

EXHIBIT B

1 MS. UHLAND: Tomorrow. Yeah. We can get it on file
2 tomorrow. We'll turn it this afternoon.

3 THE COURT: All right. But you'll get it to me, say
4 by 10 or so in the morning? Can you do that?

5 MS. UHLAND: Yes.

6 THE COURT: All right. Thank you.

7 MS. UHLAND: Thank you. I believe the parties, we'd
8 like to take next the parties' joint motion with respect to
9 the relief from stay.

10 THE COURT: Okay.

11 MS. UHLAND: This has been a new and interesting
12 challenge for all of us. I think that the Court, the
13 Debtors, and counsel, in trying to address, you know, meet
14 the needs of the parties with an interest in property, and at
15 the same time try to unburden the rest of us with expense and
16 time. Our initial motion that we filed, we requested, you
17 know, we basically granted the relief from stay, and ordered
18 the parties, initially, to serve Carrington. Not necessarily
19 that Carrington is the servicer of every loan, but we thought
20 that, that that would, you know, cover some type of, you
21 know, waterfront on getting some additional notice out. The
22 parties to the, to the mortgages have effectively told us
23 that's impossible. That, you know, they go to each title
24 record, and they need to serve, as a matter of state law they
25 need to serve the notice that, or the address that's

1 recorded. And that should a party acquire an interest to the
2 loan and if they want to make sure that they get notice, they
3 have every ability to go and do whatever they need to do in
4 the recording offices. So we have agreed with them, and we
5 have a revised order that provides that they do not need to
6 serve Carrington with notices of foreclosure, but instead
7 that they simply need to comply with applicable law with
8 respect to the foreclosure notices. And, you know, what will
9 likely happen is the notice address for either Home123 or New
10 Century, depending on which Debtor originated, you know, will
11 go to whatever mailbox or street address as an initial matter
12 to the extent there's been no change. Frankly Your Honor, my
13 experience, I think there, even if there is a change, they
14 serve everybody in the chain anyway. But, so that piece of
15 mail we know will continue. We do want to provide, as we had
16 in order, however, that those parties be ordered not to serve
17 counsel for the Debtor or the Committee or the Liquidating
18 Trustee with the notices. In other words, serve who they
19 serve on the, in the statute by law, but don't go out and
20 serve all of these other parties. My office, and I know I'm
21 not, my name isn't in any of the title records, we get about,
22 each week, each Monday we get about three mail bins full of
23 foreclosure notices that I assume are from the people who
24 filed relief and then picked up the Debtors' counsel. So if
25 we could at least stop that mail, that would be helpful. The

1 other part that, that we want to retain in the, in the motion
2 is that the parties be precluded from continuing to file
3 motions for relief from stay. That they proceed under state
4 law, but they're ordered not to file, to continue to file and
5 serve the motions for relief from stay. That part of the
6 objection, Your Honor, may, we have not reached agreement
7 with the parties, and, but we believe it is within this
8 Court's authority to order them not to file their motions.
9 If they have this order, which says that relief from stay is
10 granted provided that they do it under state law, we would
11 expect that that would be sufficient to, to provide them the
12 protection that they need. And many of the parties have
13 already been, any party that's been using our procedure,
14 which does not provide for a notice, it's in effectively a
15 negative notice procedure, effectively all of the same
16 parties who are now filing an objection has also used the
17 procedures. It's the same, the same institutions. So we
18 believe that they should be ordered not to file the motions
19 for relief from stay, and it seems sort of, you know, there's
20 some discussion, Well, what if they file the motions, but
21 they don't serve the Debtors' counsel? Well that, that seems
22 even a little awkward. I mean, I think it's one thing to not
23 add additional notice with respect to a state court filing,
24 but it seems odd to try to split the baby by having a motion
25 filed that's not served.

1 THE COURT: Well, the Debtor in the joint motion has
2 stated unequivocally that it retains no interest in any of
3 these loans which are the subject of lenders who hold other
4 positions in connection with these properties. Is that
5 correct?

