

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

IN RE:

NEW CENTURY TRS HOLDINGS, INC., a
Delaware Corporation, *et al.*

Debtors.¹

Chapter 11

Case No. 07-10416 (BLS)

Re: D.I. 11457, 11485

**ORDER AUTHORIZING THE ABANDONMENT AND
DESTRUCTION OF ALL RECORDS**

THIS COURT having considered the *Motion for an Order Authorizing the Abandonment and Destruction of All Records* (the "Motion") of the New Century Liquidating Trust (the "Trust"), by and through Alan M. Jacobs, as the Bankruptcy Court-appointed Trustee (the "Trustee"), seeking authorization to abandon and destroy the Records² pursuant to sections 105(a), 363, and 554(a) of the Bankruptcy Code and Bankruptcy Rule 6007 in his sole discretion; and it appearing that notice of the Motion has been given to the United States Trustee and all parties who have indicated an interest in the Records, including those parties who have requested copies of any Loan Files or other documents from the Trust, and that no further notice need be given; and it appearing that objections have been filed to the Motion by Michael Harkey

¹ The pre-confirmation Debtors were the following entities: New Century Financial Corporation (f/k/a New Century REIT, Inc.), a Maryland corporation; New Century TRS Holdings, Inc. (f/k/a New Century Financial Corporation), a Delaware corporation; New Century Mortgage Corporation (f/k/a JBE Mortgage) (d/b/a NCMC Mortgage Corporate, New Century Corporation, New Century Mortgage Ventures, LLC), a California corporation; NC Capital Corporation, a California corporation; Home123 Corporation (f/k/a The Anyloan Corporation, 1800anyloan.com, Anyloan.com), a California corporation; New Century Credit Corporation (f/k/a Worth Funding Incorporated), a California corporation; NC Asset Holding, L.P. (f/k/a NC Residual II Corporation), a Delaware limited partnership; NC Residual III Corporation, a Delaware corporation; NC Residual IV Corporation, a Delaware corporation; New Century R.E.O. Corp., a California corporation; New Century R.E.O. II Corp., a California corporation; New Century R.E.O. III Corp., a California corporation; New Century Mortgage Ventures, LLC (d/b/a Summit Resort Lending, Total Mortgage Resource, Select Mortgage Group, Monticello Mortgage Services, Ad Astra Mortgage, Midwest Home Mortgage, TRATS Financial Services, Elite Financial Services, Buyers Advantage Mortgage), a Delaware limited liability company; NC Deltex, LLC, a Delaware limited liability company; NCoral, L.P., a Delaware limited partnership; and New Century Warehouse Corporation, a California corporation.

² Capitalized terms not herein defined shall have the meanings ascribed to them in the Motion.

(“Harkey”) [D.I. 11462], Jane Haas (“Haas”) [D.I. 11463], the Attorney General of the State of New York (the “NYAG”) [D.I. 11465], the Federal Home Loan Bank of Boston and Federal Home Loan Bank of Chicago (the “FHLBs”) [D.I. 11466], Mimielle Goulatte (“Goulatte”) [D.I. 11467], Deatra DeHorney (Scott) (“DeHorney”) [D.I. 11468], Frances Rogers (“Rogers”) [D.I. 11469], Royal Park Investments SA/NV (“Royal Park”) [D.I. 11470], Wallace Vaughn [D.I. 11471], and the “Institutional Investor Plaintiffs” (as defined in the Objection) [D.I. 11473] (collectively, the “Objectors”). Haas, Goulatte, DeHorney, Rogers, and Vaughn are referred to herein as the “Borrower Objectors,” and their objections, the “Borrower Objections,” and the NYAG, the FHLBs, Royal Park, the Institutional Investor Plaintiffs, and Harkey are referred to herein as the “Subpoena Objectors,” and their objections, the “Subpoena Objections”; and the Court having held a hearing on May 20, 2016 to consider the relief requested in the Motion and the objections thereto; and after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.
2. Pursuant to 11 U.S.C. §§ 105, 363, and 554, the Trust’s ownership interests in the Records shall be and hereby is abandoned, and the Trust and the Trustee shall have no further responsibility or obligations with respect to the Records, except as provided for in paragraphs 3 and 4 herein. Subject to the provisions of paragraph 3 & 4 herein, the Trustee is authorized to destroy any and all Records at a time and in a sequence to be determined by the Trustee in his sole discretion, provided, however, the Trustee shall not commence the destruction of any of the following until June 30, 2016: (i) hard copy Loan Files, (ii) the On-Site Computer Equipment, and (iii) the hard copy Non-Mortgage Loan Business Files for the years 2004-2007 that consist of Broker records, Compliance records, Executive records, Internal Audit records, Legal records,

Policy & Procedures records, Mortgage Loan Operations records, and Secondary Marketing records, as identified on Exhibit A to the Motion.

3. No later than June 30, 2016, the Subpoena Objectors shall identify those documents categories of documents, or sources that they believe contain materials relevant to their pending litigation and necessary to comply with or otherwise satisfy the Subpoena Objectors' outstanding subpoenas (the "Requested Documents"). For all productions of the Requested Documents, the Trust may provide a cost estimate for production of the Requested Documents or make Requested Documents available to the Subpoena Objectors for inspection and copying. Within 10 days after receipt of a cost estimate, the Subpoena Objectors shall agree to pay such costs in advance, narrow the scope of the Requested Documents, or otherwise respond to the Trust's cost estimate. The Trust reserves the right to object to any and all such requests on any grounds, including, without limitation, that the Trust lacks the capabilities to respond to such requests and/or produce the Requested Documents or that the parties cannot agree on the cost estimate or the need to narrow the scope of the Requested Documents. In the event the Trust objects to such requests and the parties are unable to resolve such objection consensually, either party may request a telephonic status conference with this Court to resolve the objection pursuant to Fed. R. Bankr. P. 9016 at this Court's convenience.

4. After June 30, 2016, only the Requested Documents shall continue to be preserved by the Trust; provided, however, that the Trust may destroy any and all Requested Documents upon the earlier of (i) the date on which the Requested Documents have been produced to the applicable Subpoena Objector(s), and (ii) 60 days after the Trust provides the applicable Subpoena Objector(s) access to the Requested Documents to copy or otherwise take production of the Requested Documents.

5. All Records containing personally identifiable consumer information shall be shredded or similarly destroyed in accordance with Federal Trade Commission regulations for the destruction of documents containing consumer information set forth in 16 C.F.R. § 682.3(a)-(b).

6. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: May 18, 2016
Wilmington, Delaware



HONORABLE BRENDAN LINEHAN SHANNON
UNITED STATES BANKRUPTCY JUDGE