

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

IN RE:

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

Debtors.<sup>1</sup>

Chapter 11

Case No. 07-10416 (BLS)

Hearing Date: May 10, 2016 at 2:00 p.m.

Objection Deadline: April 29, 2016 at 5:00 p.m.

**NOTICE OF THE NEW CENTURY LIQUIDATING TRUST'S  
MOTION FOR AN ORDER AUTHORIZING THE  
ABANDONMENT AND DESTRUCTION OF ALL RECORDS**

TO: The United States Trustee for the District of Delaware, all parties who have indicated an interest in the Loan Files (as defined in the Motion) or otherwise have requested documents from the Trust, and all parties who have previously requested notice pursuant to the Order Granting the Motion of the Liquidating Trustee Pursuant to 11 U.S.C. §§ 102 and 105(a) and Fed. R. Bankr. P. 2002(m) and 9007 Establishing Notice and Service Procedures entered on November 18, 2008 [Docket No. 9165].

The New Century Liquidating Trust (the "Trust"), by and through Alan M. Jacobs, as its Bankruptcy Court appointed Liquidating Trustee (the "Trustee"), has filed the attached *New Century Liquidating Trust's Motion for an Order Authorizing the Abandonment and Destruction of All Records* (the "Motion").

Responses, if any, to the relief requested in the Motion are to be filed with the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 3<sup>rd</sup> Floor, Wilmington, Delaware 19801 on or before **April 29, 2016 at 5:00 p.m. (prevailing Eastern Time)**.

<sup>1</sup> 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.

At the same time, you must serve a copy of any response upon the following parties so as to be received no later than **5:00 p.m. (prevailing Eastern Time) on April 29, 2016.**

1. Co-Counsel for the Trust, Hahn & Hessen, LLP, 488 Madison Avenue, 15<sup>th</sup> Floor, New York, New York 10022 (Attn: Mark S. Indelicato, Esq. and Christopher J. Hunker, Esq.).
2. Co-Counsel for the Trust, Blank Rome LLP, 1201 Market Street, Suite 800 Wilmington, Delaware 19801 (Attn: Bonnie Glantz Fatell, Esq. and Victoria Guilfoyle, Esq.)
3. The Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 N. King Street, Room 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Mark Kenney, Esq.)

In addition, if you have timely filed a written response and wish to oppose the Motion, you or your attorney must attend the hearing on the Motion scheduled to be held on **May 10, 2016 at 2:00 p.m. (prevailing Eastern Time)**, in the courtroom of the Honorable Brendan Linehan Shannon, United States Bankruptcy Judge for the District of Delaware, 824 N. Market Street, 6<sup>th</sup> Floor, Wilmington, Delaware 19801.

**IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.**

Dated: April 14, 2016

**BLANK ROME LLP**

By: /s/ Victoria Guilfoyle  
Bonnie Glantz Fatell (DE No. 3809)  
Victoria Guilfoyle (DE No. 5183)  
1201 Market Street, Suite 800  
Wilmington, Delaware 19801  
(302) 425-6400 - Telephone  
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- and -

**HAHN & HESSEN LLP**

488 Madison Avenue  
New York, New York 10022  
(212) 478-7200 - Telephone  
(212) 478-7400 - Facsimile  
Attn: Mark S. Indelicato, Esq.  
Christopher J. Hunker, Esq.

*Co-Counsel to the New Century Liquidating Trust*

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**MOTION OF THE NEW CENTURY LIQUIDATING  
TRUST FOR AN ORDER AUTHORIZING THE  
ABANDONMENT AND DESTRUCTION OF ALL RECORDS**

The New Century Liquidating Trust (the “Trust”), by and through Alan M. Jacobs, as its Bankruptcy Court (as defined below) appointed Liquidating Trustee (the “Trustee”), hereby files this Motion (the “Motion”) for entry of an order (the “Proposed Order”) pursuant to sections 105, 363, and 554(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 6007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing the Trustee, in his discretion, to abandon and destroy all records in the Trust’s possession, including all hard copy files and electronic files, online databases, and other books and records (collectively, the “Records”) that are not necessary to complete the liquidation of the Debtors’ estates and the

<sup>1</sup> 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.

retention of which is the only remaining significant issue that requires resolution before filing a motion for a final decree. In support of the Motion, the Trustee respectfully states as follows:

**PRELIMINARY STATEMENT**

1. For more than seven years, the Trustee has worked tirelessly to liquidate the Debtors' assets, reconcile and resolve the over 4,150 claims filed against the Debtors' estates, and make distributions to creditors holding allowed claims. Due to the Trustee's diligent efforts, all assets have been liquidated, all claims have been resolved, and the Trustee has distributed more than \$200 million to creditors holding allowed general unsecured claims. The Trustee's administration of these cases, therefore, is substantially complete, and the Trustee anticipates filing a motion for an order approving a final distribution and authorizing the closure of these chapter 11 cases forthwith after the resolution of this Motion. Before the Trustee can do so, however, the Trustee must abandon and destroy the Records in the Trust's possession.

2. Since the Original Effective Date and in accordance with this Court's Modified Confirmation Order (both as defined below), the Trustee has maintained all of the documents turned over to the Trust by the Debtors,<sup>2</sup> including documents produced to the Securities and Exchange Commission (the "SEC") and documents turned over to the Trust by the examiner appointed in these chapter 11 cases. The Trustee has utilized the Debtors' documents in the administration of these chapter 11 cases, particularly with respect to the recovery of avoidable transfers and the reconciliation of claims. In addition, in accordance with his obligations, the Trustee has provided copies of many of the Records in the Trust's possession in response to

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<sup>2</sup> In March 2013, the Trustee sought and received authority from this Court to destroy certain limited categories of documents. See D.I. 11102 (the "First Destruction Order"). Specifically, the Trustee was authorized to destroy copies of loan files for loans originated by the Debtors prior to 2000 and certain post-petition correspondence and pleadings. The balance of the Trustee's request to destroy other categories of documents was denied.

document requests in adversary proceedings and contested matters in these chapter 11 cases, as well as countless third-party subpoenas requesting documents related to the Debtors' businesses. The Trustee has also provided documents to consumers (former borrowers of the Debtors) upon request. At this point, however, more than nine years after the commencement of these chapter 11 cases, the Trustee has substantially completed the administration of these chapter 11 cases and no longer requires or uses the Records for anything other than responding to these third-party requests for documents.

