

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

IN RE FANNIE MAE 2008 SECURITIES
LITIGATION

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Master File No. 08 Civ. 7831 (PAC)
ECF Case

**JOINT DECLARATION OF GLEN DEVALERIO, THOMAS A. DUBBS, AND
FREDERIC S. FOX IN SUPPORT OF (A) LEAD PLAINTIFFS' MOTION FOR FINAL
APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION
AND (B) LEAD COUNSEL'S MOTION FOR ATTORNEYS' FEES
AND PAYMENT OF EXPENSES**

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GLEN DEVALERIO, THOMAS A. DUBBS, and FREDERIC S. FOX declare as follows:

I. INTRODUCTION

1. I, Glen DeValerio, am a Partner at the law firm Berman DeValerio, counsel for Common Stock Lead Plaintiff and Common Stock Class Representative Massachusetts Pension Reserves Investment Management Board (“PRIM”) and court-appointed Lead Counsel and Class Counsel for the Common Stock Class in the above-captioned matter. I have personal knowledge of the matters set forth herein based on my active participation in the prosecution and settlement of the claims asserted on behalf of the Common Stock Class (defined below) in this consolidated securities class action lawsuit (the “Action”).¹

2. I, Thomas A. Dubbs, am a Partner at the law firm Labaton Sucharow LLP, counsel for Common Stock Lead Plaintiff and Common Stock Class Representative State-Boston Retirement Board (“SBRB”) and court-appointed Lead Counsel and Class Counsel for the Common Stock Class in the above-captioned matter. I have personal knowledge of the matters set forth herein based on my active participation in the prosecution and settlement of the claims asserted on behalf of the Common Stock Class in the Action.

3. I, Frederic S. Fox, am a Partner at the law firm Kaplan Fox & Kilsheimer LLP, counsel for Preferred Stock Lead Plaintiff and Preferred Stock Class Representative Tennessee Consolidated Retirement System (“TCRS,” and together with PRIM and

¹ Unless otherwise noted, capitalized terms not defined herein are defined in the Stipulation and Agreement of Settlement, dated as of October 24, 2014 (“Stipulation”). ECF No. 522-1.

SBRB, “Lead Plaintiffs”) and court-appointed Lead Counsel and Class Counsel for the Preferred Stock Class in the above-captioned matter (and together with Berman DeValerio and Labaton Sucharow LLP, “Lead Counsel”). I have personal knowledge of the matters set forth herein based on my active participation in the prosecution and settlement of the claims asserted on behalf of the Preferred Stock Class in the Action.

4. We respectfully submit this Joint Declaration in support of Lead Plaintiffs’ motion for final approval of the Settlement and the proposed plan for allocating the proceeds of the Settlement to eligible Members of the Settlement Classes (the “Plan of Allocation”). The Settlement will resolve all claims asserted in the Action on behalf of the Settlement Classes. The Settlement Classes are comprised of the Common Stock Class and the Preferred Stock Class. We also respectfully submit this Joint Declaration in support of Lead Counsel’s motion for attorneys’ fees and payment of expenses.

5. The Common Stock Class consists of all Persons who, during the period between November 8, 2006 and September 5, 2008, inclusive (the “Class Period”), either on the secondary market or through an original offering pursuant to a registration statement or prospectus: (a) purchased or acquired Fannie Mae common stock and/or call options, and were thereby damaged, and/or (b) sold Fannie Mae put options, and were thereby damaged.² See Stipulation ¶ 1(g).

² Excluded from the Settlement Classes are (i) Defendants and Former Defendants; (ii) members of the immediate family of any Non-Settling Individual Defendant or Former Individual Defendant; (iii) any person who was an officer or member of the Board of Directors of Fannie Mae during the Class Period; (iv) any firm, trust, corporation, officer, or other entity in which any Defendant or Former Defendant has or had a controlling interest; and (v) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded party. For the avoidance of doubt, “affiliates” are persons or entities that directly, or indirectly through one or more intermediaries, control, are controlled by or are under common control with one of the

6. The Preferred Stock Class consists of all Persons who, during the Class Period, either on the secondary market or through an original offering pursuant to a registration statement or prospectus, purchased or acquired Fannie Mae preferred stock, and were thereby damaged. *Id.* at ¶ 1(jj).

7. The Court preliminarily approved the Settlement by Order entered on November 12, 2014 (the “Preliminary Approval Order”). *In re Fannie Mae 2008 Sec. Litig.*, Master File No. 08-cv-07831, ECF No. 527. For the reasons set forth below and in the accompanying memorandum,³ Lead Plaintiffs and Lead Counsel respectfully submit that (i) the terms of the Settlement are fair, reasonable, and adequate in all respects and should be approved by the Court and (ii) the proposed Plan of Allocation is fair and reasonable and should be approved by the Court.

II. THE EXCELLENT RECOVERY ACHIEVED

8. Lead Plaintiffs have succeeded in obtaining a recovery of \$170,000,000 (the “Settlement Amount”) in cash for the Settlement Classes. The Settlement Amount will be apportioned between the Common Stock Class and the Preferred Stock Class as follows: \$123.76 million or 72.8% of the Settlement Amount to the Common Stock

Defendants or Former Defendants, and include any employee benefit plan organized for the benefit of Fannie Mae’s employees. Former Underwriter Defendants and their affiliates shall be excluded solely with regard to the securities held solely on behalf of, or for the benefit of, their own account(s) (*i.e.*, accounts in which they hold a proprietary interest). Any Investment Vehicle (as defined in the Stipulation) shall not be deemed an excluded person or entity by definition. Also excluded from the Settlement Classes is any Person who submits a valid and timely request for exclusion in accordance with the requirements set forth in the court-approved Notice. *See* Stipulation ¶¶ 1(g) & 1(jj).

³ In conjunction with this Joint Declaration, Lead Plaintiffs and Lead Counsel are also submitting the Memorandum of Law in Support of Lead Plaintiffs’ Motion for Final Approval of Class Action Settlement and Plan of Allocation (the “Settlement Memorandum”).

Class and \$46.24 million or 27.2% of the Settlement Amount to the Preferred Stock Class. *See* Stipulation ¶ 1(uu).

9. The proposed Settlement is an excellent result that will bring to a close more than six years of contentious litigation between Lead Plaintiffs and Defendants. If approved, the Settlement would be among the top 35 securities class action settlements since the passage of the Private Securities Litigation Reform Act of 1995 (“PSLRA”) in cases not involving a restatement of financial statements, according to the Securities Class Action Services report through the first half of 2014. *See* ISS Securities Class Action Services, LLC, *The Securities Class Action Services, Top 100 for 1H 2014* (2014) at 4, 33, Ex. 1.⁴ The Settlement would also place among the 70 largest securities class action settlements in all federal securities cases brought since the passage of the PSLRA in 1995. *See id.* at 4. In 2013, the median securities class-action settlement was \$6.5 million and the average was \$71.3 million. *See* Cornerstone Research, *Securities Class Action Settlements—2013 Review and Analysis*, at 1 (2014), Ex. 2. In fact, only 8.4% of all securities class actions since 2004 have settled for \$100 million or more. *See id.* at 4.

10. The Settlement is also greater than the settlement reached in *In re Fannie Mae Securities Litigation*, No. 04-01639 (D.D.C.), in 2013 (“*Fannie F*”), which amounted to \$153 million in a case involving a \$9 billion restatement. *See* Stipulation of Settlement of Securities Action, ECF No. 1089-2.

⁴ Citations to “Ex. ___” or “Exhibit” herein refer to exhibits to this Joint Declaration. For clarity, exhibits that themselves have attached exhibits will be referenced as “Ex. ___-___,” wherein the first numerical reference refers to the designation of the entire exhibit attached hereto and the second reference refers to the exhibit designation within the exhibit itself.

11. Before agreeing to the Settlement, Lead Plaintiffs engaged in comprehensive and vigorous litigation in which they, *inter alia*, (i) conducted a thorough investigation into the Settlement Classes' claims; (ii) drafted a detailed Joint Consolidated Amended Class Action Complaint (the "First Amended Complaint"); (iii) successfully opposed, in part, Defendants' motions to dismiss the First Amended Complaint and motion for reconsideration; (iv) moved for class certification; (v) drafted a detailed Second Amended Consolidated Class Action Complaint (the "Complaint"); (vi) successfully opposed Defendants' additional partial motions to dismiss; (vii) and engaged in an extensive and diligent discovery program, including participating in more than 21 depositions, and the production, review, and/or analysis of more than 75 million pages of documents. Thus, by the time the Settlement was reached, Lead Plaintiffs and Lead Counsel had a detailed and thorough understanding of the strengths and weaknesses of the case.

12. The Settlement was ultimately accomplished through arm's-length settlement discussions over a period spanning 3 years, facilitated by a highly experienced and well-respected mediator chosen by the Settling Parties—former U.S. District Judge Layn Phillips. The mediation process included briefing followed by in-person mediation sessions with attorneys representing each side focusing on liability and damages, telephonic follow-up, and, ultimately, a recommendation by the mediator, Judge Phillips. Even after reaching the agreement in principle, the Settling Parties continued to negotiate for an additional three months over the specific terms of the Stipulation.

13. Lead Plaintiffs obtained this substantial recovery for the Settlement Classes despite the significant risks inherent in complex securities class actions generally,

and the significant case-specific risks they faced in prosecuting the Action against Defendants. Before agreeing to the Settlement, the Parties had conducted extensive briefing on the pleadings, class certification, and concerning discovery disputes.

14. Lead Plaintiffs understood that under the specific facts here, even surviving summary judgment was not a certainty, particularly given the Second Circuit's 2013 decision upholding the dismissal of similar claims (and involving some of the same specific disclosures at issue in this case) against Fannie Mae's sibling government-sponsored entity, Freddie Mac. *See Kuriakose v. Fed. Home Loan Mortg. Corp.*, 897 F. Supp. 2d 168, 173 (S.D.N.Y. 2012), *aff'd sub nom. Cent. States, Se. & Sw. Areas Pension Fund v. Fed. Home Loan Mortg. Corp.*, 543 Fed. App'x. 72 (2d Cir. 2013) ("*Freddie Mac*"); *see also Ohio Pub. Emps. Ret. Sys. v. Fed. Home Loan Mortg. Corp.*, No. 4:08-cv-160, 2014 WL 5516374 (N.D. Ohio Oct. 31, 2014).

15. Even if Lead Plaintiffs' claims did survive summary judgment, the outcome of a jury trial, especially in a highly-complex case such as this one, could not be predicted with reasonable certainty. If Lead Plaintiffs did prevail at trial, there is also no assurance that they would have obtained a judgment equal to, much less greater than, the proposed Settlement Amount. Moreover, even a positive outcome at trial is not a guarantee of an ultimate positive result for the Settlement Classes. There are several recent instances where plaintiffs' verdicts in securities fraud-cases have been reversed by the trial court or on appeal. Here, the Second Circuit's decision in *Freddie Mac* made such a risk palpable.

16. Lead Counsel unequivocally believe, based on our knowledge and understanding of the claims and defenses asserted in this Action, that the \$170 million

Settlement is an excellent result for the Settlement Classes, particularly when considered against the very substantial risk of a much smaller recovery—or even no recovery—after a trial of the Action, and the inevitable and lengthy appeals that would follow success at trial, if any.

17. As set forth in the attached declarations of Christopher J. Supple on behalf of PRIM, Matthew Gendron on behalf of the Massachusetts Attorney General’s Office, Timothy Smyth on behalf of SBRB, and Christy Allen on behalf of TCRS, attached hereto as Exhibits 5, 6, 7, and 8 respectively, Lead Plaintiffs, which are sophisticated institutional investors that manage billions of dollars in pension funds, endorse the Settlement.

18. For all of the reasons set forth herein, including the excellent result obtained and the significant litigation risks, we respectfully submit that the Settlement and Plan of Allocation are “fair, reasonable, and adequate” in all respects, and that the Court should approve them pursuant to Federal Rule of Civil Procedure Rule 23(e). Fed. R. Civ. Proc. 23(e).

III. FACTUAL SUMMARY OF LEAD PLAINTIFFS’ CLAIMS AGAINST DEFENDANTS

19. Lead Plaintiffs’ claims in the Action are stated in the operative Second Amended Consolidated Class Action Complaint. The Complaint asserts claims for violations of federal securities laws, specifically Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 promulgated thereunder, against: Fannie Mae; the Federal Housing Finance Agency (“FHFA”); Daniel H. Mudd, Fannie’s former Chief Executive Officer (“Mudd”); and Enrico Dallavecchia, Fannie’s former Executive Vice President and Chief Risk Officer (“Dallavecchia”).

20. Lead Plaintiffs' claims arise from a series of partial disclosures which culminated in the surprise announcement made on September 7, 2008 by FHFA, Fannie Mae's federal regulator, that the Company had been placed into conservatorship. The decision to place Fannie Mae into conservatorship stemmed in large part, Lead Plaintiffs allege, from the decision made by Fannie Mae executives to enter into risky subprime and Alt-A markets without the requisite risk management systems in place, which had a deleterious effect on Fannie Mae's financial condition. Lead Plaintiffs allege that over the course of several years (and in contradiction to its conservative and prudent reputation), Fannie Mae embarked on a multi-year strategy to shift its business focus from safe loans toward riskier subprime and Alt-A loans.

21. The Complaint alleges that, during the Class Period, Fannie Mae misled investors by issuing false and misleading statements. The Complaint describes two main types of false statements: misrepresentations and omissions with regard to Fannie Mae's risk management and internal controls and misrepresentations and omissions with regard to Fannie Mae's exposure to subprime and Alt-A mortgages.

22. As a result of Fannie Mae's misrepresentations, Lead Plaintiffs allege that investors in Fannie Mae common stock, options and preferred stock paid artificially-inflated prices for their securities during the Class Period. Then, beginning in July 2008, a series of announcements allegedly began to reveal that Fannie Mae was suffering increased losses as a result of its misrepresented and/or undisclosed investments in subprime and Alt-A loans and lack of risk controls. Over the course of the next two months, additional alleged disclosures continued to reveal mounting losses from Fannie Mae's misrepresented and/or undisclosed holdings and deficient risk controls. Finally,

on September 7, 2008, the FHFA issued a statement announcing that it had placed Fannie Mae into conservatorship, primarily due to concerns about Fannie Mae's liquidity and solvency resulting from the Company's alleged inability to manage the increased risk from its exposure to risky subprime and Alt-A loans.

23. The prices of Fannie Mae securities plunged and have never recovered. The price of Fannie Mae's common stock fell by approximately 99% when the Company's exposure to subprime and Alt-A loans, its internal risk control inadequacies, and the resulting losses were revealed to the market.

IV. PROCEDURAL HISTORY

24. Beginning in September 2008, nineteen (19) separate actions were filed against Fannie Mae, its auditor Deloitte & Touche LLP, fifteen underwriters (in connection with four preferred stock offerings and one common stock offering during the Class Period), and certain of Fannie Mae's officers and directors in the United States District Court for the Southern District of New York. The actions filed here included securities class actions and actions brought under the Employee Retirement Income Security Act ("ERISA").

A. Appointment of Lead Plaintiffs

25. On November 7, 2008, Lead Plaintiff TCRS filed a motion to be appointed lead plaintiff and to appoint Kaplan Fox as lead counsel.⁵ ECF No. 10. That same day, Lead Plaintiffs PRIM and SBRB filed a joint motion to be appointed lead plaintiffs, to

⁵ Cases were also filed in other courts around the United States but were later transferred to the Southern District of New York by order of the Judicial Panel on Multidistrict Litigation. *See* ECF No. 79 (J.P.M.L. Feb. 11, 2009). Initially, the JPML consolidated and transferred all related actions to the Hon. Gerard E. Lynch. On August 31, 2009, the Judicial Panel on Multidistrict Litigation issued an Order reassigning this Action to Judge Paul A. Crotty. ECF Nos. 145-46.

appoint Labaton Sucharow and Berman DeValerio as co-lead counsel, and to consolidate the related filed cases. ECF No. 22. An additional fourteen groups also moved for appointment as lead plaintiff.

26. Briefing on Lead Plaintiffs' motions was completed on December 11, 2008. ECF. Nos. 52, 55, 65, 67.

27. On February 13, 2009, the judge then assigned to the cases—the Honorable Gerard E. Lynch—held a hearing on the pending motions and provisionally appointed PRIM and SBRB as Lead Plaintiffs for the Common Stock Class and TCRS as Lead Plaintiff for the Preferred Stock Class.

28. By Memorandum Opinion and Order dated April 16, 2009 (the “Consolidation Order”), Judge Lynch formally consolidated the federal securities actions pending before him, appointed PRIM and SBRB as Lead Plaintiffs for the Common Stock Class and TCRS as Lead Plaintiff for the Preferred Stock Class pursuant to the PSLRA. ECF No. 94. Judge Lynch also appointed Labaton Sucharow and Berman DeValerio as Lead Counsel for the Common Stock Class and Kaplan Fox as Lead Counsel for the Preferred Stock Class. *Id.*

29. Judge Lynch directed that Lead Plaintiffs file a consolidated amended complaint within forty-five (45) days, and that Defendants file any motions to dismiss in response to that complaint thereafter.

B. The Joint Consolidated Amended Class Action Complaint

30. In preparation for drafting and filing the First Amended Complaint, Lead Counsel developed a plan to coordinate a thorough investigation of Lead Plaintiffs' claims against Fannie Mae, preserve relevant discovery, and access all relevant information from public and non-public sources. By September 2008, Fannie Mae's

subprime and Alt-A exposure, and the Company's conservatorship, was the subject of significant media attention as well as the scrutiny of the U.S. Securities and Exchange Commission ("SEC") and Congress. Investigators for Lead Counsel were assigned to gather all relevant public information concerning Fannie Mae's subprime and Alt-A exposure and related risk controls. While reviewing these sources of information, Lead Counsel also developed leads for potential confidential witnesses. Lead Counsel took steps to ensure that no efforts were duplicated but that all resources to support the claims in this case were thoroughly reviewed.

31. Lead Counsel's coordinated pre-filing investigation included, among other things, a detailed review and analysis of (i) Fannie Mae's public filings with the SEC; (ii) research reports by securities and financial analysts; (iii) transcripts of investor conference calls; (iv) publicly available presentations by Fannie Mae; (v) press releases and media reports; (vi) economic analyses of securities price movements and pricing data; (vii) publicly available legal actions involving Fannie; (viii) publicly available Office of Federal Housing Enterprise Oversight ("OFHEO") documents; (ix) publicly available documents from past and pending legal actions against Fannie Mae and Freddie Mac; and (x) publicly available documents from past and pending investigations against Fannie Mae and Freddie Mac by the SEC and U.S. Congress.

32. Based on their review of these documents, Lead Counsel compiled a list of approximately two-hundred (200) potential witnesses. During the course of the pre-filing investigation, Lead Counsel interviewed approximately eighty-seven (87) former employees of Fannie Mae.

33. In addition, prior to filing the First Amended Complaint, Lead Counsel retained consulting experts in the areas of the mortgage industry, market efficiency, damages, and accounting, to assist in developing the claims that would ultimately be asserted against Defendants in Lead Plaintiffs' First Amended Complaint.

34. On June 22, 2009, Lead Plaintiffs filed the 185-page Joint Consolidated Amended Class Action Complaint, which asserted claims against multiple defendants (including Fannie, Mudd, and Dallavecchia), based on alleged violations of federal securities laws, on behalf of all persons who, between November 8, 2006 and September 5, 2008, purchased or acquired Fannie Mae common stock and/or options (the Common Stock Class) and/or who purchased or acquired Fannie Mae preferred stock (the Preferred Stock Class), and were damaged thereby.

35. Generally, Lead Plaintiffs alleged in the First Amended Complaint that:

- Defendants violated the federal securities laws by failing to disclose and/or making materially false and misleading statements concerning (i) Fannie Mae's risk controls, (ii) Fannie Mae's exposure to subprime and Alt-A loans, and (iii) Fannie Mae's core capital, financial condition, and financial results;
- these false statements and omissions, artificially inflated the price of Fannie Mae securities;
- the truth about Fannie Mae's subprime and Alt-A exposure, internal risk management controls, and true financial condition began to be revealed when substantial quarterly losses started to be revealed by the Company during the Class Period on November 9, 2007, when Fannie Mae reported a \$1.4 billion loss for the quarter;
- Fannie Mae continued to make partial disclosures over the following months; and
- Lead Plaintiffs and the classes were entitled to recover for all of their claims based on damages incurred by drops in the Company's securities' prices as a result of multiple disclosures during 2007 and 2008.

36. Based on the above, the First Amended Complaint alleged, on behalf of the Common Stock Class and the Preferred Stock Class, that Defendants violated Sections 10(b) and 20(a) of the Exchange Act and Sections 12(a)(2) and 15 of the Securities Act of 1933 (the “Securities Act”). In addition to Fannie Mae, the First Amended Complaint named as defendants for Lead Plaintiffs’ Exchange Act claims Defendants Mudd; Blakely; Swad; Dallavecchia; and Fannie Mae’s auditor, Deloitte & Touche LLP.⁶ The First Amended Complaint also named as defendants for Lead Plaintiffs’ Securities Act claims Defendants Fannie Mae, Mudd, Blakely, Swad, Hisey, as well as Banc of America Securities, Barclays Capital, Bear Stearns, Citigroup Global Markets, Deutsche Bank Securities, E*Trade Securities, Goldman Sachs, J.P. Morgan Securities, Merrill Lynch, Morgan Stanley, UBS Securities, Wachovia Capital Markets, Wachovia Securities, and Wells Fargo Securities (the “Former Underwriter Defendants”). ECF No. 102.

