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Docket #0003 Date Filed: 11/30/2012

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November 29, 2012

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Delivered via Email

Honorable Martin Glenn United States Bankruptcy Judge United States Bankruptcy Court for the Southern District of New York One Bowling Green New York, NY 10004

Re: GMAC Mortgage, LLC's Request for Extension of Deadline to Answer Adversary Complaint in Taggart et al v. GMAC Mortgage, LLC et al, Adversary No. 12-01945 (MG)

## Dear Judge Glenn:

We are counsel to Residential Capital, LLC, GMAC Mortgage, LLC ("GMAC Mortgage") and their debtor affiliates (the "Debtors") in their chapter 11 bankruptcy cases, Case No. 12-12020 (MG), and in the above-captioned adversary proceeding (the "Adversary **Proceeding'').** We write to request an extension of the date (until February 12, 2013) by which the defendants in the Adversary Proceeding must answer or otherwise respond to the complaint (the "Complaint") filed by the Plaintiff, Mr. Taggart, and rescheduling of the pretrial conference currently scheduled for January 10, 2013 until after the defendants' deadline to respond.<sup>1</sup>

During the course of the Debtors' chapter 11 cases Mr. Taggart has filed no less than five motions and appeared for at least three court hearings. The Debtors have incurred significant costs and attorneys' fees in connection with these requests and Mr. Taggart's various federal and state court law suits and appeals therefrom. The Debtors consider commencement of the Adversary Proceeding yet another attempt by Mr. Taggart to delay or otherwise remove GMAC Mortgage's foreclosure proceeding pending in Pennsylvania state court to this Court. In its most recent decision denying four of Mr. Taggart's motions, this Court explained that "Taggart's repeat filings in this Court are frivolous" and "[a]ny additional frivolous motions

The Debtors have not yet received confirmation that Mr. Taggart has properly served the Complaint. The Debtors expressly reserve the right to object in any answer or other responsive pleading to the sufficiency of Mr. Taggart's service of process, if and when effectuated, or any procedural deficiencies in connection with such service of process.



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made by Taggart could result in the imposition of sanctions." *Memorandum Opinion and Order Denying the Taggart Motions* at 8 [Docket No. 2098] (the "**Second Taggart Order**"). The Debtors submit that the Adversary Proceeding is yet another action taken by Mr. Taggart for the improper purpose of delaying the foreclosure of his investment property. In addition, the Complaint raises, at least in part, issues Mr. Taggart has appealed as a consequence of this Court's prior rulings. Accordingly, the Debtors intend to proceed under Rule 9011 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), by first requesting that Mr. Taggart withdraw the Complaint or otherwise seek dismissal of the Adversary Proceeding and, if he refuses, seeking appropriate sanctions against Mr. Taggart.

Pursuant to Bankruptcy Rule 9006(b)(1), the Court may extend the time for any act required by the Bankruptcy Rules (with limited exceptions not relevant here) "for cause shown . . . with or without motion or notice." In order to avoid the need to expend additional time and resources responding to the Complaint while GMAC Mortgage complies with the requirements of Bankruptcy Rule 9011, GMAC Mortgage seeks extension of its time to answer or otherwise respond in the Adversary Proceeding until February 12, 2013. This will permit the service of a draft motion for sanctions to Mr. Taggart, the running of the twenty-one day waiting period pursuant to Bankruptcy Rule 9011, filing of a motion for sanctions to be heard at the January 29, 2013 omnibus hearing (should Mr. Taggart not withdraw his complaint), and approximately two weeks after the January 29, 2013 omnibus hearing for GMAC Mortgage to prepare an answer or other response to the Complaint should such response remain necessary.

For the sake of efficiency, the Debtors submit that extension of the deadline to answer or otherwise respond in the Adversary Proceeding should be extended for all of the named defendants. The Debtors have been in touch with the attorney at Reed Smith who serves as counsel to several of the named defendants, and she has indicated that Reed Smith's clients would also request an extension of time to answer or respond to the Complaint in order to permit Mr. Taggart the opportunity to withdraw the complaint as to all defendants in response to GMAC Mortgage's request.

For the foregoing reasons, the Debtors respectfully request that the Court extend the deadline for all defendants in the Adversary Proceeding to answer or otherwise respond to the Complaint until February 12, 2013 and rescheduling the pre-trial hearing in the to a subsequent date.

[signature page follows]

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<sup>&</sup>lt;sup>2</sup> Reed Smith represents defendants Mortgage Electronic Registration Systems Incorporated; Reed Smith, LLP; Maria T Guerin; Diane Bettino; Trey Jordan; and Carol Bonello.

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Respectfully/submitted,

Norman S. Rosenbaum

cc: Kenneth J. Taggart (by email)

Barbara Hager (by email) – Counsel to Mortgage Electronic Registration Systems Incorporated; Reed Smith, LLP; Maria T Guerin; Diane Bettino; Trey Jordan; and Carol Bonello.

Chris Hall (by email) – Counsel to Defendant Jeffrey Stephan

Andrew Spivak (by email) – for himself and others employed by Phelan, Hallinan & Schmieg, LLP

Brian Fleisher (by email) for himself and other employed by Fleischer, Fleischer & Suglia<sup>3</sup>

<sup>&</sup>lt;sup>3</sup> The Debtors are unsure who represents Balboa Insurance and JAM Transfers, Inc., but will serve this letter on counsel for these two parties once they are identified.

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## IT IS SO ORDERED.

Dated: November 30, 2012 New York, New York

/s/Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge