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May 14, 2018

By NYSCEF and Hand Delivery

Honorable Marcy S. Friedman  
Supreme Court, New York County  
60 Centre Street, Room 663  
New York, NY 10007

Re: *In re application of Wells Fargo Bank, National Association, et al.*,  
Index No. 657387/2017 (the “Article 77 Proceeding”)

Dear Justice Friedman:

We represent Axonic Capital LLC (“Axonic”) in the above-referenced proceeding. We write pursuant to the Court’s directive made at the May 7, 2018 hearing that Axonic notify the Court by May 14, 2018, whether Axonic will seek to make arrangements to have the trustee of certain re-REMIC trusts participate in this Article 77 proceeding to represent Axonic’s interests in the event the Court were to hold that Axonic is not permitted to participate. For the reasons set out below, Axonic respectfully advises the Court that it does not intend to seek to have the re-REMIC trustee participate in this proceeding.

To update the Court, the Challenging Respondents’ Joint Motion to Limit Standing to Certificateholders in the Settlement Trusts (the “Motion”), as it relates to Axonic, applied to four Settlement Trusts in which Axonic has an interest through its participation in re-REMIC trusts.<sup>1</sup> Since that motion was filed, Axonic has filed a Proposed Partial Severance Order and Partial Final Judgment with regard to one of those Settlement Trusts,<sup>2</sup> and this week will be filing a proposed severance order and partial final judgment with regard to another of those Settlement Trusts (BSABS 2005-AC8). Thus, subject to the Court’s approval of those proposed orders, the standing motion will be moot with respect to those two trusts.

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<sup>1</sup> Axonic also holds an interest in three additional Settlement Trusts, BSMF 2006-SL6; BSMF 2007-SL1; and PRIME 2006-2, as a direct certificateholder, and the Challenging Respondents do not challenge Axonic’s standing to participate in the Article 77 proceeding as to these three Settlement Trusts.

<sup>2</sup> See NYSCEF Doc. No. 365 (“Notice of [Proposed] Partial Severance Order and Partial Final Judgement (BSARM 2007-4)”).

As for the remaining two Settlement Trusts at issue,<sup>3</sup> it is Axonic's position that it—and not Wells Fargo Bank, N.A., as trustee of those trusts (“Wells Fargo”)—is the proper party to appear in this Article 77 proceeding to protect Axonic's interest. The so called “no action” provisions in the re-REMIC agreements only limit Axonic's right in certain circumstances to “institute any action, suit or proceeding,” and do not in any way bar Axonic's participation in this Article 77 proceeding. *See* NYSCEF Doc. No. 331, Affirmation of Neil S. Binder, dated April 12, 2018, Ex. A (DMARC 2014-RS1 Trust Agreement § 7.02), Ex. C (CMLTI 2008-AR4 Trust Agreement § 10.02). Although Axonic does have the requisite shares to direct Wells Fargo with respect to the BSARM 2007-1 Settlement Trust, it has declined to do so for the reasons stated above and as set out in our memorandum of law in opposition to the Motion.

We appreciate the Court providing Axonic the time to consider the Court's request.

Respectfully submitted,

/s/ Neil S. Binder  
Neil S. Binder

cc: Counsel of Record (via NYSCEF)

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<sup>3</sup> The remaining Settlement Trusts are BSARM 2007-1 and JPALT 2006-A6.