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

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<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>DITECH HOLDING CORPORATION, et al.,</b>	:	<b>Case No. 19-10412 (JLG)</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>(Jointly Administered)</b>
	:	
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**REPLY TO OBJECTION OF TRACI ST. CLAIRE  
TO MOTION OF WIND DOWN ESTATES FOR ENTRY OF FINAL DECREE  
(I) CLOSING SUBSIDIARY CASES; AND (II) GRANTING RELATED RELIEF**

TO THE HONORABLE JAMES L. GARRITY, JR.,  
UNITED STATES BANKRUPTCY JUDGE:

Ditech Holding Corporation (f/k/a Walter Investment Management Corp.) and its debtor affiliates (excluding Reorganized RMS) (collectively, the “**Wind Down Estates**”) submit this reply (the “**Reply**”) to the Objection of Traci St. Claire (Docket No. 3814) (the “**Objection**”) to

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<sup>1</sup> On September 26, 2019, the Court confirmed the *Third Amended Joint Chapter 11 Plan of Ditech Holding Corporation and Its Affiliated Debtors* (ECF No. 1326) (the “**Plan**”), which created the Wind Down Estates. The Wind Down Estates, along with the last four digits of their federal tax identification number, as applicable, are Ditech Holding Corporation (0486); DF Insurance Agency LLC (6918); Ditech Financial LLC (5868); Green Tree Credit LLC (5864); Green Tree Credit Solutions LLC (1565); Green Tree Insurance Agency of Nevada, Inc. (7331); Green Tree Investment Holdings III LLC (1008); Green Tree Servicing Corp. (3552); Marix Servicing LLC (6101); Walter Management Holding Company LLC (9818); and Walter Reverse Acquisition LLC (8837). The Wind Down Estates’ principal offices are located at 2600 South Shore Blvd., Suite 300, League City, TX 77573.

the relief requested in the *Motion of Wind Down Estates for Entry of Final Decree (I) Closing Subsidiary Cases; and (II) Granting Related Relief* (Docket No. 3798) (the “**Motion**”),<sup>2</sup> and respectfully represents as follows:

**Reply**

1. By the Motion, the Wind Down Estates seek entry of an order closing the Subsidiary Cases without prejudice to the rights of all parties.<sup>3</sup> If the relief requested in the Motion is granted, the chapter 11 case of Ditech Holding Corporation (Case No. 19-10412 (JLG)) (the “**Remaining Case**”) will remain open to provide the Wind Down Estates, the GUC Recovery Trust, and the Consumer Representative the opportunity to finalize the process of resolving any contested matters and reconciling, objecting to, and resolving claims.

2. To be clear, the Motion seeks administrative relief to streamline the remaining open issues under the Remaining Case and does not seek to impair, hinder, or otherwise change the rights of claimants. The Motion specifically states that the Court will retain jurisdiction over any issues relating to the Subsidiary Cases, including the resolution of any pending unresolved claims and any pending contested matters. Therefore, no party in interest will be prejudiced if the relief requested in the Motion is granted and the Subsidiary Cases are closed because the Remaining Case will provide an avenue for resolving any issues that relate to the Subsidiary Cases. *See Order (I) Entering Final Decree Closing Subsidiary Cases and*

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Motion, the Plan, or the *Order Confirming Third Amended Joint Chapter 11 Plan of Ditech Holding Corporation and Its Affiliated Debtors* (Docket No. 1404) (the “**Confirmation Order**”), as applicable.

