
2. Aaron Gavant
3. Lauren Jacobson
4. Michael Ware
5. Matthew Wargin
6. Ian Zack

Law Debenture Trust Company of New York, as separate trustee

Seward & Kissel LLP

1. Dale C. Christensen, Jr.
2. Thomas Ross Hooper
3. M. William Munno

U.S. Bank National Association, as trustee

Jones Day

1. Charlotte P. Bodell
2. David E. Conroy
3. John Ketcham
4. Keith Kollmeyer
5. Matthew A. Martel
6. Robert Micheletto
7. Scott Pierpont
8. Kristen Raymond
9. Joseph B. Sconyers
10. Kristen R. Vogel
11. Nina Yadava

Wells Fargo Bank, National Association, as trustee

Faegre Baker Daniels LLP

1. Michael F. Doty
2. Stephen M. Mertz
3. Nicole M. Murphy
4. Robert L. Schnell

Wilmington Trust, National Association, as trustee

Alston & Bird LLP

1. Chaz Beasley
2. Michael Johnson
3. Jason Solomon
4. Christina Spiller