

At IAS Part 60 of the Supreme Court of the State of New York, held in and for the County of New York, at the Courthouse located at 60 Centre Street, New York, New York on the 9th day of July, 2018

PRESENT: Hon. Marcy S. Friedman, Justice.

In the Matter of the Application of
WELLS FARGO BANK, NATIONAL ASSOCIATION, 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, HSBC BANK USA N.A., and DEUTSCHE BANK NATIONAL TRUST COMPANY (as Trustees, Indenture Trustees, Securities Administrators, Paying Agents, and/or Calculation Agents of Certain Residential Mortgage-Backed Securitization Trusts),

Petitioners,

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

Index No. 657387/2017

Consent
~~PROPOSED~~ PARTIAL SEVERANCE ORDER AND PARTIAL FINAL JUDGMENT
(MSST 2007-1)

WHEREAS, the Petitioners identified in the above case caption commenced this proceeding under CPLR Article 77 by filing a petition (the "Petition") seeking judicial instructions concerning the administration and distribution of a settlement payment (the "Settlement Payment") for 270 residential mortgage-backed securities trusts identified in Exhibit

A to the Petition (the "Settlement Trusts") under a settlement agreement dated as of November 15, 2013 and modified as of July 29, 2014 (the "Settlement Agreement"); and

WHEREAS, all capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Petition; and

WHEREAS, pursuant to the Settlement Agreement, the Settlement Payment is to be apportioned among the Settlement Trusts, including the individual loan groups therein and classes of principal only certificates therein, based on "Allocable Shares" calculated in an expert report filed with the Court at NYSCEF Nos. 178 and 179;¹ and

WHEREAS, by Order to Show Cause dated December 19, 2017 and Interim Order dated December 20, 2017 (collectively, the "December Orders"), the Court authorized and directed the Petitioners to place the Allocable Shares for the Settlement Trusts in escrow; and

WHEREAS, the Court has been advised that the escrow provisions of the December Orders have been complied with and that the Allocable Shares for the Settlement Trusts, plus any investment earnings thereon, are currently invested as directed in the December Orders; and

WHEREAS, under the December Orders, the Court directed the Petitioners to provide notice of this proceeding pursuant to the notice program described in the December Orders (the "Notice Program"), and the Court found that the Notice Program was the best notice practicable, was reasonably calculated to put interested persons on notice of the proceeding, and constituted

¹ The term "certificate" as used herein refers to certificates, notes, or other applicable securities.

due and sufficient notice of the proceeding in satisfaction of federal and state due process requirements and other applicable law; and

WHEREAS, the Notice Program directed that interested persons respond to the Petition on or before January 29, 2018, and only Nover Ventures, LLC (“Nover”) and Olifant Fund, Ltd., FFI Fund Ltd., and FYI Ltd. (the “Olifant Funds”) have asserted an interest in the Settlement Trust, MSST 2007-1 (the “MSST 2007-1 Trust”); and

WHEREAS, Nover and the Olifant Funds agree and consent to this [~~proposed~~] Partial Severance Order and Partial Final Judgment (the “Order”), which resolves the issues for which judicial instruction were sought concerning the administration and distribution of the Allocable Share for the MSST 2007-1 Trust (the “Subject Allocable Share”); and

WHEREAS, as identified on Exhibit A of the Petition, Deutsche Bank National Trust Company (“Deutsche Bank”) is the trustee and Wells Fargo Bank, National Association (“Wells Fargo”) is the payment administrator for the MSST 2007-1 Trust; and

WHEREAS, as used herein, the term “Judgment Entry Date” means the date on which the Clerk’s docketing of this Order first appears publicly on the New York State Court Electronic Filing System, without regard to when the Court actually signs, or the Clerk actually enters, this Order; and

WHEREAS, as used herein the term “Transfer Month” means the month immediately following the month of the Judgment Entry Date; and

WHEREAS, as used herein, the term “Transfer Target Date” means the fifteenth day of the Transfer Month; and

WHEREAS, as used herein, the term "AS Distribution Date" means the Distribution Date, as that term is defined in the Pooling and Servicing Agreement for the MSST 2007-1 Trust (the "MSST 2007-1 PSA"), occurring in the Transfer Month; and

WHEREAS, as used herein, the term "Class A Undercollateralization" shall mean the excess, if any, of the aggregate Certificate Principal Balance of the Class A Certificates immediately preceding the AS Distribution Date over the aggregate Stated Principal Balance of the Mortgage Loans as of the last day of the related Due Period, as such capitalized terms (other than the AS Distribution Date) are defined in the MSST 2007-1 PSA (for avoidance of doubt, the Class A Undercollateralization cannot be less than zero); and

WHEREAS, as used herein, the term "MSST 2007-1 Write-Up Amount" as of the AS Distribution Date shall mean the amount by which the Subject Allocable Share exceeds the Class A Undercollateralization, if any (for avoidance of doubt, the MSST 2007-1 Write-Up Amount (i) will be zero unless the Subject Allocable Share exceeds the Class A Undercollateralization, and (ii) cannot be less than zero); and

NOW, THEREFORE, on the motion of McKool Smith, P.C., attorneys for Nover Ventures, and Patterson Belknap Webb & Tyler LLP, attorneys for the Olifant Funds, it is hereby