3. Continued maintenance of the Records constitutes an unnecessary burden on the Trust, and the disposal of the Records is the only significant issue requiring resolution before the Trustee can request that the Court close these chapter 11 cases. Further, the term of the Trust (as extended) expires on August 1, 2016, and the Trustee anticipates complying with his obligations to close these cases prior to that date. In order to do so, however, the Trustee must dispose of the Records promptly and responsibly. Because many of the Records contain sensitive personal and financial information, the process of destroying the Records in a manner protective of such information (*i.e.* shredding) may take several weeks to months to complete. The Trustee submits that the relief requested herein must be granted in order to complete the administration of these cases by August 1, 2016. Accordingly, the Trustee respectfully requests that this Court approve the abandonment and destruction of the Records maintained by the Trust.

### **JURISDICTION**

4. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of this case and this Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The statutory predicates for the relief requested herein are sections 105, 363, and 554 of the Bankruptcy Code and Bankruptcy Rule 6007.

### **BACKGROUND**

6. On April 2, 2007 (the "Petition Date"), the Debtors (with the exception of New Century Warehouse Corporation) filed voluntary petitions for relief under chapter 11 of title 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

7. On April 23, 2008, the Debtors filed the Second Amended Joint Chapter 11 Plan of the Debtors and the Official Committee of Unsecured Creditors Dated as of April 23, 2008 (the "Original Plan").

8. On July 15, 2008, the Bankruptcy Court entered the order confirming the Original Plan (the "Original Confirmation Order").

9. On August 1, 2008 (the "Original Effective Date"), the Original Plan became effective. Pursuant to the terms of the Original Plan, on the Original Effective Date, the New Century Liquidating Trust Agreement (the "Trust Agreement") was executed, thereby creating the Trust and appointing Alan M. Jacobs as Trustee of the Trust. On the Original Effective Date, among other things, all Assets<sup>3</sup> of the Debtors (excluding Access Lending Assets, but including Access Lending Interests) were distributed to the Trust, and all of the remaining members of the Debtors' Board of Directors and Officers ceased to serve in those capacities by operation of the Original Confirmation Order.

10. On August 4, 2008, the Notice of (I) Entry of Order Confirming Second Amended Joint Chapter 11 Plan of Liquidation of the Debtors and the Official Committee of Unsecured

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<sup>3</sup> Capitalized terms not herein defined shall have the meanings ascribed to them in the Modified Plan (defined below).

Creditors Dated as of April 23, 2008, (II) Effective Date, and (III) Bar Dates for Administrative Claims, Professional Fee Claims, Subordination Statements, and Rejection Damage Claims (the “Notice of Effective Date”) was filed.

11. On June 16, 2009, the United States District Court for the District of Delaware (the “District Court”) issued a Memorandum Opinion and an order reversing the Original Confirmation Order (together, the “Order Reversing Confirmation”).

12. On September 30, 2009, the Trustee filed the Modified Second Amended Joint Chapter 11 Plan of Liquidation of the Debtors and the Official Committee of Unsecured Creditors Dated as of September 30, 2009 (the “Modified Plan”).

13. On November 20, 2009, the Bankruptcy Court entered an order confirming the Modified Plan (the “Modified Confirmation Order”).

14. On December 1, 2009 (the “Modified Effective Date”), the Modified Plan became effective. On the Modified Effective Date, the Modified Plan, *inter alia*, (a) confirmed that all actions taken by the Trustee subsequent to the Original Effective Date were valid and binding, (b) adopted, ratified and confirmed the formation of the Trust as of the Original Effective Date, (c) adopted, ratified and confirmed the Liquidating Trust Agreement as of the Original Effective Date, and (d) adopted, ratified and confirmed the appointment of Alan M. Jacobs as Trustee as of the Original Effective Date.

15. On or around December 15, 2010, the Trustee made an interim distribution (the “Initial Distribution”) to Holders of Allowed Secured, Administrative, Priority and Unsecured Claims.

16. On or around June 15, 2011, the Trustee made a second interim distribution (the “Second Interim Distribution”) to Holders of Allowed Unsecured Claims and to Holders of

Secured, Administrative and Priority Claims, which were Allowed as of the Second Interim Distribution.

17. On or around January 4, 2013, the Trustee made a third interim distribution (the “Third Interim Distribution”) to Holders of Allowed Unsecured Claims and to Holders of Secured, Administrative and Priority Claims, which were Allowed as of the Third Interim Distribution.

18. The Trustee intends to make a fourth and final distribution to creditors and move for entry of an order closing these cases as soon as practicable, and in any event, no later than August 1, 2016.

### **RELEVANT BACKGROUND**

#### **A. The Hard Copy Non-Mortgage Loan Business Files**

19. Prior to and in the process of winding down the Debtors’ operations, the Debtors collected and packed non-mortgage loan business records maintained by the Debtors, which are unrelated to the Mortgage Loans (defined below) (the “Non-Mortgage Loan Business Files”), and shipped such files to Bekins Storage Facility (“Bekins”) located in California and Iron Mountain Storage Facility (“Iron Mountain”) located in Texas.<sup>4</sup> The Non-Mortgage Loan Business Files are files that were maintained by the Debtors in the ordinary course of the operation of their businesses and include, but are not limited to, accounting/finance records, records relating to the Debtors’ business dealings with their brokers, compliance records, executive records and communications, facility records (relating to the Debtors’ operations),

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<sup>4</sup> Prior to the Petition Date, in February 2007, the SEC instituted a class action securities litigation against the Debtors and, in connection therewith, required the Debtors to immediately cease and desist destruction of any documents in their possession. In accordance with the SEC’s directive, from and after February 2007, the Debtors packed and stored all hard copy documents in their possession (including the Non-Mortgage Loan Business Files) and in the process of winding up their affairs shipped them to Bekins or Iron Mountain. By this Motion, the Trustee requests authority to destroy these documents as well.



human resources files, internal audit records, information technology records, legal files maintained by the Debtors' legal department, marketing and sales files, documents relating to the insurance company operated by the Debtors prior to the cessation of their businesses, policy and procedures records relating to the Debtors' operations, documents relating to mortgage loan operations (but not including borrower Loan Files (defined below)), records relating to the Debtors' acquisition of RBC,<sup>5</sup> records relating to secondary marketing, servicing records, trailing documents,<sup>6</sup> and other general office and business records. Currently, there are approximately 12,700 boxes<sup>7</sup> of Non-Mortgage Loan Business Files located at Bekins and Iron Mountain or are otherwise in the Trust's possession, which have been inventoried and catalogued by the Trust's consultants at the direction and under the supervision of the Trustee. A summary of the inventory of the boxes of Non-Mortgage Loan Business Files being maintained by the Trust is annexed as Exhibit A to the *Declaration of Donna E. Walker in Support of Motion of the New Century Liquidating Trust for an Order Authorizing the Immediate Abandonment and Destruction of All Records* (the "Walker Declaration"), submitted contemporaneously herewith.

