

Hearing Date: July 6, 2017 at 10:00 a.m. (prevailing Eastern time)
Objection Deadline: June 22, 2017 at 12:00 p.m. (prevailing Eastern time)

Daniel A. Fliman (DFliman@kasowitz.com)
Michael A. Hanin (MHanin@kasowitz.com)
KASOWITZ BENSON TORRES LLP
1633 Broadway
New York, New York 10019
Telephone: (212) 506-1700
Facsimile: (212) 506-1800

Nicole Gueron (ngueron@cgr-law.com)
Isaac B. Zaur (izaur@cgr-law.com)
CLARICK GUERON REISBAUM LLP
220 Fifth Avenue, 14th Floor
New York, New York 10001
Telephone: (212) 633-4310
Facsimile: (646) 478-9484

Counsel for the Investor Group

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Lehman Brothers Holdings Inc., et al.,

Debtors.

Chapter 11 Case No.

08-13555 (SCC)

Jointly Administered

**PRELIMINARY OBJECTION OF THE INVESTOR GROUP
TO THE MOTION OF LEHMAN BROTHERS HOLDINGS INC.
PURSUANT TO FED. R. BANKR. P. 9019 AND 11 U.S.C. § 105(a)**

Certain institutional investors who are beneficial owners of certificates (“Certificates”) issued by certain residential mortgage-backed securities (“RMBS”) trusts (the “Trusts”)¹ that,

¹ The “Investor Group” consists of, each on behalf of its advisory clients: Whitebox Advisors LLC, Deer Park Road Management Company, LP, Tilden Park Capital Management LP, Prophet Capital Asset Management, Tricadia Capital Management LLC, BlueMountain Capital Management LLC, Poet Advisors, FFI Fund Ltd., FYI Ltd., Olifant Fund, Ltd., and Strongbow Fund Ltd. The Investor Group holds Certificates with an aggregate unpaid principal balance of more than \$1.5 billion (including 25% or more of multiple Trusts) issued by 117 of the 244 Trusts for which the Trustees are currently pursuing claims pursuant to the *Order Establishing a Protocol to Resolve Claims Filed by Trustees on Behalf of Certain Issuers of Residential Mortgage-Backed Securities*, dated December 29, 2014 [Docket No. 47569].

through their trustees (the “Trustees”), have entered into the proposed RMBS Trust Settlement Agreement (the “Settlement Agreement”) annexed as Exhibit B to the *Motion of Lehman Brothers Holdings Inc. Pursuant to Fed. R. Bankr. P. 9019 and 11 U.S.C § 105(a) for Entry of Order (A) Approving RMBS Settlement Agreement, (B) Making Certain Required Findings Regarding Decision of RMBS Trustees and LBHI Debtors to Enter Into RMBS Settlement Agreement, (C) Scheduling Estimation Proceeding to Determine RMBS Claims and Approving Related Procedures Regarding Conduct of Hearing, and (D) Granting Related Relief*, dated April 27, 2017 [Docket No. 55232] (the “9019 Motion”), hereby file this preliminary objection to the 9019 Motion (the “Preliminary Objection”), and respectfully state as follows:

PRELIMINARY OBJECTION

The Investor Group preliminarily objects to the 9019 Motion based on its present understanding of the relevant facts. Specifically, the Investor Group objects to: entry of the proposed “Trustee Findings” in Exhibit F to the Settlement Agreement; the “Bar Order” discussed in Paragraph 45 of the 9019 Motion and Section 2.07 of the Settlement Agreement; and Paragraph G of the Proposed Order annexed as Exhibit A to the 9019 Motion.

The Investor Group requires additional information to properly assess the proposed settlement of these multi-billion dollar RMBS claims. Contemporaneously herewith, the Investor Group is serving the Trustees with discovery requests in furtherance thereof,² and

² The Investor Group informally requested such information from the Trustees by letter on May 5, 2017, and again via email on May 15, 2017. The Trustees failed to provide any meaningful response to either inquiry.

reserves all rights to supplement this Preliminary Objection.

Dated: June 6, 2017
New York, New York

KASOWITZ BENSON TORRES LLP

CLARICK GUERON REISBAUM LLP

/s/ Daniel A. Fliman

/s/ Nicole Gueron

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(DFliman@kasowitz.com)

Nicole Gueron (ngueron@cgr-law.com)
Isaac B. Zaur (izaur@cgr-law.com)

Michael A. Hanin
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New York, New York 10019

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Telephone: (212) 506-1700

Facsimile: (646) 478-9484

Facsimile: (212) 506-1800

Conflicts counsel for the Investor Group

Counsel for the Investor Group