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March 15, 2016

By ECF, Email and Federal Express

The Honorable Martin Glenn
United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, New York 10004

Re: *Motors Liquidation Company Avoidance Action Trust v.
JPMorgan Chase Bank, N.A.*, Case No. 09-00504 (MG)

Dear Judge Glenn:

In advance of the case management conference scheduled for Tuesday, March 22, in the above adversary proceeding, we write on behalf of plaintiff Motors Liquidation Company Avoidance Action Trust to advise the Court about the status of the action.

Summary of Action

In this action, plaintiff, as successor to the official creditors' committee, seeks to avoid and recover post-petition and preferential transfers made to a group of more than 500 lender-defendants in connection with a \$1.5 billion secured term loan to General Motors Corporation, as to which JPMorgan Chase Bank, N.A., served as administrative agent and collateral agent. In January 2015, the Second Circuit ruled in favor of plaintiff's central contention in this case, reversing the Bankruptcy Court's dismissal of the action and deciding that the main lien securing the term loan had become unperfected as of the petition date due to the filing of a UCC termination statement authorized by JPMorgan. The Second Circuit issued its mandate on April 13, 2015, directing the Bankruptcy Court to enter partial summary judgment in favor of plaintiff. (For plaintiff's summary of the background to this action, the Court is respectfully referred to plaintiff's *Omnibus Memorandum of Law in Opposition to Defendants' Motions to Dismiss and for Judgment on the Pleadings* dated March 4, 2016 (Adv. Pro. Dkt. No. 427), at 4-20.)

Now that it has been established as a matter of law that the main lien was not perfected as of the bankruptcy petition date, in this next stage of the case plaintiff contends, among other things, that defendants' term loan was substantially undersecured and defendants should not have been paid in full. Among other claims, plaintiff seeks to avoid and recover all amounts paid in excess of the value of any surviving perfected collateral. Plaintiff contends that any surviving perfected collateral has relatively little value and thus seeks to recover most of the value of the transfers to the defendants.

Following remand of the case, the Bankruptcy Court entered partial summary judgment in favor of plaintiff and authorized the plaintiff to file and serve an amended complaint. The Bankruptcy Court also entered a discovery schedule in the case. (A copy of the scheduling order is attached as Exhibit A.) Discovery is focused on the value of the surviving perfected collateral, though that is not the only issue as to which discovery has been sought.

Status of Discovery

Under the scheduling order, document discovery is scheduled to conclude on April 15, 2016. In addition to party document requests, plaintiff, JPMorgan and other defendants have subpoenaed documents from more than twenty non-parties. A substantial number of documents have been produced from both parties and non-parties. However, with respect to a number of document discovery issues, parties and non-parties continue to meet and confer about the scope of document productions in an effort to consensually resolve disputes. In addition to document requests, the parties have exchanged interrogatories and continue to negotiate over the scope of responses to those interrogatories.

While fact depositions may proceed sooner, plaintiff expects fact depositions to proceed after document discovery concludes, during the period from April 15 until the close of all fact discovery on July 31, 2016. The parties have not yet discussed the number of fact depositions that plaintiff and defendants plan to take.

Between now and July 31, 2016, plaintiff and JPMorgan are also attempting to arrange for the inspection of certain facilities where surviving perfected collateral may be located. Although surviving perfected collateral may be located at 26 different facilities, plaintiff and JPMorgan have agreed to inspect a representative sample of only seven facilities. Together plaintiff and JPMorgan have advised General Motors and the RACER Trust (the trust that owns those plants left behind at "Old GM") of the seven facilities that they wish to inspect and have continued to negotiate the scope of those inspections with the affected parties.

Following the conclusion of fact discovery, the scheduling order allows approximately three months for expert discovery, whereupon all discovery is to be concluded.

Certain Other Issues

Pending Motions. As the Court is aware, a number of defendants, not including JPMorgan, have moved to dismiss plaintiff's amended complaint or for judgment on the pleadings. Those motions are scheduled to be fully briefed as of March 30, 2016. Plaintiff is available for argument on each of the three dates suggested by the Court: April 12, 13 or 14. Plaintiff has advised defendants' counsel of its availability. Plaintiff has been advised that the law firm of Kasowitz Benson is not available on those dates and has not heard from counsel to any of the other defendants as to their availability.

Cross Claims. A number of defendants have asserted cross claims against JPMorgan related to its filing of the UCC termination statement that caused the main lien to become

unperfected. Plaintiff is not a party to those cross claims and expects that other parties will brief the Court with respect to the status of those claims.