6 MS. UHLAND: That's correct, Your Honor.

7 THE COURT: Does anybody dispute this?

8 MS. UHLAND: Not that I'm aware, Your Honor.

9 THE COURT: I, I, you know, I can understand at
10 times filing such motions, you know, out of an abundance of
11 caution. And I can understand that having a Bankruptcy Court
12 order may make it easier in another court, or to address a
13 title company, but you know, we've come to learn, with the
14 inception of the Bankruptcy Code, that title companies can be
15 educated. I, maybe on the first couple it's a little
16 struggle, but I, I don't see, and I've read the submissions,
17 basically, why there's any problem with the relief that's
18 been requested. Frankly, I think to myself it might arguably
19 be something the Court could impose on its own motion. But
20 let me hear from others who wish to be heard.

21 MR. SCOTT (Telephonic): Your Honor, this is Sean
22 Scott from Mayer Brown on behalf of Carrington Mortgage
23 Services. Your Honor, obviously it's the Debtors' and the
24 Committee's motion, but we viewed the notice to Carrington
25 Mortgage Services as a legitimate substitute notice to ensure

1 that all parties rights are protected, including second lien
2 holders here. And I guess I would take issue with the notion
3 that it would be impossible for various parties that have
4 objected here today, for their clients to comply simply with
5 sending foreclosure papers to an address that was provided in
6 the order. As is customary in the mortgage industry here,
7 many of the mortgages remain in the name of the originator,
8 New Century, and the objecting parties have submitted that,
9 that Carrington should simply cause a recordation of the
10 assignments of those mortgages. That would impose
11 significant costs not on Carrington Mortgage Services,
12 because it is simply the servicer here, but in fact our
13 reading of the documents is that the cost of that recordation
14 would fall back upon the estate, and then in particular on
15 New Century Capital Corporation, which is the responsible
16 party in the applicable pooling and servicing agreements. So
17 we viewed the proposal as one that did not impose any costs
18 on any of the parties here, other than the additional cost of
19 mailing for each loan and on balance that seemed far more
20 appropriate than requiring recordation in the county
21 recording offices of every second lien for which Carrington
22 Mortgage Services acts as servicer. We would submit that
23 the, the original form of order submitted by the Debtors and
24 the Committee was an appropriate balance of the parties'
25 interests.

1 THE COURT: Does anyone else care to be heard?

2 MR. CHIPMAN: Good afternoon, Your Honor. William
3 Chipman on behalf of Countrywide. Our objection has been
4 resolved with the Debtor, provided that the Carrington issue,
5 which I didn't know was still an issue, is, the notice to
6 Carrington was removed. It is not our burden to notice
7 anyone other - - if stay relief is lifted, it's lifted and we
8 can follow state law to foreclose. If Carrington wants
9 notice, or other parties want notice, they need to correct
10 the public record filings. And I'm not sure whether or not
11 it is actually an estate, the estate bears the cost or
12 whether or not it's just a claim that, you know, arises
13 because somebody has to file that notice. But that's the
14 proper way to do it when you transfer the loan, Your Honor.
15 Thank you.

16 MR. INDELICATO: Your Honor, Mark Indelicato from
17 Hahn & Hessen on behalf of the Committee. Your Honor, we are
18 co-proponents of this order. We would have proposed it
19 earlier, but we believed that given where we were in the
20 case, it was appropriate to wait until now. We do have some
21 experience with this issue in other cases, in fact before
22 this Court, of how we deal with relief stay motions post-
23 confirmations of a mortgage servicer and originator. And we
24 felt that we needed to put it in a place where they get
25 relief from the stay, and they have to exercise their rights

1 under state law. Nothing more and nothing less. The
2 noticing of Carrington was put in there in a way which we
3 thought would assist people in expediting the foreclosure
4 proceedings, and they have told us it will not, and we've
5 agreed to take it out. We believe that this Court should
6 enter the order. I think it will take an enormous
7 administrative burden off the post-confirmation estate, and
8 this Court. And we believe that the appropriate procedures
9 is outlined in the court. If you want to call it this Court
10 directing that motions not be stayed, not be filed. Really
11 what we're looking at is, Your Honor, relief stay is granted.
12 And it's granted so you don't need to keep filing successive
13 motions. And you're right, I think the title companies can
14 be educated. And we'll quickly learn the proper ways to do
15 it. We've seen that done in other cases, and we think that's
16 what should be done here. So we would ask the Court to enter
17 the order with the slight modification that Ms. Uhland has
18 outlined and grant the motion. Thank you.