ORDERED, ADJUDGED, and DECREED that, on or before the Transfer Target Date, Deutsche Bank is to (i) cause escrowed assets to be liquidated to cash with a value equal to the Subject Allocable Share plus any investment earnings thereon, and (ii) cause the Subject Allocable Share and investment earnings thereon to be deposited in the Distribution Account for the MSST 2007-1 Trust. From the time of the aforementioned deposit, the amount so deposited

shall be deemed the Subject Allocable Share for the MSST 2007-1 Trust for all purposes under the Settlement Agreement and this Order; and it is further

ORDERED, ADJUDGED and DECREED that sums representing investment earnings accrued on the Subject Allocable Share, not received at the time escrowed assets are liquidated to cash pursuant to the immediately preceding paragraph (“Trailing Interest”), shall be distributed on the Distribution Date for the month following the month Wells Fargo receives such Trailing Interest from Deutsche Bank, which month may be subsequent to the Transfer Month. Any Trailing Interest for the MSST 2007-1 Trust shall be distributed in the manner provided for in this Order for the Subject Allocable Share, subject to the terms of the Settlement Agreement and this Order; and

ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Share on the AS Distribution Date, Wells Fargo (i) shall use the “write up first” order of operations, distributing the Subject Allocable Share to certificateholders on the AS Distribution Date after application of the MSST 2007-1 Write-Up Amount (if any) to write up certificate balances in accordance with clause (ii) of this paragraph; (ii) prior to the distribution of the Subject Allocable Share to certificateholders, apply the MSST 2007-1 Write-Up Amount (if any) in the reverse order of previously allocated losses to increase the Certificate Principal Balance of each class of certificates (other than any class of REMIC residual interests and Class A Certificates) to which losses have been previously allocated, but in each case by not more than the amount of such losses previously allocated to that class of certificates pursuant to the MSST 2007-1 PSA; (iii) in connection with each of the foregoing, ignore the Retired Class Provision to the extent it precludes writing up classes that have a zero Certificate Principal Balance; and (iv)

after applying the MSST 2007-1 Write-Up Amount (if any), distribute the Subject Allocable Share to certificateholders on the AS Distribution Date in accordance with Section 6.04(a)(2)(A) of the MSST 2007-1 PSA; and it is further

ORDERED, ADJUDGED and DECREED that any aspects of the administration and distribution of the Subject Allocable Share not expressly addressed in this Order shall be performed as provided for in the MSST 2007-1 PSA; and it is further

ORDERED, ADJUDGED and DECREED that this Order is not applicable to, and shall be without prejudice to and shall have no precedential effect on, (i) any argument of any party concerning the appropriate administration and distribution of the Settlement Payment for the Settlement Trusts for which there is a dispute among the parties regarding how the Settlement Payment should be administered and distributed; (ii) the Settlement Trusts for which no investors have appeared in this proceeding or any trust, indenture, or other securitization other than the MSST 2007-1 Trust; or (iii) any applications to certificate balances (e.g. write-ups) or distributions of payments or funds to the MSST 2007-1 Trust other than the Subject Allocable Share; and it is further

ORDERED, ADJUDGED and DECREED that certificateholders, noteholders, and any other parties claiming rights or interests in the MSST 2007-1 Trust are barred from asserting claims against Deutsche Bank with respect to Deutsche Bank's implementation of the December Orders and this Order, whether as Trustee, Escrow Agent, or otherwise, *so long as* such conduct is performed in accordance with the terms of such orders; and it is further

ORDERED, ADJUDGED and DECREED that certificateholders, noteholders, and any other parties claiming rights or interests in the MSST 2007-1 Trust are barred from asserting

claims against Wells Fargo with respect to any conduct taken to implement and comply with the terms of this Order and with respect to Wells Fargo's administration and distribution of the Settlement Payment with respect to the MSST 2007-1 Trust, *so long as* such conduct is performed in accordance with the terms of this Order; and it is further

ORDERED that the Clerk of New York County be, and he hereby is, directed to enter this Order forthwith and without delay.

Dated: New York, New York

July 9, 2018

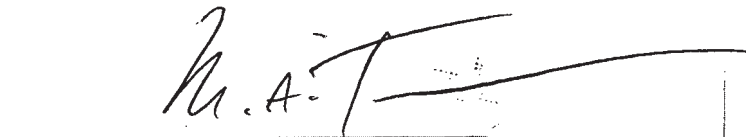


Hon. Marcy Friedman. J.S.C.

FILED

JUL 12 2018

**COUNTY CLERK'S OFFICE
NEW YORK**



Clerk of New York County

657387/17

**PATTERSON BELKNAP WEBB & TYLER
LLP**

By: /s/ Peter Tomlinson
Peter Tomlinson
1133 Avenue of the Americas
New York, NY 10036-6710
Tel: (212) 336-2000
Fax: (212) 336-2222
pwtomlinson@pbwt.com

*Attorneys for Olifant Fund, Ltd., FFI Fund Ltd.
and FYI Ltd.*

McKool Smith

By: /s/ David I. Schiefelbein
Gayle R. Klein
David I. Schiefelbein
One Bryant Park, 47th Floor
New York, NY 10036
Tel: (212) 402-9400
Fax: (212) 402-9444
gklein@mckoolsmith.com
dschiefelbein@mckoolsmith.com

Attorneys for Nover Ventures, LLC

Judgment

FILED
JUL 12 2018
AT 2:21 PM
N.Y., CO. CLK'S OFFICE