Dissolved and Defaulting Defendants. While this action was pending, a number of defendant entities, including entities that received substantial transfers, were dissolved without notice to plaintiff. Plaintiff continues to investigate the circumstances of their dissolution to evaluate its potential avenues for recovery against such dissolved entities or their affiliates.

In addition, a number of defendants have not answered, moved or otherwise responded to the amended complaint. Plaintiff continues to evaluate those defendants to assess whether to seek a default judgment against them.

Service. The following three defendants have not yet been served with the amended complaint: BTG Pactual Chile S.A. Administradora General De Fondos (“BTG”), Celfin Capital S.A. Adm. General de Fondos para Ultra Fondo de Inversion (“Celfin”), and Oesterreichische Volksbanken AG (“OV”). Service on BTG and Celfin remains in process. With regard to OV, Austria did not accept the letter rogatory requesting service due to the passing of the pretrial hearing date set forth in the summons. Plaintiff is in the process of obtaining and serving a summons with a revised hearing date.

Case Management. Because this case involves hundreds of defendants, plaintiff initiated discussions with defendants about a case management order designed to streamline discovery through the appointment of a committee of law firms to serve as lead defense counsel. Plaintiff remains optimistic that the parties will reach agreement on a simple order for the Court’s consideration to implement such procedures.

We look forward to addressing any questions that the Court may have at the upcoming conference.

Respectfully,

/s/ Eric B. Fisher

Eric B. Fisher

cc: All Counsel of Record (by ECF and email)

Exhibit A

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

In re:	:	Chapter 11 Case
	:	
MOTORS LIQUIDATION COMPANY, <i>et al.</i> ,	:	Case No. 09-50026 (REG)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	
OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF MOTORS LIQUIDATION COMPANY f/k/a GENERAL MOTORS CORPORATION,	:	Adversary Proceeding
	:	
Plaintiff,	:	Case No. 09-00504 (REG)
	:	
vs.	:	
	:	
JPMORGAN CHASE BANK, N.A., individually and as Administrative Agent for Various lenders party to the Term Loan Agreement described herein, <i>et al.</i> ,	:	
	:	
Defendants.	:	
	:	
	:	

ORDER REGARDING DISCOVERY AND SCHEDULING

After considering the issue of a schedule for discovery in the above-captioned action at this Court’s August 13, 2015 hearing,

IT IS HEREBY ORDERED as follows:

1. Discovery Schedule: The discovery schedule for this adversary proceeding shall be as follows:

Aug. 13, 2015	By this date, JPMCB to provide copies of all previously produced discovery (including documents and deposition transcripts) to the other defendants, subject to their compliance with ¶ 7(a) of the Protective Order
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Aug. 13, 2015	Fact discovery, including depositions and inspections, resumes in full, except no depositions are to be noticed until after September 30, 2015, <i>provided however</i> , that the entry of this Order is without prejudice to the right of any defendant not served as of August 13, 2015, to seek a reasonable adjournment or extension of time with respect to any scheduled depositions upon a showing that such adjournment is necessary.
Sept. 30, 2015	Deadline for Plaintiff to complete service
Nov. 16, 2015	Deadline for Defendants to file cross-claims, if any
Nov. 16, 2015	Defendants' deadline to answer, move to dismiss, or otherwise respond to the amended complaint
Jan. 20, 2016	Plaintiff's deadline to respond to any motions to dismiss
Feb. 15, 2016	Defendants' deadline to file replies on any motions to dismiss
Apr. 15, 2016	Deadline for document discovery
July 31, 2016	Deadline for fact discovery (including depositions and plant inspections)
Aug. 12, 2016	Parties serve expert reports
Sept. 14, 2016	Parties serve rebuttal expert reports
Oct. 31, 2016	Expert depositions completed/Close of discovery
Nov. 15, 2016	Summary judgment motions or, if required, letter requests for dispositive motions, filed and served
To be determined by Court	Pre-trial conference
To be determined by Court	Trial dates

2. Adjustments to Discovery Schedule: Each party (whether served as of the date of this Order or not) reserves its rights to apply to the Court to alter any of the deadlines herein, and each party reserves its right to oppose any such application. With regard to the deadline for Defendants to file cross-claims (if any), any Defendant or Defendants may stipulate with any other Defendant or Defendants to extend that deadline to the extent applicable to them without the need for a court order.

3. Jurisdiction: This Order may be reviewed *ab initio* and modified by any successor bankruptcy judge having jurisdiction over this adversary proceeding.

SO ORDERED:

Dated: New York, New York
August 17, 2015

s/ Robert E. Gerber

Honorable Robert E. Gerber
United States Bankruptcy Judge