19 THE COURT: Well, what about the Carrington argument
20 that without the notice they may be, or the holders of the
21 mortgage may be forced to file recordations of the
22 assignments at expense to the estate?

23 MR. INDELICATO: I'm not sure it is an expense to
24 the estate, Your Honor. And I think the issue is the, what
25 we are seeking here today is giving them relief from the

1 stay. If there are issues that they need, that Carrington
2 needs to address in a separate motion with us before this
3 Court, we can deal with that. But what they're, what that
4 language does, and it was a language that we originally
5 proposed, it shifts the burden and adds additional conditions
6 on foreclosure not required under state law. That's the
7 issue we're trying to address with taking that language out.
8 If there's a specific issue that they need us to work with
9 them on, on the recordation, we'll get some other order of
10 the Court. We can work with them on that. We don't,
11 obviously, want to incur an expense to the estate that's not
12 necessary, but I don't think this motion or that provision is
13 the appropriate way to do it.

14 THE COURT: All right. Does anyone else care to be
15 heard? I hear no further response. Ms. Umland, do you have
16 a revised form of order?

17 MS. UHLAND: Yes. Yes I do. I have a black line
18 with a couple scribbles on it if the Court would like to have
19 that for reference as well.

20 THE COURT: Yes I would.

21 MS. UHLAND: May I approach?

22 THE COURT: Yeah. I'm convinced that in light of
23 the fact that it's not disputed that the Debtor no longer,
24 the estate no longer has any interest in any of these
25 mortgage liens, that it's appropriate to put the parties into

1 the position that applicable, non-bankruptcy law would
2 otherwise permit. First of all, it seems to me that's the
3 right result under the interplay between bankruptcy law and
4 non-bankruptcy law. And secondly, I agree with the Debtor.
5 It, and the Committee here. It just relieves the estate, and
6 the Court as well, of what strikes me at this point as being
7 a completely unnecessary burden. And I think, as Mr.
8 Indelicato mentioned, that the key here is just to put the
9 parties in the position in which they're free to avail
10 themselves of their state law rights and defenses. And so I
11 believe, for those reasons, that relief is warranted. Okay.
12 Now why don't you walk me through the black line.

13 MS. UHLAND: That may be my only black line.

14 THE COURT: Oh, I'm sorry.

15 MS. UHLAND: But I have a good memory. Oh, I have
16 another one. Okay.

17 THE COURT: Okay.

18 MS. UHLAND: So paragraph 4 is where we, we simply
19 replaced the notice to Carrington with the state law. Notice
20 provision. And let me pause, Your Honor. There may be one
21 interlineation on the definition of interest and property
22 that I might have missed this morning. Can you check that?
23 There was, just to point it out, Your Honor, on paragraph 3
24 there was some, some question I wasn't, I'm not clear whether
25 it was resolved, on the interest in the mortgage or the

1 underlying note. I think, and we'll confirm right now
2 whether that paragraph 3 we need to interlineate to make that
3 slightly more broad.

4 THE COURT: Okay.

5 MS. UHLAND: The, paragraph 6 remains the same.
6 Actually, I'm sorry, Your Honor, because this, this red line
7 that I have isn't the final. There was one other provision
8 we wanted to add, and I apologize, Your Honor. And I will
9 - - I think we're going to - - let me walk you through it. I
10 think we're going to have to submit one this afternoon.

11 THE COURT: All right. Do you want to take this
12 back again?

13 MS. UHLAND: But let me, no. Let me continue.

14 THE COURT: Okay.

15 MS. UHLAND: The other provision we wanted to add.
16 In paragraph 6 we have statement that the parties are
17 requested not to serve the Debtors, the Committee, or the
18 Liquidating Trust, and counsel, with respect to motions for
19 relief from stay. We wanted to clarify that language and add
20 it to 4. That while they comply with notice requirements
21 under applicable state law, that they're ordered not to serve
22 counsel for the Debtors, or Committee, or the Liquidating
23 Trust. So that's another, we'll make that change to
24 paragraph 4. Paragraph 6 is as it was originally. That
25 they're ordered not to file motions for relief from stay.