C. Defendants’ Motions to Dismiss the Securities Act Claims

37. On July 13, 2009, Defendants Fannie Mae, the Former Underwriter Defendants, Mudd, Swad, and Hisey filed a joint motion to dismiss the First Amended Complaint with respect to the Securities Act claims. ECF Nos. 113-14.

38. On August 12, 2009, Lead Plaintiff TCRS filed an opposition to the joint motion to dismiss. ECF No. 137.

39. The briefing on Defendants’ joint motion to dismiss was completed on August 27, 2009.

⁶ Claims against Deloitte & Touche LLP were brought solely by SBRB and TCRS.

D. Defendants' Motions to Dismiss the Exchange Act Claims

40. On September 18, 2009, Defendants Fannie Mae, Mudd, Dallavecchia, Swad, and Deloitte & Touche LLP filed multiple motions to dismiss the First Amended Complaint with respect to Lead Plaintiffs' Exchange Act claims. ECF Nos. 155-56, 158, 164, 167-68.

41. Defendants' motions raised a series of legal issues. Defendants asserted, among other things, that Lead Plaintiffs had failed to identify any false or misleading statements or omissions because: (i) Fannie Mae had publicly disclosed its increased participation in subprime and Alt-A loans and that there were certain weaknesses in its internal risk management controls; and (ii) Fannie Mae's exposure to subprime and Alt-A loans was limited. Fannie Mae also argued that Lead Plaintiffs had failed to adequately demonstrate loss causation—or, a connection between the alleged misstatements and/or omissions and the decline in the price of Fannie Mae securities. Defendants Dallavecchia, Mudd and Swad also asserted that Lead Plaintiffs had failed to allege that they acted with the requisite scienter. Defendant Deloitte further contended that Lead Plaintiffs had failed to identify any alleged violations of generally accepted accounting principles ("GAAP") or generally accepted auditing standards ("GAAS"), or that Deloitte acted with the requisite scienter.

42. On November 18, 2009, Lead Plaintiffs filed their opposition to Defendants' motions to dismiss, contending, among other things, that Defendants had caused Fannie Mae to materially alter its risk profile by increasing its investment in the subprime and Alt-A markets and did so without establishing the controls necessary to understand, manage, and appropriately limit that heightened risk. Lead Plaintiffs also argued that Defendants had misrepresented Fannie Mae's financial results and

capitalization. Lead Plaintiffs also offered supporting law and facts demonstrating that each of the Defendants made materially false and misleading statements and/or omissions, that Defendants acted with the requisite scienter, and that Defendants' alleged fraud had caused Fannie Mae shareholders to suffer losses.⁷

43. The briefing on Defendants' motions to dismiss the Exchange Act claims was completed on December 18, 2009 and collectively totaled approximately 1,200 pages in supporting papers and declarations with exhibits.

E. The Court's Rulings on Defendants' Motions to Dismiss

44. On November 16, 2009, the Parties attended a hearing before the Court concerning Defendants' motions to dismiss claims brought under the Securities Act of 1933.

45. On November 24, 2009, the Court issued an Order dismissing Lead Plaintiffs' Securities Act claims against Defendants Fannie Mae, the Former Underwriter Defendants, Mudd, Swad, Blakely, and Hisey. ECF No. 190. The Court's Order did not address Lead Plaintiffs' Exchange Act claims.

46. At a hearing held on May 27, 2010, the Court heard oral argument on the motions to dismiss Lead Plaintiffs' Exchange Act claims.

47. On September 30, 2010, the Court issued an Order that granted in part, and denied in part, Defendants' motions to dismiss Lead Plaintiffs' Exchange Act claims. ECF No. 228. Specifically, the Court sustained Lead Plaintiffs' Section 10(b) claims

⁷ Lead Plaintiffs also moved to strike certain extrinsic documents and arguments from Defendants' briefs or, in the alternative, asked that the Court not credit any related documents and arguments made by Defendants. At the November 16, 2009 hearing, the Court granted Lead Plaintiffs permission to file a letter brief in support of their position, which Lead Plaintiffs submitted to the Court on November 18, 2009. Defendants Fannie Mae and Deloitte responded by letter brief and opposed Lead Plaintiffs' position on December 18, 2009.

regarding Fannie's risk management disclosures with respect to Fannie Mae, Mudd, and Dallavecchia and Lead Plaintiffs' Section 20(a) claims for control person liability regarding Fannie Mae's risk management disclosures with respect to Mudd and Dallavecchia. The Court dismissed Lead Plaintiffs' remaining claims, including Lead Plaintiffs' Section 10(b) claims regarding Fannie's failure to disclose its subprime and Alt-A exposure and financial reporting with respect to all Defendants; Lead Plaintiffs' Section 10(b) claims regarding Fannie's risk management disclosures with respect to Swad and Blakely; Lead Plaintiffs' Section 10(b) claims with respect to Deloitte; Lead Plaintiffs' Section 20(a) claims for control person liability regarding Fannie's subprime and Alt-A exposure and financial reporting with respect to Mudd, Swad, Blakely, and Dallavecchia; and Lead Plaintiffs' Section 20(a) claims for control person liability regarding Fannie's risk management disclosures with respect to Swad and Blakely. In dismissing these claims, the Court found that Fannie Mae's public filings warned investors about the alleged risk of subprime and Alt-A investments, that Lead Plaintiffs failed to demonstrate that Defendants' statements were fraudulent, and that Lead Plaintiffs failed to show that any Defendants acted with the requisite scienter. With respect to Lead Plaintiffs' claims concerning Fannie Mae's financial statements, the Court found that Lead Plaintiffs failed to demonstrate the falsity of Fannie Mae's financial statements, failed to allege facts demonstrating a violation of GAAP, and failed to demonstrate that Defendants acted with the requisite scienter.

F. Defendants' Motion to Reconsider the Court's September 30, 2010 Order

48. On October 14, 2010, Defendants Fannie Mae, Mudd, and Dallavecchia filed motions for reconsideration of the Court's September 30, 2010 decision. ECF Nos.

234, 236, 239. Defendants' motions argued that the Court erred in not granting Defendants' motions to dismiss in their entirety because Lead Plaintiffs' claims did not adequately allege material misstatements, a strong inference of scienter, and loss causation.

49. Lead Plaintiffs filed oppositions to Defendants' motions on November 1, 2010, arguing that Defendants did not present any new law or facts that the Court had failed to consider in its Order or demonstrate that the Court had made a clear error of law. ECF No. 246.

50. On November 12, 2010, Defendants Fannie Mae and Mudd filed additional briefs in support of their motions for reconsideration. ECF Nos. 248-49.

51. On April 11, 2011, the Court denied Defendants' motions for reconsideration in their entirety. ECF No. 269.

G. Defendants' Answers to the First Amended Complaint

52. On December 31, 2010, Fannie Mae answered the First Amended Complaint. ECF No. 254. Defendants Mudd and Dallavecchia filed their Answers on January 7, 2011. ECF Nos. 255-56. Defendants denied Lead Plaintiffs' claims in their entirety and asserted a number of defenses to liability, including, *inter alia*, that Defendants had disclosed the alleged misstated or omitted information, that Defendants acted in good faith at all times, that Defendants had no duty to disclose the information allegedly omitted, and that any damages suffered by Fannie Mae shareholders had to be offset by gains incurred by those shareholders.

H. Lead Plaintiffs' Motions for Class Certification

53. On July 18, 2011, Lead Plaintiff TCRS filed a Motion for Class Certification and Appointment of Class Representative and Class Counsel on behalf of

the Preferred Stock Class. That same day, Lead Plaintiffs PRIM and SBRB filed a separate Motion for Class Certification and Appointment of Class Representatives and Class Counsel on behalf of the Common Stock Class. ECF Nos. 298-303.

54. Preparation for filing and defending the motions for class certification entailed extensive expert consultation and discovery, much of which occurred before the filing of the motions. Lead Counsel's experience and expertise enabled them to complete a substantial amount of work in a very limited six-month time-frame, as required by the Court's January 27, 2011 Case Management Plan and Scheduling Order (ECF No. 261).

55. For example, Lead Plaintiffs engaged the services of expert Chad W. Coffman to provide Lead Plaintiffs with a report on market efficiency. Lead Plaintiffs submitted Coffman's expert report in support of their motions for class certification.

56. Each Lead Plaintiff responded to extensive class-certification discovery and produced thousands of pages of documents (discussed *infra* at IV.L.5).

57. However, the motions were not decided. On January 12, 2012, counsel for Fannie Mae wrote a letter to the Court requesting that the Court adjourn deadlines in this Action concerning the parties' class certification papers, in light of the filing of an action by the SEC on December 16, 2011 against three former Fannie Mae officers, including Defendants Mudd and Dallavecchia. ECF No. 336.

58. The Court granted relief from the scheduling order on January 13, 2012. ECF No. 336.

I. The SEC Action

59. In December 2011, the SEC filed a civil action against Mudd, Dallavecchia, and Thomas Lund, who had previously been Fannie Mae's former Chief Business Officer. *See SEC v. Mudd*, No. 11 Civ. 9202 (PAC) (S.D.N.Y. filed Dec. 16,

2011) (the “SEC Action”). The SEC Action is pending before this Court. Leading up to the filing of the SEC Action, the SEC conducted a two-and-a-half year investigation, including interviews of approximately 60 witnesses (taken over approximately 90 transcript days) and receipt of tens of millions of pages of documents from Fannie Mae and other parties. At the same time that it filed the SEC Action, the SEC released a Non-Prosecution Agreement that it had entered into with Fannie Mae, signed by then-Fannie Mae President and CEO Michael J. Williams. A nine-page Statement of Facts was appended to the Non-Prosecution Agreement, and Fannie Mae agreed “to not dispute, contest, or contradict the factual statements set forth” therein. The Statement of Facts offered factual bases for many of the allegations in the SEC Action.

60. In light of the filing of the SEC Action and related revelation of substantial additional previously-unknown facts regarding Defendants, Lead Plaintiffs requested and were granted leave to amend the First Amended Complaint (Minute Entry dated Feb. 1, 2012). The Court also tabled discovery disputes between Lead Plaintiffs and Defendants pending amendment and subsequent motion-to-dismiss briefing.

J. The Second Amended Consolidated Class Action Complaint

61. On March 2, 2012, Lead Plaintiffs filed the operative Second Amended Consolidated Class Action Complaint against Fannie Mae; FHFA, as conservator for Fannie Mae; former Fannie Mae CEO Daniel Mudd; and former Fannie Mae Chief Risk Officer Enrico Dallavecchia. ECF No. 349 (redacted); ECF No. 400 (unredacted). In the Complaint, Lead Plaintiffs continued to assert their previously upheld claims regarding Fannie Mae’s risk controls. Lead Plaintiffs added allegations regarding Fannie Mae’s exposure to subprime and Alt-A loans. Lead Plaintiffs drew extensive support for their

allegations from a review of the documents that had already been produced to them by Fannie Mae.

62. Lead Plaintiffs allege in the Complaint that Defendants mischaracterized and misclassified risky loans that should have been disclosed as subprime or Alt-A loans. Further, the Complaint alleges that Fannie Mae's officers, including Mudd and Dallavecchia, received internal reports, and attended meetings where internal reports were discussed, showing that loans underwritten through the Expanded Approval ("EA") and My Community Mortgage ("MCM") programs—loans that allegedly met Fannie Mae's definition of subprime loans—were not disclosed as subprime loans and, in fact, were performing worse than Fannie Mae's disclosed subprime loans. In addition, the Complaint alleges that while Fannie Mae claimed to disclose loans from subprime lenders or subprime divisions of large lenders as subprime loans, it failed to do so in practice. As alleged, Fannie Mae failed to disclose as subprime loans from 195 of 210 lenders identified on the HUD Subprime Lender List. The Complaint also alleges that while Fannie Mae defined Alt-A loans as reduced documentation loans, it failed to disclose that a similar volume of reduced documentation loans, known as lender-selected or process efficiency loans, were not disclosed as Alt-A in Fannie Mae's filings, and that Fannie Mae itself told lenders how to classify such loans.

K. Defendants' Motions to Partially Dismiss the Second Amended Consolidated Class Action Complaint

63. On April 4-5, 2012, Defendants moved to partially dismiss the Complaint and to strike certain allegations therein. ECF Nos. 353-71, 377, 383, 387-89. Defendants' briefing and supporting exhibits totaled approximately 1,700 pages. Fannie Mae (and other defendants) argued that the Complaint, *inter alia*, failed to sufficiently

allege scienter; that the Complaint failed to identify any actionable misstatements or omissions; and that the Lead Plaintiffs failed to plead valid Section 20(a) claims under the Exchange Act against Defendants Mudd and Dallavecchia.

64. On May 21, 2012, Lead Plaintiffs filed their oppositions to Defendants' motions to partially dismiss, arguing among other things that each of the Defendants made materially false and misleading statements and/or omissions and that each of the Defendants acted with the requisite scienter. ECF Nos. 394-98. Defendants filed reply briefs on June 18, 2012. ECF Nos. 401-04. Lead Plaintiffs argued against partial dismissal before the Court on July 18, 2012.

65. By Order dated August 30, 2012, the Court denied Defendants' motions to partially dismiss the Complaint. ECF No. 423.

V. LEAD PLAINTIFFS' EXTENSIVE FACT DISCOVERY EFFORTS

66. Through the course of extensive and hotly contested discovery, Lead Plaintiffs, through the efforts of Lead Counsel, have developed evidentiary support for the claims asserted in the Complaint. The result achieved for the Settlement Classes would not have been possible in the absence of these discovery efforts.

67. After the Court decided the Exchange Act motions to dismiss on September 30, 2010 (ECF No. 228), formal fact discovery began. The parties conferred and submitted a Case Management Plan, which the Court approved on November 29, 2010; pursuant to that Plan, fact discovery was to be completed by December 19, 2011. ECF No. 252.

68. Following the entry of the Case Management Plan, the parties met and conferred extensively on the discovery plan and the scope of discovery. After lengthy negotiations, on July 12, 2011, the parties entered into the Stipulated Pretrial Protective

Order, establishing procedures governing the production of confidential materials, which was signed by the Court on July 15, 2011 and docketed on July 18, 2011. ECF No. 297. On August 1, 2011, Fannie Mae, Mudd, Dallavecchia, and Lead Plaintiffs exchanged initial disclosures. On December 4, 2012, following the Court's denial of Defendants' partial motions to dismiss the Complaint, the same parties exchanged amended or supplemental initial disclosures.

69. By subsequent amendment, discovery deadlines were extended several times, with the Fourth Amended Case Management Plan entered on April 17, 2014 setting the fact discovery deadline as September 29, 2014. ECF No. 485.

A. Discovery from Fannie Mae and FHFA

70. On November 23, 2010, Lead Plaintiffs served their first set of document requests on Fannie Mae, seeking documents already produced by Fannie Mae to the government, including the U.S. Department of the Treasury (the "Treasury"), Department of Justice, Financial Crisis Inquiry Commission, FHFA/OFHEO, SEC, U.S. House of Representatives, and U.S. Senate. Lead Plaintiffs' document requests further sought all documents concerning interviews or testimony related to any government inquiry and all communications concerning any such inquiry. On December 17, 2010, Lead Plaintiffs served their second set of document requests on Fannie Mae, covering topics including organization, risk policies and procedures, underwriting guidelines, guaranty fees, mortgage-backed securities, institutional counterparty risk, risk models, statements concerning risk cited in the First Amended Complaint, Board/Committee meetings, Congress and regulators, Individual Defendants Mudd and Dallavecchia, and document retention.

71. Soon thereafter, Lead Plaintiffs and Fannie Mae met and conferred in an attempt to resolve their disputes concerning the scope of Lead Plaintiffs' discovery requests. These negotiations continued for months, during which time Fannie Mae took a narrow view of the scope of responsive information and refused to produce certain documents. Despite meeting and conferring repeatedly and in good faith concerning the scope of Lead Plaintiffs' document requests, the parties were unable to reach an agreement.

72. Lead Plaintiffs sought Court resolution of their dispute with Fannie Mae over discovery. Lead Plaintiffs requested a pre-motion conference with the Court on July 1, 2011 in anticipation of filing a motion to compel Fannie Mae to produce relevant discovery. The dispute centered on the scope of discovery regarding Lead Plaintiffs' sustained allegations that Fannie Mae's lack of internal controls and risk management led to massive losses and drove Fannie Mae into conservatorship. Fannie Mae responded by letter to the Court on July 7, 2011. The Court held oral argument on August 3, 2011. The Court sided with Lead Plaintiffs in its August 19, 2011 Order. ECF No. 310.

73. In total, Fannie Mae produced approximately 33,700,000 pages of documents in response to Lead Plaintiffs' document requests. In addition, Lead Plaintiffs received approximately 42,500,000 pages of documents that Fannie Mae and others had produced to the SEC.

74. On December 17, 2010, Lead Plaintiffs served their first set of document requests on FHFA, seeking documents regarding FHFA's supervision and oversight of Fannie Mae. Lead Plaintiffs served their second set of document requests on FHFA on January 18, 2013. Lead Plaintiffs served their third set of document requests on FHFA

on December 31, 2013, seeking documents related to depositions taken in actions brought by FHFA against various banks and coordinated before Judge Cote in this District. FHFA produced approximately 34,000 pages of documents in response to Lead Plaintiffs' document requests.

75. Lead Plaintiffs served four interrogatories on Fannie Mae on September 14, 2012, focusing on information regarding the SEC Action and related investigation. Fannie Mae responded on October 15, 2012.

B. Discovery from Individual Defendants

76. On November 23, 2010, Lead Plaintiffs served their first set of document requests on the Individual Defendants, Daniel Mudd and Enrico Dallavecchia, seeking documents already produced by the Individual Defendants to the government. On December 17, 2010, Lead Plaintiffs served their second set of document requests on Mudd and Dallavecchia. Defendant Mudd produced approximately 750 pages of documents in response to Lead Plaintiffs' document requests. Defendant Dallavecchia produced approximately 700 pages of documents in response to Lead Plaintiffs' document requests.

C. Discovery from the SEC

77. On October 26, 2012, Lead Plaintiffs issued a subpoena to the SEC with five document requests seeking documents related to the SEC Action and related investigation, including interview transcripts and exhibits. The SEC produced approximately 90 volumes of interview transcripts representing interviews of approximately 60 witnesses, as well as approximately 700 exhibits. In addition, the SEC produced approximately 42.5 million pages that it had collected as part of its investigation from Fannie Mae and other parties. On January 23, 2013, the Court entered

a supplemental protective order approved by Lead Plaintiffs, Fannie Mae, Daniel Mudd, and Enrico Dallavecchia concerning the SEC's production of certain documents from the custody or control of Fannie Mae that FHFA contended were subject to the examination privilege.

D. Discovery from Other Non-Parties

78. Lead Plaintiffs gathered evidence from many non-parties and served subpoenas *duces tecum*. Lead Plaintiffs subpoenaed Fannie Mae's auditor, Deloitte & Touche LLP, on March 23, 2011 (after it had been dismissed from the case), and received approximately 24,000 pages of documents in response to their subpoena. Lead Plaintiffs subpoenaed Morgan Stanley on April 1, 2011. Lead Plaintiffs subpoenaed the U.S. Department of the Treasury on April 12, 2011 and received approximately 1,450 pages of documents in response to their subpoena. Lead Plaintiffs subpoenaed former Fannie Mae Chief Business Officer Thomas Lund on September 19, 2012 and received approximately 950 pages of documents in response to their subpoena.

E. Responding to Defendants' Discovery Requests

79. On July 14, 2011, Fannie Mae served its first sets of document requests and interrogatories on Lead Plaintiffs.

80. On August 26, 2011, Fannie Mae served Rule 30(b)(6) deposition notices on Lead Plaintiffs. These depositions did not take place, as Lead Plaintiffs requested and were granted leave to file their now-operative Complaint.

81. On January 7, 2013, Lead Plaintiffs received Fannie Mae's first set of requests for admission, which contained 156 requests. That same day, Fannie Mae served its second set of document requests on Lead Plaintiffs. Lead Plaintiffs for the Common Stock Class and Lead Plaintiff for the Preferred Stock Class responded

separately to Fannie Mae's requests for admission and second set of document requests on March 13, 2013.

82. Lead Plaintiffs gathered, reviewed, and produced documents in response to Fannie Mae's document requests. TCRS produced approximately 11,000 pages of documents, SBRB produced approximately 900 pages of documents, and PRIM produced approximately 28,000 pages of documents.

F. Review of Documents

83. In response to Lead Plaintiffs' document requests and subpoenas described above, Defendants, the SEC, and other non-parties produced more than 75 million pages of documents, which Lead Counsel reviewed, organized, and analyzed. To do so, Lead Counsel developed a discovery program governing the review of documents and the taking of depositions, through which responsibilities were allocated among attorneys prosecuting the Action. This division of labor increased efficiency while eliminating redundancies.

84. To process the vast amount of information in a relatively short period, Lead Counsel deployed substantial resources and technology. All of the 75 million documents produced were placed in an electronic database that was created and maintained by Lead Counsel Kaplan Fox and for which storage hardware was purchased. Hosting the database at Kaplan Fox, first through the use of a Concordance FYI system with login seats for external logins purchased through Matthew Bender and then on the new Thomson Reuters database program Case Logistix, allowed counsel to search for documents through Boolean-style searches and resulted in substantial cost savings of between \$1-2 million over the life of the case. Thorough document-review guidelines and protocols were prepared for the reviewing attorneys, who worked to complete the

document review and analysis as quickly and efficiently as possible. All aspects of the review by attorneys were carefully supervised by Lead Counsel to eliminate inefficiencies and to ensure a high-quality work-product. This supervision included multiple training sessions, the drafting of a detailed “document review manual,” presentations regarding the key legal and factual issues in the case, and in-person instruction from senior attorneys. The training sessions were supplemented by ongoing meetings with senior attorneys to discuss important documents and case strategy.

85. Lead Counsel used discrete teams of attorneys to review and analyze the documents as a “first-level review.” More senior attorneys would then oversee the first-level review and closely examine the more valuable documents (the “second-level review”). For example, “hot” documents identified by first-level reviewers were subject to further analysis and assessment by second-level reviewers on an on-going basis. Samplings of documents coded as “relevant” and “non-relevant” were reviewed by those same second-level, senior attorneys to provide quality control.

86. Lead Counsel created detailed summaries of the approximately 60 witness interviews conducted by the SEC, reviewing approximately 90 volumes of interview transcripts and 700 exhibits, and culling from these key facts, open issues, and questions. Based on Lead Counsel’s review and summarization of those interviews and exhibits, as well as extensive targeted searches of the document production and review and analysis of the resulting documents, Lead Counsel then created an extensive Order of Proof that collected all of Lead Counsel’s best evidence to prove each element of Lead Counsel’s claims, providing a chronology, set of key documents, and roadmap for depositions, and

noting areas to develop further through targeted document searches and through deposition testimony.

G. Depositions

87. Lead Plaintiffs took 18 depositions of fact witnesses and defended three depositions. All of the witnesses deposed by Lead Plaintiffs were current or former employees of Fannie Mae, ranging from a Vice President in Credit Risk for the Company's Single Family Business to the Senior Vice President for Credit Risk Oversight. The three depositions defended by Lead Plaintiffs were the depositions of Michael Brakebill, Chief Investment Officer of Lead Plaintiff TCRS on April 9, 2014; the deposition of Daniel Greene, Chief Investment Officer of Lead Plaintiff SBRB on February 25, 2014; and the deposition of Michael Manning, managing partner of New England Pension Consultants/NEPC, LLC (who provided investment advice to SBRB and PRIM), on March 28, 2014.

88. For the depositions taken by Lead Plaintiffs, extensive, complex preparation was necessary. In preparing for these depositions (and for possible trial), Lead Counsel undertook extensive efforts to analyze the complex issues that were integral to Lead Plaintiffs' claims, as well as issues related to proving loss causation and damages. Lead Counsel necessarily devoted considerable time, effort, and resources to learning and analyzing: (i) Fannie Mae's organizational structure; (ii) internal systems and procedures; and (iii) internal correspondence and memoranda produced by the Defendants.

VI. LEAD COUNSEL'S EXTENSIVE WORK WITH EXPERTS

89. Lead Counsel worked with a half dozen experts over the course of the litigation. For instance, Lead Counsel worked with Chad Coffman, an expert on market

efficiency, and his firm, Global Economics Group (formerly Winnemac Consulting), in conjunction with their motions for certification of the Common Stock Class and Preferred Stock Class. Coffman submitted a 45-page expert report, with 20 exhibits and 23 appendices and sub-appendices, in support of certification of both classes, opining on whether the market for Fannie Mae common stock was efficient during the Class Period and whether the markets for seven Fannie Mae preferred stock series were efficient during the Class Period. More recently, Lead Counsel worked with Chad Coffman and Global Economics Group in conjunction with the creation of the Plan of Allocation.

90. Lead Counsel also worked intensely with experts from Forensic Economics, Inc., including President Frank Torchio and Vice President Sanjay Pansari, on loss causation and damages in conjunction with the briefing for the most recent mediation with Fannie Mae. Experts from Forensic Economics conducted a detailed analysis of damages to members of the Common Stock Class and the Preferred Stock Class, including an event study using an appropriate model, statistical significance threshold, peer group to control for market and industry effects, and scaling of artificial inflation. In addition, Lead Counsel and their experts from Forensic Economics extensively discussed, analyzed, and considered the issue of disaggregation of allegedly fraud-related losses from losses which Fannie Mae might argue were not related to the alleged fraud in order to prepare for those potential arguments. Such analyses were key given the Second Circuit's 2013 dismissal of very similar claims in *Freddie Mac*, largely on the basis of loss causation, as discussed below.

91. Lead Counsel further consulted with an industry expert in order to gain an understanding of government sponsored enterprises' (such as Fannie Mae) practices and

procedures, and the inner workings of Fannie Mae and its purchasing and classification of mortgages. Lead Counsel also worked with accountants to understand the Company's reporting requirements and practices.

VII. RISKS OF CONTINUED LITIGATION

92. Based on publicly-available documents, information and internal documents obtained through Lead Counsel's own investigation, their discussions with experts, and through the extensive fact discovery conducted in the Action, Lead Counsel believe that they have adduced substantial evidence in support of Lead Plaintiffs' claims. Lead Counsel also realize, however, that they faced considerable risks and defenses in continuing this Action against Defendants—significantly heightened by the Second Circuit's recent affirmance of the dismissal of claims against Fannie Mae's sibling Freddie Mac. Some of the more serious risks are discussed in the following paragraphs. Lead Plaintiffs and Lead Counsel carefully considered these risks during the months leading up to the Settlement and during the settlement discussions with Defendants and Judge Phillips.

A. Risks Concerning Loss Causation and Damages

93. Defendants would have vigorously challenged Lead Plaintiffs' ability to establish loss causation and their calculation of damages. Defendants argued vehemently in their initial motions to dismiss the Exchange Act claims that Lead Plaintiffs could not establish loss causation, arguing, *inter alia*, that Lead Plaintiffs (i) failed to allege that their losses were caused by the alleged fraud rather than market and industry conditions; and (ii) failed to identify any corrective disclosures or events.

94. In particular, Defendants likely would have argued that, given the back-drop of the financial crisis and citing this Court's prior rulings and the dismissal of claims

against Freddie Mac, any decline in the price of Fannie Mae's securities was caused by general market factors.

95. A clear risk for Lead Plaintiffs is also the impact of the Second Circuit's affirmance of the dismissal of claims against Freddie Mac, for, among other things, failure to adequately allege loss causation. *See Freddie Mac*, 543 Fed. App'x. at 74.

96. There are significant similarities between the claims in *Freddie Mac* and the instant case. For instance, both cases involved practices relating to (and the consequences stemming from) subprime exposure, involved similar disclosures on some of the same days, and end their class periods on the news of conservatorship. Two of the alleged corrective disclosure dates that were dismissed in *Freddie Mac* (August 20, 2008 and September 8, 2008) are also alleged disclosure dates in the present case. Significantly, the alleged September disclosure dismissed by the court concerning conservatorship in *Freddie Mac* was the same press release that ends the class period in this Action. Dismissal of this disclosure in this Action would have eliminated the alleged source of the greatest losses for the Settlement Classes.

97. In *Freddie Mac*, the Second Circuit explained, "[w]here, as here, the plaintiff's stock purchases and losses coincided with a market wide phenomenon – the housing bubble burst – the prospect that the plaintiff's loss was caused by the fraud decreases, and therefore the plaintiff must plead facts sufficient to show that its loss was caused by the alleged misstatements as opposed to intervening events." *Id.* (internal quotations and citation omitted).

98. In this same vein, in the Court's September 30, 2010 opinion denying in part Defendants' motions to dismiss, the Court expressed skepticism that Lead Plaintiffs

would ultimately succeed in proving loss causation: “Although it may be likely that a significant portion, if not all, of Plaintiffs’ losses were actually the result of the housing market downturn and not these alleged misstatements, at this stage of pleading . . . [the Court] need only find that Plaintiffs’ allegations are plausible.” *In re Fannie Mae 2008 Sec. Litig.*, 742 F. Supp. 2d 382, 414 (S.D.N.Y. 2010) (citation omitted). “Plaintiffs must sufficiently allege that ‘it is plausible’ that their loss ‘was the result—at least in part’ of the fact that Defendants concealed that their internal risk management and controls were woefully inadequate during the Class Period.” *Id.* (quoting *In re Bristol Myers Squibb Co. Sec. Litig.*, 586 F. Supp. 2d 148, 166 (S.D.N.Y. 2008)).

99. Under a materialization of the risk theory, Lead Plaintiffs were prepared to argue that both Fannie Mae’s faulty risk-management and controls and its large and undisclosed or miscategorized subprime and Alt-A mortgage exposure led to the imposition of FHFA’s conservatorship and the resulting massive losses to shareholders. *See Emergent Capital Inv. Mgmt., LLC v. Stonepath Group, Inc.*, 343 F.3d 189, 198 (2d Cir. 2003) (finding loss causation established where plaintiffs “specifically asserted a causal connection between the *concealed* information . . . and the ultimate failure of the venture”) (emphasis in original) (citation omitted); *Lentell v. Merrill Lynch & Co.*, 396 F.3d 161, 173 (2d Cir. 2005) (requiring that “the risk that caused the loss was within the zone of risk concealed by the misrepresentations and omissions alleged by a disappointed investor”).

100. However, Defendants would have strenuously opposed Lead Plaintiffs’ attempts to prove loss causation. Defendants likely would have argued that Lead Plaintiffs’ allegations, even if proven, would not have sufficed, on their own, for FHFA

to impose a conservatorship upon Fannie Mae, and thus loss causation could not be shown. Defendants may have also argued that FHFA would have imposed a conservatorship upon Fannie Mae even in the absence of the conduct that Lead Plaintiffs alleged, thus presenting another obstacle to Lead Plaintiffs' attempts to establish loss causation. Resolving the loss causation and damages disputes would have likely involved an uncertain "battle of the experts" with the concomitant risk that the jury could credit the Defendants' experts over Lead Plaintiffs' experts.

101. In addition, if a jury were to find that any of the alleged disclosures identified in the Complaint were not true corrective disclosures nor disclosures of previously undisclosed risks that materialized, the potential recovery for the Settlement Classes would be significantly diminished. The elimination of even one of the five disclosures alleged by Lead Plaintiffs to have represented the materialization of concealed risks would have material consequences to the Settlement Classes' recoveries.

B. Risks Concerning Liability of the Defendants

102. Defendants would be expected to argue at summary judgment and at trial that Lead Plaintiffs (i) could not prove the falsity or materiality of any statements alleged as false and misleading, and (ii) could not establish scienter.

103. The claims against the Defendants presented significant risks given, among other things, the highly complex nature of the alleged fraud here at issue. To prove their case, Lead Plaintiffs needed to establish that Fannie Mae's relevant risk controls were insufficient. Lead Plaintiffs also would have to show that Fannie Mae's "undisclosed subprime and Alt-A loans" met Fannie Mae's definitions of subprime and Alt-A.

104. These alleged violations of complex risk-management and loan-classification practices might not have been understood or accepted by a jury and were vigorously disputed by Defendants who likely would have offered a plausible alternate explanation supported by experts, testimony from current and former Fannie Mae employees, and numerous exhibits. As this Court witnessed at the November 12, 2014 preliminary approval hearing, counsel for Defendant Daniel Mudd continues to vigorously argue that Lead Plaintiffs never could have proven his client's liability, and an extremely forceful defense would certainly have been mounted. *See, e.g.*, Nov. 12, 2014 Preliminary Approval Hearing Transcript, 21:11-13 (“[W]e don’t think the plaintiffs could have proven anything and have gotten anything past motion for summary judgment”), Ex. 3. Defendants would also likely argue that Fannie’s loan portfolio has, during the economic recovery, performed as they expected. *See id.*, 21:20-23 (“[O]ne of the reasons that [billions of dollars are] flowing into Fannie is because these so-called risky loans that weren’t disclosed, they ain’t so risky. They’re paying off.”).

105. The difficulty of establishing liability was also compounded here by the fact that Defendants sought to buttress their assertion of no wrongdoing in connection with risk controls and subprime and Alt-A disclosures by citing to the facts that, (i) although FHFA had imposed a conservatorship on Fannie Mae, Fannie Mae’s disclosures with regard to risk controls and subprime and Alt-A mortgages did not change significantly and (ii) that throughout the Class Period, Fannie Mae disclosed risk characteristics that allowed investors to determine the percentage of mortgages with certain FICO scores or LTV ratios.

106. Specifically, Lead Plaintiffs faced significant risk of a jury finding that the alleged misstatements were not false or material or were fully cured when Fannie Mae publicly disclosed additional credit characteristics summaries of its mortgage book of business, without any associated stock drop. Based on these summaries, which Fannie Mae issued throughout the Class Period, with the first relevant one occurring on August 16, 2007, Defendants likely would have argued that Lead Plaintiffs have not identified any corrective disclosures that corrected a prior false disclosure, nor any disclosures of previously undisclosed risks about Fannie Mae's risk management that materialized. *See* <http://www.fanniemae.com/portal/about-us/investor-relations/quarterly-annual-results.html>.

107. Lead Plaintiffs allege that the market remained uncertain until the end of the Class Period as to Fannie Mae's true exposure to risky subprime and Alt-A mortgages. However, if the Defendants were able to convince the jury that no new material information relating to the alleged fraud was publicly disclosed after Fannie Mae published these detailed credit characteristics, the jury could very well have ended the Class Period on August 16, 2007, eliminating all damages.

108. Further, even if improper actions were proven, Lead Plaintiffs faced the very real risk that a jury would conclude that the Defendants did not act with the requisite scienter. The subprime and Alt-A definitions described above were created by Fannie Mae employees who were experts in their fields and several steps removed from the senior officers of the Company, including the Individual Defendants. Lead Plaintiffs were forced to rely on circumstantial evidence to show that the Individual Defendants were aware that Fannie Mae had additional loans that met Fannie Mae's definitions of

subprime and Alt-A. Without a true “smoking gun,” a jury may have concluded that Lead Plaintiffs did not adequately prove this element of their case. Moreover, while Lead Plaintiffs had apparent admissions in emails between Mudd and Dallavecchia regarding the insufficiency of Fannie Mae’s risk controls, Defendants argued that those emails, when taken in proper context, failed to establish scienter and that they truly believed that the relevant risk controls were adequate. Moreover, Defendants would have argued that the lack of insider sales and the purchase of some shares by officers during the period negated any inference of scienter.

C. Risks Attendant at Trial

109. In addition to specific liability risks in this Action and the usual uncertainties attendant to placing complex issues before a jury, a trial of this case presented many specific risks. Nearly all of the key fact witnesses in this Action who Lead Plaintiffs would have used to present evidence at trial were adverse witnesses, including Defendants Mudd and Dallavecchia, the Fannie Mae Board, and current and former Fannie Mae officers. Very few were within the subpoena zone of the Southern District of New York, which means that Defendants would have had a significant ability to present favorable live witnesses while Lead Plaintiffs would have had to rely substantially on deposition testimony.

110. Moreover, given the complex nature of this Action, Lead Plaintiffs intended to rely heavily on their experts. At trial, Lead Plaintiffs intended to present expert testimony to prove that Defendants failed to properly categorize certain loans as subprime and Alt-A, that Defendants’ risk controls were insufficient to properly control for the increased risks Fannie Mae was taking, and to prove that investors’ losses were

caused by Defendants' misconduct. This would precipitate a "battle of experts" with no guarantee that the jury would accept Lead Plaintiffs' experts' opinions.

111. Further, it is likely that the Parties would have exchanged *Daubert* motions in which Defendants would almost certainly have sought to exclude all or most of the testimony that Lead Plaintiffs intended to offer through their experts. Had Defendants prevailed in excluding any of this testimony, the presentation of many aspects of Lead Plaintiffs' case would have been extremely difficult, thereby increasing the risks at trial.

112. Even if Lead Plaintiffs were successful in obtaining a jury verdict on all or part of their claims, it was a foregone certainty that a jury verdict would have been just the beginning of a long and arduous appellate process. Given the novelty of the issues concerning materiality, loss causation, and damages, and the disclosure duties attendant under Section 10(b), an appellate process, possibly proceeding to the highest review, with the chance of reversal, presented a real risk to the Settlement Classes of obtaining a recovery.

D. Risks of Non-Payment

113. FHFA placed Fannie Mae into conservatorship at the end of the Class Period in 2008. FHFA also promulgated a regulation, FHFA Rule 1237, 12 C.F.R. § 1237, that could enable it to prevent Fannie Mae from ever paying an eventual judgment in this litigation. The relevant portion of the regulation states that FHFA will not pay a securities claim brought against Fannie Mae, "except to the extent the [FHFA] Director determines is in the interest of the conservatorship." 12 C.F.R. § 1237.13. The rule propounded by FHFA: "(1) subordinated securities litigation claims to the lowest level of the statutory priority for unsecured claims in receivership, and (2) prohibited a

regulated entity in conservatorship, such as Fannie Mae, from paying securities litigation claims or making capital distributions (redefined to include securities litigation claims) without the FHFA Director's approval." *In re Fannie Mae Sec. Litig.*, 4 F. Supp. 3d 94, 99-100 (D.D.C. 2013).

114. The plaintiffs in *Fannie I* sought an injunction prohibiting enforcement of the regulation and requesting that it be set aside; motions for summary judgment were filed. *See Ohio Pub. Emps. Ret. Sys. v. FHFA*, Civil Case No. 11-01543 (D.D.C. complaint filed Aug. 26, 2011) (ECF No. 1), (motions for summary judgment filed Dec. 9, 2011 and Jan. 18, 2012) (ECF Nos. 20-21). The impact of the regulation was not determined by the Court, given the settlement of the *Fannie I* action. In the present case, FHFA notified the Court that it intended to seek a stay of the Action in light of Rule 1237, but after an unfavorable response by the Court to its letter, FHFA later advised that it would not seek a stay "at the present time." If it did seek a stay or summary judgment on this ground, there was a risk that the regulation could be enforced to bar a recovery.

115. Although Lead Plaintiffs believe they could have successfully challenged the constitutionality of this rule if Fannie Mae did seek a stay or summary judgment on this ground, deference to the powers granted to FHFA during the financial crisis played a role in the D.C. District Court's dismissal of the claims arising out of the conservatorship and the Treasury's Preferred Stock Purchase Agreements. *See Perry Capital LLC, et al. v. Fed. Housing Fin. Agency*, No. 13-1025, 2014 WL 4829559, at *9 (D.D.C. Sept. 30, 2014).

116. Further, there is the well-discussed possibility that the government could transition Fannie into another entity or type of entity and Fannie Mae could always be the target of liquidation.

117. In addition, any possibility of collecting from any Fannie Mae Directors and Officers (“D&O”) insurance policies appeared unlikely. Lead Counsel concluded, based on its review of the D&O policies, that the likelihood of a triggering event under the policies was remote. Fannie Mae also had contractual obligations requiring indemnification of its directors and officers. *Analysis of the Post-Conservatorship Legal Expenses of Fannie Mae and Freddie Mac: Hearing before the Subcomm. on Oversight & Investigations*, 112 Cong. 13 (2011) (statement of Alfred Pollard, General Counsel, Federal Housing Finance Agency). Fannie Mae’s return to profitability almost certainly removed even the remote possibility that it would be unable to indemnify its directors or officers.

118. It is also highly unlikely that the Non-Settling Individual Defendants could have satisfied a judgment, theoretically amounting to billions of dollars.

VIII. THE SETTLEMENT

119. The Settlement pending before this Court provides \$170,000,000 in cash (which has been deposited and is earning interest) for the benefit of the Settlement Classes. As set forth above and more fully below, the Settlement achieved in this Action was the result of protracted arm’s-length negotiations by fully-informed Lead Plaintiffs and Lead Counsel, overseen by the Honorable Layn R. Phillips.

120. The Settlement provides the members of the Settlement Classes with an immediate cash benefit and eliminates the significant risks of taking this Action to trial. Lead Counsel believe that the Settlement is a fair, reasonable, and excellent result,

considering the risk of recovering less, or nothing at all, from Defendants after the delay and expense of a trial and likely appeals.

A. The Parties' 2011 Settlement Discussions

121. The process of achieving the Settlement was long and arduous. In May 2011, after Defendants' motions to dismiss the Exchange Act claims alleged in the First Amended Complaint had been denied in part and granted in part, Defendants' motions for reconsideration had been denied, the schedule for class certification briefing had been set, and while discovery was underway, Lead Plaintiffs and Fannie Mae first began discussing a potential resolution for the Action and engaged Judge Phillips.

122. The first mediation session took place on May 3, 2011 and was overseen by Judge Phillips. In advance of this mediation, Lead Plaintiffs and Fannie Mae exchanged limited pre-mediation discovery. They further prepared and exchanged detailed mediation statements, and each side prepared an extensive oral presentation. Although the mediation was productive in communicating the Parties' respective positions and views on this Action, it was ultimately unsuccessful. Given Fannie Mae's poor financial condition at that time and its indemnification of Defendants Mudd and Dallavecchia, a resolution was not reached, particularly given the barriers to D&O insurance coverage discussed *supra*, ¶ 117.

123. Following the mediation, Lead Counsel continued to vigorously prosecute the case, while both sides continued their dialogue through Judge Phillips. At the same time, and as described in detail above, the Parties engaged in discovery and, in July 2011, Lead Plaintiffs filed motions for class certification.

B. The Successful 2014 Mediation

124. Well into the deposition phase of discovery, a second mediation was scheduled for May 29, 2014, with the assistance of Judge Phillips. In advance of that mediation, the Lead Plaintiffs and Fannie Mae once again prepared and exchanged detailed mediation statements and each side prepared an extensive oral presentation. Representatives for each of the Lead Plaintiffs attended the mediation, as did representatives for Fannie Mae and the Individual Defendants (though they were not mediation participants). At the mediation, counsel for Lead Plaintiffs and Fannie Mae made presentations to Judge Phillips.

125. At the close of the day, the Lead Plaintiffs and Fannie Mae had failed to reach an agreement in principle, but did agree to continue their discussions through Judge Phillips. Ultimately, Judge Phillips decided to provide a “mediator’s recommendation” to the Lead Plaintiffs and Fannie Mae. On July 3, 2014, Judge Phillips informed Lead Plaintiffs and Fannie Mae that both sides had accepted his recommendation, which settled this Action for \$170 million.

126. With the assistance of Judge Phillips, on July 15, 2014, counsel for Fannie Mae and Lead Counsel, on behalf of Lead Plaintiffs, executed a term sheet setting forth, *inter alia*, the basic terms of the Settlement.

127. The Settlement provides for a payment of \$170,000,000 in cash in exchange for the release of the Released Class Claims against the Released Defendant Parties. *See* Stipulation ¶ 3(a). As set forth above, the Settlement was the result of protracted arm’s-length negotiations by fully-informed Lead Plaintiffs and Lead Counsel, overseen by Judge Phillips.

128. Over the next several months, Lead Counsel, on behalf of Lead Plaintiffs, and Fannie and FHFA, through its counsel, engaged in further negotiations over the specific terms of the Settlement, including the releases of the Non-Settling Individual Defendants, the Former Underwriter Defendants, and Deloitte & Touche LLP, and memorialized the Settling Parties' final agreement in the Stipulation and Agreement of Settlement (the "Stipulation") dated as of October 24, 2014 and related exhibits (*i.e.* proposed orders, Notice, Summary Notice, and Proof of Claim and Release Form). On October 24, 2014, Lead Plaintiffs filed their motion for preliminary approval of the Settlement. ECF Nos. 521-23. On November 12, 2014, the Court issued an order preliminarily approving the Settlement. ECF No. 527.

IX. PLAN OF ALLOCATION

129. Pursuant to the Preliminary Approval Order, and as set forth in the Notice, all Members of the Settlement Classes who wish to be eligible to participate in the distribution of the Net Settlement Fund (*i.e.* the Settlement Fund less (i) Court awarded attorneys' fees and expenses in this Action, (ii) Notice and Administration Expenses, (iii) any Taxes, and (iv) any other fees or expenses approved by the Court) must submit a valid proof of Proof of Claim and Release Form and all required information to the Court-approved Claims Administrator, A.B. Data, Ltd. ("A.B. Data"), postmarked on or received no later than April 3, 2015.

130. If approved by the Court, the proposed plan of allocation set forth in the Notice (the "Plan of Allocation") will govern how the Net Settlement Fund will be

distributed among Authorized Claimants.⁸ The proposed Plan of Allocation is designed to achieve an equitable and rational distribution of the Net Settlement Fund to those Members of the Settlement Classes who suffered losses as a result of the alleged violations of the securities laws. The \$170 million Settlement Amount will be apportioned between the Common Stock Class and the Preferred Stock Class as follows: \$123.76 million or 72.8% of the Settlement Amount to the Common Stock Class and \$46.24 million or 27.2% of the Settlement Amount to the Preferred Stock Class. *See* Stipulation ¶ 1(uu). This apportionment was determined by Lead Plaintiffs for the Common Stock Class and the Preferred Stock Class and is based upon and fully consistent with the overall estimated damages attributable to each class, as determined by a consulting damages expert for Lead Plaintiffs.

131. Lead Counsel developed the Plan of Allocation in consultation with a plan of allocation expert, Chad W. Coffman. *See also* ¶ 54, *supra*. Lead Counsel worked closely with Mr. Coffman in developing the Plan of Allocation and believe that the proposed plan provides a fair and reasonable method to equitably distribute the Net Settlement Fund among Authorized Claimants.

132. The Plan of Allocation provides for separate calculations under Section 10(b) for Fannie Mae common stock, put options, call options, and preferred stock. In developing the Plan of Allocation, among other things, Lead Plaintiffs' consulting expert calculated the amount of estimated alleged artificial inflation in the per share prices of Fannie Mae's securities throughout the Class Period that purportedly was proximately

⁸ As defined in Paragraph 1(b) of the Stipulation, an "Authorized Claimant" means a "member of the Settlement Classes who submits a proof of claim to the Claims Administrator and whose claim for recovery has been approved by the Court."

caused by Defendants' alleged misrepresentations and omissions. This analysis included studying the price declines in Fannie Mae's securities in reaction to certain public announcements regarding Fannie Mae in which such misrepresentations and material omissions were alleged to have been revealed to the market,⁹ adjusted to eliminate the effect attributable to general market and/or industry conditions. Artificial inflation tables were presented as part of the Notice for every trading day during the Class Period for Fannie Mae securities. These tables will be utilized in calculating each claimant's Recognized Loss and/or Gain Amounts on his, her or its common stock, put options, call options, or preferred stock, and ultimately a claimant's overall Recognized Claim.

133. For each class, A.B. Data, as the Claims Administrator, will apply the Plan of Allocation to claimants' transactions, and determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund allocated to the Common Stock Class and the amount allocated to the Preferred Stock Class, based upon each Authorized Claimant's Common Stock Recognized Claim and/or Preferred Stock Recognized Claim. Calculation of Recognized Claims will depend upon several factors, including when the Authorized Claimant's Fannie Mae securities were purchased or otherwise acquired during the Class Period, whether these securities were sold, and if so, when.¹⁰

134. In sum, the proposed Plan of Allocation, developed in consultation with Lead Plaintiffs' consulting expert, was designed to fairly and rationally allocate the Net

⁹ The alleged disclosures that removed artificial inflation from the prices of Fannie Mae securities occurred on the following dates: July 10, 2008; July 11, 2008; August 8, 2008; August 20, 2008; and September 7, 2008.

¹⁰ Recognized Common Stock Loss Amounts and Recognized Preferred Stock Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Fannie Mae securities during the 90-day look-back period as set forth pursuant to Section 21D(e)(1) of the PSLRA.

Settlement Fund among Authorized Claimants. Accordingly, Lead Counsel respectfully submit that the proposed Plan of Allocation is fair and reasonable and should be approved.

**X. LEAD PLAINTIFFS' COMPLIANCE WITH THE COURT'S
PRELIMINARY APPROVAL ORDER REQUIRING ISSUANCE OF
NOTICE OF THE SETTLEMENT**

135. The Preliminary Approval Order directed that (1) the Notice of (I) Proposed Class Action Settlement and Plan of Allocation; (II) Settlement Hearing; and (III) Requests for Awards of Attorneys' Fees and Litigation Expenses (the "Notice) and (2) the Proof of Claim and Release Form (the "Proof of Claim," and together with the Notice, the "Notice Packet") be disseminated to the Settlement Classes. ECF No. 527. The Preliminary Approval Order also set the deadline for Members of the Settlement Classes to submit requests for exclusion or objections to the Settlement, the Plan of Allocation, and/or the Fee and Expense Application(s) as February 2, 2015 and set a final approval hearing date of March 3, 2015. *Id.*

136. The Notice, attached as Ex. A to the Declaration of Adam D. Walter on Behalf of A.B. Data, Ltd. Regarding Mailing of Notice to Potential Members of the Settlement Classes and Publication of Summary Notice ("Mailing Declaration" or "Mailing Decl.") (attached as Ex. 4 hereto), provides potential Members of the Settlement Classes with information about the prosecution of the Action, the terms of the Settlement, and the proposed terms of the Plan of Allocation. The Notice also informs Members of the Settlement Classes of Lead Counsel's intention to apply for an award(s) of attorneys' fees in the amount of no more than 20%, in the aggregate, of the Settlement Fund, and for reimbursement of litigation expenses paid or incurred in connection with the prosecution and resolution of the Action, as well as PSLRA awards to the Lead

Plaintiffs, in an amount not to exceed, in the aggregate, \$2.95 million. The Notice also informs recipients that they have the right to object to any aspect of the Settlement, the Plan of Allocation, and/or Lead Counsel's request(s) for an award of attorneys' fees and reimbursement of Litigation Expenses or to exclude themselves from the Settlement (or, "opt-out") and provides detailed instructions to enable those recipients to do so. The Proof of Claim included with the Notice provides detailed instructions for how to submit a claim in order to receive a payment from the Settlement, if eligible. The Notice and Proof of Claim clearly set forth all deadlines, including deadlines to object to any aspect of the Settlement, the proposed Plan of Allocation, or Lead Counsel's request(s) for attorneys' fees or reimbursement of expenses.

137. The Preliminary Approval Order authorized Lead Counsel to retain A.B. Data as the Claims Administrator and ordered the mailing of the Court-approved Notice Packet within fifteen business days after the entry of the Preliminary Approval Order. The Court also ordered that the Notice and Proof of Claim be posted on the settlement website designated for this Action, www.FannieMae2008Litigation.com. Finally, the Court ordered that A.B. Data publish the Court-approved Summary Notice once in the national edition of *The Wall Street Journal*, and once over the *PR Newswire*, not later than fourteen calendar days after distribution of the Notice.

138. As detailed in the Mailing Declaration, on December 4, 2014, A.B. Data began mailing Notice Packets to potential class members as well as banks, brokerage firms, and other third party nominees. Mailing Decl. ¶¶ 2-9. In total, to date, A.B. Data has mailed 567,563 Notice Packets to potential nominees and class members by first-class mail, postage prepaid. *Id.* ¶ 10. To disseminate the Notice, A.B. Data obtained the

names and addresses of potential Members of the Settlement Classes, among other ways, from listings provided by Fannie Mae and its transfer agent and from banks, brokers, and other nominees. *Id.* ¶¶ 3-4, 6-9.

139. On December 17, 2014, A.B. Data caused the Summary Notice to be transmitted over *PR Newswire* and on December 18, 2014, A.B. Data caused the Summary Notice to be published in *The Wall Street Journal*. *Id.* ¶ 11.

140. A.B. Data also established and maintains a dedicated website for the Settlement, www.FannieMae2008Litigation.com, to provide potential class members with information concerning the Settlement, as well as downloadable copies of the Notice Packet and the Stipulation. *Id.* ¶ 14. In addition, Lead Counsel have made available relevant documents concerning the Settlement on their firms' websites.

A. Class Reaction

141. The Court-ordered deadline for Members of the Settlement Classes to file objections or to request to “opt-out” of the Settlement is February 2, 2015. To date, no objections to the Settlement and no objections to the Fee and Expense Application(s) have been received; and there have been no objections to the proposed Plan of Allocation.¹¹ To date, A.B. Data has received three requests to opt-out of the Settlement Classes from individual investors representing less than 1,000 shares.

¹¹ As the deadline for submitting objections has not passed, Lead Counsel will address all objections in their reply papers to be filed with the Court on February 17, 2015. Lead Counsel will post this Joint Declaration, which details the extensive time and effort expended by Lead Counsel during the pendency of this Action, along with the memoranda in support of the Settlement and Fee and Expense Application(s), on the website, www.FannieMae2008Litigation.com, for review by Members of the Settlement Classes.

XI. LEAD COUNSEL'S APPLICATION FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES

142. In addition to seeking final approval of the Settlement and Plan of Allocation, Lead Counsel are making an application to the Court for a collective award of attorneys' fees, payment of litigation expenses incurred during the course of the Action, and PSLRA awards for Lead Plaintiffs for the costs and expenses they incurred in connection with their representation of the Settlement Classes in the Action. As discussed below, Lead Counsel are submitting the fee application with the prior approval of Lead Plaintiffs. Lead Counsel agreed with Lead Plaintiffs to undertake the litigation on an entirely contingent basis, meaning that Lead Counsel would not be compensated at all, or paid for any expenses they incurred on behalf of the Settlement Classes, unless they obtained a recovery. Lead Counsel are hereby applying for a fee award of 17.65% of the Settlement Fund.

143. Lead Counsel also request payment in the amount of \$2,057,321.00 from the Settlement Fund for the expenses incurred in connection with the prosecution and resolution of the Action. Lead Counsel further request reimbursement of \$113,953.39 in costs and expenses, including lost wages, incurred by Lead Plaintiffs directly related to their representation of the Settlement Classes pursuant to Section 21D of the PSLRA, 15 U.S.C. § 78u-4(a)(4). The total amount of expenses requested for payment, together with the costs and expenses of Lead Plaintiffs, is well below the maximum expense amount of \$2.95 million set forth in the Notice.

144. The legal authorities supporting the requested fees and expenses are set forth in the accompanying Memorandum of Law in Support of Lead Counsel's Motion

for Attorney's Fees and Payment of Expenses ("Fee Memorandum"). The primary factual bases for the requested fees and expenses are summarized below.

145. Based on the extensive efforts expended on behalf of the Settlement Classes, the very favorable result achieved, the risks of the litigation, and the contingent nature of their representation, among other factors, Lead Counsel submit that their request for an award of attorneys' fees in the amount of 17.65% of the Settlement Fund and payment of their reasonable litigation expenses and the expenses of Lead Plaintiffs should be approved.

A. Lead Plaintiffs Support the Fee and Expense Application

146. Each of the three Lead Plaintiffs – sophisticated institutional investors of the type favored by Congress when passing the PSLRA – supports Lead Counsel's Fee and Expense Application.

147. The Tennessee Consolidated Retirement System is a defined benefit pension plan that serves Tennessee state employees, higher education employees, K-12 public school teachers, and employees of political subdivisions who have elected to participate in the plan, with investment assets of \$44 billion under management. *See* Ex. 8 ¶ 3.

148. Massachusetts Pension Reserves Investment Management Board manages public pension funds established for the benefit of current and retired Massachusetts employees and public school teachers. PRIM's investment assets total more than \$60 billion. *See* Ex. 5 ¶ 2.

149. State-Boston Retirement Board oversees the management of retirement system funds on behalf of current and retired employees of The City of Boston. Boston's investment assets total approximately \$5.4 billion. *See* Ex. 7 ¶ 1.

150. Lead Plaintiffs have evaluated Lead Counsel's fee request and believe it to be fair and reasonable and warranting consideration and approval by the Court. In addition to their responsibilities as Court-appointed Lead Plaintiffs and putative class representatives, as public pension funds, PRIM, SBRB, and TCRS have independent duties and obligations to ensure that they are acting in their constituents' best interests and are appropriately reviewing Lead Counsel's fee request. Accordingly, Lead Plaintiffs' endorsement of Lead Counsel's request is significant.

**B. The Significant Time and Labor Devoted
to the Action by Lead Counsel**

151. The work undertaken by Lead Counsel to investigate and prosecute this case and to arrive at the present Settlement in the face of substantial risks has been time consuming and challenging. As more fully set forth above, the Action was prosecuted for more than six years and settled only after Lead Counsel overcame multiple legal and factual challenges. Among other efforts, Lead Counsel: (i) conducted an extensive investigation into the Settlement Classes' claims; (ii) researched and drafted the detailed First Amended Complaint and Complaint; (iii) opposed Defendants' multiple motions to dismiss; (iv) researched and prepared motions for class certification (which were withdrawn without prejudice); (v) engaged in an extensive and diligent discovery program, including taking or defending 21 depositions, and the production, review, and/or analysis of more than 75 million pages of documents; (vi) worked closely with experts in the fields of market efficiency, loss causation, damages, the mortgage industry, government sponsored enterprises, and internal controls; and (vii) engaged in a hard-fought and protracted settlement process with experienced defense counsel.

152. Throughout all stages of litigating this Action, Lead Counsel have worked together in order to effectively and efficiently represent the interests of the Settlement Classes. In order to expedite their work, and to avoid duplication, Lead Counsel divided the necessary work between the three firms and assigned each firm responsibility for their specific tasks.

153. At all times throughout the pendency of the Action, Lead Counsel's efforts were driven and focused on advancing the litigation to bring about the most successful outcome for the proposed classes, whether through settlement or trial, by the most efficient means necessary. The substantial time and expense incurred by Lead Counsel was necessary and essential to achieving this \$170 million outcome, which, accordingly, weighs strongly in favor of Lead Counsel's Fee and Expense Application.

154. Attached hereto as Exhibits 9-11 are declarations from Lead Counsel in support of the Fee and Expense Application. Included with each firm's declaration are schedules that summarize the lodestar of the firm, as well as the expenses broken down by category (the "Fee and Expense Schedules").¹² The Fee and Expense Schedules indicate the amount of time spent on this case by each attorney and professional support staff employed by Lead Counsel, and the lodestar calculations based on their current billing rates. As set forth in each declaration, the declarations were prepared from contemporaneous daily time records regularly prepared and maintained by the respective firms, which are available at the request of the Court. The hourly rates for attorneys and professional support staff included in these Exhibits are the same as the regular current rates charged for their services in other securities or shareholder litigation. Time

¹² Attached as Exhibit 12 is a summary chart of the hours expended and lodestar amounts for each firm, as well as a summary of each firm's total litigation expenses.

expended in preparing this application for fees and payment of expenses has not been included in this request.

155. The hourly billing rates of Lead Counsel here range from \$550 to \$975 for partners, \$500 to \$800 for of counsels and senior counsel, and \$250 to \$700 for other attorneys. *See* Exs. 9-11. It is respectfully submitted that the hourly rates for attorneys and professional support staff included in these schedules are reasonable and customary. Exhibit 13, attached hereto, is a table of billing rates for defense firms compiled by Labaton Sucharow from fee applications submitted by such firms in bankruptcy proceedings across the country in 2014. This analysis shows that across all types of attorneys, Lead Counsel's rates are consistently lower than those of firms surveyed.

156. As summarized in Exhibit 12 hereto, Lead Counsel have expended 68,766.35 hours in the investigation, prosecution and resolution of the Action against Defendants, for a collective lodestar value of \$35,548,004.50 through January 9, 2015.¹³ Under a lodestar cross-check, the requested fee yields a negative multiplier of approximately 0.84 on the lodestar, which does not include any time that will be spent from this date forward administering the Settlement, litigating any appeals by objectors, or moving for a distribution order. This multiplier is below the range of multipliers awarded in actions where similar settlements have been achieved. *See* Fee Memorandum at § III.G.

¹³ Lead Counsel will continue to perform legal work on behalf of the Settlement Classes should the Court approve the proposed Settlement. Additional resources will be expended assisting class members with their Proof of Claim Forms and related inquiries and working with the Claims Administrator, A.B. Data, to ensure the smooth progression of claims processing.

C. The Quality of Lead Counsel’s Representation and their Standing and Expertise

157. A number of considerations may be relevant to assessing the quality of class counsel’s representation of a plaintiff class, including a court’s own observations, class counsel’s experience and standing at the bar, and the quality of opposing counsel. Lead Counsel are highly experienced in prosecuting complex litigation, particularly securities class actions, and worked diligently and efficiently in prosecuting this Action. As demonstrated by the firm resumes attached to their respective declarations (*see* Exhibits 9 - 11 hereto), Lead Counsel – the law firms of Kaplan Fox, Labaton Sucharow and Berman DeValerio – are among the most experienced and skilled firms in the securities litigation field, and each firm has a long and successful track record in securities cases throughout the country.

158. Labaton Sucharow is nationally known as a leader in the fields of class actions and complex litigation, and has served as lead counsel in a number of high profile matters, including, for example: *In re Am. Int’l Group, Inc. Sec. Litig.*, No. 04-8141 (S.D.N.Y.) (representing the Ohio Public Employees Retirement System, State Teachers Retirement System of Ohio, and Ohio Police & Fire Pension Fund and reaching settlements of \$1 billion); *In re HealthSouth Corp. Sec. Litig.*, No. 03-1501 (N.D. Ala.) (representing the State of Michigan Retirement System, New Mexico State Investment Council, and the New Mexico Educational Retirement Board and securing settlements of more than \$600 million); and *In re Countrywide Sec. Litig.*, No. 07-5295 (C.D. Cal.) (representing the New York State and New York City Pension Funds and reaching settlements of more than \$600 million). *See* Labaton Fee Decl., Ex. 9 - C hereto.

159. Berman DeValerio is a national law firm with offices in Boston; San Francisco; and Palm Beach Gardens, Florida. Since the passage of the PSLRA, Berman DeValerio has held leadership positions in more than 100 federal securities class actions and negotiated settlements in more than two-thirds of them, including *Carlson v. Xerox Corp., et al.*, No. 3:00-CV-1621 (AWT) (D. Conn.) (representing the Louisiana State Employees' Retirement System and achieving a \$750 million settlement); *In re Bristol-Myers Squibb Sec. Litig.*, No. 02-cv-2251 (S.D.N.Y.) (Preska, J.) (representing the Louisiana State Employees' Retirement System and the Fresno County Employees' Retirement Association and securing a settlement worth \$300 million); *Wyatt v. El Paso Corp., et al.*, No. H-02-2717 (S.D. Tex.) (representing Oklahoma Firefighters Pension and Retirement System and reaching settlements worth \$285 million); and *In re IndyMac Mortgage-Backed Sec. Litig.*, No. 09-cv-4583 (LAK) (S.D.N.Y.) (Kaplan, J.) (representing the Wyoming Retirement System and Wyoming State Treasurer and attaining settlements totaling \$346 million, subject to final approval). See Berman DeValerio Fee Decl., Ex. 10 - C hereto.