<sup>3</sup> The Subsidiary Cases are defined in the Motion as the chapter 11 cases of Green Tree Credit LLC (Case No. 19-10411 (JLG)), DF Insurance Agency LLC (Case No. 19-10413 (JLG)), Ditech Financial LLC (Case No. 19-10414 (JLG)), Green Tree Credit Solutions LLC (Case No. 19-10415 (JLG)), Green Tree Insurance Agency of Nevada, Inc. (Case No. 19-10416 (JLG)), Green Tree Investment Holdings III LLC (Case No. 19-10417 (JLG)), Green Tree Servicing Corp. (Case No. 19-10418 (JLG)), Marix Servicing LLC (Case No. 19-10419 (JLG)), Mortgage Asset Systems, LLC (Case No. 19-10420 (JLG)), REO Management Solutions, LLC (Case No. 19-10421 (JLG)), Reverse Mortgage Solutions, Inc. (Case No. 19-10422 (JLG)),<sup>3</sup> Walter Management Holding Company LLC (Case No. 19-10423 (JLG)), and Walter Reverse Acquisition LLC (Case No. 19-10424 (JLG)).

(II) *Granting Related Relief*, attached to the Motion as Exhibit A (the “**Proposed Final Decree Order**”) at ¶ 7 (“All contested matters or adversary proceedings that have been filed or that may be filed in the future shall be administered in the Remaining Wind Down Estate’s chapter 11 case, notwithstanding the fact that such contested matters or adversary proceedings may be asserted on behalf of or against any Wind Down Estate in the Subsidiary Cases. For the avoidance of doubt, objections to, and resolutions of, Claims shall be administered and heard in the case of the Remaining Wind Down Estate, and Ditech Holding Corporation Shall be deemed to be the Debtor all Claims are filed against.”)

3. The sole objection to the Motion was filed by Ms. St. Claire. Ms. St. Claire is a former Borrower who previously filed a proof of claim in these chapter 11 cases (Claim No. 20878) asserting an unsecured consumer creditor claim in the amount of \$1 million, alleging various losses related to the Debtors’ servicing of her mortgage (the “**St. Claire Claim**”). As of the time of filing the Reply, the St. Claire Claim is still pending and no objection has been filed regarding the St. Claire Claim to date.

4. In the Objection, Ms. St. Claire asks that “her account be corrected immediately and that any entry of final decree of closing subsidiary cases as to Ditech Financial, LLC be postponed until this matter is resolved.” *Id.*

5. Ms. St. Claire misunderstands the relief sought in the Motion and the Proposed Final Decree Order. Granting the Motion would not adversely affect Ms. St. Claire’s right to pursue the St. Claire Claim or seek to have her account corrected. The Motion and the Proposed Final Decree Order are not intended to affect and do not affect in any way the St. Claire Claim or any rights of Ms. St. Claire to respond and object to claims objections filed by the Plan

Administrator or the Consumer Claims Trustee, as applicable. *See* Proposed Final Decree Order at ¶ 7.<sup>4</sup>

6. Ms. St. Claire also requests that the Court award fines and sanctions against the Wind Down Estates and various other parties for their alleged failure to correct her alleged account error. There is no basis for any such awards. As noted above, the Wind Down Estates and the Plan Administrator have no ability to correct Ms. St. Claire's account. In any event, the Plan exculpates the Wind Down Estates, the Plan Administrator and the Consumer Representative, among other parties, for good-faith actions taken to administer the Plan. *See* Plan at § 10.7.

7. Accordingly, the Motion should be granted and the Objection should be denied with prejudice.

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<sup>4</sup> The Plan Administrator has no ability to address or correct Ms. St. Claire's account because the Wind Down Estates are not the servicer of Ms. St. Claire's loan. Furthermore, according to the Plan, the Debtors' are only obligated to correct Ms. St. Claire's account in the timeframe prior to the loan's transfer to the Forward Stalking Horse Purchaser. *See* Plan at § 4.6(b). Nevertheless, counsel to the Plan Administrator has reached out to the Consumer Representative and understands that the Consumer Representative is working with the Forward Stalking Horse Purchaser, the current servicer, and Ms. St. Claire to resolve the St. Claire Claim.

WHEREFORE the Wind Down Estates respectfully request that the Court grant the relief requested in the Motion and such other and further relief as the Court deems just and proper.

Dated: January 13, 2022  
New York, New York

/s/ Sunny Singh  
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