

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

_____)	
In re:)	Case No. 12-12020 (MG)
)	
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,)	Chapter 11
)	
Debtors.)	Jointly Administered
_____)	
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,)	Adv. Case No. 12-ap-01671 (MG)
)	
Plaintiffs,)	
)	
v.)	
)	
ALLSTATE INS. CO., <u>et al.</u> ,)	
)	
Defendants.)	
-----)	

**STIPULATION AND ORDER WITH RESPECT
TO DEBTORS' MOTION TO EXTEND THE AUTOMATIC
STAY OR, IN THE ALTERNATIVE, FOR INJUNCTIVE RELIEF**

Subject to the approval of the Court, this Stipulation (the "Stipulation") is made and entered into by, between and among the debtors and debtors in possession in the above-captioned bankruptcy case (collectively, the "Debtors") and certain defendants to the above-captioned adversary proceeding listed on Schedule A hereto (the "Stipulating Defendants" and, together with the Debtors, the "Parties"). The Parties intend this Stipulation to supplement the previous order and stipulation previously entered into in this adversary proceeding (Docket Nos. 77-87) that resolved, against the Stipulating Defendants, the Debtors' Motion (the "Motion"), for entry of an Order pursuant to 11 U.S.C. §§ 362(a)(1) and/or 362(a)(3) and 105(a) extending the automatic stay imposed by 11 U.S.C. § 362(a) to the continued prosecution of the case captioned *Western & Southern Life Insurance Co. v. Residential Funding Co., LLC*, No. A1105042 (Ohio



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Ct. of Comm. P., Hamilton Cnty) (the “Western & Southern Action”) against the Non-Debtor Affiliates¹ or, in the alternative, for entry of an order pursuant to 11 U.S.C. § 105(a) enjoining and prohibiting the continued prosecution of the W&S Action against the Non-Debtor Affiliates.²

WHEREAS, venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and

WHEREAS, notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the particular circumstances and that no other or further notice need be given.

NOW THEREFORE, the Parties have reached the following agreement:

1. Each of the Stipulating Defendants agrees that they are stayed and enjoined from and against the continued prosecution, including the pursuit of certain discovery, by the Stipulating Defendants of the W&S Action against the Non-Debtor Affiliates through March 31, 2013 (the “Stay Period”), including the period from January 31, 2013 to the date of the execution of this stipulation, except as specifically provided in paragraph 2 below, and the Parties agree to extend any deadlines that occur in the W&S Action during the Stay Period.

2. Notwithstanding paragraph 1 above: The Stipulating Defendants are not stayed or enjoined from pursuing the production of documents in the possession, custody, or control of the Non-Debtor Affiliates (except to the extent such documents are solely in the possession or custody of the Debtors). For the sake of clarity, the Non-Debtor Affiliates will not be required to produce, and will not produce, any documents that are solely in the Debtors’ possession.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

² This stipulation also resolves the *Debtors’ Motion to Extend the Stay and Enjoin Prosecution of the Western & Southern Action Against Debtors’ Non-Debtor Affiliates* filed on January 31, 2013. (Docket #93.)

3. During the Stay Period, all Parties and Non-Debtor Affiliates will preserve documents, data, and tangible things currently in their possession, custody and control that are potentially subject to discovery in the W&S Action, regardless of any current limitations upon discovery imposed by this Stipulation.

4. The Non-Debtor Affiliates will agree (in a form of agreement reasonably acceptable to the Stipulating Defendants and the Non-Debtor Affiliates) to toll any statute or period of limitations, statutes of repose, or other time-based limitations or defenses which might be asserted as a time bar and/or limitation to any claim that could be asserted against them by the Stipulating Defendants in those W&S Action during the Stay Period, and the Stipulating Defendants shall forbear bringing any lawsuits against the Non-Debtor Affiliates during the Stay Period. Nothing in this Stipulation shall operate (or constitute an agreement or a requirement) to revive or extend the time for filing any claim against a Non-Debtor Affiliate in any MBS Action that is now time barred or barred by any applicable statute or period of limitations, statutes of repose or other time-related defense as of the date of this Stipulation.

5. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation, except as to those matters, including but not limited to the motions and discovery permitted under paragraph 2 above, pending before the respective courts where each of the Affected W&S Action is pending.

6. Except as specifically provided for herein, the Parties reserve all rights and defenses they may have in the W&S Action, the above-captioned adversary proceeding, or the above-captioned bankruptcy case, and entry into this Stipulation shall not impair or otherwise affect such rights and defenses, and all such rights and defenses are expressly preserved.