160. Kaplan Fox has served as lead counsel in a number of high profile matters, for example: *In re Bank of America Corp. Secs., Derivatives & ERISA Litig.*, No. 09-MDL-2058 (S.D.N.Y.) (representing Ohio Public Employees Retirement System and State Teachers Retirement System of Ohio and securing settlement of \$2.425 billion plus significant corporate governance reforms); *In re Merrill Lynch & Co., Inc. Secs., Derivatives & ERISA Litig.*, No. 07-cv-9633 (S.D.N.Y.) (representing State Teachers Retirement System of Ohio and securing settlement of \$475 million); and *In re Sequenom Inc. Secs. Litig.*, No. 09-cv-0921 (S.D. Cal.) (representing the Los Angeles City

Employees' Retirement System and securing settlement worth approximately \$70 million). *See* Kaplan Fox Fee Decl., Ex. 11-C hereto.

D. The Court's Observations as to the Quality of Lead Counsel's Work

161. The Court may, of course, also take into account its own observations of the quality of Lead Counsel's representation during the course of this litigation. Since the inception of the Action in September 2008, Lead Counsel have appeared on multiple occasions before the Court, and the Court has reviewed a myriad of motions and briefing submitted by Lead Counsel, including, *inter alia*, two detailed amended complaints, briefing in opposition to Defendants' multiple motions to dismiss, a motion and briefing in support of class certification, and the numerous papers in connection with both preliminary and final approval of the Settlement. Although this work represents only a fraction of the total work performed by Lead Counsel throughout the pendency of the Action, Lead Counsel respectfully submit that the quality of that work is reflective of the quality, thoroughness and professionalism of the effort that Lead Counsel have devoted to all aspects of this Action on behalf of the Settlement Classes.

E. Standing and Caliber of Defense Counsel

162. The quality of the work performed by Lead Counsel in obtaining the Settlement should also be evaluated in light of the quality of opposing counsel. Here, Defendants in the Action are represented by no less than four law firms, which include some of the nation's most elite firms. Defense counsel included O'Melveny & Myers LLP, Duane Morris LLP, Dechert LLP, and DLA Piper. These firms vigorously represented the interests of their respective clients. In the face of this experienced, formidable, and well-financed opposition who aggressively litigated the Action on behalf of their clients, Lead Counsel were nonetheless able to settle the case on terms highly

favorable to the Settlement Classes – a fact which makes Lead Counsel’s success here all the more impressive.

F. The Risks and Unique Complexities of the Litigation

163. The extremely complicated subject matter of the Action – Fannie Mae’s role in the secondary mortgage market in the years prior to and during the credit crisis – presented substantive challenges and risks from the outset of the case. The specific risks that Lead Plaintiffs faced in proving Defendants’ liability and damages are discussed thoroughly in Section VII above. These risks are in addition to the fact that this prosecution was undertaken by Lead Counsel entirely on a contingent-fee basis.

164. As a general matter, it should be observed that there are numerous cases where plaintiffs’ counsel in contingent-fee cases such as this have expended thousands of hours, only to receive no compensation whatsoever. This prosecution was undertaken by Lead Counsel on a contingent-fee basis, and the risks assumed by Lead Counsel (as described above), and the time and expenses incurred without any payment (as described above), were substantial.

165. The risks assumed by Lead Counsel in connection with the Action, and the time and expenses incurred since 2008, were extensive. From the outset of the case, Lead Counsel understood that they were embarking on a complex, expensive, and lengthy litigation with no guarantee of being fully compensated, or compensated at all, for the substantial investment of time and money the case would require. In undertaking that responsibility, Lead Counsel were obligated to ensure that sufficient resources were dedicated to the prosecution of the Action, and that funds were available to compensate staff and to cover the considerable costs that a case such as this requires. With an average lag time of several years for these cases to conclude, the financial burden on

contingent-fee counsel is far greater than on a firm that is paid on an ongoing basis. Indeed, Lead Counsel have received no compensation during the course of the Action but have incurred 68,766.35 hours of time, representing a total lodestar of \$35,548,004.50, and have incurred \$2,057,321.04 in expenses in prosecuting the Action for the benefit of the Settlement Classes.

166. Lead Counsel is aware of many hard-fought lawsuits where, because of the discovery of facts unknown when the case was commenced, or changes in the law during the pendency of the case, or a decision of a judge or jury following a trial on the merits, excellent professional efforts of members of the plaintiffs' bar produced no recovery for the class or fee for counsel. Surviving a motion to dismiss is not a guarantee that plaintiffs will prevail. *See, e.g., In re Oracle Corp. Sec. Litig.*, 627 F.3d 376 (9th Cir. 2010) (affirming district court's grant of summary judgment to defendants); *Phillips v. Scientific-Atlanta, Inc.*, 489 Fed. App'x. 339 (11th Cir. 2012) (same). Moreover, even plaintiffs who succeed at trial may find their verdict overturned as a matter of law or on appeal. *See, e.g., Hubbard v. BankAtl. Bancorp, Inc.*, 688 F.3d 713 (11th Cir. 2012) (affirming judgment as a matter of law on the basis of loss causation following a jury verdict in plaintiffs' favor); *Anixter v. Home-Stake Prod. Co.*, 77 F.3d 1215 (10th Cir. 1996) (overturning plaintiffs' verdict obtained after two decades of litigation); *Ward v. Succession of Freeman*, 854 F.2d 780 (5th Cir. 1998) (reversing plaintiffs' jury verdict for securities fraud); *Robbins v. Koger Props., Inc.*, 116 F.3d 1441 (11th Cir. 1997) (reversing \$81 million jury verdict and dismissing case with prejudice in securities action).

167. The road to recovery can be very long and arduous. *See, e.g., In re Apollo Grp., Inc. Sec. Litig.*, Case No. CV-04-2147-PHX-JAT, 2008 WL 3072731 (D. Ariz. Aug. 4, 2008), *rev'd*, 2010 WL 5927988 (9th Cir. 2010) (trial court overturned unanimous verdict for plaintiffs, verdict later reinstated by the Ninth Circuit Court of Appeals, and judgment finally re-entered after denial of *certiorari* by the United States Supreme Court).

168. The threat of loss for counsel is real and can have significant impact on counsel.

169. Moreover, for decades, the United States Supreme Court (and countless lower courts) have repeatedly and consistently recognized that it is in the public interest to have experienced and able counsel enforce the securities laws and regulations pertaining to the duties of officers and directors of public companies. The Supreme Court has emphasized that private securities actions such as this provide “‘a most effective weapon in the enforcement’ of the securities laws and are ‘a necessary supplement to [SEC] action.’” *Bateman Eichler, Hill Richards, Inc. v. Berner*, 472 U.S. 299, 310 (1985) (citation omitted); *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 319 (2007) (noting that the court has long recognized that meritorious private actions to enforce federal antifraud securities laws are an essential supplement to criminal prosecutions and civil enforcement actions). Indeed, as recognized by Congress through the passage of the PSLRA, vigorous private enforcement of the federal securities laws can only occur if private investors, particularly institutional investors, take an active role in protecting the interests of shareholders. If this important public policy is to be carried

out, courts should award fees that adequately compensate plaintiffs' counsel, taking into account the risks undertaken in prosecuting a securities class action.

170. The risks assumed by Lead Counsel in connection with the Action, and the time and expenses incurred without any payment, were extensive. Lead Counsel's persistent efforts in the face of substantial risks and uncertainties have resulted in a significant and guaranteed recovery for the benefit of the Settlement Classes. In circumstances such as these, and in consideration of Lead Counsel's hard work and the excellent result achieved, the requested fee of 17.65% of the Settlement Fund and payment of litigation expenses of \$2,057,321.00, as detailed below, is reasonable and should be approved.

G. Request for Payment of Litigation Expenses Is Fair and Reasonable

171. Lead Counsel seek payment from the Settlement Fund in the total aggregate amount of \$2,057,321.00 for litigation expenses that were reasonably incurred by Lead Counsel in connection with prosecuting and settling the claims in the Action.

172. From the beginning of the case, Lead Counsel were aware that they might not recover any of their expenses, and, at the very least, would not recover anything until the Action was successfully resolved. Thus, Lead Counsel were motivated to, and did, take steps to minimize expenses whenever practicable without jeopardizing the vigorous and efficient prosecution of the case.

173. As set forth in the Fee and Expense Schedules (attached to Exhibits 9-11 hereto), Lead Counsel have incurred a total of \$2,057,321.04 in litigation expenses. As attested to, these expenses are reflected on the books and records maintained by Lead Counsel. The expenses are set forth in detail in each firm's respective declaration, each

of which identifies the specific category of expense for which the firm seeks payment. A summary of Lead Counsel's expenses is included in Exhibit 12, attached hereto.

174. **Experts**: Lead Counsel maintained strict control over the litigation expenses.¹⁴ Of the total amount of expenses paid, \$1,111,664.14, or approximately 54%, was expended on experts and consultants.¹⁵ As discussed above, Lead Counsel consulted experts to opine and assist on areas including, *inter alia*: (i) the efficiency of the market for Fannie Mae's common stock, preferred stock, and options; (ii) accounting practices of Fannie Mae and its outside auditor; (iii) Fannie Mae, Government Sponsored Enterprises, and the mortgage industry; and (iv) loss causation and damages. Lead Counsel also consulted an expert to assist in developing a fair and reasonable plan for allocating the net settlement proceeds to eligible Members of the Settlement Classes. Lead Counsel received crucial advice and assistance from these experts throughout the course of the Action. Their expertise enabled Lead Counsel to fully frame the issues, gather relevant evidence, make a realistic assessment of provable damages, and structure a resolution of claims. These experts and consultants were essential to the overall prosecution of the Action.

175. **Mediation**: Additionally, Lead Counsel paid \$32,850 for mediation fees assessed by the mediator in this matter, Judge Phillips.

176. **Discovery**: Lead Counsel paid more than \$62,000 in connection with court reporter services, and \$147,981.90 in connection with other discovery costs. In an effort to reduce and minimize the expenses associated with outside vendor document

¹⁴ Certain of the litigation expenses were paid out of a litigation expense fund created by Lead Counsel and maintained by Kaplan Fox (the "Litigation Fund"). Lead Counsel collectively contributed \$537,963.02 to the Litigation Fund. Attached as Exhibit 14 is a chart summarizing the payments made to and from the Litigation Fund over the course of litigating this Action.

¹⁵ This figure includes expert costs incurred by the Litigation Fund.

management and document review platforms, Lead Counsel Kaplan Fox hosted all of the documents produced, over 75 million pages, on an internal server. In doing so, Lead Counsel avoided the significant expenses typically associated with contracting outside vendors to maintain such databases, which was estimated to be well over \$1 million over the course of the litigation.

177. **Travel:** Lead Counsel incurred \$216,847.88 in travel expenses. The travel related in large part to trips in connection with taking discovery.

178. **Other Expenses:** The other expenses for which Lead Counsel seek payment are the types of expenses that are necessarily incurred in litigation and routinely charged to clients billed by the hour. These expenses include, among others, duplicating costs, legal and factual research, work-related meals and transportation, long distance telephone, and postage and delivery expenses.

179. All of the litigation expenses incurred by Lead Counsel, which total \$2,057,321.04, were necessary to the successful prosecution of the claims in the Action.

H. The Costs and Expenses Requested by Lead Plaintiffs

180. Additionally, Lead Plaintiffs PRIM, SBRB and TCRS seek reimbursement of their reasonable costs and expenses, including lost wages, pursuant to the PSLRA, 15 U.S.C. § 78u-4(a)(4), that they directly incurred in connection with their representation of the Settlement Classes in the amounts of \$42,433.39, \$13,410, and \$58,110, respectively. The amount of time and effort devoted to this Action by Lead Plaintiffs is detailed in the accompanying declarations of their respective representatives. *See* Declaration of Timothy J. Smyth on Behalf of SBRB at ¶¶ 9-10, Ex. 7; Declaration of Christy Allen on Behalf of TCRS at ¶¶ 11-15, Ex. 8; Declaration of Christopher J. Supple on Behalf of PRIM at ¶¶ 10-11, Ex. 5.

181. Lead Counsel respectfully submit that these requested amounts, which will be paid directly to Lead Plaintiffs, are fully consistent with Congress's intent, as expressed in the PSLRA, of encouraging institutional and other highly experienced plaintiffs to take an active role in bringing and supervising actions of this type.

182. As set forth in the Fee Memorandum and in the supporting declarations submitted on behalf of the Lead Plaintiffs attached hereto, Lead Plaintiffs have been fully committed to pursuing the Settlement Classes' claims against the Defendants for more than six years. These large institutions have actively and effectively fulfilled their obligations as representatives of the Settlement Classes, complying with all of the many demands placed upon them during the litigation and settlement of this Action, and providing valuable assistance to Lead Counsel. The efforts expended by the representatives for the Lead Plaintiffs during the course of this Action are precisely the types of activities Courts have found to support reimbursement to class representatives, and fully support Lead Plaintiffs' requests for reimbursement of costs and expenses.

**I. The Reaction of the Settlement Classes to the
Fee and Expense Application**

183. In accordance with the Preliminary Approval Order, more than 567,563 Notice Packets have been mailed to potential class members and nominees advising them that Lead Counsel would seek an award of attorneys' fees in the amount of 17.65% of the Settlement Fund and payment of expenses in an amount not to exceed \$2.95 million. *See* Ex. 4 ¶ 10. Additionally, on December 17, 2014, the Court-approved Summary Notice was transmitted over the Internet via *PRNewswire* and on December 18, 2014 it was published in *The Wall Street Journal* and was transmitted over the Internet via *PRNewswire*. *Id.* at ¶ 11. All the key documents related to the Action and the

Settlement, including the Stipulation, have also been posted on the website for this Settlement, www.FannieMae2008Litigation.com, for review. *Id.* at ¶ 14. As noted above, the deadline set by the Court for class members to object to the amount of attorneys' fees and expenses set forth in the Notice has not yet passed. To date, no objection to Lead Counsel's Fee and Expense Application have been received. Lead Counsel will address any objections received in their reply papers to be filed with the Court on February 17, 2015.

XII. CONCLUSION

184. For all the reasons set forth above, Lead Plaintiffs and Lead Counsel respectfully submit that the Settlement and the Plan of Allocation should be approved as fair, reasonable, and adequate, and that the Fee and Expense Application should be approved.

We each declare, under penalty of perjury, that the foregoing facts are true and correct.

Executed on this 16th day of January, 2015.



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Exhibit 1



The Securities Class Action Services Top 100 for 1H 2014

ISS Securities Class Action Services, LLC

Executive Summary

In the last edition, the [ISS Securities Class Action Services, LLC, Top 100 Settlements for 2H 2013](#) closed with the addition of 14 settlements with a total settlement value of \$8.1 billion in 2013. Of the total, 89 percent stemmed from allegations of violations of Employment of Manipulative and Deceptive Practices while 98 percent of the settlements were filed in Federal Courts.

ISS Securities Class Action Services, LLC Top 100 Settlements Report for 1H 2014 found the total settlement volume for the first half of 2014 was 4 percent lower compared with the same period in 2013, when ISS Securities Class Action Services tracked 53 agreements. Only two settlements thus far in 2014 rank within the Securities Class Action Top 100 list; namely, Massey Energy Company ("Massey"), and a partial settlement from Ernst & Young LLP (E&Y) in regard to the Lehman Brothers Holdings, Inc. (Equity/Debt Securities) ("Lehman") Action initiated in 2008. Still, these approved settlements tallied an impressive \$359 million in disburseable funds. Massey, a West Virginia-based miner, closed in the middle of the list with a \$260 million settlement fund while E&Y added another \$120 million to its 2013 total settlement fund. The Securities Class Action Services Tentative Settlement Pipeline stands at \$17 billion as of August 2014.

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The Securities Class Action Services “Top 100 Settlements Semi-Annual Report” identifies the largest securities class action settlements filed after the passage of the Private Securities Litigation Reform Act of 1995, ranked by the total value of the settlement fund.

The Top 100 Settlements Semi-Annual Report provides a wealth of information, including the settlement date, filing court, settlement fund, and identifies the key players for each settlement.

The report, which is updated and circulated semi-annually, is broken down into following categories:

Securities Class Action Services Top 100 Settlements

The Front Page provides the complete list of the Top 100 Securities Class Action Settlements, ranked according to the Total Settlement Amount, and provides information on the filing court, settlement year and settlement fund. The SCAS Top 100 does not include non-US cases and the SEC disgorgements. Cases with the same settlement amount are given the same ranking.

For cases with multiple partial settlements, the amount indicated in the Total Settlement Amount is computed by combining all partial settlements. The settlement year reflects the year the most recent settlement received final approval from the Court. Cases in the Top 100 settlements are limited to those that have been filed on or after January 1, 1996. Only final settlements are included. Data on SEC settlements are not included, but rather compiled in a separate list—the Top 30 SEC Disgorgements.

No. of Settlements Added to Securities Class Action Services Top 100 (1996-2014)

The Top 100 Settlements from 1996-2014 section provides a chart of the cases in the Top 100 Settlements Semi-Annual Report, categorized by Settlement Year. The Settlement Year corresponds to the year the settlement, or the most recent partial settlement, received final approval from the Court.

Institutional Lead Plaintiff Participation

The Institutional Lead Plaintiff section displays the number of cases in the Top 100 involving Institutional Lead Plaintiffs and also identifies the institutional investors serving as Institutional Lead Plaintiff.

Lead Counsel Participation

The Lead Counsel Participation section lists the law firms that served as lead or co-lead counsel for each litigation in the Top 100 settlements and identifies the most frequent lead or co-lead counsel appearing in the Top 100.

Claims Administration Participation

The Claims Administration section lists the claims administrators who handled the Top 100 settlements and identifies the most frequent claims administrators in the Top 100 Securities Class Action Services.

Restatements

The Restatements section identifies the cases in the Top 100 involving accounting restatements, and shows the no. of restatement cases vis-à-vis non-restatement cases.

Top 30 SEC Disgorgements

The Top 30 SEC Disgorgements section provides a list of the largest SEC settlements, ranked according to the Total Settlement Amount. The Total Settlement Amount reflects the sum of disgorgement and civil penalties in settlements reached with the Securities and Exchange Commission. The Top 30 SEC Disgorgements includes only those where the distribution plan has received final approval. Cases with the same settlement amount are given the same ranking.

TOP 100 SETTLEMENTS REPORT AS OF JULY, 2014

RANK	CASE NAME	SETTLEMENT YEAR	COURT	TOTAL SETTLEMENT AMOUNT
1	Enron Corp. (2001)	2010	S.D. Tex.	\$ 7,242,000,000.00
2	WorldCom, Inc. (2002)	2012	S.D.N.Y.	\$ 6,194,100,713.69
3	Cendant Corp.	2000	D. N.J.	\$ 3,319,350,000.00
4	Tyco International, Ltd. (2002)	2007	D. N.H.	\$ 3,200,000,000.00
5	AOL Time Warner, Inc. (S.D.N.Y.)	2006	S.D.N.Y.	\$ 2,500,000,000.00
6	Household International, Inc. (N.D. Ill.)*	2013	N.D. Ill.	\$ 2,464,399,616.21
7	Bank of America Corporation (2009) (S.D.N.Y.) (Equity Securities)	2013	S.D.N.Y.	\$ 2,425,000,000.00
8	Nortel Networks Corp. (2001) (I)	2006	S.D.N.Y.	\$ 1,142,775,308.00
9	Royal Ahold, N.V.	2006	D. Md.	\$ 1,100,000,000.00
10	Nortel Networks Corp. (2004) (II)	2006	S.D.N.Y.	\$ 1,074,265,298.00
11	McKesson HBOC Inc.	2013	N.D. Cal.	\$ 1,052,000,000.00
12	American International Group, Inc. (2004)	2013	S.D.N.Y.	\$ 1,009,500,000.00
13	UnitedHealth Group, Inc.	2009	D. Minn.	\$ 925,500,000.00
14	HealthSouth Corp. (2004)	2010	N.D. Ala.	\$ 804,500,000.00
15	Xerox Corp. (2000)	2009	D. Conn.	\$ 750,000,000.00
16	Lehman Brothers Holdings, Inc. (S.D.N.Y.) (Equity/Debt Securities)	2014	S.D.N.Y.	\$ 735,218,000.00
17	Citigroup Bonds	2013	S.D.N.Y.	\$ 730,000,000.00
18	Lucent Technologies, Inc.	2003	D. N.J.	\$ 667,000,000.00
19	Wachovia Preferred Securities and Bond/Notes	2011	S.D.N.Y.	\$ 627,000,000.00
20	Countrywide Financial Corp. (2007) (C.D. Cal.)	2011	C.D. Cal.	\$ 624,000,000.00
21	Cardinal Health, Inc.	2007	S.D. Ohio	\$ 600,000,000.00
22	Citigroup, Inc. (2007)	2013	S.D.N.Y.	\$ 590,000,000.00
23	IPO Securities Litigation (Master Case)	2012	S.D.N.Y.	\$ 585,999,996.00