**B. The Hard Copy Loan Files**

20. Prior to the Petition Date, in the ordinary course of the Debtors' businesses, the Debtors maintained certain hard copies of loan origination files, sold or closed loan files, unfunded, canceled, withdrawn, or denied loan applications, and miscellaneous business records related to loan origination and loan servicing (collectively, the "Loan Files"). Upon information

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<sup>5</sup> In September 2005, the Debtors purchased certain assets of RBC Mortgage Company, a U.S.-based unit of Royal Bank of Canada, including more than 140 branch offices and five processing centers, which were integrated into and became part of the Debtors' operations.

<sup>6</sup> Certain of the boxes of trailing documents contain original copies of recorded mortgages.

<sup>7</sup> This count includes approximately 300 boxes of documents related to the Trust's administration of these chapter 11 cases, which have been authorized for destruction, but have not yet been destroyed.

and belief, the Loan Files contain documentation relating to certain Mortgage Loans (the “Mortgage Loans”) originated or serviced by one or more of the Debtors prior to the Petition Date. For the most part, in the ordinary course of business, each Mortgage Loan was then made part of a portfolio of mortgage loans that was securitized and placed into a securitized trust (each, a “Securitization Trust” and collectively, the “Securitization Trusts”) or were sold or otherwise transferred to third-parties. With two exceptions, to the best of the Trustee’s knowledge, the Debtors no longer own or hold any interest in any Mortgage Loans.<sup>8</sup>

21. Upon information and belief, the Loan Files in the Trust’s possession are not original files related to Mortgage Loans sold or otherwise transferred to third parties, but are merely copies of the original files.<sup>9</sup> The hard copy Loan Files are located at Bekins and Iron Mountain. The Loan Files maintained at Bekins and Iron Mountain are branch copies of Loan Files, the original copies of which have been delivered to the Securitization Trusts, other third party purchasers, or servicers of the Mortgage Loans, or are duplicate copies of imaged Loan Files, which the Trustee has maintained since the Original Effective Date pursuant to the terms of the Modified Confirmation Order. Currently, there are approximately 13,000 boxes<sup>10</sup> of hard copy Loan Files being maintained by the Trust at Bekins and Iron Mountain or are otherwise in the Trust’s possession, of which approximately half (or 7,200) relate to unfunded, canceled,

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<sup>8</sup> The Trustee acknowledges that it maintains an interest in two of the Mortgage Loans originated by the Debtors (the “Retained Mortgage Loans”). The Trustee, in the exercise of his discretion, will only destroy documents related to the Retained Mortgage Loans once he determines that they are no longer necessary.

<sup>9</sup> The Trust is aware of approximately ten boxes containing original hard copy Loan Files. However, these Loan Files relate to Mortgage Loans which were turned back to the Debtors and foreclosed upon by the Debtors long before the Petition Date.

<sup>10</sup> This count includes approximately 250 boxes of “Pre-2000 Loan Files” (as defined in the First Destruction Order) which have been authorized for destruction, but have not yet been destroyed.

withdrawn, or denied loan applications. A summary of the inventory of the boxes of Loan Files being maintained by the Trust is annexed as Exhibit B to the Walker Declaration.

**C. The Hard Copy Post-Petition Files**

22. From and after the Petition Date, the Debtors maintained separate files of all post-petition documents and records, including, but not limited to, correspondence, bankruptcy pleadings, pleadings related to litigation in which a Debtor is named nominally to clear title, and general business records, and, after the Original Effective Date, the Trust continued to maintain such files and generated its own correspondence, bankruptcy pleadings, and other records related to the administration of the Debtors' estates (collectively, the "Post-Petition Files"). Out of an abundance of caution, to ensure compliance with all requisite directives, including the provision of the Modified Confirmation Order enjoining the destruction of any files, the Trustee has maintained all Post-Petition Files, including the Debtors' Post-Petition Files, in the same condition in which such files were turned over to the Trustee by the Debtors, except to the extent such documents were permitted to be destroyed pursuant to the First Destruction Order.

**D. The Electronic Data and Documents**

23. Since the Original Effective Date, the Trustee has maintained all electronic data and documents turned over to him by the Debtors. The electronic data includes approximately 40-45 pallets of information technology/computer equipment, including hard drives, monitors, keyboards, and other computer accessories (collectively, the "Stored Computer Equipment") which were packed by the Debtors upon the cessation of their businesses and transferred to LifeStorage of Irvine Facility ("LifeStorage"), RenewData Corporation in Austin, Texas ("Renew"), Bekins, or Iron Mountain, as applicable (collectively, the "Storage Facilities"). The Stored Computer Equipment consists mostly of desktop equipment that was utilized by the Debtors' employees prior to the cessation of their businesses. The Stored Computer Equipment

is nearly a decade old and, consequently, is of no use or value. The data on the Stored Computer Equipment is obsolete and has not been accessed by anyone since it was shipped to the Storage Facilities. A summary of the inventory of the Stored Computer Equipment and the Tapes (defined below) being maintained by the Trust is annexed as Exhibit C to the Walker Declaration.

24. In addition to the Stored Computer Equipment being maintained at the Storage Facilities, the Trust maintains approximately 40 computer servers (the “On-Site Computer Equipment”) which contain (i) electronic copies of the Debtors’ records that were turned over to the Trust by the Debtors on the Original Effective Date and were used by the Trust’s consultants to assist the Trustee in the administration of these chapter 11 cases, and (ii) electronic copies of records generated by the Trust in connection with the administration of these chapter 11 cases, including correspondence, pleadings, and other records generated on and after the Original Effective Date. The On-Site Computer Equipment was utilized by the Trustee’s consultants for, among other things, research in connection with the prosecution of avoidance actions and other post-Original Effective Date litigations and claims reconciliations. More recently, the On-Site Computer Equipment has been utilized to search for documents responsive to various third-party requests for documents, including parties to litigation who have issued third-party subpoenas to the Trust and individual borrowers who have requested copies of their Loan Files and other documents relating to the transfer of their Mortgage Loans to third-parties. The On-Site Computer Equipment includes databases containing electronic copies of Loan Files and various categories of Non-Mortgage Loan Business Files. As noted above, the On-Site Computer Equipment also includes copies of the Trust’s email communications since the Original Effective Date, as well as legacy/backup software and indexes and imaged copies of Loan Files. A

summary of the inventory of the On-Site Computer Equipment is annexed as Exhibit D to the Walker Declaration.

