

Exhibit 2

2 SUPREME COURT OF THE STATE OF NEW YORK
3 COUNTY OF NEW YORK : CIVIL TERM: PART 60

3 - - - - - X

4 In the matter of the application of

5 WELLS FARGO BANK, NATIONAL ASSOCIATION,
6 U.S. BANK NATIONAL ASSOCIATION, THE BANK
7 OF NEW YORK MELLON, THE BANK OF NEW
8 YORK MELLON TRUST COMPANY, N.A.,
9 WILMINGTON TRUST, NATIONAL ASSOCIATION,
10 HSBC BANK USA, N.A., and DEUTSCHE BANK,
11 NATIONAL TRUST COMPANY (as Trustees, Indenture
12 Trustees, Securities Administrators, Paying Agents,
13 and/or Calculation Agents of Certain Residential
14 Mortgage-Backed Securitization Trusts),

10 Petitioners,

11 For Judicial Instructions under CPLR
12 Article 77 on the Administration and
13 Distribution of a Settlement Payment.

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13 Index No. 657387/2017 (Telephone Conference)

14 March 9, 2018
15 60 Centre Street
16 New York, New York 10007

16 B E F O R E: HON. MARCY S. FRIEDMAN, Justice

17

18 A P P E A R A N C E S: (via telephone conference)

19

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A F T E R N O O N S E S S I O N

THE COURT: On the record.

Good afternoon, counsel. This is Judge Friedman.

I would like to ask just the counsel who will be speaking to state their names and the parties they are representing and then we will ask you to get us a list of all of the counsel who are on the conference call today. I have asked for such a list previously and we have yet to get one, so may I ask that you try to get these lists to us in the next week or so.

So let's begin with the counsels' appearances, please.

MR. SHEEREN: Good afternoon, your Honor.

David Sheeren with Gibbs & Bruns in Texas, standing in for Ms. Patrick on behalf of The Institutional Investors.

MR. REED: Kevin Reed of Quinn Emanuel for AIG.

MR. LUNDIN: Good afternoon, your Honor.

This is John Lundin from Schlam Stone & Dolan on behalf of HBK.

MR. FRASER: Good afternoon, your Honor.

It's Brian Fraser from Akerman on behalf of Axonic Capital.

MR. GILMAN: Your Honor, this is Felix Gilman from Axinn Veltrop & Harkrider for Poetic Holdings and

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Prophet Capital Management.

MS. KLEIN: Good afternoon, your Honor.

This is Gayle Klein from McKool Smith on behalf of Nover Ventures, LLC.

THE COURT: Is that everyone? I'm not hearing anything further, so we'll begin. I understand that there is an issue with respect to the production of the governing agreements for entities through which a party is claiming an interest. Mr. Hammerman, my law clerk, has filled me in, but will you just briefly state your positions on the record, please.

MR. SHEEREN: Yes, your Honor. This is David Sheeren for The Institutional Investors. Thank you for making the time this afternoon for us.

Our position, your Honor, is simple. We will be challenging the standing of those who have asserted an indirect interest in the trust in this proceeding on Monday. And in connection with that briefing, we believe it would assist the Court if we could point to specific provisions in the underlying governing agreements that govern the CDOs or re-REMICs or NIM trusts. We think our arguments are strong even without those governing agreements, but we have asked counsel to provide them as a courtesy, largely because we think they will assist the Court in assessing the various standing arguments and

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whether investors and the CDOs in these other vehicles have any ability to speak for those vehicles and whether they have any standing in this proceeding. We've, frankly, been surprised that folks have resisted that request and, given the Court's comments in the order on Wednesday, we thought it wise to bring this issue to your attention today.

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THE COURT: It appears that Mr. Sheeren has concluded. May I have the response, please?

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MR. LUNDIN: Your Honor, this is John Lundin from Schlam Stone & Dolan on behalf of HBK.

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The direct holders here are seeking immediate one-sided discovery. When the parties agreed to a briefing schedule it did not include any discovery. The direct holders have known for months that this was going to be an issue. They wanted a schedule that didn't provide for discovery. We agreed to that. We're fine if there's not going to be discovery, but if there is going to be discovery it has to be done mutually and, I think, in an orderly fashion.

