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investment advisor to certain funds, and for CQS ABS Master  
Fund Limited and CQS ABS Alpha Master  
Fund Limited.*

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

	)	
In re:	)	Chapter 11
	)	
Residential Capital, LLC, <i>et al.</i> ,	)	Case No. 12-12020 (MG)
	)	
Debtors.	)	Jointly Administered
	)	

**NOTICE OF FILING OF MONARCH ALTERNATIVE CAPITAL LP, STONEHILL CAPITAL MANAGEMENT LLC, CQS ABS ALPHA MASTER FUND LIMITED, CQS ABS MASTER FUND LIMITED, AND BAYVIEW FUND MANAGEMENT LLC'S MOTION IN LIMINE TO PRECLUDE EVIDENCE ON THE DEBTORS' 9019 MOTION CONCERNING THE NEGOTIATIONS LEADING UP TO THE FGIC SETTLEMENT AGREEMENT AND THE CONCLUSORY STATEMENTS OFFERED BY THE FGIC TRUSTEES AND OTHERS ABOUT THE NATURE OF THOSE NEGOTIATIONS  
(IN LIMINE MOTION FIVE)**

**PLEASE TAKE NOTICE** that, pursuant to the *Scheduling Order* [ECF No. ], dated August , 2013, entered by the Bankruptcy Court in connection with the *Debtors' Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of the Settlement Agreement Among the Debtors, FGIC, the FGIC Trustees, and Certain Individual Investors* [ECF No. 3929] (the "**9019 Motion**"), Monarch Alternative Capital LP, Stonehill Capital Management LLC, and Bayview



Fund Management LLC, each in its capacity as investment advisor to certain funds, and CQS ABS Alpha Master Fund Limited and CQS ABS Master Fund Limited (collectively, the “Investors”) hereby file the Investors’ *Motion in Limine to Preclude Evidence on the Debtors’ 9019 Motion Concerning the Negotiations Leading up to the FGIC Settlement Agreement and the Conclusory Statements Offered by the FGIC Trustees and Others about the Nature of those Negotiations.*

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the *Order Regarding Exchange of Confidential Information* [ECF No. 4249] (the “**Confidentiality Order**”), dated July 16, 2013, entered by the Bankruptcy Court in connection with the 9019 Motion, certain portions of the Motion in Limine are hereby filed in redacted form and under seal. Unredacted copies of the Motion in Limine will be provided to the Bankruptcy Court and served on parties to the Confidentiality Order.

Dated: August 7, 2013  
New York, New York

WILLKIE FARR & GALLAGHER LLP

By: /s/ Joseph T. Baio  
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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

_____	)	
In re:	)	Chapter 11
	)	
Residential Capital, LLC, <i>et al.</i> ,	)	Case No. 12-12020 (MG)
	)	
Debtors.	)	Jointly Administered
_____	)	

**MONARCH ALTERNATIVE CAPITAL LP, STONEHILL CAPITAL MANAGEMENT  
LLC, CQS ABS ALPHA MASTER FUND LIMITED, CQS ABS MASTER FUND  
LIMITED, AND BAYVIEW FUND MANAGEMENT LLC'S  
MOTION *IN LIMINE* TO PRECLUDE EVIDENCE ON THE DEBTORS'  
9019 MOTION CONCERNING THE NEGOTIATIONS LEADING UP  
TO THE FGIC SETTLEMENT AGREEMENT AND THE  
CONCLUSORY STATEMENTS OFFERED BY THE FGIC TRUSTEES  
AND OTHERS ABOUT THE NATURE OF THOSE NEGOTIATIONS  
(IN LIMINE MOTION FIVE)**

TO THE HONORABLE MARTIN GLENN,  
UNITED STATES BANKRUPTCY JUDGE:

Monarch Alternative Capital LP, Stonehill Capital Management LLC, and Bayview Fund Management LLC, each in its capacity as investment advisor to certain funds, and CQS ABS Alpha Master Fund Limited and CQS ABS Master Fund Limited (collectively, the “Investors”) hereby file this motion *in limine* to preclude the FGIC Trustees, FGIC, the Debtors and any other parties (collectively, the “Moving Parties”) who have joined in the Debtors’ Motion Pursuant to Fed. Rule of. Bankruptcy Procedure 9019 for Approval of the Settlement Agreement Among the Debtors, FGIC, the FGIC Trustees and Certain Institutional Investors (the “9019 Motion”).

**PRELIMINARY STATEMENT**

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**CONCLUSION**

WHEREFORE, the Investors respectfully request that the Court enter an Order precluding the Moving Parties from offering any evidence concerning the negotiations leading to the FGIC Settlement Agreement, the conduct of the FGIC Trustees during those negotiations, the role of “sophisticated counsel” in advising the Settling Parties, and further precluding testimony containing conclusory statements about hard fought and arms-length negotiations among the Moving Parties at the hearing regarding the 9019 Motion to be held on August 16 and August 19, 2013.

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<sup>18</sup> See Letter Brief of Mary Eaton, dated July 16, 2013 (citing *Dandong v. Pinnacle Performance Ltd.*, No. 10 Civ. 8086 (LBS), 2012 WL 4793870, at \*2 & n.3 (S.D.N.Y. Oct. 9, 2012)). [Dkt. No. 4253].

Dated: August 7, 2013  
New York, New York

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