RANK	CASE NAME	SETTLEMENT YEAR	COURT	TOTAL SETTLEMENT AMOUNT
24	Countrywide Financial Corp. (2010) (C.D. Cal.)	2013	C.D. Cal.	\$ 500,000,000.00
25	BankAmerica Corp. (1999)	2004	E.D. Mo.	\$ 490,000,000.00
26	Adelphia Communications Corp.	2013	S.D.N.Y.	\$ 478,725,000.00
27	Merrill Lynch & Co., Inc. (2007)	2009	S.D.N.Y.	\$ 475,000,000.00
28	Dynegy Inc. (2002)	2005	S.D. Tex.	\$ 474,050,000.00
29	Schering-Plough Corp. (2008)	2013	D. N.J.	\$ 473,000,000.00
30	Raytheon Company	2004	D. Mass.	\$ 460,000,000.00
31	Waste Management Inc. (1999) (S.D. Tex.)	2003	S.D. Tex.	\$ 457,000,000.00
32	Global Crossing, Ltd. (2002)	2007	S.D.N.Y.	\$ 447,800,000.00
33	Qwest Communications International, Inc. (2001)	2009	D. Colo	\$ 445,000,000.00
34	Federal Home Loan Mortgage Corp. (Freddie Mac) (2003)	2006	S.D.N.Y.	\$ 410,000,000.00
35	Marsh & McLennan Companies, Inc.	2009	S.D.N.Y.	\$ 400,000,000.00
36	Cendant Corp. (PRIDES)	2006	D. N.J.	\$ 374,000,000.00
37	Refco, Inc.	2011	S.D.N.Y.	\$ 358,300,000.00
38	Rite Aid Corp.	2003	E.D. Pa.	\$ 319,580,000.00
39	Merrill Lynch Mortgage Investors, Inc. (Mortgage Pass-Through Certificates)	2012	S.D.N.Y.	\$ 315,000,000.00
40	Williams Companies, Inc. (2002)	2007	N.D. Ok.	\$ 311,000,000.00
41	General Motors Corp. (2005) (E.D. Mich.)	2009	E.D. Mich.	\$ 303,000,000.00
42	DaimlerChrysler AG (2000)	2004	D. Del.	\$ 300,000,000.00
42	Bristol-Myers Squibb Co. (2002)	2004	S.D.N.Y.	\$ 300,000,000.00
42	Oxford Health Plans Inc.	2003	S.D.N.Y.	\$ 300,000,000.00
45	Bear Stearns Companies, Inc. (S.D.N.Y.)	2012	S.D.N.Y.	\$ 294,900,000.00
46	El Paso Corporation (2002) (S.D. Tex.)	2007	S.D. Tex.	\$ 285,000,000.00
47	Tenet Healthcare Corp. (2002)	2008	C.D. Cal.	\$ 281,500,000.00
48	BNY Mellon, N.A.	2012	E.D. OK.	\$ 280,000,000.00
49	Massey Energy Company (2010)	2014	S.D. WV.	\$ 265,000,000.00

RANK	CASE NAME	SETTLEMENT YEAR	COURT	TOTAL SETTLEMENT AMOUNT
50	3Com Corp. (1997) (N.D. Cal.)	2001	N.D. Cal.	\$ 259,000,000.00
51	Charles Schwab & Co., Inc. (2008) (N.D. Cal.) (Schwab YieldPlus Fund)	2011	N.D. Cal.	\$ 235,000,000.00
52	Comverse Technology, Inc. (2006)	2010	E.D.N.Y.	\$ 225,000,000.00
53	Waste Management Inc. (1997)	1999	N.D. Ill.	\$ 220,000,000.00
54	Bernard L. Madoff Investment Securities LLC/Income-Plus Investment Fund (2009) (S.D.N.Y.) (Beacon Associates LLC I and II)	2013	S.D.N.Y.	\$ 219,857,694.00
55	Merck & Co., Inc. (2008)	2013	D. N.J.	\$ 215,000,000.00
55	Sears, Roebuck & Co. (2002)	2006	N.D. Ill.	\$ 215,000,000.00
57	Washington Mutual, Inc. (2007)	2011	W.D. Wash.	\$ 208,500,000.00
58	The Mills Corp.	2009	E.D. Va.	\$ 202,750,000.00
59	Motorola, Inc. (2007)	2012	N.D. Ill.	\$ 200,000,000.00
59	WellCare Health Plans, Inc.	2011	M.D. Fla.	\$ 200,000,000.00
59	Kinder Morgan, Inc. (2006) (Kansas District Court)	2010	Ks D. C.	\$ 200,000,000.00
59	CMS Energy Corp.	2007	E.D. Mich.	\$ 200,000,000.00
63	Safety-Kleen Corp. (Bondholders)	2006	D. S.C.	\$ 197,622,944.00
64	MicroStrategy Inc.	2001	E.D. Va.	\$ 192,500,000.00
65	Motorola, Inc. (2003)	2007	N.D. Ill.	\$ 190,000,000.00
66	Bristol-Myers Squibb Co. (2000)	2006	D. N.J.	\$ 185,000,000.00
67	Broadcom Corp. (2006)	2012	C.D. Cal.	\$ 173,500,000.00
68	Maxim Integrated Products, Inc.	2010	N.D. Cal.	\$ 173,000,000.00
69	Juniper Networks, Inc. (2006)	2010	N.D. Cal.	\$ 169,500,000.00
70	National City Corp. (N.D. Ohio)	2012	N.D. Ohio	\$ 168,000,000.00
71	Schering-Plough Corp. (2001)	2009	D. N.J.	\$ 165,000,000.00
71	Digex, Inc.	2001	Del Chancery Court	\$ 165,000,000.00

RANK	CASE NAME	SETTLEMENT YEAR	COURT	TOTAL SETTLEMENT AMOUNT
73	Pharmacia Corp.	2013	D. N.J.	\$ 164,000,000.00
74	Dollar General Corp. (2001)	2002	M.D. Tenn.	\$ 162,000,000.00
75	Brocade Communications Systems, Inc. (2005)	2009	N.D. Cal.	\$ 160,098,500.00
76	Federal National Mortgage Association (Fannie Mae) (2004)	2013	D. Co.	\$ 153,000,000.00
77	Bennett Funding Group, Inc.	2003	S.D.N.Y.	\$ 152,635,000.00
78	Satyam Computer Services, Ltd.	2011	S.D.N.Y.	\$ 150,500,000.00
79	Merrill Lynch & Co., Inc. (Bonds or Preferred Shares Offerings)	2009	S.D.N.Y.	\$ 150,000,000.00
79	AT&T Wireless Tracking Stock	2006	S.D.N.Y.	\$ 150,000,000.00
79	Broadcom Corp. (2001)	2005	C.D. Cal.	\$ 150,000,000.00
82	TXU Corp. (2002)	2005	N.D. Tex.	\$ 149,750,000.00
83	Sumitomo (Copper Trading) Corp.	2001	S.D.N.Y.	\$ 149,250,000.00
84	Charter Communications, Inc. (2002)	2005	E.D. Mo.	\$ 146,250,000.00
85	Apollo Group, Inc. (2004)	2012	D. Ariz.	\$ 145,000,000.00
86	Sunbeam Corp.	2002	S.D. Fla.	\$ 140,995,187.00
87	Biovail Corp. (2003)	2008	S.D.N.Y.	\$ 138,000,000.00
88	The Coca-Cola Company (2000)	2008	N.D. Ga.	\$ 137,500,000.00
88	Electronic Data Systems Corp. (2002)	2006	E.D. Tex.	\$ 137,500,000.00
90	Informix Corp.	1999	N.D. Cal.	\$ 136,500,000.00
91	Computer Associates International, Inc. (1998)	2003	E.D.N.Y.	\$ 133,551,000.00
92	Doral Financial Corp. (2005)	2007	S.D.N.Y.	\$ 130,000,000.00
93	Delphi Corporation	2009	E.D. Mich.	\$ 128,350,000.00
94	Edward D. Jones & Co., L.P. (Federal & State Class Settlement)	2007	E.D. Mo. & Mo. C.C.	\$ 127,500,000.00
95	Wells Fargo Mortgage-Backed Securities Pass-Through Certificates (N.D. Cal.)	2011	N.D. Cal.	\$ 125,000,000.00
95	Bristol-Myers Squibb Co. (2007)	2009	S.D.N.Y.	\$ 125,000,000.00

RANK	CASE NAME	SETTLEMENT YEAR	COURT	TOTAL SETTLEMENT AMOUNT
97	New Century Financial Corp.	2010	C.D. Cal.	\$ 124,827,088.00
98	Mattel, Inc.	2003	C.D. Cal.	\$ 122,000,000.00
99	Lernout & Hauspie Speech Products N.V. (2000)	2004	D.C. Ma	\$ 120,520,000.00
100	Bank One Corp. (First Chicago NBD)	2005	N.D. Ill.	\$ 120,000,000.00
100	Deutsche Telekom AG	2005	S.D.N.Y.	\$ 120,000,000.00
100	Conseco, Inc. (2000)	2002	S.D.In.	\$ 120,000,000.00

** Includes Arthur Andersen settlement and the Verdict Fund*

Note:

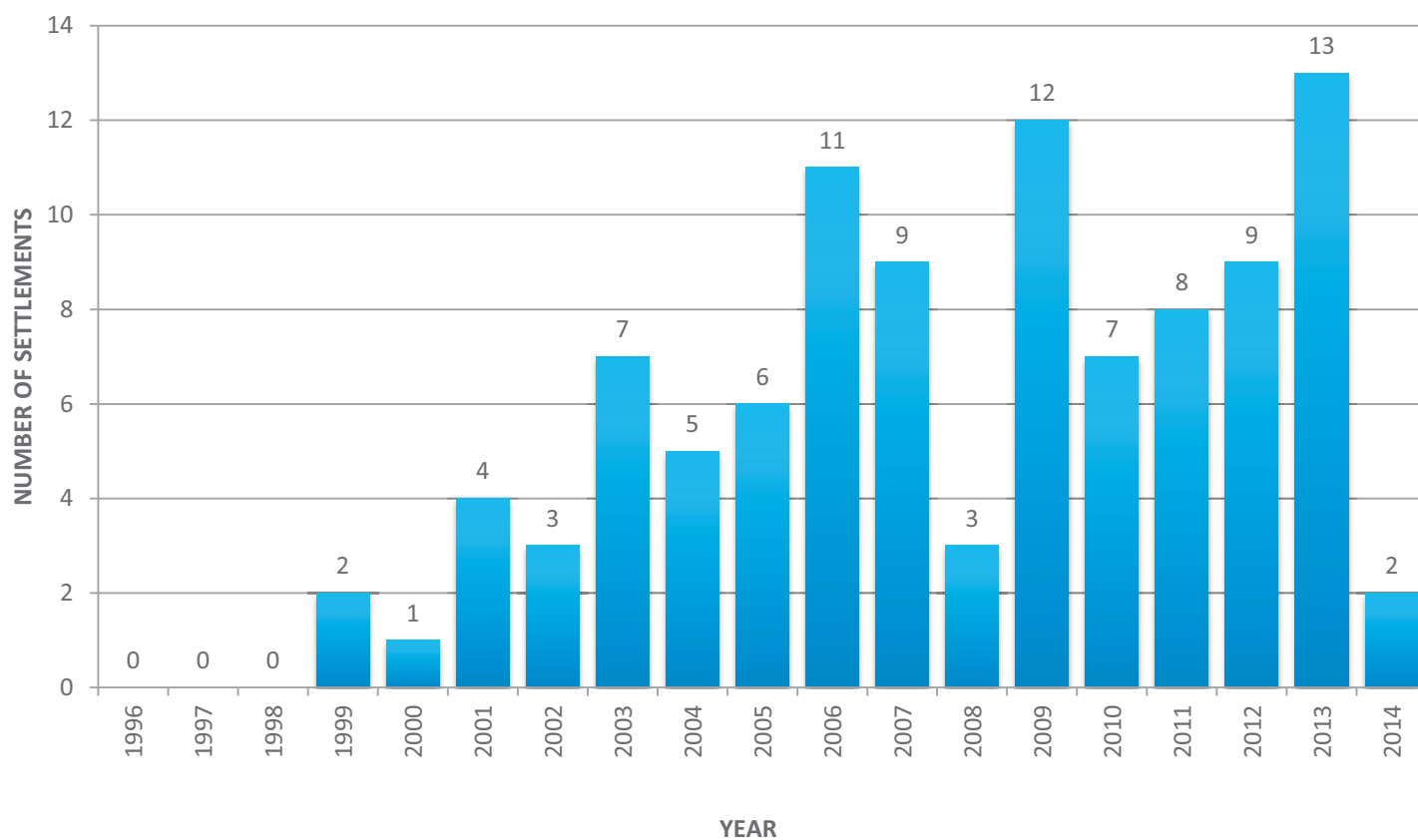
"Settlement Year" for cases that include multiple settlements reflects the year the most recent settlement was approved by the Court.

Settlements that have the same amount are given the same ranking.

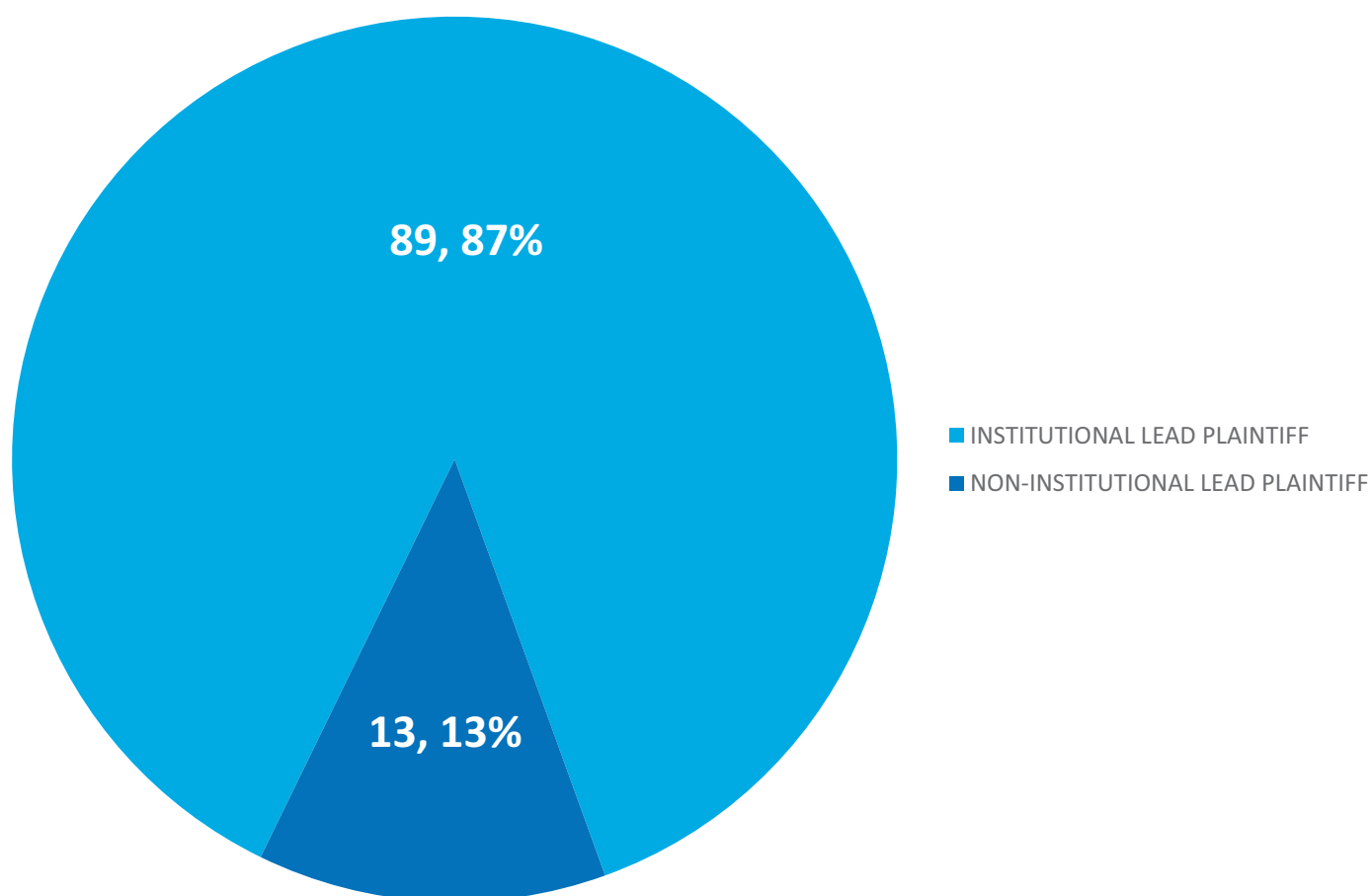
To be eligible for the Top 100 Settlements, cases must have been filed after January 1, 1996, and the settlement must have received final approval from the Court.

NO. OF SETTLEMENTS ADDED TO SECURITIES CLASS ACTION SERVICES 100

1996-2014



SETTLEMENTS REPRESENTED BY INSTITUTIONAL LEAD PLAINTIFF IN TOP 100



INSTITUTIONAL LEAD PLAINTIFF PARTICIPATION

Cases Listed in Top 100 Settlements Categorized by Total Settlement Amount

RANK	CASE NAME	TOTAL SETTLEMENT AMOUNT	CASE INSTITUTION
1	Enron Corp. (2001)	\$ 7,242,000,000.00	Regents of the University of California
2	WorldCom, Inc. (2002)	\$ 6,194,100,713.69	New York State Common Retirement Fund
3	Cendant Corp.	\$ 3,319,350,000.00	- New York City Pension Funds New York State Common Retirement Fund - California Public Employees' Retirement System
4	Tyco International, Ltd. (2002)	\$ 3,200,000,000.00	- Louisiana State Employees Retirement System - Plumbers & Pipefitters National Pension Fund - Teachers' Retirement System of Louisiana - United Association Office Employees Pension Plan - United Association of Local Union Officers & Employees Pension - United Association General Officers Pension Plan - Voyageur Asset Management
5	AOL Time Warner, Inc. (S.D.N.Y.)	\$ 2,500,000,000.00	Minnesota State Board of Investment
6	Household International, Inc. (N.D. Ill.)	\$ 2,464,399,616.21	- International Union of Operating Engineers Local 132 Pension Plan - PACE Industry Union Management Pension Fund;Glickenhau & Company
7	Bank of America Corporation (2009) (S.D.N.Y.) (Equity Securities)	\$ 2,425,000,000.00	- Ohio Public Employees Retirement System - State Teachers Retirement System of Ohio - Teacher Retirement System of Texas - PGGM Vermogensbeheer B.V. - Fjarde AP-Fonden
8	Nortel Networks Corp. (2001) (I)	\$ 1,142,775,308.00	Ontario Public Service Employees' Union Pension Plan Trust Fund
9	Royal Ahold, N.V.	\$ 1,100,000,000.00	- Public Employees' Retirement Association of Colorado - Generic Trading of Philadelphia, LLC
10	Nortel Networks Corp. (2004) (II)	\$ 1,074,265,298.00	New Jersey Treasury Department;Ontario Teachers' Pension Plan Board
11	McKesson HBOC Inc.	\$ 1,052,000,000.00	New York State Common Retirement Fund
12	American International Group, Inc. (2004)	\$ 1,009,500,000.00	- Ohio Police and Fire Pension Fund - Ohio Public Employees Retirement System - State Teachers Retirement System of Ohio

RANK	CASE NAME	TOTAL SETTLEMENT AMOUNT	CASE INSTITUTION
13	UnitedHealth Group, Inc.	\$ 925,500,000.00	California Public Employees' Retirement System
14	HealthSouth Corp. (2004)	\$ 804,500,000.00	- Central States, Southeast and Southwest Area Pension Fund - Educational Retirement Board of New Mexico - New Mexico State Investment Council - The Retirement Systems of Alabama - Michigan Retirement Systems
15	Xerox Corp. (2000)	\$ 750,000,000.00	Louisiana State Employees Retirement System
16	Lehman Brothers Holdings, Inc. (S.D.N.Y.) (Equity/Debt Securities)	\$ 735,218,000.00	- Alameda County Employees' Retirement Association - The City of Edinburgh Council On Behalf of The Lothian Pension Fund - Government of Guam Retirement Fund - Operating Engineers Local 3 Trust Fund - Northern Ireland Local Government Officers Superannuation Committee
17	Citigroup Bonds	\$ 730,000,000.00	- Miami Beach Employees' Retirement Plan - Arkansas Teacher Retirement System - American European Insurance Company - Southeastern Pennsylvania Transportation Authority - City of Philadelphia Board of Pensions & Retirement - City of Tallahassee Retirement System - Louisiana Sheriffs' Pension and Relief Fund
18	Lucent Technologies, Inc.	\$ 667,000,000.00	- Employers-Teamsters Local 175 & 505 Pension Trust Fund Plan - The Parnassus Fund - The Parnassus IncomeTrust/Equity Income Fund
19	Wachovia Preferred Securities and Bond/Notes	\$ 627,000,000.00	- Louisiana Sheriffs' Pension and Relief Fund - Southeastern Pennsylvania Transportation Authority - Orange County Employees' Retirement System
20	Countrywide Financial Corp. (2007) (C.D. Cal.)	\$ 624,000,000.00	- New York City Employees' Retirement System - New York City Police Pension Fund - New York City Fire Department Pension Fund - New York City Board of Education Retirement System - Teachers' Retirement System of the City of New York