25. The electronic data also includes access to two “externally hosted” databases, referred to as “MortgageServ” and “Onbase,” which are databases maintained by third-party service providers who provide access to databases necessary to access certain information relating to loan servicing, information which was necessary in the claims reconciliation process and to respond to third-party requests for documents. Specifically, since the Original Effective Date, the Trust has paid a monthly fee totaling approximately \$20,000/month to maintain these two databases. Since the Trustee no longer requires the use of these databases for claims reconciliation (or any other matters involving the Trust), the Trustee respectfully requests authority to discontinue the use of these databases, which will effectively destroy the underlying data, since the data will no longer be accessible without access to these databases.

26. Finally, the electronic data also includes “back-up tapes” (the “Tapes”). The Tapes fall into two broad categories: (i) branch copy Tapes, and (ii) local copy Tapes. The branch copy Tapes were used and stored in the sales and operations offices outside of the Southern California area. The local copies of Tapes were used at the Debtors’ corporate headquarters located in Irvine, California and stored at Iron Mountain. In both cases, the Tapes were created utilizing backup software that created electronic images of then-existing information technology systems. Upon information and belief, the local Tapes include copies of emails, files, loan data, accounting data, broker data, human resources data, and software source code. In addition to the electronic data, “full system” files such as the loan origination system, as well as the accounting system, were backed up for recovery purposes. There are approximately 16,000 local Tapes stored at LifeStorage and Renew. Upon information and belief, the branch

Tapes contain backups of branch email and/or backups of local user files. There are approximately 1,350 branch Tapes located at LifeStorage and Renew. None of the Tapes have been accessed by anyone in at least five years, and the Trustee submits that their continued maintenance is both unnecessary and unduly burdensome on these estates, which are now ready to close in the next few months.

27. For the avoidance of doubt, for purposes of this Motion, the Trustee seeks authority to destroy all Records in his discretion, including hard and electronic copies of (i) documents and records which were produced to the SEC by the Debtors and were turned over to the Trustee on the Original Effective Date, (ii) documents and records turned over to the Trust by the Examiner, (iii) documents and records relating to the Debtors' pre-petition outside legal counsel, and (iv) any and all documents produced by the Debtors or the Trust to third parties, including governmental agencies. The Trustee notes that some of these Records may be in the possession of the Trustee's counsel, and by this Motion, the Trustee requests authority, but not direction, to destroy or to cause to be destroyed such Records in the Trustee's counsel's possession.

### **RELIEF REQUESTED**

28. Pursuant to the terms of the Modified Confirmation Order

[f]rom and after the Original Effective Date, the Liquidating Trustee shall continue to preserve and maintain all documents and electronic data (including, but not limited to, emails and email server back-up tapes) (collectively, the "Records") transferred to the Liquidating Trust by the Debtors as set forth in the Original Plan and the Liquidating Trust Agreement, and the Liquidating Trustee shall not destroy or otherwise abandon any such Records absent further order of the Court after a hearing upon notice to parties in interest with an opportunity to be heard. The Records the Debtors transferred to the Liquidating Trust on the Original Effective Date were to include, but not be limited to, all such documents and electronic data (i) identified for retention in connection with the investigation by the Audit Committee of NCFC's Board of Directors and (ii) produced to the SEC, the United States Attorney's Office, or the Examiner.

See Confirmation Order, ¶ 32.

29. By this Motion, the Trustee requests entry of an order pursuant to sections 105, 363, and 554 of the Bankruptcy Code and Bankruptcy Rule 6007 authorizing the Trustee to abandon and destroy or otherwise dispose of the Records in his discretion.

30. The Trustee believes that the abandonment and destruction of the Records is in the best interest of the Trust and its beneficiaries, as it will enable the Trustee to complete the administration of the cases. Now that the Trustee is ready to close the estates, there is no longer any legitimate purpose for the Trust to maintain the Records, and no legitimate reason to require the Trust to remain open and incur unnecessary expense to continue maintaining the Records, which total approximately \$12,500/month in hard costs owed to the Storage Facilities and \$20,000/month to maintain the externally hosted databases (plus additional personnel costs associated with continued maintenance of the Trust). Although the Trustee continues to receive occasional subpoenas and other requests for documents from third parties, the Trustee does not believe that such requests are sufficient justification to require the Trust to remain open and continue to incur substantial costs in connection therewith.<sup>11</sup> Nevertheless, the Trustee will make reasonable efforts to facilitate the production of documents in response to any document requests and/or subpoenas and to accommodate any information requests prior to entry of the Proposed Order approving the destruction of the Records. In this regard, the Trustee submits that the time from the filing of this Motion to June 30, 2016 is more than sufficient time for any interested party to provide to the Trustee the information necessary to respond to any document

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<sup>11</sup> The Trustee also notes that the overwhelming majority of document and information requests made to the Trust can be satisfied from other sources, including the current owners and/or servicers of Mortgage Loans, the trustees of the applicable Securitization Trust, or other third parties who have requested documents and to whom the Trustee has produced documents (*i.e.* underwriting and appraisal guidelines, which have been produced to dozens of third parties).

requests. Accordingly, the Trustee requests that the Court authorize the Trustee to begin destroying all Records in his discretion; provided, however, that the Trustee will agree to maintain hard copy Loan Files and the On-Site Computer Equipment until June 30, 2016. After June 30, 2016, however, the Trustee submits that the Trustee should be permitted to abandon and destroy all Records at a time and in a sequence he determines in his sole discretion.

**BASIS FOR RELIEF REQUESTED**

31. Section 554 of the Bankruptcy Code provides, in relevant part, that “[a]fter notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate.” 11 U.S.C. § 554(a). Further, section 363 of the Bankruptcy Code permits a trustee to “use, sell, or lease other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Additionally, section 105 of the Bankruptcy Code provides, in relevant part, that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). The purpose of section 105(a) of the Bankruptcy Code is “to assure the bankruptcy court’s power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction.” 2 Collier on Bankruptcy ¶ 105.01 (Alan N. Resnick & Henry J. Sommers eds., 16th ed.).

32. The destruction or other disposal of the Records is also governed by Bankruptcy Rule 6007, which provides, in pertinent part, as follows:

Unless otherwise directed by the court, the trustee or debtor in possession shall give notice of a proposed abandonment or disposition of property to the United States trustee, all creditors, indenture trustees and committees elected pursuant to § 705 or appointed pursuant to § 1102 of the Code. A party in interest may file and serve an objection within 14 days of the mailing of the notice, or within the time fixed by the court. If a timely objection is made, the court shall set a hearing on notice to the United States trustee and to the other entities as the court may direct.



