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INDEX NO. 652382/2014

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

In the matter of the application of : Index No. 652382/2014

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 (as trustees under various Pooling:
and Servicing Agreements and indenture trustees under:

Motion Sequence No. 7

Part 60

Hon. Marcy S. Friedman

AFFIRMATION OF MICHAEL C. LEDLEY IN SUPPORT OF MOTION TO INTERVENE

Petitioners,

various Indentures),

for an order, pursuant to CPLR § 7701, seeking judicial: instruction.

I, Michael C. Ledley, hereby affirm under the penalty of perjury that the following is true and correct:

- 1. I am a member of the Bar of this Court and a partner of Wollmuth Maher & Deutsch LLP, attorneys for proposed intervenors QVT Fund V LP, QVT Fund IV LP and Quintessence Fund L.P. (collectively, the "QVT Funds"). I offer this affirmation in support of the QVT Funds' motion to intervene.
- 2. I have knowledge of the facts set forth herein on the basis of personal knowledge and the review of documents in the possession of my firm.
- 3. U.S. Bank National Association ("U.S. Bank"), 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 U.S.A., N.A., and Deutsche Bank National Trust Company (collectively, the "Petitioners") commenced this proceeding by filing a petition under CPLR 7701 on August 3, 2014.

Petitioners are seeking judicial approval of a proposed settlement that it entered into on behalf of investors in more than 300 trusts for which they respectively serve as trustee.

- 4. JPMorgan Chase and its affiliates ("JPMorgan") sold millions of mortgage loans to these trusts, and the trusts in turn sold securities called certificates backed by those mortgage loans to investors. JPMorgan made numerous representations and warranties about those loans to investors and/or assigned representations and warranties about these loans made by original sellers of these loans to trustees for the benefit of investors and agreed to backstop the obligations of those original sellers. JPMorgan agreed to repurchase from the trusts loans that did not comply with the representations and warranties.
- 5. The QVT Funds own securities in certain of the trusts at issue, including more than 25% of the securities issued by JPMorgan Acquisition Corp. 2006-WMC1 ("JPMAC 2006-WMC1").
- 6. Through various correspondence, including a letter dated June 23, 2014, the QVT Funds, through their manager QVT Financial LP, exercised their power under the Pooling and Servicing Agreement for JPMAC 2006-WMC1 (the "PSA"), as holders of 25% or more of the securities issued by the Trust, to direct the trustee (U.S. Bank) to reject the proposed settlement. U.S. Bank, however, refused to follow the QVT Funds' direction and purported to accept the settlement on behalf of the investors in JPMAC 2006-WMC1.
- 7. The QVT Funds seek to intervene as a respondent in this proceeding to appear and object to the proposed settlement at the December 16, 2014 hearing scheduled by the Court and to promptly move pursuant to CPLR 409(b) and 3212 for an order rejecting the proposed

settlement as to JPMAC 2006-WMC1 as a matter of law because, among other reasons, U.S. Bank exceeded its delegated powers under the PSA by accepting the proposed settlement in contravention of the OVT Funds' direction.

- 8. Under CPLR 401, 1012, and 1013, and Section 18 of this Court's Order to Show Cause dated August 15, 2014, the QVT Funds should be permitted to intervene in this proceeding because (a) this proceeding involves the disposition or distribution of, or the title or a claim for damages for injury to, property and the QVT Funds may be affected by the judgment and (b) the QVT Funds' interests may not be adequately represented by Petitioners or any other party to this proceeding.
- 9. The intervention of the QVT Funds will not prejudice the rights of any of the parties in this proceeding, and, in fact, will assist the Court by adding to its understanding of the facts surrounding the settlement.
- 10. Attached hereto as Exhibit 1 is a true and correct copy of the Expert Report of Daniel R. Fischel, dated July 17, 2014, on which Petitioners' purport to have relied in accepting the proposed settlement.
- 11. Attached hereto as Exhibit 2 is a true and correct copy of the Supplemental Expert Report of Daniel R. Fischel, dated July 26, 2014, on which Petitioners' purport to have relied in accepting the proposed settlement.
 - 12. No previous application has been made for this relief.

Executed this 31st day of October 2014, in New York, New York.

Michael C. Ledley