RANK	CASE NAME	TOTAL SETTLEMENT AMOUNT	CASE INSTITUTION
21	Cardinal Health, Inc.	\$ 600,000,000.00	- Amalgamated Bank - California Ironworkers Field Trust Funds - New Mexico State Investment Council - PACE Industry Union Management Pension Fund
22	Citigroup, Inc. (2007)	\$ 590,000,000.00	NON-INSTITUTIONAL LEAD PLAINTIFF
23	IPO Securities Litigation (Master Case)	\$ 585,999,996.00	NON-INSTITUTIONAL LEAD PLAINTIFF
24	Countrywide Financial Corp. (2010) (C.D. Cal.)	\$ 500,000,000.00	Iowa Public Employees' Retirement System
25	BankAmerica Corp. (1999)	\$ 490,000,000.00	NON-INSTITUTIONAL LEAD PLAINTIFF
26	Adelphia Communications Corp.	\$ 478,725,000.00	- Argent Classic Convertible Arbitrage Fund - Argent Classic Convertible Arbitrage Fund (Bermuda) L.P. - Argent Lowlev Convertible Arbitrage Fund Ltd. - UBS O'Connor LLC f/b/o UBS Global Equity Arbitrage Master Ltd. - UBS O'Connor LLC f/b/o UBS Global Convertible Portfolio;Eminence Capital, LLC
27	Merrill Lynch & Co., Inc. (2007)	\$ 475,000,000.00	State Teachers Retirement System of Ohio
28	Dynegy Inc. (2002)	\$ 474,050,000.00	Regents of the University of California
29	Schering-Plough Corp. (2008)	\$ 473,000,000.00	- Arkansas Teacher Retirement System - Louisiana Municipal Police Employees' Retirement System - Public Employees' Retirement System of Mississippi - Massachusetts Pension Reserves Investment Management Board
30	Raytheon Company	\$ 460,000,000.00	New York State Common Retirement Fund
31	Waste Management Inc. (1999) (S.D. Tex.)	\$ 457,000,000.00	Connecticut Retirement Plans and Trust Funds
32	Global Crossing, Ltd. (2002)	\$ 447,800,000.00	- Ohio Public Employees Retirement System - State Teachers Retirement System of Ohio
33	Qwest Communications International, Inc. (2001)	\$ 445,000,000.00	New England Health Care Employees Pension Fund
34	Federal Home Loan Mortgage Corp. (Freddie Mac) (2003)	\$ 410,000,000.00	- Ohio Public Employees Retirement System - State Teachers Retirement System of Ohio

RANK	CASE NAME	TOTAL SETTLEMENT AMOUNT	CASE INSTITUTION
35	Marsh & McLennan Companies, Inc.	\$ 400,000,000.00	- Ohio Bureau of Workers' Compensation - Public Employees' Retirement System of Ohio - State of New Jersey, Department of Treasury, Division of Investment - State Teachers Retirement System of Ohio
36	Cendant Corp. (PRIDES)	\$ 374,000,000.00	Welch & Forbes Inc.
37	Refco, Inc.	\$ 358,300,000.00	- RH Capital Associates LLC - Pacific Investment Management Company LLC
38	Rite Aid Corp.	\$ 319,580,000.00	NON-INSTITUTIONAL LEAD PLAINTIFF
39	Merrill Lynch Mortgage Investors, Inc. (Mortgage Pass-Through Certificates)	\$ 315,000,000.00	Public Employees' Retirement System of Mississippi
40	Williams Companies, Inc. (2002)	\$ 311,000,000.00	Arkansas Teacher Retirement System; Ontario Teachers' Pension Plan Board
41	General Motors Corp. (2005) (E.D. Mich.)	\$ 303,000,000.00	- Deka International S.A. Luxembourg - Deka Investment GMBH
42	DaimlerChrysler AG (2000)	\$ 300,000,000.00	- Denver Employees Retirement Plan - Florida State Board of Administration - Municipal Employees Annuity and Benefit Fund of Chicago - Policemen's Annuity and Benefit Fund of Chicago
42	Bristol-Myers Squibb Co. (2002)	\$ 300,000,000.00	- Fresno County Employees' Retirement Association - General Retirement System of the City of Detroit - Louisiana State Employees Retirement System - Teachers' Retirement System of Louisiana
42	Oxford Health Plans Inc.	\$ 300,000,000.00	- PBHG Funds, Inc. - Public Employees' Retirement Association of Colorado
45	Bear Stearns Companies, Inc. (S.D.N.Y.)	\$ 294,900,000.00	State of Michigan Retirement Systems
46	El Paso Corporation (2002) (S.D. Tex.)	\$ 285,000,000.00	- Jacksonville Police & Fire Pension Fund - Oklahoma Firefighters Pension and Retirement System
47	Tenet Healthcare Corp. (2002)	\$ 281,500,000.00	Department of the Treasury of the State of New Jersey

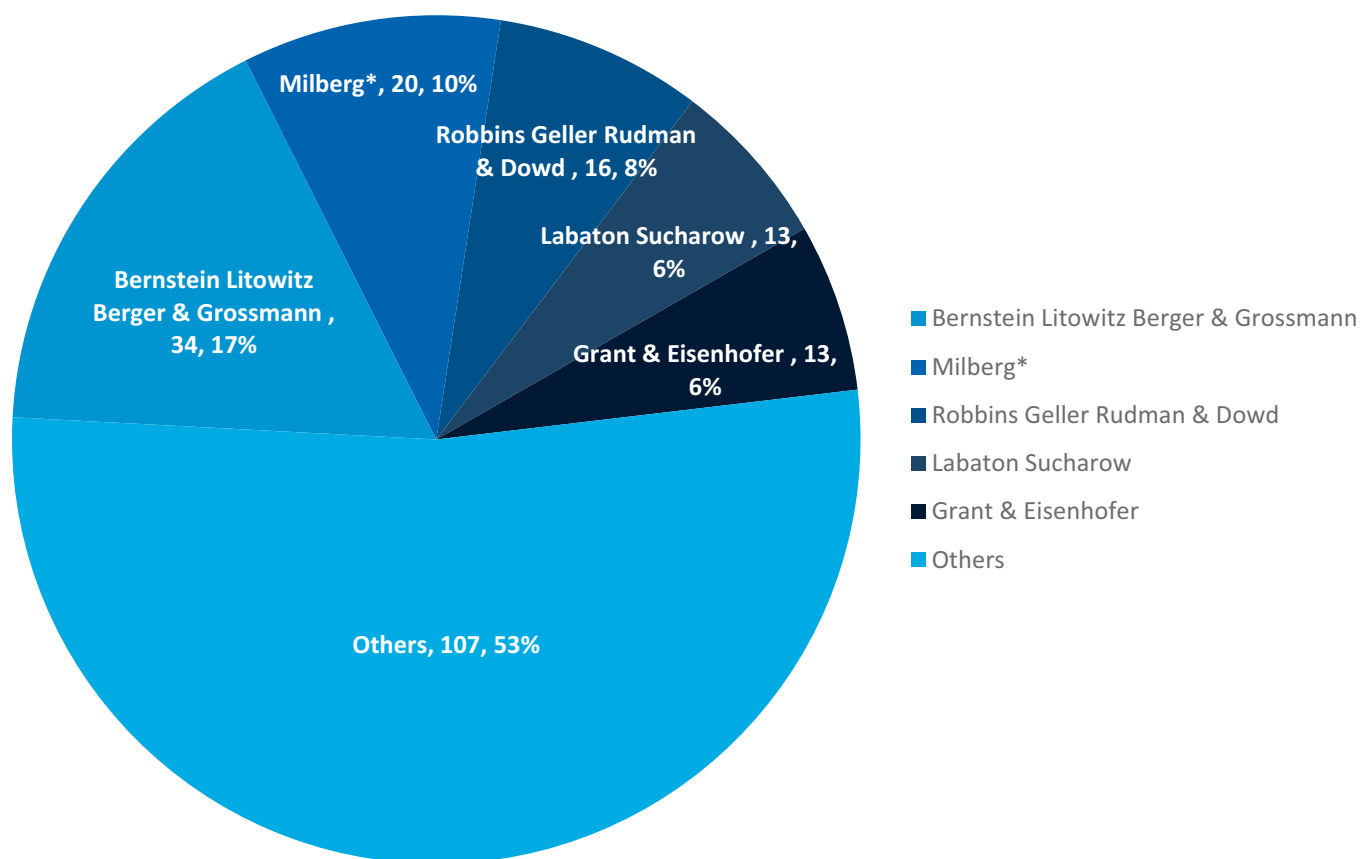
RANK	CASE NAME	TOTAL SETTLEMENT AMOUNT	CASE INSTITUTION
48	BNY Mellon, N.A.	\$ 280,000,000.00	- CompSource Oklahoma - The Children's Hospital of Philadelphia Foundation - The Children's Hospital of Philadelphia - Board of Trustees of the Electrical Workers Local No. 26 Pension Trust Fund
49	Massey Energy Company (2010)	\$ 265,000,000.00	- Massachusetts Pension Reserves Investment Management Board - Commonwealth of Massachusetts Pension Reserves Investment Trust
50	3Com Corp. (1997) (N.D. Cal.)	\$ 259,000,000.00	- Louisiana Municipal Police Employees' Retirement System - Louisiana School Employees' Retirement System
51	Charles Schwab & Co., Inc. (2008) (N.D. Cal.) (Schwab YieldPlus Fund)	\$ 235,000,000.00	NON-INSTITUTIONAL LEAD PLAINTIFF
52	Comverse Technology, Inc. (2006)	\$ 225,000,000.00	Menorah Insurance Co. Ltd.;Mivtachim Pension Funds Ltd.
53	Waste Management Inc. (1997)	\$ 220,000,000.00	- Jackson Grosvenor, Ltd. - Innovative Technologies Corp. - RML Limited Group
54	Bernard L. Madoff Investment Securities LLC / Income-Plus Investment Fund(2009) (S.D.N.Y.) (Beacon Associates LLC I and II)	\$ 219,857,694.00	- Plumbers & Steamfitters Local 267 Benefit Funds - Plumbers Local 112 Health Fund - Local 73 Retirement Fund - U.A. of Journeymen & Apprentices Local 73 Fund
55	Merck & Co., Inc. (2008)	\$ 215,000,000.00	- General Retirement System of the City of Detroit - International Fund Management S.A. Luxembourg - Stichting Pensioenfond ABP - Jacksonville Police and Fire Retirement System
55	Sears, Roebuck & Co. (2002)	\$ 215,000,000.00	State of New Jersey, Department of Treasury, Division of Investment
57	Washington Mutual, Inc. (2007)	\$ 208,500,000.00	Ontario Teachers' Pension Plan Board
58	The Mills Corp.	\$ 202,750,000.00	- Iowa Public Employees' Retirement System - Public Employees' Retirement System of Mississippi
59	Motorola, Inc. (2007)	\$ 200,000,000.00	Macomb County Employees' Retirement System
59	WellCare Health Plans, Inc.	\$ 200,000,000.00	- New Mexico State Investment Council - Policemen's Annuity and Benefit Fund of Chicago - Public Employees Retirement Association of New Mexico;Teachers' Retirement System of Louisiana - Public School Teachers' Pension & Retirement Fund of Chicago

RANK	CASE NAME	TOTAL SETTLEMENT AMOUNT	CASE INSTITUTION
59	Kinder Morgan, Inc. (2006) (Kansas District Court)	\$ 200,000,000.00	• NON-INSTITUTIONAL LEAD PLAINTIFF
59	CMS Energy Corp.	\$ 200,000,000.00	• Andover Brokerage, LLC
63	Safety-Kleen Corp. (Bondholders)	\$ 197,622,944.00	• American High-Income Trust • State Street Research Income Trust
64	MicroStrategy Inc.	\$ 192,500,000.00	• 1199 SEIU Greater New York Pension Fund (f/k/a Local 144 Nursing Home Pension Fund)
65	Motorola, Inc. (2003)	\$ 190,000,000.00	• State of New Jersey, Department of Treasury, Division of Investment
66	Bristol-Myers Squibb Co. (2000)	\$ 185,000,000.00	• Long View Collective Investment Fund of the Amalgamated Bank
67	Broadcom Corp. (2006) (Individual Defendants)	\$ 173,500,000.00	• New Mexico State Investment Council
68	Maxim Integrated Products, Inc.	\$ 173,000,000.00	• Mississippi Public Employees' Retirement System • The Cobb County Government Employees' Pension Plan • The Dekalb County Pension Plan
69	Juniper Networks, Inc. (2006)	\$ 169,500,000.00	• New York City Employees' Retirement System • New York City Police Pension Fund • New York City Fire Department Pension Fund • New York City Police Superior Officers' Variable Supplements Fund • New York City Police Officers' Variable Supplements Fund • New York City Fire Officers' Variable Supplements Fund • New York City Teachers' Retirement System of the City of New York Variable Annuity Program • Teachers' Retirement System of the City of New York
70	National City Corp. (N.D. Ohio)	\$ 168,000,000.00	• New York State Common Retirement Fund
71	Schering-Plough Corp. (2001)	\$ 165,000,000.00	• Florida State Board of Administration
71	Digex, Inc.	\$ 165,000,000.00	• Kansas Public Employees Retirement System • TCW Technology Limited Partnership • TCW Small Capitalization Growth Stocks Limited Partnership • TCW Asset Management Company

RANK	CASE NAME	TOTAL SETTLEMENT AMOUNT	CASE INSTITUTION
73	Pharmacia Corp.	\$ 164,000,000.00	- Alaska Electrical Pension Fund - International Union of Operating Engineers - Local 132 Pension Plan - New England Health Care Employees Pension Fund - PACE Industry Union Management Pension Fund - Chemical Valley Pension Fund of West Virginia
74	Dollar General Corp. (2001)	\$ 162,000,000.00	- Florida State Board of Administration - Pirelli Armstrong Tire Corporation Retiree Medical Benefits Trust - Teachers' Retirement System of Louisiana
75	Brocade Communications Systems, Inc. (2005)	\$ 160,098,500.00	Arkansas Public Employees Retirement System
76	Federal National Mortgage Association (Fannie Mae) (2004)	\$ 153,000,000.00	- Ohio Public Employees Retirement System - State Teachers Retirement System of Ohio
77	Bennett Funding Group, Inc.	\$ 152,635,000.00	NON-INSTITUTIONAL LEAD PLAINTIFF
78	Satyam Computer Services, Ltd.	\$ 150,500,000.00	- Mississippi Public Employees' Retirement System - Mineworkers Pension Fund;SKAGEN A/S - Sampension KP Lifsforsikring A/S
79	Merrill Lynch & Co., Inc. (Bonds or Preferred Shares Offerings)	\$ 150,000,000.00	- Louisiana Municipal Police Employees' Retirement System - Louisiana Sheriffs' Pension and Relief Fund
79	AT&T Wireless Tracking Stock	\$ 150,000,000.00	Soft Drink and Brewery Workers Union Local 812 Retirement Fund
79	Broadcom Corp. (2001)	\$ 150,000,000.00	Minnesota State Board of Investment
82	TXU Corp. (2002)	\$ 149,750,000.00	lumbers & Pipefitters National Pension Fund
83	Sumitomo (Copper Trading) Corp.	\$ 149,250,000.00	NON-INSTITUTIONAL LEAD PLAINTIFF
84	Charter Communications, Inc. (2002)	\$ 146,250,000.00	Stoneridge Investment Partners
85	Apollo Group, Inc. (2004)	\$ 145,000,000.00	Policemen's Annuity and Benefit Fund of Chicago
86	Sunbeam Corp.	\$ 140,995,187.00	- CWA/ITU Negotiated Pension Plan - Generic Trading Associates, LLC - Smith Asset Management
87	Biovail Corp. (2003)	\$ 138,000,000.00	- Local 282 Welfare Trust Fund - Ontario Teachers' Pension Plan Board

RANK	CASE NAME	TOTAL SETTLEMENT AMOUNT	CASE INSTITUTION
88	The Coca-Cola Company (2000)	\$ 137,500,000.00	1199 SEIU Greater New York Pension Fund (f/k/a Local 144 Nursing Home Pension Fund) - Carpenters Health & Welfare Fund of Philadelphia & Vicinity
88	Electronic Data Systems Corp. (2002)	\$ 137,500,000.00	State of New Jersey, Department of Treasury, Division of Investment
90	Informix Corp.	\$ 136,500,000.00	Gateway Partners LLC
91	Computer Associates International, Inc. (1998)	\$ 133,551,000.00	1199 SEIU Greater New York Pension Fund (f/k/a Local 144 Nursing Home Pension Fund) - Capital West Asset Management; Employers-Teamsters Local 175 & 505 Pension Trust Fund Plan
92	Doral Financial Corp. (2005)	\$ 130,000,000.00	West Virginia Investment Management Board
93	Delphi Corporation	\$ 128,350,000.00	- Mississippi Public Employees' Retirement System - Raiffeisen Kapitalanlage- Gesellschaft - Stichting Pensioenfond ABP - Teachers' Retirement System of Oklahoma
94	Edward D. Jones & Co., L.P. (Federal Class Settlement)	\$ 127,500,000.00	NON-INSTITUTIONAL LEAD PLAINTIFF
95	Wells Fargo Mortgage-Backed Securities Pass-Through Certificates (N.D. Cal.)	\$ 125,000,000.00	- Louisiana Sheriffs' Pension and Relief Fund - New Orleans Employees' Retirement System - Alameda County Employees' Retirement Association - Government of Guam Retirement Fund
95	Bristol-Myers Squibb Co. (2007)	\$ 125,000,000.00	Ontario Teachers' Pension Plan Board
97	New Century Financial Corp.	\$ 124,827,088.00	New York State Teachers' Retirement System
98	Mattel, Inc.	\$ 122,000,000.00	Birmingham Retirement & Relief Fund
99	Lernout & Hauspie Speech Products N.V. (2000)	\$ 120,520,000.00	NON-INSTITUTIONAL LEAD PLAINTIFF
100	Bank One Corp. (First Chicago NBD)	\$ 120,000,000.00	NON-INSTITUTIONAL LEAD PLAINTIFF

MOST FREQUENT LEAD COUNSEL IN TOP 100



NOTE:

Counsels with the same participation are given the same ranking

*Includes participation in cases where they represent their old name

LEAD COUNSEL PARTICIPATION

Most Frequent Lead/Co-Lead Counsel in Top 100 Settlements

LEAD / CO-LEAD COUNSEL	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT
Bernstein Litowitz Berger & Grossmann			
	WorldCom, Inc. (2002)	2	\$ 6,194,100,714
	Cendant Corp.	3	\$ 3,319,350,000
	Bank of America Corporation (2009) (S.D.N.Y.) (Equity Securities)	7	\$ 2,425,000,000
	Nortel Networks Corp. (2004) (II)	10	\$ 1,074,265,298
	McKesson HBOC Inc.	11	\$ 1,052,000,000
	HealthSouth Corp. (2004)	14	\$ 804,500,000
	Lehman Brothers Holdings, Inc. (S.D.N.Y.) (Equity/Debt Securities)	16	\$ 735,218,000
	Citigroup Bonds	17	\$ 730,000,000
	Lucent Technologies, Inc.	18	\$ 667,000,000
	Wachovia Preferred Securities and Bond/Notes	19	\$ 627,000,000
	Schering-Plough Corp. (2008)	29	\$ 473,000,000
	Federal Home Loan Mortgage Corp. (Freddie Mac) (2003)	34	\$ 410,000,000
	Refco, Inc.	37	\$ 358,300,000
	Rite Aid Corp.	39	\$ 315,000,000
	Williams Companies, Inc. (2002)	40	\$ 311,000,000
	Bristol-Myers Squibb Co. (2002)	42	\$ 300,000,000
	DaimlerChrysler AG (2000)	42	\$ 300,000,000
	El Paso Corporation (2002) (S.D. Tex.)	46	\$ 285,000,000
	3Com Corp. (1997) (N.D. Cal.)	50	\$ 259,000,000
	Merck & Co., Inc. (2008)	55	\$ 215,000,000
	Washington Mutual, Inc. (2007)	57	\$ 208,500,000
	The Mills Corp.	58	\$ 202,750,000
	WellCare Health Plans, Inc.	59	\$ 200,000,000
	Maxim Integrated Products, Inc.	68	\$ 173,000,000
	Bennett Funding Group, Inc.	77	\$ 152,635,000
	Satyam Computer Services, Ltd.	78	\$ 150,500,000
	Merrill Lynch & Co., Inc. (Bonds or Preferred Shares Offerings)	79	\$ 150,000,000
	Biovail Corp. (2003)	87	\$ 138,000,000
	Electronic Data Systems Corp. (2002)	88	\$ 137,500,000
	Delphi Corporation	93	\$ 128,350,000

LEAD / CO-LEAD COUNSEL	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT
	Bristol-Myers Squibb Co. (2007)	95	\$ 125,000,000
	Wells Fargo Mortgage-Backed Securities Pass-Through Certificates (N.D. Cal.)	95	\$ 125,000,000
	New Century Financial Corp.	97	\$ 124,827,088
	Conseco, Inc. (2000)	100	\$ 120,000,000
Robbins Geller Rudman & Dowd			
	Enron Corp. (2001)	1	\$ 7,242,000,000
	Household International, Inc. (N.D. Ill.)	6	\$ 2,464,399,616
	UnitedHealth Group, Inc.	13	\$ 925,500,000
	HealthSouth Corp. (2004)	14	\$ 804,500,000
	Wachovia Preferred Securities and Bond/Notes	19	\$ 627,000,000
	Cardinal Health, Inc.	21	\$ 600,000,000
	Countrywide Financial Corp. (2010) (C.D. Cal.)	24	\$ 500,000,000
	Dynegy Inc. (2002)	28	\$ 474,050,000
	Qwest Communications International, Inc. (2001)	33	\$ 445,000,000
	Massey Energy Company (2010)	49	\$ 265,000,000
	Kinder Morgan, Inc. (2006) (Kansas District Court)	59	\$ 200,000,000
	Motorola, Inc. (2007)	59	\$ 200,000,000
	Pharmacia Corp.	73	\$ 164,000,000
	TXU Corp. (2002)	82	\$ 149,750,000
	The Coca-Cola Company (2000)	88	\$ 137,500,000
	Doral Financial Corp. (2005)	92	\$ 130,000,000
Barrack, Rodos & Bacine			
	WorldCom, Inc. (2002)	2	\$ 6,194,100,714
	Cendant Corp.	3	\$ 3,319,350,000
	McKesson HBOC Inc.	11	\$ 1,052,000,000
	Merrill Lynch & Co., Inc. (2007)	27	\$ 475,000,000
	DaimlerChrysler AG (2000)	42	\$ 300,000,000
	3Com Corp. (1997) (N.D. Cal.)	50	\$ 259,000,000
	The Mills Corp.	58	\$ 202,750,000
	Schering-Plough Corp. (2001)	71	\$ 165,000,000
	Apollo Group, Inc. (2004)	85	\$ 145,000,000
	Sunbeam Corp.	86	\$ 140,995,187
	Informix Corp.	90	\$ 136,500,000
Milberg			
	Tyco International, Ltd. (2002)	4	\$ 3,200,000,000
	Nortel Networks Corp. (2001) (I)	8	\$ 1,142,775,308