Fed. R. Bankr. P. 6007.

33. “The abandonment power embodied in Section 554 enables the trustee to rid the estate of burdensome or worthless assets, and so speeds the administration of the estate ... and also protects the estate from diminution. In such manner, abandonment serves the creditors’ interest in expeditiously obtaining a fair amount on settlement of their claims.” In re Quanta Resources Corp., 739 F.2d 912, 916 (3d Cir. 1984).

34. A trustee’s decision to abandon property of the estate is discretionary. See In re Slack, 290 B.R. 282, 284 (Bankr. D.N.J. 2003). As is the case with a trustee’s decision to reject an executory contract,<sup>12</sup> the business judgment standard applies to a trustee’s decision to abandon property that is either of inconsequential value or burdensome to the estate. Id. (“The trustee’s power to abandon property is discretionary . . . . The Court only needs to find the trustee made: 1) a business judgment; 2) in good faith; 3) upon some reasonable basis; and 4) within the trustee’s scope of authority.”) (internal citations omitted); Mele v. First Colony Ins. Co., 127 B.R. 82, 85 (D.D.C. 1991) (“[A]bandonment provisions are designed to allow the trustee to relinquish assets that would be a financial drain on the estate, or relieve the trustee of the financial burden of administering inconsequential assets that would cost more than they are worth to the estate.”).

35. The Trustee submits that his decision to abandon and destroy the Records is the product of his sound business judgment because the storage of such Records is the only significant issue requiring resolution before closing these chapter 11 cases. The Trustee has completed all claims reconciliation and anticipates making a final distribution to creditors in the

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<sup>12</sup> The decision to reject an executory contract is subject to the court’s finding that such decision is a product of the debtor in possession’s sound business judgment. See Sharon Steel Corp. v. Nat’l Fuel Gas Distr. Corp., 872 F.2d 36, 39 (3d Cir. 1989); see also In re Fleming Companies, Inc., 308 B.R. 689, 691 (Bankr. D. Del. 2004).

short term. Accordingly, these estates are fully administered (except for disposing of documents and making the final distribution), and there simply is no need to maintain the Records any longer. Once the documents are destroyed, there will be no further need for the Trust to remain active, and a motion for a final decree will be filed.

36. Given the impending expiration of the Trust at the end of July 2016 and considering the time it will take to effectuate the responsible destruction of the Records, the Trustee submits that the relief requested herein is both necessary and urgent. The Trustee estimates that the process of destroying the Records is likely to take at least four to six weeks and will cost the estate more than \$110,000.00. The Trustee submits that, given the advanced stage of these cases, the Court should approve the Trustee's request to abandon and destroy the Records so that this time-consuming process can begin. The Trustee does not anticipate that any parties will be adversely affected by the destruction of the Records, but is willing to make reasonable efforts to maintain or transfer to third parties copies of any Records necessary to respond to any document or information requests, including the hard copy Loan Files and the On-Site Computer Equipment until June 30, 2016, after which the Trustee requests authority to destroy all Records in the Trust's possession at a time and in a sequence determined by the Trustee in his sole discretion.

37. The Trustee represents that he will cause any and all Records containing personally identifiable consumer information, including, but not limited to, names, social security numbers, financial information and other personal information contained in such files to be shredded or similarly destroyed in accordance with Federal Trade Commission regulations for the destruction of documents containing consumer information. See 16 C.F.R. § 682.3(a)-(b)

(requiring proper disposal of consumer information by taking reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal).

**NOTICE**

38. Notice of the Motion has been given to (i) the United States Trustee for the District of Delaware, (ii) all parties who have indicated an interest in the Loan Files or have otherwise requested documents from the Trust, and (iii) all parties who have previously requested notice pursuant to the Order Granting the Motion of the Trustee Pursuant to 11 U.S.C. §§ 102 and 105(a) and Fed. R. Bankr. P. 2002(m) and 9007 Establishing Notice and Service Procedures entered on November 18, 2008 [Docket No. 9165].

**CONCLUSION**

WHEREFORE, the Trustee respectfully requests that this Court enter an order (i) authorizing the abandonment and destruction of all Records in his sole discretion; and (ii) granting such further relief that the Court deems just and proper.

Dated: April 14, 2016  
Wilmington, Delaware

**BLANK ROME LLP**

/s/ Victoria Guilfoyle  
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- and -

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Christopher J. Hunker

*Co-Counsel to the New Century Liquidating Trust*

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

IN RE:

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

Debtors.<sup>1</sup>

Chapter 11

Case No. 07-10416 (BLS)

**DECLARATION OF DONNA WALKER IN SUPPORT OF THE NEW CENTURY  
LIQUIDATING TRUST'S MOTION FOR AN ORDER AUTHORIZING THE  
ABANDONMENT AND DESTRUCTION OF ALL RECORDS**

I, Donna Walker, make this declaration (the "Declaration") under 28 U.S.C. § 1746 and state the following:

1. I am in all respects competent to make this Declaration, which I submit for all permissible purposes under the Federal Rules of Bankruptcy Procedure, the Federal Rules of Civil Procedure, and the Federal Rules of Evidence, in support of the *New Century Liquidating Trust's Motion for an Order Authorizing the Abandonment and Destruction of All Records* (the "Motion").

2. I was employed by New Century Mortgage Corporation from 1998 to 2007 in the Accounting Department, most recently as a Vice President. Thereafter, I was employed as a

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<sup>1</sup> 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.

Consultant for the above-captioned Debtors (the “Debtors”) from early 2007 through the effective date of the plan in August of 2008 and currently serve as a Consultant to the Trustee.<sup>2</sup>

3. Except as otherwise set forth in this Declaration, all statements in this Declaration are based on my personal knowledge, my familiarity with the Debtors’ books and records, reliance on information and advice provided to me from the Trustee’s professionals and/or other consultants employed by the Trustee, or my review of the relevant documents in the Trust’s possession.

