

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

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In the matter of the application of

U.S. BANK NATIONAL ASSOCIATION,
WELLS FARGO BANK, NATIONAL
ASSOCIATION, WILMINGTON TRUST,
NATIONAL ASSOCIATION, WILMINGTON
TRUST COMPANY, AND CITIBANK, N.A. (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,

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Index No. 651625/2018

Hon. Marcy S. Friedman

**RESPONSE OF OLIFANT FUND,
LTD., FFI FUND LTD. AND FYI
LTD. TO THE PETITION**

Olifant Fund, Ltd., FFI Fund Ltd. and FYI Ltd. (collectively, the “Olifant Funds”) are holders of more than \$240 million in current Certificate Principal Balance of certificates in 20 trusts (the “Olifant Fund Trusts”) included in the Settlement Agreement between Lehman Brothers Holdings Inc., the Petitioners and various investors, entered into as of November 30, 2016 and modified as of March 17, 2017 (the “Settlement Agreement”). The Olifant Funds respectfully make this submission in response to the Petition dated April 4, 2018 (the “Petition”)¹ filed by the Petitioners seeking this Court’s instruction as to the distribution of settlement payments under the Settlement Agreement and pursuant to the April 20, 2018 Order to Show Cause. The Olifant Fund Trusts are identified on Annex A.

The Settlement Payments allocated to the Olifant Fund Trusts should be distributed in a manner that maintains the integrity of their capital structure and is consistent with the trusts’ Governing Documents. In particular, one issue raised in the Petition is pertinent to the Olifant Fund Trusts. Regarding that issue, the Olifant Funds take the position that the Write-Up First Method for distributing the Settlement Payment should be used in order to comply with the Governing Documents of the Olifant Fund Trusts.² The Olifant Funds will explain the reasons why such distribution is proper in more detail in subsequent briefing on merits issues.

The Olifant Funds take the additional position that for any of the Olifant Fund Trusts where there is no genuine issue of material fact or where no party files an opposing view by the May 30, 2018 submission deadline, the Court should order the Petitioners to immediately distribute the Settlement Payment pursuant to the Write-Up First Method without further delay, as there is no triable issue of fact. Finally, the Olifant Funds note that certain of the Olifant Fund

¹ Capitalized terms not defined herein have the meanings given to such terms in the Petition.

² Because each Trust’s Governing Documents control the issues raised by the Petition—and the Governing Documents for different trusts may differ—issues or arguments made for other Trusts do not necessarily apply to the Olifant Fund Trusts.

Trusts included in this proceeding are in all relevant respects similarly situated to trusts that were categorized by Petitioners as Non-Subject Settlement Trusts for which there was no issue warranting judicial instruction and which received distributions of the Settlement Payment last week. The portion of the Settlement Payment allocable to these similarly situated Olifant Fund Trusts should be paid out in the same manner without further delay.³

Date: May 30, 2018

By:

/s/ Peter W. Tomlinson

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and FYI Ltd.**

³ For example, BNC 2006-1 and SASCO 2006-S1 received distributions of the Settlement Payment last week but BNC 2006-2 and SASCO 2006-S3 have been included in this proceeding.

Annex A – List of Trusts

BNC 2006-2

LXS 2005-2

LXS 2005-3

LXS 2006-3

LXS 2006-5

LXS 2006-15

LXS 2006-20

LXS 2007-1

LXS 2007-3

LXS 2007-6

SAIL 2006-BNC3

SARM 2005-3XS

SARM 2005-6XS

SASCO 2004-S3

SASCO 2005-2XS

SASCO 2005-S4

SASCO 2005-S6

SASCO 2005-S7

SASCO 2005-SC1

SASCO 2006-S3