LEAD / CO-LEAD COUNSEL	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT
	Xerox Corp. (2000)	15	\$ 750,000,000
	Lucent Technologies, Inc.	18	\$ 667,000,000
	IPO Securities Litigation (Master Case)	23	\$ 585,999,996
	Raytheon Company	30	\$ 460,000,000
	Rite Aid Corp.	38	\$ 319,580,000
	Oxford Health Plans Inc.	42	\$ 300,000,000
	3Com Corp. (1997) (N.D. Cal.)	50	\$ 259,000,000
	Sears, Roebuck & Co. (2002)	55	\$ 215,000,000
	CMS Energy Corp.	59	\$ 200,000,000
	MicroStrategy Inc.	64	\$ 192,500,000
	Dollar General Corp. (2001)	74	\$ 162,000,000
	Sunbeam Corp.	86	\$ 140,995,187
	Biovail Corp. (2003)	87	\$ 138,000,000
	Informix Corp.	90	\$ 136,500,000
	Computer Associates International, Inc. (1998)	91	\$ 133,551,000
	Edward D. Jones & Co., L.P.	94	\$ 127,500,000
	Mattel, Inc.	98	\$ 122,000,000
	Deutsche Telekom AG	100	\$ 120,000,000
Grant & Eisenhofer			
	Tyco International, Ltd. (2002)	4	\$ 3,200,000,000
	Global Crossing, Ltd. (2002)	32	\$ 447,800,000
	Marsh & McLennan Companies, Inc.	35	\$ 400,000,000
	Refco, Inc.	37	\$ 358,300,000
	General Motors Corp. (2005) (E.D. Mich.)	41	\$ 303,000,000
	DaimlerChrysler AG (2000)	42	\$ 300,000,000
	Oxford Health Plans Inc.	42	\$ 300,000,000
	Merck & Co., Inc. (2008)	55	\$ 215,000,000
	Safety-Kleen Corp. (Bondholders)	63	\$ 197,622,944
	Digex, Inc.	71	\$ 165,000,000
	Dollar General Corp. (2001)	74	\$ 162,000,000
	Satyam Computer Services, Ltd.	78	\$ 150,500,000
	Delphi Corporation	93	\$ 128,350,000
Kessler Topaz Meltzer & Check			
	Tyco International, Ltd. (2002)	4	\$ 3,200,000,000
	Bank of America Corporation (2009) (S.D.N.Y.) (Equity Securities)	7	\$ 2,425,000,000
	Lehman Brothers Holdings, Inc. (S.D.N.Y.) (Equity/Debt Securities)	16	\$ 735,218,000
	Wachovia Preferred Securities and Bond/Notes	19	\$ 627,000,000

LEAD / CO-LEAD COUNSEL	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT
	IPO Securities Litigation (Master Case)	23	\$ 585,999,996
	Countrywide Financial Corp. (2010) (C.D. Cal.)	24	\$ 500,000,000
	Tenet Healthcare Corp. (2002)	47	\$ 281,500,000
	BNY Mellon, N.A.	48	\$ 280,000,000
	Bernard L. Madoff Investment Securities LLC / Income-Plus Investment Fund (2009) (S.D.N.Y.)	54	\$ 219,857,694
	Brocade Communications Systems, Inc. (2005)	75	\$ 160,098,500
	Satyam Computer Services, Ltd.	78	\$ 150,500,000
	Computer Associates International, Inc. (1998)	91	\$ 133,551,000
Labaton Sucharow			
	American International Group, Inc. (2004)	12	\$ 1,009,500,000
	HealthSouth Corp. (2004)	14	\$ 804,500,000
	Countrywide Financial Corp. (2007) (C.D. Cal.)	20	\$ 624,000,000
	Schering-Plough Corp. (2008)	29	\$ 473,000,000
	Waste Management Inc. (1999) (S.D. Tex.)	31	\$ 457,000,000
	General Motors Corp. (2005) (E.D. Mich.)	41	\$ 303,000,000
	Bear Stearns Companies, Inc. (S.D.N.Y.)	45	\$ 294,900,000
	El Paso Corporation (2002) (S.D. Tex.)	46	\$ 285,000,000
	Massey Energy Company (2010)	49	\$ 265,000,000
	WellCare Health Plans, Inc.	59	\$ 200,000,000
	Bristol-Myers Squibb Co. (2000)	66	\$ 185,000,000
	Broadcom Corp. (2006) (Individual Defendants)	67	\$ 173,500,000
	Satyam Computer Services, Ltd.	78	\$ 150,500,000
Kaplan Fox & Kilsheimer			
	Bank of America Corporation (2009) (S.D.N.Y.) (Equity Securities)	7	\$ 2,425,000,000
	Merrill Lynch & Co., Inc. (2007)	27	\$ 475,000,000
	3Com Corp. (1997) (N.D. Cal.)	50	\$ 259,000,000
	Informix Corp.	90	\$ 136,500,000
Heins Mills & Olson			
	AOL Time Warner, Inc. (S.D.N.Y.)	5	\$ 2,500,000,000
	Broadcom Corp. (2001)	79	\$ 150,000,000
Kirby McInerney			
	Citigroup, Inc. (2007)	22	\$ 590,000,000
	Adelphia Communications Corp.	26	\$ 478,725,000
	Cendant Corp. (PRIDES)	36	\$ 374,000,000
	Waste Management Inc. (1997)	53	\$ 220,000,000
	National City Corp. (N.D. Ohio)	70	\$ 168,000,000

LEAD / CO-LEAD COUNSEL	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT
	Bennett Funding Group, Inc.	77	\$ 152,635,000
	AT&T Wireless Tracking Stock	79	\$ 150,000,000
Entwistle & Cappucci			
	Royal Ahold, N.V.	9	\$ 1,100,000,000
	DaimlerChrysler AG (2000)	42	\$ 300,000,000
	CMS Energy Corp.	59	\$ 200,000,000
	Dollar General Corp. (2001)	74	\$ 162,000,000
Stull Stull & Brody			
	IPO Securities Litigation (Master Case)	23	\$ 585,999,996
	BankAmerica Corp. (1999)	25	\$ 490,000,000
	Computer Associates International, Inc. (1998)	91	\$ 133,551,000
	Edward D. Jones & Co., L.P.	94	\$ 127,500,000
Bernstein Liebhard			
	IPO Securities Litigation (Master Case)	23	\$ 585,999,996
	Marsh & McLennan Companies, Inc.	35	\$ 400,000,000
	Federal National Mortgage Association (Fannie Mae) (2004)	76	\$ 153,000,000
	Deutsche Telekom AG	100	\$ 120,000,000
Berger & Montague			
	Merrill Lynch & Co., Inc. (2007)	27	\$ 475,000,000
	Rite Aid Corp.	38	\$ 319,580,000
	Waste Management Inc. (1997)	53	\$ 220,000,000
	Sunbeam Corp.	86	\$ 140,995,187
Chitwood Harley Harnes			
	BankAmerica Corp. (1999)	25	\$ 490,000,000
	Oxford Health Plans Inc.	42	\$ 300,000,000
	Maxim Integrated Products, Inc.	68	\$ 173,000,000
	The Coca-Cola Company (2000)	88	\$ 137,500,000
Hahn Loeser & Parks			
	American International Group, Inc. (2004)	12	\$ 1,009,500,000
Berman DeValerio			
	Bristol-Myers Squibb Co. (2002)	42	\$ 300,000,000
	Bear Stearns Companies, Inc. (S.D.N.Y.)	45	\$ 294,900,000
	El Paso Corporation (2002) (S.D. Tex.)	46	\$ 285,000,000
	Lernout & Hauspie Speech Products N.V. (2000)	99	\$ 120,520,000
Abbey Spanier Rodd & Abrams			
	BankAmerica Corp. (1999)	25	\$ 490,000,000

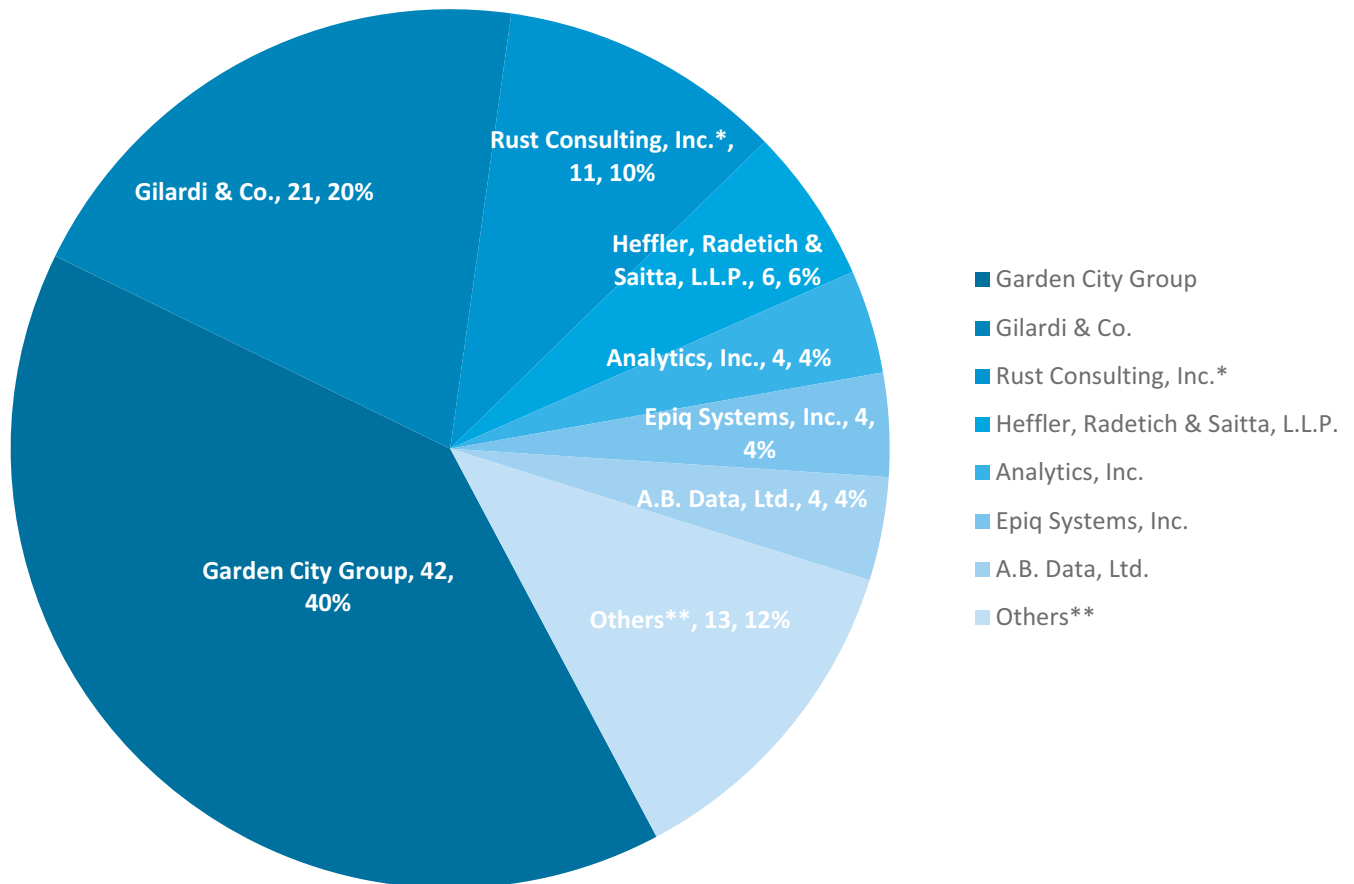
LEAD / CO-LEAD COUNSEL	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT
	Adelphia Communications Corp.	26	\$ 478,725,000
Cunningham Bounds			
	HealthSouth Corp. (2004)	14	\$ 804,500,000
Schatz Nobel Izard			
	HealthSouth Corp. (2004)	14	\$ 804,500,000
Wolf Haldenstein Adler Freeman & Herz			
	IPO Securities Litigation (Master Case)	23	\$ 585,999,996
	MicroStrategy Inc.	64	\$ 192,500,000
Berman DeValerio Pease Tabacco Burt & Pucillo			
	Xerox Corp. (2000)	15	\$ 750,000,000
Johnson & Perkinson			
	Xerox Corp. (2000)	15	\$ 750,000,000
Girard Gibbs*			
	Lehman Brothers Holdings, Inc. (S.D.N.Y.) (Equity/Debt Securities)	16	\$ 735,218,000
Howard B. Sirota, Esq.			
	IPO Securities Litigation (Master Case)	23	\$ 585,999,996
Nix, Patterson & Roach			
	BNY Mellon, N.A.	48	\$ 280,000,000
	Brocade Communications Systems, Inc. (2005)	75	\$ 160,098,500
	Delphi Corporation	93	\$ 128,350,000
Waite, Schneider, Bayless & Chesley			
	Federal Home Loan Mortgage Corp. (Freddie Mac) (2003)	34	\$ 410,000,000
	Federal National Mortgage Association (Fannie Mae) (2004)	76	\$ 153,000,000
Cohen Milstein Sellers & Toll			
	Countrywide Financial Corp. (2010) (C.D. Cal.)	24	\$ 500,000,000
Green Schaaf & Jacobson			
	BankAmerica Corp. (1999)	25	\$ 490,000,000
Abbey Spanier			
	Adelphia Communications Corp.	26	\$ 478,725,000
Lite, DePalma, Greenberg & Rivas			
	Tenet Healthcare Corp. (2002)	47	\$ 281,500,000
	Motorola, Inc. (2003)	65	\$ 190,000,000
Wolf Popper			
	Motorola, Inc. (2003)	65	\$ 190,000,000
	Sunbeam Corp.	86	\$ 140,995,187
	Mattel, Inc.	98	\$ 122,000,000

LEAD / CO-LEAD COUNSEL	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT
Barrett & Weber			
	Federal Home Loan Mortgage Corp. (Freddie Mac) (2003)	34	\$ 410,000,000
Lowey Dannenberg Cohen & Hart			
	Bernard L. Madoff Investment Securities LLC / Income-Plus Investment Fund (2009) (S.D.N.Y.)	54	\$ 219,857,694
	Juniper Networks, Inc. (2006)	69	\$ 169,500,000
Pomerantz			
	Comverse Technology, Inc. (2006)	52	\$ 225,000,000
	Charter Communications, Inc. (2002)	84	\$ 146,250,000
Susman Godfrey			
	Williams Companies, Inc. (2002)	40	\$ 311,000,000
Hagens Berman Sobol Shapiro			
	Charles Schwab & Co., Inc. (2008) (N.D. Cal.) (Schwab YieldPlus Fund)	51	\$ 235,000,000
Abbey, Gardy & Squitieri			
	Waste Management Inc. (1997)	53	\$ 220,000,000
Chimicles & Tikellis			
	Kinder Morgan, Inc. (2006) (Kansas District Court)	59	\$ 200,000,000
The Nygaard Law Firm			
	Kinder Morgan, Inc. (2006) (Kansas District Court)	59	\$ 200,000,000
Patton Roberts			
	Brocade Communications Systems, Inc. (2005)	75	\$ 160,098,500
Markovits, Stock & DeMarco			
	Federal National Mortgage Association (Fannie Mae) (2004)	76	\$ 153,000,000
Provost & Umphrey			
	TXU Corp. (2002)	82	\$ 149,750,000
Lovell & Stewart			
	Sumitomo (Copper Trading) Corp.	83	\$ 149,250,000
Lowenstein Sandler			
	Electronic Data Systems Corp. (2002)	88	\$ 137,500,000
Blitz Bardgett & Deutsch			
	Edward D. Jones & Co., L.P.	94	\$ 127,500,000
Goodin MacBride Squeri Ritchie & Day			
	Edward D. Jones & Co., L.P.	94	\$ 127,500,000
Hulett Harper Stewart			
	Edward D. Jones & Co., L.P.	94	\$ 127,500,000
Stanley, Mandel & Lola			

LEAD / CO-LEAD COUNSEL	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT
	Edward D. Jones & Co., L.P.	94	\$ 127,500,000
Weiss & Lurie			
	Edward D. Jones & Co., L.P.	94	\$ 127,500,000
Cauley Bowman Carney & Williams			
	Lernout & Hauspie Speech Products N.V. (2000)	99	\$ 120,520,000
Shalov Stone & Bonner			
	Lernout & Hauspie Speech Products N.V. (2000)	99	\$ 120,520,000
Susman, Watkins & Wylie			
	Bank One Corp. (First Chicago NBD)	100	\$ 120,000,000

**Partial participation on the complete settlement*

MOST FREQUENT CLAIMS ADMINISTRATOR IN TOP 100



* Includes 7 settlements administered by Rust Consulting and 4 settlements administered under Complete Claim Solutions

** Refers to the remaining Claims Administrator with less than 4 cases covered in the Top 100 list.

MOST FREQUENT CLAIMS ADMINISTRATOR IN TOP 100

CA NAME	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT	TOTAL SETTLEMENT ADMINISTERED
Garden City Group				\$ 26,311,074,954
	WorldCom, Inc. (2002)	2	\$ 6,194,100,714	
	Tyco International, Ltd. (2002)	4	\$ 3,200,000,000	
	Bank of America Corporation (2009) (S.D.N.Y.) (Equity Securities)	7	\$ 2,425,000,000	
	Nortel Networks Corp. (2001) (I)	8	\$ 1,142,775,308	
	Royal Ahold, N.V.	9	\$ 1,100,000,000	
	Nortel Networks Corp. (2004) (II)	10	\$ 1,074,265,298	
	Lehman Brothers Holdings, Inc. (S.D.N.Y.) (Equity/Debt Securities)	16	\$ 735,218,000	
	Citigroup Bonds	17	\$ 730,000,000	
	Lucent Technologies, Inc.	18	\$ 667,000,000	
	Wachovia Preferred Securities and Bond/Notes	19	\$ 627,000,000	
	Citigroup, Inc. (2007)	22	\$ 590,000,000	
	IPO Securities Litigation (Master Case)	23	\$ 585,999,996	
	Countrywide Financial Corp. (2010) (C.D. Cal.)	24	\$ 500,000,000	
	Global Crossing, Ltd. (2002)	32	\$ 447,800,000	
	Federal Home Loan Mortgage Corp. (Freddie Mac) (2003)	34	\$ 410,000,000	
	Refco, Inc.	37	\$ 358,300,000	
	Merrill Lynch Mortgage Investors, Inc. (Mortgage Pass-Through Certificates)	39	\$ 315,000,000	
	Williams Companies, Inc. (2002)	40	\$ 311,000,000	
	Bristol-Myers Squibb Co. (2002)	42	\$ 300,000,000	
	DaimlerChrysler AG (2000)	42	\$ 300,000,000	
	Oxford Health Plans Inc.	42	\$ 300,000,000	
	Bear Stearns Companies, Inc. (S.D.N.Y.)	45	\$ 294,900,000	
	Tenet Healthcare Corp. (2002)	47	\$ 281,500,000	
	BNY Mellon, N.A.	48	\$ 280,000,000	
	Bernard L. Madoff Investment Securities LLC /Income-Plus Investment Fund (2009) (S.D.N.Y.)	54	\$ 219,857,694	
	Sears, Roebuck & Co. (2002)	55	\$ 215,000,000	
	Washington Mutual, Inc. (2007)	57	\$ 208,500,000	
	The Mills Corp.	58	\$ 202,750,000	
	CMS Energy Corp.	59	\$ 200,000,000	

CA NAME	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT	TOTAL SETTLEMENT ADMINISTERED
	Kinder Morgan, Inc. (2006) (Kansas District Court)	59	\$ 200,000,000	
	WellCare Health Plans, Inc.	59	\$ 200,000,000	
	Safety-Kleen Corp. (Bondholders)	63	\$ 197,622,944	
	Bristol-Myers Squibb Co. (2000)	66	\$ 185,000,000	
	Broadcom Corp. (2006) (Individual Defendants)	67	\$ 173,500,000	
	Maxim Integrated Products, Inc.	68	\$ 173,000,000	
	Dollar General Corp. (2001)	74	\$ 162,000,000	
	Federal National Mortgage Association (Fannie Mae) (2004)	76	\$ 153,000,000	
	Bennett Funding Group, Inc.	77	\$ 152,635,000	
	Delphi Corporation	93	\$ 128,350,000	
	Bristol-Myers Squibb Co. (2007)	95	\$ 125,000,000	
	Wells Fargo Mortgage-Backed Securities Pass-Through Certificates (N.D. Cal.)	95	\$ 125,000,000	
	Deutsche Telekom AG	100	\$ 120,000,000	
Gilardi & Co.				\$ 17,743,830,616
	Enron Corp. (2001)	1	\$ 7,242,000,000	
	AOL Time Warner, Inc. (S.D.N.Y.)	5	\$ 2,500,000,000	
	Household International, Inc. (N.D. Ill.)	6	\$ 2,464,399,616	
	UnitedHealth Group, