

*Counsel for the Debtors and
Debtors in Possession*

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

In re:

RESIDENTIAL CAPITAL, LLC, et al.,

Debtors.

Case No. 12-12020 (MG)

Chapter 11

Jointly Administered

WENDY ALISON NORA,

Plaintiff,

V.

RESIDENTIAL CAPITAL, LLC, *et al.*,

Defendants.

Adv. Case No. 13-01208 (MG)

Joint Progress Report

Defendant Residential Capital, LLC (“Defendant”), a debtor and debtor in possession in the above-captioned chapter 11 case, and plaintiff Wendy Alison Nora (“Plaintiff”) hereby submit the following Progress Report pursuant to the Mandatory Supplemental AP Procedures for AP Actions (“Supplemental AP Procedures”) entered by the Bankruptcy Court in the above-captioned chapter 11 cases on March 22, 2013 [Docket No. 3293], as amended on April 22,



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2013, [Docket No. 3490], and the Notice of Applicability of The Order Approving Mandatory Supplemental AP Procedures filed in this Adversary Proceeding on April 12, 2013 [Docket No. 5].

Following settlement discussions that commenced on May 21, 2013, on November 12, 2013, Plaintiff and Defendant entered into an agreement (the “Settlement Agreement”) resolving the Adversary Proceeding and other pending litigation among the parties (the “Settlement”).

Pertinent terms of the Settlement are described below:

- Under the Settlement, Plaintiff agrees to dismiss within fifteen (15) business days of effective date of the Settlement Agreement all claims arising from the note and the mortgage relating to the real property located at 6931 Old Sauk Road, Madison Wisconsin 53717 (the “Property”) and all steps taken in connection with the foreclosure of that loan and the seizure and sale of the Property, including the dismissal with prejudice of all pending litigation, including without limitation: (i) the dismissal of all counts in the Adversary Proceeding, with prejudice as it relates to the parties released, including Ally, in the Settlement Agreement (the “Released Parties”) ¹ and without prejudice as it relates to the parties against whom claims have been specifically preserved in the Settlement agreement (the “Non-Released Parties”); (ii) the dismissal with prejudice of the lis pendens filed by Plaintiff on July 3, 2013; (iii) the dismissal of all counts in all Wisconsin state court and federal court proceedings with prejudice as it relates to the Released Parties, including without limitation Case No. 10-cv-748 in the United States District Court for the Western District of Wisconsin, with the exception that Plaintiff is not required to dismiss claims solely as against the Non-Released Parties; and (iv) the dismissal of all related appeals, including without limitation, Case No. 13-1660 in the Seventh Circuit Court of Appeals and any appeals of any order of the Bankruptcy Court, with prejudice as it relates to the Released Parties, with the exception that Plaintiff is not required to dismiss claims solely as against the Non-Released Parties.
- Plaintiff, on the one hand, and the Debtors, Ally Financial, Inc. (together with its non-Debtor subsidiaries and affiliates), and Ally Bank, collectively, “Ally”, on the other hand, shall exchange mutual releases as provided for in the Settlement; provided, however, that the Settlement expressly identifies certain additional parties whom Plaintiff has agreed to release and certain parties whom Plaintiff has not agreed to release.
- Proofs of claim # 2 and # 440 filed by Plaintiff in the Bankruptcy Cases (the “Proofs of Claim”) shall be deemed withdrawn with prejudice and expunged in their entirety, and the Debtors may take appropriate unilateral steps to cause the withdrawal and expungement of such Proofs of Claim.
- Plaintiff shall not oppose, in her individual capacity, any Chapter 11 plan or disclosure

¹ For the avoidance of doubt, the term “Released Parties” includes Ally (as defined herein).

statement filed in the Bankruptcy Cases, including the Plan and Disclosure Statement filed by the Debtors on July 3, 2013 and July 4, 2013, respectively, as each may be revised or amended, nor any other relief requested by the Debtors that does not adversely impact Plaintiff in her individual capacity.

- Plaintiff shall not pursue or prosecute any of Plaintiff's pending unresolved objections or appeals relating to the Bankruptcy Cases, including without limitation (i) Plaintiff's motion for reconsideration of the Supplemental Servicing Order [Docket No. 916] and the appeal of the denial thereof, or (ii) Plaintiff's objection to the disclosure statement filed on July 28, 2013 [Docket No. 4388], and each of these documents shall be deemed withdrawn on the Agreement Effective Date (as such term is defined in the Settlement agreement).
- Plaintiff shall be deemed to have withdrawn and the Debtors are authorized to file on the docket in these Bankruptcy Cases a notice of withdrawal of the (i) Motion to Disqualify Judge Martin Glenn from Presiding Over Further Proceedings in this Matter (Docket Nos. 5346, 5347, 5352); (ii) Motion to Strike Order to Show Cause Entered on October 9, 2013 by Judge Martin Glenn (Docket No. 5502); (iii) Motion to Consolidate Debtors Objection to Nora Proofs of Claim #1 in the Court Registry and #440 in the Private Claims Registry Operated by Kurtzman Carson, LLC in the Interests of Justice and Judicial Economy (Docket Nos. 5392, 5395); (iv) Motion for Admission to Practice, *Pro Hac Vice* (Docket No. 204); (v) Objection to Plan (Docket No. 5398); (vi) Partial Joinder in Objection to Confirmation of Debtors' Chapter 11 Plan by the Office of the United States Trustee (Docket No. 5520); (vii) Notice of Appearance for Michael Harkey (Docket Nos. 5014, 5016); (viii) Notice of Appearance for Suzanne and Melvin Simonovich (Docket No. 5015); (ix) Notice of Appearance for Carin Wilson (Docket No. 5012); Notice of Appearance for Paul N. Pappas II (Docket No. 5011); (x) Notice of Appearance for Shane Haffey (Docket No. 5010); (xi) Notice of Appeal from Order Entered on August 15, 2012 (Docket No. 1306); (xii) Amended Initial Designation of Record on Appeal from Order Entered on August 15, 2012 (Docket No. 1421); (xiii) Objection to Reply of Apply Financial Inc. to Motion for Order Approving Plan Support Agreement (Docket N. 4070); (xiv) Notice of Appeal (Docket No. 4970); (xv) Second Motion for Extension of Time to File Designation of Record and and Statement of Issues on Appeal Under Bankruptcy Rule 9006 (Docket No. 5345) and (xvi) Motion for Extension of Time to File Designation of Record and Statement of Issues on Appeal Under Bankruptcy Rule 8006 (Docket No. 5148).

Dated: November 14, 2013
New York, New York

/s/ [Signature]
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Dated: November 12, 2013
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