1 Paragraph 7 was a clarification we added that, you know,
2 some, just to clarify for the parties' benefit, if some
3 motion, the effect of a motion that would be ordered, that
4 it's moot and not granted or otherwise entertained.

5 THE COURT: Well, so that you know, after speaking
6 with our clerk's office, and specifically the automation
7 folks, what we're going to do is set it up so that if someone
8 tries to file a 362 motion in this case, they'll get a notice
9 which will pop up and say, basically, You can't. It will
10 refer to the order by date. We may also put a notice on the
11 Court's website. So that's mechanically how it will work.
12 Someone will actually have to go and attempt to make the
13 filing in the electronic system, but when they attempt it,
14 and trigger 362, the notice will pop up referring to the
15 order that, I guess, ultimately will be entered precluding
16 those things.

17 MS. UHLAND: Okay.

18 THE COURT: And then I, one thing I didn't explore
19 with the clerk's office, but I'm supposed, I suppose the
20 notice that we put in is going to have to, you know, just say
21 something, address the situations that might be 362 relief,
22 but unrelated to the types of things that we're trying to put
23 a stop to here.

24 MS. UHLAND: Right.

25 THE COURT: And I'm, I'm resisting the thought of

1 suggesting that parties call chambers, but I'm, I want to try
2 to figure out some other method to address those filers.

3 MS. UHLAND: Litigation or whatnot? So Your Honor,
4 what I would propose, and we can do this in, as soon as we
5 get back, you know, during your afternoon hearing, we'll, I
6 think we, we did agree, and it's not listed here, to an
7 expansion on the end of paragraph 3 for clarification with
8 one of the objectors. And as I said, we wanted to copy in
9 effect the language in paragraph 6 into paragraph 4 with
10 respect to not noticing counsel for the Debtors. We're not
11 going to say not noticing the Debtors because state law
12 probably, that's likely where they are sending the notices.

13 THE COURT: All right. Thank you.

14 MS. UHLAND: Thank you, Your Honor.

15 THE COURT: Anything further on this matter?

16 MS. UHLAND: No, Your Honor. And we will, when we
17 revise the confirmation order, refer to this order.

18 THE COURT: Okay.

19 MR. SAMIS: Your Honor, that leaves the only item on
20 for today being the fee applications. And I think it might
21 make the most sense for me to simply move through them one by
22 one, and allow the professionals to make any statements they
23 wish to make, to the extent that they're in court or on the
24 phone, and allow Mr. Smith to also address each fee
25 application. Most of them, I think, at this point there's

1 been resolutions to the extent that there was any
2 disagreement with Mr. Smith's analysis. So I think this
3 should go relatively quick.

4 THE COURT: All right.

5 MR. SAMIS: Your Honor, the first application is the
6 application of FTI Consulting. I'm not sure if they're
7 represented in court or if they have a representative on the
8 phone.

9 MR. STAR (Telephonic): Yes. Sam Star from FTI is
10 on the phone, Your Honor.

11 THE COURT: Good afternoon.

12 MR. STAR (Telephonic): Good afternoon.

13 THE COURT: Let me just ask has FTI agreed to the
14 Fee Auditor's recommendations?

15 MR. STAR (Telephonic): We've agreed to the
16 reductions in the fees. We still have a disagreement on some
17 of the expenses. Of the total, there's about \$4,198 which
18 the Fee Auditor had suggested be reduced. Of that, there's
19 about 3,600 which relates to hotel charges. Those are the
20 ones that are in dispute at the moment. The balance we've
21 agreed to take the write-off, which is about \$600. Our issue
22 on the hotels has to do with the caps that are being set for
23 specific areas of the country, in particular New York, which
24 for us apparently is a \$350 per night cap. And when we
25 looked at some of the other reports for some of the other