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April 3, 2019

VIA E-FILING AND HAND DELIVERY

Honorable Marcy S. Friedman
New York Supreme Court,
Commercial Division, Part 60
60 Centre Street, Courtroom 248
New York, NY 10007

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

Dear Justice Friedman:

I am writing on behalf, and with the consent, of all Interested Parties[1] in the above-referenced JPMorgan Article 77 Proceeding. Merits briefing is complete, and oral argument took place on December 10, 2018.[2]

As the Court knows, trusts affected by several discrete issues for judicial instruction were listed in Exhibits D, E, F, G, and H to the Petition (collectively, the "Identified Issues"). On December 4, 2018, the Institutional Investors submitted a letter on behalf of all Interested Parties (Doc. 769) (the "Letter"), enclosing three charts summarizing the Interested Parties' positions on the various Identified Issues that remained in dispute on a trust-by-trust basis.[3]

As set forth in Exhibit 3 (Doc. 772) to that Letter and discussed further below, there are eighty-five (85) unresolved Settlement Trusts for which no dispute exists among Interested Parties as to one or more Identified Issues. In the interests of streamlining the issues to be decided by the Court and facilitating the resolution of as many issues as possible by consent, the Interested Parties wish to propose a process for reducing the Court's final Order regarding the Identified Issues (the "Final Order") to individualized Judgments with respect to the remaining Settlement Trusts.

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[1] Axonic Capital LLC; FT SOF IV Holdings, LLC; Fir Tree Capital Opportunity Master Fund, LP; and Fir Tree Capital Opportunity Master Fund III LP are not included among the Interested Parties referenced herein because the Settlement Trusts in which they had asserted an interest have been severed from this proceeding pursuant to Partial Severance Orders and Partial Final Judgments.

[2] Unless otherwise noted, capitalized terms herein shall have the same definitions as those provided for them in the Petition.

[3] When the Letter was submitted, 127 Settlement Trusts were in dispute. Since that submission, the Court has issued several severance orders, and the Interested Parties and Petitioners have submitted proposed orders on nine additional trusts, bringing the total number of disputed Settlement Trusts to 116.

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For the 85 trusts of the trusts identified in Exhibit 3 to the Letter for which no dispute exists among Interested Parties as to one or more Identified Issues,[4] the Interested Parties respectfully request that the Court provide them the opportunity to resolve any such undisputed issues by consent, in consultation with Petitioners, independent of the Court's ultimate determination regarding the resolution of the Identified Issues on trusts for which there are such disputes among Interested Parties.[5]

The Interested Parties further respectfully request that, after the issuance by the Court of its Final Order, they be permitted the opportunity to reduce such Final Order to individualized Judgments for each of the remaining disputed Settlement Trusts by conferring amongst themselves and with the Petitioners, and ultimately presenting the Court with a Proposed Partial Final Judgment covering each Trust. Such individualized judgments would effectively convert the Court's Final Order into Proposed Final Judgments on a trust-by-trust basis that would reflect the resolution of disputed issues by the Court's Order, and the resolution of undisputed issues by consent. The Interested Parties would of course consolidate such Proposed Final Judgments, where possible, to minimize the number of Proposed Judgments, and take other steps to promote efficiency.

Finally, consistent with this proposed approach, the Interested Parties respectfully request that for the 85 trusts described above, the Court's Final Order apply only to the Identified Issues for which a dispute exists among the Interested Parties.

The Interested Parties have conferred with the Petitioners, who do not object to the relief requested herein.

Thank you in advance for your attention to this matter.

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[4] Interested Party D.E. Shaw Refraction Portfolios, L.L.C. ("D.E. Shaw") seeks to clarify one item shown on Exhibit 3 to the Letter that is actually disputed despite being currently characterized as undisputed. With respect to SAMI 2006-AR7, D.E. Shaw previously joined in Tilden Park's position as to "Pay First w/ OC Release" (*see* Doc. No. 727 at 1, fn. 1) for the SAMI trusts; therefore, Exhibit D in Exhibit 3 to the Letter should not show this issue as undisputed for SAMI 2006-AR7, but should have "D.E. Shaw" in the "Pay First w/ OC Release" column just as it has Tilden Park in that column immediately above and below for SAMI 2006-AR4 and SAMI 2006-AR8, respectively. SAMI 2006-AR7 thus is not included in the tabulation of the eighty-five (85) remaining disputed Settlement Trusts that feature one or more Undisputed Issues.

[5] For example, Interested Parties DW Partners, LP ("DW"), Tilden Park Investment Master Fund LP, Tilden Park Management I LLC and Tilden Park Capital Management LP (collectively, "Tilden Park") and the Institutional Investors have all appeared and asserted an interest in the SAMI 2007-AR4 Settlement Trust ("SAMI 2007-AR4"). While there is an Exhibit D dispute, all of these parties agree on how the Exhibit E issue should be resolved – i.e., Petitioners should be permitted to write-up senior certificates in SAMI 2007-AR4 upon such Trust's receipt of its Allocable Share. Because there is no dispute as to the resolution of the Exhibit E issue as to SAMI 2007-AR4, the Interested Parties appearing with respect to this Trust request the opportunity to resolve the Exhibit E issue by consent.

Matter of Wells Fargo Index No 657387/2017
Letter application dated 4/3/2019

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Very truly yours,

PERRY, JOHNSON, ANDERSON,
MILLER & MOSKOWITZ, LLP

By: _____
Isaac M. Gradman
Counsel for DW Partners LP and Ellington Management Group, LLC

IMG:drs

The court will consider this request upon further review of papers submitted on the petition.
4/16/19

MARCY S. FRIEDMAN, J.S.C.