

UNITED STATES DISTRICT COURT  
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

J.P. MORGAN SECURITIES LLC,  
EMC MORTGAGE, LLC,  
BEAR STEARNS ASSET BACKED SECURITIES I, LLC,  
STRUCTURED ASSET MORTGAGE INVESTMENTS II, INC.,  
SACO I, INC., and  
J.P. MORGAN ACCEPTANCE CORPORATION I,

Defendants.

12-CV-1862 (RLW)

ECF CASE

**ORDER TO ESTABLISH A FAIR FUND AND  
TO APPOINT A DISTRIBUTION AGENT**

The Court having reviewed the Securities and Exchange Commission's ("SEC" or "Commission") Unopposed Motion to Establish a Fair Fund and Appoint a Distribution Agent and for good cause shown,

**IT IS HEREBY ORDERED:**

1. The Motion is **GRANTED**.
2. Two Fair Funds are created pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 [15 U.S.C. §7246(a)], as amended by the Dodd-Frank Act of 2010 [15 U.S.C. §7246]. One Fair Fund consists of the Bulk Settlements Fund and includes the funds deposited with the Commission under the case name designation "SEC v. JP Morgan Securities LLC et al, D-03185-B1" plus interest earned on those funds minus any tax

obligations and investment fees. The second Fair Fund consists of the Delinquency Disclosure Fund and includes the funds deposited with the Commission under the case name designation "SEC v. JP Morgan Securities LLC et al, D-03185-B2" plus interest earned on those funds minus any tax obligations and investment fees.

3. Rust Consulting, Inc. ("Rust") is appointed to serve as the Distribution Agent for the two Fair Funds to assist in overseeing the administration and the distribution of the Fair Funds in coordination with Commission staff, pursuant to the terms of distribution plans to be approved by this Court. Rust shall coordinate with the Court-appointed Tax Administrator, Damasco & Associates, LLP, to ensure that the proposed Fair Funds, Qualified Settlement Funds ("QSF") under Section 468B(g) of the Internal Revenue Code, and related regulations, 26 C.F.R. §§1.468B-1 through 5, complies with all related legal and regulatory requirements, including but not limited to, satisfying any reporting or withholding requirements imposed on distributions from the QSF.
4. Rust shall invoice all administrative the fees and expenses of the distribution of each Fair Fund to the Defendants. Rust will provide a copy of these invoices to Commission staff on a quarterly basis and shall include on the invoice a total of the amount of expenses billed to date. Any unresolved objections to an invoiced amount shall be referred to the Court. No fees or expenses will be paid from the Fair Funds without Court approval.
5. Once the Distribution Plans are approved, Rust will submit quarterly progress reports to the Commission staff and a final accounting report for each Fair Fund, in a format to be provided by the Commission staff, when Rust's duties are completed. Commission staff shall file the final accounting report for each Fair Fund with the Court once it has been

reviewed by Commission staff, and the Commission staff has determined it has no objections.

6. Rust may be removed *sua sponte* at any time by the Court or upon motion of the Commission and replaced with a successor. In the event Rust decides to resign, it will first give written notice to the Court and to Commission staff of such intention, and the resignation, if permitted, will not be effective until the Court appoints a successor.

**IT IS SO ORDERED.**

Dated: 3/11/14

Ellen S. Huck

United States District Judge

for the Defender  
Committee