7. This Stipulation is without prejudice to any further requests for an Order pursuant to 11 U.S.C. §§ 362(a)(1) and/or 362(a)(3) extending the automatic stay imposed by 11 U.S.C. §

362(a) to the continued prosecution of the W&S Action against the Non-Debtor Affiliates or, in the alternative, for entry of an order pursuant to 11 U.S.C. § 105(a) enjoining and prohibiting the continued prosecution of the W&S Action against the Non-Debtor Affiliates, or the right of any party to contest such requests, provided that the parties shall not modify this Stipulation other than by written agreement.

8. The Stipulating Defendants shall have until April 30, 2013 to file an answer or otherwise respond to any complaint filed in this adversary proceeding.

9. Notwithstanding anything herein to the contrary, this Stipulation shall not modify or affect the terms and provisions of, nor the rights and obligations under, (a) the Board of Governors of the Federal Reserve System Consent Order, dated April 13, 2011, by and among AFI, Ally Bank, ResCap, GMAC Mortgage, LLC, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation, (b) the consent judgment entered April 5, 2012 by the District Court for the District of Columbia, dated February 9, 2012, (c) the Order of Assessment of a Civil Money Penalty Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as amended, dated February 10, 2012, and (d) all related agreements with AFI and Ally Bank and their respective subsidiaries and affiliates.

10. Nothing in this stipulation will alter the rights of any Stipulating Defendant to seek discovery in the Chapter 11 cases.

11. The Stipulating Defendants reserve the right to challenge the Bankruptcy Court's jurisdiction in this matter and/or otherwise object to the Bankruptcy Court's ability to enter judgment in this matter.

Dated: February 5, 2013

/s/ Steven S. Fitzgerald

Steven S. Fitzgerald

WOLLMUTH MAHER & DEUTSCH LLP

500 Fifth Avenue

New York, NY 10110

Telephone: 212-382-3300

Facsimile: 212-382-0050

*Counsel to The Western and Southern Life
Insurance Company, Western-Southern Life
Assurance Company, Columbus Life Insurance
Company, Integrity Life Insurance Company,
National Integrity Life Insurance Company,
and Fort Washington Investment Advisors, Inc.*

Dated: February 5, 2013

/s/ Joel C. Haims

Gary S. Lee

Joel C. Haims

MORRISON & FOERSTER LLP

1290 Avenue of the Americas

New York, New York 10104

Telephone: 212 468-8000

Facsimile: 212 468-7900

*Counsel to the Debtors and Debtors in
Possession*

IT IS SO ORDERED

Dated: February 6, 2013

New York, New York

/s/Martin Glenn

MARTIN GLENN

United States Bankruptcy Judge

**Schedule A to Stipulation and Order With Respect to Debtors' Motion to
Extend the Automatic Stay or, in the Alternative, for Injunctive Relief**

1. **The Western and Southern Life Insurance Company** (Plaintiff: *Western & Southern Life Insurance Co. v. Residential Funding Co., LLC.*, No. A1105042 (Ohio Ct. of Comm. P., Hamilton Cnty).)
2. **Western-Southern Life Assurance Company** (Plaintiff: *Western & Southern Life Insurance Co. v. Residential Funding Co., LLC.*, No. A1105042 (Ohio Ct. of Comm. P., Hamilton Cnty).)
3. **Columbus Life Insurance Company, Integrity Life Insurance Company** (Plaintiff: *Western & Southern Life Insurance Co. v. Residential Funding Co., LLC.*, No. A1105042 (Ohio Ct. of Comm. P., Hamilton Cnty).)
4. **Integrity Life Insurance Company** (Plaintiff: *Western & Southern Life Insurance Co. v. Residential Funding Co., LLC.*, No. A1105042 (Ohio Ct. of Comm. P., Hamilton Cnty).)
5. **National Integrity Life Insurance Company** (Plaintiff: *Western & Southern Life Insurance Co. v. Residential Funding Co., LLC.*, No. A1105042 (Ohio Ct. of Comm. P., Hamilton Cnty).)
6. **Fort Washington Investment Advisors, Inc.** (Plaintiff: *Western & Southern Life Insurance Co. v. Residential Funding Co., LLC.*, No. A1105042 (Ohio Ct. of Comm. P., Hamilton Cnty).)