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An important threshold matter is, my client, and I think others, received these documents subject to certain confidentiality obligations. I have no idea, since I didn't find out that they were going to ask the Court to order this discovery until this morning, I have no idea what obligations we have to the people who gave us these

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documents before we produce them. We have not gotten to figure that out.

Further, if we're going to have discovery, we need to have a protective order. The Commercial Division standard protective order is fine by HBK, but I don't know others' views. If we're going to have discovery it needs to be mutual. I don't think we need a lot of discovery on standing, but if there's going to be discovery there's things that we want, and I think it is objectionable, you know, one business day before the briefs are due, to say: Oh, we demand you give us these things. But, of course, they're not offering to provide us anything.

THE COURT: What are you looking for?

MR. LUNDIN: Well, we haven't even had time fully to consult with our clients, your Honor, but I would say the things that come to mind are the following. Based on comments that were made on the last call to the Court, it seems to us the direct holders are going to argue for a standard of standing that they themselves don't even meet, so we would want discovery on that.

We would want, I think, discovery on other decisions by courts that are unreported that they are aware of, whether or not they're going to rely on them. It's making like a small point, but in the petition the trustees cited decisions that took us weeks to get because they were

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2 unreported and it took some time to get them from the
3 court. If they have these things, they got to give them
4 now if we're going to do discovery. But the main thing is
5 whether or not we want anything, we need time to figure out
6 how to produce these things. We need a protective order
7 and we need to do that in a way that doesn't impact our
8 time to respond. The idea that, you know, we have to
9 figure out how do these productions, while at the same time
10 we're trying to oppose these motions on the substance,
11 makes no sense.

12 Now, I don't think it's necessary to blow up the
13 current schedule to do that. You know, I would think in a
14 couple of weeks we could exchange demands and negotiate a
15 protective order and, you know, if we had a conference with
16 one of your court attorneys in a couple of weeks we could
17 sort all objections to discovery out. We could sort out
18 objections to a protective order, maybe two or three weeks
19 to respond and then we can go off with the briefing
20 schedule the way it is in terms of interval.

21 So I'm not saying it's impossible to do. What
22 I'm saying is objectionable and troublesome is that they
23 want immediate one-sided discovery, rather than mutual,
24 orderly discovery, including a protective order. Indeed,
25 it may be the easiest way for them to get these documents
26 is to go to the trustees of the trusts at issue and that

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would allay our confidentiality concerns. I don't know that, but since I only found out that they were going to seek an order from the Court this morning, I haven't had time to figure all these things out.

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So it's possible there's -- if it's going to be done, it should be mutual and orderly. And this request that a courtesy -- a request as a courtesy is turned into a request for an order of the Court at the last minute, I think, is not good.

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MR. SHEEREN: May I respond, your Honor?

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THE COURT: Do any of the other parties want to be heard before you respond? And also please say your name before you speak. I believe that was Mr. Sheeren, but let's be careful to have the names.

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Does anyone else want to join in Mr. Lundin's objection or expand upon it?

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MR. FRASER: Thanks, your Honor. This is Brian Fraser for Axonic.

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I agree with everything that Mr. Lundin said. I just want to underscore the fact that the Institutional Investors have known for many months, lots of months and months, that they were going to be making this motion. The expedited schedule potentially did not seek to build discovery into the schedule, and now, on the day before the motion is due, they come to us and ask us to do the

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impossible, which is produce something for them that we don't have necessarily the right to do. And one must ask themselves why they waited to the end to do this. I agree with Mr. Lundin that this has to be done in an orderly way and this should be mutual.

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Thank you.

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THE COURT: What are you looking for, counselor?

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All I heard from Mr. Lundin, really, was copies of cases. I'm going to want those copies myself, copies of cases that have dealt with standing issues in similar circumstances. Certainly, you can confer between yourselves and exchange whatever you have. That is not really discovery.

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What else is there that anyone might want?

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MR. FRASER: Your Honor, this is Brian Fraser again for Axonic.

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I heard Mr. Sheeren say that the standard that they believe we have to meet is whether or not we have the ability to speak for these other trusts or CDOs. That is not the standard. The standard is whether we have an interest in the certificates that are at issue in this case.

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If they're going to try to hold us to the standard of whether we have authority to act on behalf of the re-REMIC or the CDO, they can't meet that standard

1 Proceedings

2 either and then we would be entitled to get the Trust
3 Agreement or other documents that they're claiming a right
4 to under, because what's good for the goose is good for the
5 gander. If they can't meet the standard, you know, then
6 we're entitled to prove that.

7 THE COURT: Would anyone like to be heard?

8 MS. KLEIN: Yes, your Honor. This is Gayle Klein
9 on behalf of Nover Ventures.

10 I would just like to say Nover Ventures is not
11 looking for any discovery. We think it is quite clear and
12 that we can demonstrate that we have a right to be heard
13 and that the types of documents that the Institutional
14 Investors are seeking are irrelevant. Nonetheless, we
15 received this request on Wednesday. We were specifically
16 told it was not a formal discovery request but a request as
17 a courtesy and we told the Institutional Investors that we
18 would respond today. So the --

19 THE COURT: Just a moment, please. I'm sorry.
20 There's ambient noise in our hallway and the reporter
21 cannot hear over it. I think we're okay now.

22 (The colloquy was read by the reporter.)

23 THE COURT: That's the last thing the reporter
24 got.

25 MS. KLEIN: Very good, your Honor.

26 We told the Institutional Investors that we would

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respond today, so it's not fair to characterize us as resisting this discovery. Nover Ventures' biggest concern is that these documents are not freely obtainable by the Institutional Investors. If they were to call the trustees and ask for them, which we would be pleased for them to do, I don't think that the trustees would provide them to them, unless they could demonstrate that they were certificate holders or a prospective purchaser of the certificates, and that is the basis on which we received the documents. So we are concerned about violating security frauds or our confidentiality obligations with respect to the documents by simply turning them over.

So what we would request -- what we would suggest is that we provide a list of the trustees with respect to all of the governing agreements and that they may seek the governing agreements from the trustees or work out the terms of confidentiality by which we can share them, but we don't think it appropriate that we just simply share them without consulting with the trustees and without the trustees having an opportunity to weigh in on the conditions on which those documents are shared.

MR. LUNDIN: Your Honor, this is John Lundin.

THE COURT: Just a moment, please. Mr. Lundin, I guess you can't hear me because there is a lag.

If there's anyone else who wants to speak against

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the Institutional Investors' position, please state your name so that I know how many more I have to hear from.

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So we had Mr. Lundin who wants to speak again.

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Who else wants to speak?

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MR. GILMAN: Your Honor, this is Felix Gilman for Poetic and Profit.

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THE COURT: Just a moment. I asked all of those who want to speak to state their names so that I can budget the time. So is there anyone besides Mr. Lundin and -- I believe that was Mr. Gilman.

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Now I'm not hearing anything. So let's hear from Mr. Gilman and then Mr. Lundin, but please be brief.

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MR. GILMAN: Your Honor, this is Felix Gilman.

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I simply want to say that for Poetic and Profit we accept Mr. Lundin's remarks. We share his position.

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THE COURT: Thank you. That was commendably brief.

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And Mr. Lundin?

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MR. LUNDIN: Your Honor, just very briefly on the question of what discovery we might seek. The main problem is we haven't had a chance to confer, so an incomplete list would be the decisions that I mentioned. Also, documents relating to the Institutional Investors' standing. If they're going to argue that the requirements for standing is as set forth in the governing agreements, which I think

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is what they're arguing, we wonder if they have complied

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with the "no-action" clauses, if they have received

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permission from Cede & Co. There may be other things.

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That's what we can think of right now. I suppose we'd also

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want their communications with the trustees regarding

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standing. That's just off the top of my head. The main

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thing I would say is we need more time to think about it.

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THE COURT: I think I'd like to be clear here.

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It's not the Institutional Investors who requested that we

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have this conference call today. I set this up on my own

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motion because I received a letter from the parties about

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discovery issues and I wanted to make sure that nothing was

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required to be done on my part. So I don't think the

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Institutional Investors here are trying to blindside anyone

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or are suggesting that people weren't getting back to them

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on time. I think we should move off from that point.

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Now, let's hear a brief reply by Mr. Sheeren.

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MR. SHEEREN: Thank you, your Honor. David

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Sheeren for the Institutional Investors.

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I have a few responses. Let me take them one by

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one. First, the calendar. To be clear, we are not asking

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the Court to push this schedule. We are not going to take

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this call as an opportunity to argue the merits of the

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standing issues. We're going to brief. But suffice it to

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say that I believe that we have strong standing arguments

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2 whether we get these documents or not and we are not
3 seeking to push this schedule out. I think that's a red
4 herring.

5 What we're talking about are literally individual
6 governing documents that are readily available for those
7 clients that we think could be produced essentially
8 immediately and so we're not talking about burdensome
9 discovery. We're just talking about governing agreements
10 under which these folks have claimed an interest in this
11 proceeding. So that's point one.

12 The second concern I've heard is confidentiality,
13 your Honor. We are happy to commit on this call that we
14 will treat these documents on an "attorneys' eyes only"
15 basis. We don't fully understand the objection, but I'm
16 more than willing to agree to that level of confidentiality
17 right here before the Court and would think that would be
18 sufficient to address the concerns raised.

19 Third, the notion that this is a one-sided
20 request, your Honor, we are speaking to challenge the
21 standing of folks who have claimed an interest through
22 indirect exposures to these trusts. If others want to
23 challenge our standing as direct certificate holders, they
24 are free to do so. They have the documents under which we
25 are claiming standing: the Pooling and Servicing Agreement.
26 We are effectively asking folks who hold CDOs to provide us

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what they already have from us, which is the Pooling and

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Servicing Agreement. So to the extent that there's a

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concern about, you know, this being a one-way street, I

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just don't understand it.

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But the reality, your Honor, again, we raise this

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because we think it would assist the Court in addressing

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the standing issues and, frankly, find it somewhat ironic

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and surprising that, you know, folks who have claimed an

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interest in vehicles like CDOs just haven't been willing,

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frankly, to produce those documents, which, to us, raises

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questions around, you know, what inferences one might draw

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from those varying documents. So, again, we want to keep

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the schedule as is but think discovery would assist the

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Court and that the objections raised can be resolved rather

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quickly.

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THE COURT: All right. I understand that there

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is a second issue here.

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MR. REED: Your Honor, it's Mr. Reed.

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I think you're referring to the issue that I

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raised with Mr. Hammerman, which is, I think, much simpler

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and more directly addressed in the prior one as relates

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only to mechanics. The motion that we intend to file on

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Monday challenging standing we intend to file through a

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coordinated brief to minimize the paper that has to come

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before the Court.

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The trick is that we need to inform the Court of which particular parties we're challenging standing for and with respect to which particular trusts. Under the Court's prior confidentiality order, it specified, I believe, our suggestion that the parties should disclose their holdings only to those other parties that had holdings in the same trusts and, as a consequence, there's not one of us among the parties who will file the coordinated brief that knows all of the particular trusts that the standing challenges will apply to because it's been sort of silent in the manner that I just described.

So what I would like to suggest, and I believe we have agreement from all counsel based on the brief discussion with your Honor's law clerk, what I'd like to suggest is that for purposes of this brief that we relax the siloing restriction so that the information the parties have disclosed with respect to their holdings can be disclosed to all counsel, still on an "attorneys' eyes only" basis, but all counsel involved in filing the standing brief can see all of the other holdings so that we can file just a single table that identifies all of the parties and trusts as to which the standing challenges are being made rather than to file individual tables maintaining that silo restriction.

THE COURT: Mr. Reed appears to have concluded.

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May I hear whether there is any opposition to this proposal? I'm hearing silence, so I'm going to assume there is no opposition.

I will accept the proposal and if I think I need breakdowns of individual trusts in order to decide the standing issue, I will let you know at or before the time of the hearing of the standing issues.

As far as the prior issue goes, it seems to me that the objectors to the Institutional Investors' request have made a persuasive argument that there should be a written confidentiality order in place and that they should have a reasonable period of time. I believe I heard Mr. Lundin say "a couple of weeks" to produce those documents in an orderly fashion. So if the Institutional Investors want those documents, they should enter into a written confidentiality order and move out the briefing date by two to three weeks.