4. If I were called upon to testify, I would testify competently to the facts set forth herein.

**Hard Copy Non-Mortgage Loan Business Files**

5. Prior to and in the process of winding down the Debtors’ operations, the Debtors collected and packed non-mortgage loan business records maintained by the Debtors, which are unrelated to the Mortgage Loans (defined below) (the “Non-Mortgage Loan Business Files”) and shipped such files to Bekins Storage Facility (“Bekins”) located in California and Iron Mountain Storage Facility (“Iron Mountain”) located in Texas. The Non-Mortgage Loan Business Files are files that were maintained by the Debtors in the ordinary course of the operation of their businesses and include, but are not limited to, accounting/finance records, records relating to the Debtors’ business dealings with their brokers, compliance records, executive records and communications, facility records (relating to the Debtors’ operations), human resources files, internal audit records, information technology records, legal files maintained by the Debtors’ legal department, marketing and sales files, documents relating to the insurance company operated by the Debtors prior to the cessation of their businesses, policy and procedures records

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



relating to the Debtors' operations, documents relating to mortgage loan operations (but not including borrower Loan Files (defined below)), records relating to the Debtors' acquisition of RBC Mortgage Company, records relating to secondary marketing, servicing records, trailing documents (some of which contain original copies of recorded mortgages), and other general office and business records. The Non-Mortgage Loan Business Files include all documents maintained in the possession and control of the Debtors from and after February 2007 when the SEC issued a cease and desist order prohibiting the destruction of any files. Based upon my review of the documents in the Trust's possession or upon information provided to me by other consultants employed by the Trust, there are approximately 12,700 boxes of Non-Mortgage Loan Business Files located at Bekins and Iron Mountain or are otherwise in the Trust's possession (including approximately 300 boxes of documents related to the Trust's administration of these chapter 11 cases, which have been authorized for destruction, but have not yet been destroyed), which have been inventoried and catalogued by the Trust's consultants at the direction and under the supervision of the Trustee. A summary of the inventory of the boxes of Non-Mortgage Loan Business Files being maintained by the Trust is annexed hereto as **Exhibit A**.

#### **Hard Copy Loan Files**

6. Prior to the Petition Date, in the ordinary course of the Debtors' businesses, the Debtors maintained certain hard copies of loan origination files, sold or closed loan files, unfunded, canceled, withdrawn, or denied loan applications, and miscellaneous business records related to loan origination and loan servicing (collectively, the "Loan Files"). Typically, the Loan Files would contain documentation relating to certain Mortgage Loans (the "Mortgage Loans") originated or serviced by one or more of the Debtors prior to the Petition Date. For the most part, in the ordinary course of business, each Mortgage Loan was then made part of a

portfolio of mortgage loans that was securitized and placed into a securitized trust (each, a “Securitization Trust” and collectively, the “Securitization Trusts”) or were sold or otherwise transferred to third-parties. With two exceptions noted in the Motion, to the best of my knowledge, the Debtors no longer own or hold any interest in any Mortgage Loans.

7. Based upon my review of the documents in the Trust’s possession or upon information provided to me by other consultants employed by the Trust, for the most part, the Loan Files in the Trust’s possession are not original files related to Mortgage Loans sold or otherwise transferred to third parties, but are merely copies of the original files, with the exception of approximately ten boxes containing original hard copy Loan Files relating to Mortgage Loans which were turned back to the Debtors and foreclosed upon by the Debtors long before the Petition Date. The hard copy Loan Files are located at Bekins and Iron Mountain. The Loan Files maintained at Bekins and Iron Mountain are branch copies of Loan Files, the original copies of which have been delivered to the Securitization Trusts, other third party purchasers, or servicers of the Mortgage Loans, or are duplicate copies of imaged Loan Files, which the Trust has maintained since the Original Effective Date pursuant to the terms of the Modified Confirmation Order. Based upon my review of the documents in the Trust’s possession or upon information provided to me by other consultants employed by the Trust, there are approximately 13,000 boxes of hard copy Loan Files being maintained by the Trust at Bekins and Iron Mountain or are otherwise in the Trust’s possession, of which approximately half (or 7,200) relate to unfunded, canceled, withdrawn, or denied loan applications. A summary of the inventory of the boxes of Loan Files being maintained by the Trust is annexed hereto as Exhibit B.

**Hard Copy Post-Petition Files**

8. From and after the Petition Date, the Debtors maintained separate files of all post-petition documents and records, including, but not limited to, correspondence, bankruptcy pleadings, pleadings related to litigation in which a Debtor is named nominally to clear title, and general business records, and after the Original Effective Date the Trust continued to maintain such files and generated its own correspondence, bankruptcy pleadings, and other records related to the administration of the Debtors' estates (collectively, the "Post-Petition Files"). Out of an abundance of caution, to ensure compliance with all requisite directives, including the provision of the Modified Confirmation Order enjoining the destruction of any files, the Trust has maintained all Post-Petition Files, including the Debtors' Post-Petition Files, in the same condition in which such files were turned over to the Trustee by the Debtors, except to the extent such documents were permitted to be destroyed pursuant to the First Destruction Order.

**Electronic Data and Documents**

9. Since the Original Effective Date, the Trust has maintained all electronic data and documents turned over by the Debtors. The electronic data includes approximately 40-45 pallets of information technology/computer equipment, including hard drives, monitors, keyboards, and other computer accessories (collectively, the "Stored Computer Equipment") which were packed by the Debtors upon the cessation of their businesses and transferred to LifeStorage of Irvine Facility ("LifeStorage"), RenewData Corporation in Austin, Texas ("Renew"), Bekins, or Iron Mountain, as applicable (collectively, the "Storage Facilities"). The Stored Computer Equipment consists mostly of desktop equipment that was utilized by the Debtors' employees prior to the cessation of their businesses. The Stored Computer Equipment is nearly a decade old and, consequently, is of no use or value. The data on the Stored Computer Equipment is obsolete



and has not been accessed by anyone since it was shipped to Storage Facilities. A summary of the inventory of the Stored Computer Equipment and the Tapes (defined below) being maintained by the Trust is annexed hereto as **Exhibit C**.

10. In addition to the Stored Computer Equipment being maintained at the Storage Facilities, the Trust maintains approximately 40 computer servers (the “**On-Site Computer Equipment**”) which contain (i) electronic copies of the Debtors’ records that were turned over to the Trust by the Debtors on the Original Effective Date and were used by me and the other Trust consultants to assist the Trustee in the administration of these chapter 11 cases, and (ii) electronic copies of records generated by the Trust in connection with the administration of these chapter 11 cases, including correspondence, pleadings, and other records generated on and after the Original Effective Date. The On-Site Computer Equipment was utilized for, among other things, research in connection with the prosecution of avoidance actions and other post-Original Effective Date litigations and claims reconciliations. More recently, the On-Site Computer Equipment has been utilized to search for documents responsive to various third-party requests for documents, including parties to litigation who have issued third-party subpoenas to the Trust and individual borrowers who have requested copies of their Loan Files and other documents relating to the transfer of their Mortgage Loans to third-parties. The On-Site Computer Equipment includes databases containing electronic copies of Loan Files and various categories of Non-Mortgage Loan Business Files. As noted above, the On-Site Computer Equipment also includes copies of the Trust’s email communications since the Original Effective Date, as well as legacy/backup software and indexes and imaged copies of Loan Files. A summary of the inventory of the On-Site Computer Equipment is annexed hereto as **Exhibit D**.

