

# ResCap Liquidating Trust

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**Consolidated Financial Statements  
as of and for the Period Ended June 30, 2023  
(Unaudited)**

# ResCap Liquidating Trust

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## Consolidated Statement of Net Assets in Liquidation

(Unaudited)

In thousands (except per unit)

<b>Assets:</b>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Cash and cash equivalents	\$ 68,943	\$ 80,330
Restricted cash	-	-
Other assets	-	-
<b>Total assets</b>	<b>68,943</b>	<b>80,330</b>
<b>Liabilities:</b>		
Estimated costs to operate Trust	33,816	32,530
Liability for undistributed funds	-	-
<b>Total liabilities</b>	<b>33,816</b>	<b>32,530</b>
<b>Net assets in liquidation</b>	<b>\$ 35,127</b>	<b>\$ 47,800</b>
Total units in the Trust	98,853,649	98,853,649
<b>Net assets per authorized unit</b>	<b>\$ 0.36</b>	<b>\$ 0.48</b>

The Notes to Consolidated Financial Statements are an integral part of these statements.

# ResCap Liquidating Trust

## Consolidated Statement of Changes in Net Assets in Liquidation

(Unaudited)

In thousands

	Quarter to date ended	Year to date Ended	Effective Date through
	June 30, 2023	June 30, 2023	June 30, 2023
<b>Receipts</b>			
Receipts on assets held for sale	\$ 4	\$ 9	\$ 645,865
Litigation / claim recoveries	-	22,000	1,340,462
Other receipts	617	4,015	176,482
Plan settlements	-	-	2,100,000
Total receipts	621	26,024	4,262,809
<b>Disbursements</b>			
Claims and settlement	-	-	(1,642,074)
DOJ / AG consent settlement	-	-	(88,201)
Costs to operate the Trust	(4,770)	(14,508)	(742,307)
Total disbursements	(4,770)	(14,508)	(2,472,582)
<b>Distributions</b>			
Total distributions	(22,904)	(22,904)	(3,398,766)
<b>Net cash flow</b>	(27,053)	(11,388)	(1,608,539)
<b>Other non-cash changes affecting:</b>			
Increase (decrease) in asset value assumptions	-	-	(55,026)
(Increase) decrease in costs to operate the Trust	(7)	(15,793)	(569,969)
(Increase) decrease in DOJ/AG consent settlement	-	-	(7,551)
Basis of assets/liabilities liquidated/resolved	4,770	14,508	(239,389)
(Increase) decrease in distributions held for Beneficiaries	22,904	-	-
Total non-cash changes	27,667	(1,285)	(871,935)
Total increase (decrease) in net assets	614	(12,673)	(2,480,474)
<b>Net assets in liquidation, beginning of period</b>	<b>34,513</b>	<b>47,800</b>	<b>2,515,601</b>
<b>Net assets in liquidation, end of period</b>	<b>\$ 35,127</b>	<b>\$ 35,127</b>	<b>\$ 35,127</b>

# ResCap Liquidating Trust

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

### 1. Description of Business and Significant Accounting Policies

The ResCap Liquidating Trust (“Trust”) was formed in connection with the Plan of Reorganization under chapter 11 of the United States Bankruptcy Code (“Plan”) in the bankruptcy case of Residential Capital, LLC (“ResCap”). The Plan became effective on December 17, 2013 (“Effective Date”).

The Trust issued units of beneficial interest (“Units”). The Units entitle their holders (“Beneficiaries”) to receive a proportionate amount of cash distributions (“Declared Distributions”) made by the Trust.

#### Basis of Presentation

The unaudited Consolidated Financial Statements (the “Statements”) reflect the accounts of the Trust and subsidiaries after eliminating all significant intercompany balances and transactions. The Statements reflect all adjustments that are, in management’s opinion, necessary for the fair presentation of the results for the periods presented. The Statements have not been prepared in accordance with generally accepted accounting principles; rather they have been prepared using a liquidation basis of accounting, which the Trust considers an appropriate basis of accounting at this time. The assets are stated at their estimated net realizable value, which is the amount of cash into which an asset is expected to be converted during the liquidation period. The Trust also accrues costs that it expects to incur through to the end of its liquidation. The Trust currently accrues costs through December 31, 2025, however, the prosecution of the remaining litigation discussed below, and the corresponding timeline for resolving such litigation through trial or appeals may cause the Trust to be further extended beyond December 31, 2025, resulting in an increase to future accrued costs for such extended periods and a corresponding reduction in cash available. The Trust will record and value affirmative settlements or judgements when realized and collectability is reasonably anticipated. The Trust does not accrue contingent costs.

These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto for the year ended December 31, 2022.

### 2. Estimated Costs to Operate the Trust

Estimated costs to operate the Trust are comprised of the following (in \$000’s):

	June 30, 2023			December 31, 2022	
	Accrued	Future	Total	Total	
Professional fees (legal, expert, other professional costs)	\$ 502	\$ 30,206	\$ 30,708	\$ 30,064	
Compensation	375	-	375	375	
Document management	-	150	150	135	
Information technology	-	1,281	1,281	982	
Other operating costs	-	1,302	1,302	974	
Total costs to operate the Trust	\$ 877	\$ 32,939	\$ 33,816	\$ 32,530	

The estimated cost to operate the Trust is \$33.8 million including \$.8 million of expenses that have been incurred but not yet paid and \$32.9 million of expected future costs for the period July 2023 through December 2025. Of the future \$32.9 million cost, \$12.3 million supports the on-going insurance recovery case pending in Federal

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District court and \$20.6 million represents existing contractual obligations and the future costs for the operations and wind-down of the Trust.

### **3. Commitments and Contingencies**

#### ***Affirmative Matters***

The Trust is pursuing the following affirmative matter:

Insurance Recovery Action - The Trust has an adversary proceeding case pending in the Federal District Court, Southern District of New York, ResCap Liquidating Trust v. Certain Underwriters at Lloyd's, London, et al., Adv. Case No. 15-01025-dsj. In December 2019, the Bankruptcy Court issued a partial summary judgment in favor of the Trust. The Trust's claim is approximately \$73.0 million, exclusive of interest and fees. At the end of 2022, the Court issued a decision on the summary judgment motions and ruled in the Trust's favor on all major issues. At the conclusion of certain procedural motions following the summary judgement decisions, the case moved to the Federal District Court, Southern District of New York for further proceedings.

At this time, the Trust cannot predict the outcome of this matter or estimate the possible financial effect of this matter on the Consolidated Financial Statements, and as such, neither contingent gains nor any contingent costs to pursue these matters are currently recorded.

### **4. Subsequent Events**

Events subsequent to June 30, 2023, were evaluated through August 8, 2023, the date on which these Consolidated Financial Statements were issued.