Now, I do understand that the Institutional Investors are taking the position that I will not need those documents to decide the standing issues but that they would be helpful. I further understand that the Institutional Investors do not want to move out the briefing schedule. That is a decision you can make, but I will say that if I decide that I need those governing documents in order to decide the standing issues, then I

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will have to order supplemental briefing to give the

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parties an opportunity to produce the documents and for

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supplemental papers discussing them to be prepared.

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So the Institutional Investors might be

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well-advised to consider moving out the briefing schedule

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for the relatively short time the objectors have proposed.

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I also find that the objectors have not made a persuasive

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argument that there is any reciprocal discovery that is

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going to be needed, so I am not going to either order or

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make any suggestion that the parties consider agreeing to

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discovery at the instance of the objectors.

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Let me repeat that I will want to see any cases

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that have been decided by other courts on standing issues

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in similar circumstances, so I am requesting that the

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parties confer between and among themselves to exchange

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whatever cases they have so that the cases can be provided

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to me in connection with the briefing of the standing

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issues.

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Turning to a different issue, we have received a

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number of proposed orders for distributions of the

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allocable settlement payment to the trusts in cases where

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there are no disputes. I have reviewed those orders and I

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am ready to decide whether to sign them, but we have had

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some supplemental papers, so I'm going to hold off if

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there's reason to believe that more papers will be coming

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in in connection with those orders.

Can anyone enlighten me on that matter?

MR. BENTLEY: Your Honor, this is Philip Bentley of Kramer Levin for Tilden Park.

We did submit a revised order to your Honor and we do not anticipate that any party is going to be filing anything in response to our revised proposed order.

MR. REED: Your Honor, it's David Reed for AIG.

We submitted all of the Institutional Investors a proposed order. We had revised it with the two trusts that shouldn't have been on it, but we don't anticipate any further paper being filed with respect to that.

MR. ALLINSON: Your Honor, this is Page Allinson from DW Partners, LP.

To that issue that Mr. Reed just raised, we actually have been in discussions with the Institutional Investors about that proposed order. We don't know for sure yet whether additional papers need to be filed as we are still working that out and hoping to reach a resolution or understanding as to that proposed order, but I wanted to alert the Court as to that issue.

THE COURT: Well, how much longer do you think you need to conduct your discussions?

MR. ALLINSON: We hope no longer than past this coming Monday.

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MR. SHEEREN: And to be clear, this is David Sheeren for the Institutional Investors.

We are currently the only investor, together with AIG and Ellington, the only investors who have appeared for those 92 trusts, your Honor, and from our perspective, the order is ready to be signed. DW has indicated a claim in interest in one of those trusts and that they may have an objection to the order, but that is the nature of, I believe, counsel's comments. But to be clear, based on the filings in this case to date, the 92 trusts before your Honor are trusts for which only Ellington, AIG or the Institutional Investors have asserted an interest and, from our perspective, that order is ready to be signed.

THE COURT: Does anyone else have any information on the issue I just asked about?

Off the record for a moment while I confer with my law clerk.

(Brief pause.)

THE COURT: Back on the record.

Counsel, unfortunately, we don't have all of the orders involving the undisputed trusts before us. I know we got the Institutional/Ellington/AIG order. We had the Tilden order with these supplemental papers. We had two of them from the trustees and we had one from Schindler Cohen, but we are having difficult recollecting which trust was

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2 involved. You've all seen these, though, presumably.

3 Can anyone tell me if there are any others, and
4 what the Schindler Cohen one was, and if anybody has any
5 information on whether there may be any opposition to that
6 order?

7 MR. BENTLEY: Yes, your Honor. Philip Bentley of
8 Kramer Levin for Tilden Park.

9 Schindler Cohen is our co-counsel. They also
10 represent Park. And so I believe when you refer to the
11 Schindler Cohen order, that would be our order and we do
12 not anticipate any further papers.

13 MR. FRIEDMAN: Your Honor, this is Daniel
14 Friedman from Patterson Belknap on behalf of the Olifant
15 Fund.

16 The Olifant Fund submitted an order regarding two
17 trusts on which the Olifant Funds were the only party to
18 appear. Those trusts are undisputed and we believe that
19 order is ready to be signed as well.