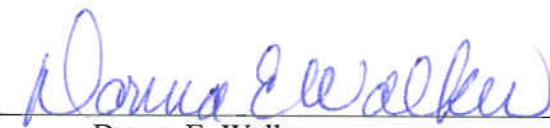
11. The electronic data also includes access to two “externally hosted” databases, referred to as “MortgageServ” and “Onbase,” which are databases maintained by third-party service providers who provide access to databases necessary to access certain information relating to loan servicing, information which was necessary in the claims reconciliation process and to respond to third-party requests for documents. Specifically, since the Original Effective Date, the Trust has paid a monthly fee totaling approximately \$20,000/month to maintain these two databases. Since the Trust no longer requires the use of these databases for claims reconciliation (or any other matters involving the Trust), the Trust respectfully requests authority to discontinue the use of these databases, which will effectively destroy the underlying data, since the data will no longer be accessible without access to these databases.

12. Finally, the electronic data also includes “back-up tapes” (the “Tapes”). The Tapes fall into two broad categories: (i) branch copy Tapes, and (ii) local copy Tapes. The branch copy Tapes were used and stored in the sales and operations offices outside of the Southern California area. The local copies of Tapes were used at the Debtors’ corporate headquarters located in Irvine, California, stored at Iron Mountain, and subsequently moved to LifeStorage or Renew. In both cases, the Tapes were created utilizing backup software that created electronic images of then-existing information technology systems. Upon information and belief, the local Tapes include copies of emails, files, loan data, accounting data, broker data, human resources data, and software source code. In addition to the electronic data, “full system” files such as the loan origination system, as well as the accounting system, were backed up for recovery purposes. There are approximately 16,000 local Tapes stored at LifeStorage and Renew. Upon information and belief, the branch Tapes contain backups of branch email and/or

backups of local user files. There are approximately 1,350 branch Tapes located at LifeStorage and Renew. None of the Tapes have been accessed by anyone in at least five years.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 14th day of April, 2016.

  
\_\_\_\_\_  
Donna E. Walker

Year/Description	Acctg /Finance (1)	Broker Files (2)	Compliance (3)	Exec (4)	Facilities (5)	General Office (6)	Human Resources (7)	Internal Audit (8)	IT (9)	Legal (10)	Liquidating Trust (11)	Mktg (12)	NC Insurance (13)	Policy & Procedures (14)	Mortgage Loan Operations (15)	RBC (16)	Sec Mktg (17)	Servicing (18)	Trailing Docs (19)	Total	
1996	4	3	8	5	-	-	2	-	-	3	-	-	-	1	1	-	-	-	-	27	
1997	44	-	45	4	-	-	19	-	-	4	-	-	-	1	-	-	4	-	-	121	
1998	81	1	76	8	-	-	51	-	1	16	-	10	-	3	2	-	4	-	1	254	
1999	72	2	48	2	9	-	43	-	-	23	-	7	-	1	16	-	7	-	1	231	
2000	75	3	44	1	3	-	50	2	-	30	-	7	-	1	9	-	6	7	-	238	
2001	77	1	54	1	1	-	17	1	-	34	-	5	-	2	9	-	7	-	1	210	
2002	107	-	44	4	4	-	23	-	-	25	-	9	-	2	6	-	11	1	1	237	
2003	145	2	42	1	3	-	30	9	1	64	-	4	-	5	4	-	21	42	2	375	
2004	206	1	104	5	2	-	68	16	4	116	-	8	-	3	7	-	12	141	5	698	
2005	367	1	28	2	3	-	118	19	7	146	-	12	-	-	10	-	12	159	11	895	
2006	385	3	13	-	2	-	93	20	11	242	-	14	-	9	20	-	54	130	27	1,023	
2007	492	218	396	102	133	-	480	96	387	632	-	195	-	66	563	-	253	80	108	4,201	
Accounts Payable	753	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	753
General Ledger	317	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	317
Cash Mgmt Funding Wire	332	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	332
Risk Mgmt	-	-	72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72
Central Investigation Group	-	-	-	-	-	-	-	-	-	31	-	-	-	-	-	-	-	-	-	-	31
Company Contracts	-	-	-	-	-	-	-	-	-	39	-	-	-	-	-	-	-	-	-	-	39
Closed Litigation	-	-	-	-	-	-	-	-	-	86	-	-	-	-	-	-	-	-	-	-	86
Labor and Employment	-	-	-	-	-	-	-	-	-	93	-	-	-	-	-	-	-	-	-	-	93
Lease Agreements	-	-	-	-	31	-	-	-	-	11	-	-	-	-	-	-	-	-	-	-	42
Secondary Mktg Contracts	-	-	-	-	-	-	-	-	-	24	-	-	-	-	-	-	-	-	-	-	24
POC	-	-	-	-	-	-	-	-	-	20	-	-	-	-	-	-	-	-	-	-	20
Marketing Mailers	-	-	-	-	-	-	-	-	-	-	-	83	-	-	-	-	-	-	-	-	83
Liquidating Trust	-	-	-	-	-	-	-	-	-	-	297	-	-	-	-	-	-	-	-	-	297
NC Insurance	-	-	-	-	-	-	-	-	-	-	-	-	25	-	-	-	-	-	-	-	25
RBC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	303	-	-	-	-	303
Trailing Docs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	187	187
Desk Shred (a)	22	5	36	9	25	160	34	1	103	18	-	19	-	-	226	-	16	-	43	717	
Shred Bin (b)	29	-	45	3	4	209	7	5	34	36	-	2	-	-	97	-	6	-	20	497	
Houston	150	-	-	-	-	-	-	-	-	-	-	-	-	-	54	-	-	-	-	80	284
	<b>3,658</b>	<b>240</b>	<b>1,055</b>	<b>147</b>	<b>220</b>	<b>369</b>	<b>1,035</b>	<b>169</b>	<b>548</b>	<b>1,693</b>	<b>297</b>	<b>375</b>	<b>25</b>	<b>94</b>	<b>1,024</b>	<b>303</b>	<b>413</b>	<b>560</b>	<b>487</b>	<b>12,712</b>	

(1) Accounting/Finance includes financial reporting records, bank & general ledger account reconciliations, payroll data, general accounting records, accounts payable data, tax files and cash management funding records.

(2) Broker records include documents related to the Debtors' wholesale mortgage lending and includes broker applications and communication with such brokers but does not include borrower specific data.

(3) Compliance records include documents related to branch and state licensing, state audits, state and federal loan compliance, risk management and quality assurance (which may contain copies of portions of loan files for auditing/review purposes).

(4) Executive records include documents related to external investor relations, internal corporate communications and files maintained by senior management in the ordinary course of business prior to the cessation of business.

(5) Facility records include documents related to general operations of the business, including real estate leases, purchase orders, vendor contracts and asset management.

(6) General Office refers to desk shred and shred bins found in common areas shared by several departments which could not be identified as pertaining to a specific department.

(7) Human Resources records include documents related to employee personnel files, employee benefits, workers compensation and payroll records.

(8) Internal Audit records include documents related to branch audit workpapers, department audits and Sarbanes-Oxley testing.

(9) Information Technology records include documents related to project management files, telecom files, purchase orders for IT related equipment and internal IT reports & binders.

(10) Legal records include documents related to contracts and lease agreements, litigation, Board of Director files, SEC filings, labor & employment records and mergers & acquisitions.

(11) Liquidating Trust records include documents related to the Trust's administration of the chapter 11 cases.

(12) Marketing records include documents related to marketing mailers, trade show promotions, training and advertising.

(13) NC Insurance records include documents related to the insurance company operated by the Debtors prior to ceasing operations.

(14) Policy & Procedures records include documents related to the departmental policy & procedures of the Debtors prior to ceasing operations.

(15) Mortgage Loan Operations records include documents related to training files, national account files, and production & fulfillment reports but does not include borrower loan files.

(16) RBC records include documents related to the Debtors' acquisition of RBC Mortgage Company in September 2005.

(17) Secondary Marketing records include documents related to securitization reports, loan sale documents, repurchase claims, hedging documents and rate locks/confirmations.

(18) Servicing records include documents related to the cashing department, loss mitigation department, collection/foreclosure/bankruptcy records.

(19) Trailing Docs records include documents related to shipping logs, collateral reports, training manuals and includes 187 boxes of trailing documents from 2002-2007.

(a) Desk shred refers to any and all items included in an employees desk that was vacated, packed into boxes and shipped to the Debtors' Storage Facilities after the Debtors ceased operations.

(b) Shred bins refer to the physical contents removed from shred containers located in the Debtors' offices prior to ceasing operations.

Desk shred and shred bins were retained initially by the Debtors due to the SEC order to cease and desist destruction of any documents and thereafter were maintained in accordance with the confirmation order.

## Exhibit B

There are 12,991 boxes containing approximately 190,000 loan files, of which approximately 5,800 boxes contain funded loan files and 7,200 boxes contain cancelled/denied, withdrawn loan files.

Loan Category	Year	Qty	Qty Imaged
<b>Funded Loan Files</b>			
	1996	923	-
	1997	926	-
	1998	1,243	-
	1999	1,716	-
	2000	441	-
	2001	390	-
	2002	1,207	29
	2003	4,738	3,777
	2004	903	903
	2005	18,921	3,029
	2006	15,760	15,206
	2007	115	68
	<b>Total <sup>(1)</sup></b>	<b>47,283</b>	<b>23,012</b>

### Cancelled/Denied/Withdrawn Loan Files

1996	728
1997	2,503
1998	2,093
1999	7,126
2000	5,560
2001	2,394
2002	5,562
2003	432
2004	156
2005	12,392
2006	32,168
2007 <sup>(2)</sup>	71,963
<b>Total</b>	<b>143,077</b>

<sup>(1)</sup> The loan files are mainly branch copies of loan files. In total, funded loan files represents approximately 3.5% of total loans funded, ranging from .3% to 27.5% of loans funded per year.

<sup>(2)</sup> 2007 cancelled, denied and withdrawn loan files includes all loans not funded that were in the Debtors' pipeline when the Debtors ceased operations.

## Exhibit C

Description	Model Number	Qty
<b>Computers</b>		
D51S	HP	321
D530S	HP	219
DC5000	HP	394
DC5100	HP	71
Desktop	Various	22
G4	Apple	1
IBM 41U	IBM	26
IBM KUE	IBM	44
Laptop	Various	1
N800C	Compaq	4
R40	IBM	85
T40	IBM	138
T42	IBM	14
T43	IBM	154
VL420	HP	80
		<u>1,574</u>
<b>PC Hard Drives</b>	approximately	<b>1,037</b>
<b>Network Servers</b>		
DL360 G2	HP	1
DL360 G3	HP	2
DL360 G4	HP	5
DL360 G4P	HP	5
DL380 G2	HP	4
DL380 G3	HP	4
DL380 G4	HP	7
DL385 G1	HP	1
ML530 G2	HP	1
ML570 G2	HP	1
ST L20		1
Storage		4
TW Appliance		2
Servers at ReNew Data		6
		<u>44</u>
<b>Branch Tapes</b>		<b>1,322</b>
<b>Corporate Tapes</b>		<b>16,791</b>



## Exhibit D

Description	Model Number	Qty	
<b>Computers</b>			
	T60	IBM	6
	DC5000	HP	4
	DC5100	HP	3
	DC5700	HP	3
			<u>16</u>
<b>Network Servers</b>			
	DL360 G3	HP	3
	DL360 G4	HP	1
	DL360 G4P	HP	6
	DL380 G2	HP	1
	DL380 G3	HP	7
	DL380 G4	HP	7
	DL560 G1	HP	2
	ML530	HP	1
	NetApp 3050c		2
	Storage		5
			<u>35</u>

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

IN RE:

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

Debtors.<sup>1</sup>

Chapter 11

Case No. 07-10416 (KJC)

**Re: D.I.** \_\_\_\_\_

**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 Records<sup>2</sup> 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

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<sup>1</sup> 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.

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



need be given; and it appearing that no objections have been filed to the Motion; and after due deliberation and sufficient cause appearing therefore, it is hereby:

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED.
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. The Trust and the Trustee shall have no further responsibility or obligations with respect to the Records. 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 hard copy Loan Files or the On-Site Computer Equipment until June 30, 2016.
3. 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).
4. 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: \_\_\_\_\_, 2016  
Wilmington, Delaware

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HONORABLE BRENDAN LINEHAN SHANNON  
UNITED STATES BANKRUPTCY JUDGE