

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

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In the matter of the application of	:	
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WELLS FARGO BANK, NATIONAL ASSOCIATION, et	:	Index No. 657387/2017
al.,	:	
	:	Friedman, J.
Petitioners,	:	
	:	<b>AFFIDAVIT</b>
For Judicial Instructions under CPLR Article 77 on the	:	<b><u>OF DAVID SHEEREN</u></b>
Administration and Distribution of a Settlement Payment.	:	
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	:	
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**DAVID SHEEREN**, being duly sworn, hereby deposes and says as follows:

1. I am a member of the law firm of Gibbs & Bruns, LLP, 1100 Louisiana, Suite 5300, Houston, Texas 77002, national counsel for the Institutional Investors in this litigation. I am above eighteen years of age. I am familiar with the proceedings in this case, and I have personal knowledge of the facts set forth herein. I make this affidavit in support of the Challenging Respondents’ response to HBK’s Motion for Leave to Amend HBK’s Answer to the Petition (Motion Sequence 10, Dkt. No. 386) (the “Motion”).

2. Attached hereto as **Exhibit A** is a true and correct copy of an e-mail dated May 22, 2018 from counsel to HBK concerning the additional holdings HBK seeks to claim in this proceeding.

3. Attached hereto as **Exhibit B** is a compilation of true and correct excerpts from recent remittance reports for 14 of the 17 settlement trusts<sup>1</sup> (“Trusts”) in which HBK seeks to claim

<sup>1</sup> The Trusts are: BSABS 2005-EC1; BSABS 2005-HE11; BSABS 2005-HE2; BSABS 2006-HE1; BSABS 2006-HE10; BSABS 2006-HE5; BSABS 2006-HE6; BSABS 2006-HE8; BSABS 2006-PC1; BSABS 2007-FS1; BSABS 2007-HE1; BSABS 2007-HE2; BSABS 2007-HE3; and BSABS 2007-HE5. The three trusts HBK seeks to add but which are not included here are BSABS 2005-FR1, BSABS 2006-EC1, and BSABS 2006-EC2.

additional holdings in this proceeding (“Remittance Report Excerpts”). None of these holdings were included in HBK’s original Answer, filed as Exhibit B to the Affirmation of John M. Lundin in Support of Motion For Leave to Amend (Dkt. No. 390).

4. The Remittance Report Excerpts set forth the original and current certificate balances for each certificate issued by the Trusts.

5. Each of the certificates issued by the Trusts that HBK seeks to add to its Answer is a mezzanine certificate.

6. A true and correct list of the senior-most mezzanine certificate purportedly held by HBK in each of the Trusts is shown in the table in Paragraph 10 below.

7. As reflected in the Remittance Report Excerpts, each of HBK’s senior-most mezzanine certificates in each Trust has been written down to zero dollars (\$0.00) due to losses.

8. As further reflected in the Remittance Report Excerpts, the other mezzanine certificates issued by the Trusts that are *more* senior in the waterfall to HBK’s senior-most mezzanine certificate have also suffered significant writedowns due to losses.

9. The cumulative writedowns suffered by the Trusts’ mezzanine certificates that are *more* senior to HBK’s senior-most mezzanine certificates significantly exceed the expected settlement payment to each Trust, and/or loan group, as applicable.

10. The expected settlement payment to each of the Trusts, and/or loan groups, as applicable, is shown in the table below. These amounts were obtained from the trustees’ settlement website: <http://rmbstrusteesettlement.com/notice.php> (item 16).

11. A summary table reflecting this information appears below:

<b>Trust</b>	<b>HBK's Most Senior Certificate</b>	<b>Certificate Balance of HBK Certificate</b>	<b>Accumulated Writedowns of More Senior Mezzanine Certificates</b>	<b>Trust and/or Loan Group Settlement Payment</b>
BSABS 2005-EC1	M6	\$0.00	\$14,725,018	\$11,563,029
BSABS 2005-HE11	M10	\$0.00	\$55,570,913	\$12,997,803
BSABS 2005-HE2	M8	\$0.00	\$36,455,152	\$4,845,770
BSABS 2006-HE1	1M6	\$0.00	\$16,373,276	\$10,867,235
BSABS 2006-HE10	2M9	\$0.00	\$151,478,000	\$30,737,977
BSABS 2006-HE5	M7	\$0.00	\$42,058,336	\$10,300,322
BSABS 2006-HE6	2M8	\$0.00	\$36,148,348	\$6,612,261
BSABS 2006-HE8	1M3	\$0.00	\$14,191,235	\$5,211,733
BSABS 2006-PC1	M7	\$0.00	\$21,350,406	\$9,306,338
BSABS 2007-FS1	M9	\$0.00	\$71,409,000	\$12,844,090
BSABS 2007-HE1	2M8	\$0.00	\$105,627,067	\$21,702,152
BSABS 2007-HE2	2M4	\$0.00	\$75,163,000	\$22,175,524
BSABS 2007-HE3	M4	\$0.00	\$115,982,000	\$37,889,852
BSABS 2007-HE5	M9	\$0.00	\$76,086,946	\$20,972,412

DAVID SHEEREN

STATE OF TEXAS  
COUNTY OF HARRIS

Sworn to before me this  
day of May, 2018.

  
Notary Public