20 THE COURT: Does anyone else have anything on
21 this? I think that might be everything actually.

22 The Olifant Fund, now that the name has been
23 stated, comes back to memory.

24 I think this concludes my issues for today, other
25 than to request that counsel obtain a copy of the
26 transcript of today's proceedings on an expedited basis,

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e-file it and file two hard copies with an errata sheet

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with the clerk of Part 60. We had asked, I believe, for

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errata sheets in connection with the prior transcripts as

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well and we haven't received those yet. So may I ask that

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you try to attend to that within the next week or so.

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Again, I remind counsel that I reserve the right

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to correct errors in the transcript. Therefore, if it is

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needed for any further purpose, you should be sure you have

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a copy as so ordered by me and not merely as signed by the

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court reporter.

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And, finally, if anyone has anything that has not

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been but needs to be addressed today, this will be an

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opportunity to be heard.

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MR. SHEEREN: Yes, your Honor. David Sheeren for

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The Institutional Investors.

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We understand your Honor's ruling on our standing

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issues. I need to ask a question about the schedule that I

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know other folks share. Per your Honor's order this

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Wednesday which accepted Proposal II, that called for

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March 12 opening briefs, April 12 response briefs and

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April 26 reply briefs, I wanted to raise a question about

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oral argument. We noted that it had been set for April 20,

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which is six days before Proposal II had contemplated

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replies. I just wanted to bring that to the Court's

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attention and to ask whether that April 20 oral argument

1 Proceedings

2 was purposeful.

3 THE COURT: How embarrassing.

4 MR. SHEEREN: Well, we just weren't sure whether
5 that meant there wouldn't be replies.

6 THE COURT: No, no. That certainly was not my
7 intent. That is the equivalent of a typographical error.

8 MR. SHEEREN: No worries at all.

9 THE COURT: We can correct that now. We'll give
10 you a date. If you're going to change the briefing
11 schedule, we can always change the date. Bear with me for
12 a moment while we check the calendar.

13 Off the record.

14 (Brief pause.)

15 THE COURT: Back on the record.

16 The oral argument date on the standing will be
17 May 7 at 10 a.m.

18 MR. SHEEREN: Thank you, your Honor.

19 And while we've been on this call, the counsel
20 that will be challenging certain Investors' standing in a
21 joint brief on Monday have been able to confer. We believe
22 that the current schedule can hold and that the production
23 of governing agreements can occur in a parallel fashion so
24 that they could be produced before our replies so that they
25 would be before your Honor through our replies, if
26 necessary.

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THE COURT: And then I'm to hear argument on issues to which the opposing counsel have not had an opportunity to reply? I don't think so. If you're going to do that, then you'll have to provide for a sur-reply. I cannot have counsel on a matter of this magnitude coming in and saying that a new argument was made for the first time on the reply to which they did not have an opportunity to respond. So I would rather see the governing agreements, if they're going to be relied on, discussed in the moving papers. I am trying to work with you on this and I'm willing to have you discuss it on the reply, if that will help you keep to a shorter schedule, but if you are going to do that, you will have to provide for a sur-reply. So let me just assume that you will go back to the conferral process and decide what you all think is workable given the positions that I've taken.

Now, are there any other issues that anyone wants to address? I'm not hearing anything.

MS. KLEIN: Your Honor, I would just like to understand when we're going to know whether the schedule is being pushed out or not.

THE COURT: I don't know. You'll really have to work on that between yourselves and I would imagine in a case of this type that you would be able to get that worked out by the beginning of next week.

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MR. SHEEREN: David Sheeren for the Institutional Investors.

Yes, your Honor, we hear you and we will confer.

THE COURT: Last call.

MR. SHEEREN: Thank you, your Honor.

THE COURT: Am I hearing someone else? No.

Thank you for your appearance here today on this call on short notice. I will leave the call and you can obtain the court reporter's information. Please give her the spelling of your names and of your clients' names.

(Proceedings concluded.)

* * *

C E R T I F I C A T E

I, Debra Lynn Salzman, an Official Court Reporter of the State of New York, do hereby certify that the foregoing is a true and accurate transcript of my stenographic notes.

Debra Lynn Salzman, RMR
Official Court Reporter

