

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION
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In re: TAYLOR, BEAN & WHITAKER MORTGAGE CORP., REO SPECIALISTS, LLC, and HOME AMERICA MORTGAGE, INC., Debtors.	Chapter 11 Case No. 3:09-bk-07047-JAF Case No. 3:09-bk-10022-JAF Case No. 3:09-bk-10023-JAF <i>Jointly Administered Under Case No. 3:09-bk-07047-JAF</i>
TAYLOR, BEAN & WHITAKER MORTGAGE CORP., Applicable Debtor.	Case No. 3:09-bk-0704-JAF

**ORDER ON BANK OF AMERICA'S MOTION FOR
RELIEF AS TO PORTION OF SALE ORDER AND
ALTERNATIVE APPLICATION FOR ALLOWANCE
AND PAYMENT OF ADMINISTRATIVE EXPENSE**

THIS CASE came before the Court for hearing on January 19, 2011, at 10:00 a.m. and for continued hearings on March 4, 2011, at 10:00 a.m. and on March 18, 2011, at 10:00 a.m. upon *Bank of America's Motion for Relief as to a Portion of the Sale Order and in the Alternative, Application for Allowance and Payment of an Administrative Expense Claim* (Doc. No. 2295). Bank of America, National Association, as successor by merger to LaSalle Bank National Association as Trustee for First Franklin Mortgage Loan Trust 2007-1, Mortgage Loan Asset-Backed Certificates, Series 2007-1 ("**Bank of America**" or the "**Bank**"), filed its motion seeking relief with respect to residential

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T, B & W Mortgage Corp.



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property located at 41009 Knoll Drive, Palmdale, California (the "**Palmdale Property**"), that formerly was owned by Debtor Taylor, Bean & Whitaker Mortgage Corp. (the "**Debtor**") and subsequently sold to Selene RMOF REO Acquisition II, LLC ("**Selene**") as part of a bulk sale of real estate ("**REO**") approved by order of this Court (Doc. No. 802) (the "**Sale Order**").

At the March 18 hearing, counsel for the Debtor and counsel for Bank of America informed the Court of their having reached agreement that, pending further investigation of the facts and determination of the respective interests of the Bank and the estate in the Palmdale Property and in the allocable net proceeds from the bulk sale, Bank of America will withdraw its request for relief from the sale order, dismiss its quiet-title action, and preserve its assertion of entitlement to an administrative expense, and the Debtor will reserve the net REO sale proceeds allocable to the Palmdale Property. The Bank subsequently filed its *Bank of America's Clarification to Its Motion for Relief as to a Portion of the Sale Order and in the Alternative, Application for Allowance and Payment of an Administrative Expense Claim* (Doc. No. 2863) (Doc. No. 2295, as clarified by Doc. No. 2863, "**Bank of America's Motion**"). Based on the agreement between the parties, it is

ORDERED:

1. Upon this Order becoming final, Bank of America's Motion is withdrawn in part and ruling deferred in part, as set forth below.
2. Bank of America's Motion, to the extent that it seeks relief from the Sale Order, is deemed withdrawn, and the Bank will dismiss the action to quiet title with respect to the Palmdale Property that is pending in Los Angeles County Superior Court.

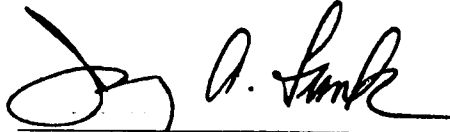
The Bank's actions in withdrawing its request for relief from the Sale Order and dismissing the Los Angeles County lawsuit are without prejudice to the Bank's assertions set forth in its motion (a) that it held an interest in the Palmdale Property that the Bank claims to have been superior to that of the Debtor; (b) that it is entitled to receive the REO sales proceeds allocable to the Palmdale Property; and (c) that its request for allowance of an administrative expense should not be limited to the net sales proceeds but should be based on the market value of the Palmdale Property or the amount for which the property could have been sold had the Bank been able to sell it. The Debtor and Official Committee of Unsecured Creditors retain the right to dispute such assertions and to defend against the relief sought by the Bank.

3. Ruling is deferred on Bank of America's Motion to the extent that it seeks allowance of an administrative expense. By agreement between the parties, the entry of an order confirming the Joint Plan of Liquidation and the occurrence of the effective date of that plan shall not render the Bank's administrative expense request as moot. Further by agreement between the parties, neither the Bank's act of withdrawing its request for relief from the Sale Order nor its act of dismissing the Los Angeles County lawsuit shall constitute grounds to defeat the request for allowance of an administrative expense.

4. Pending further investigation and a resolution, by settlement or subsequent order of this Court, of the respective interests of the Debtor and Bank of America in the Palmdale Property and in the proceeds from the sale of that property, the Debtor shall ~~reserve the \$272,182.05 in net REO sales proceeds allocable to the Palmdale Property,~~ without prejudice to the determination of the amount of the administrative expense, if any, to which the Bank is entitled.

5. In the absence of a resolution of the issues raised by Bank of America's Motion and upon the request of either party, the motion will be rescheduled for hearing.

DATED this 1st day of ~~March~~ ^{April}, 2011, at Jacksonville, Florida.



JERRY A. FUNK
United States Bankruptcy Judge

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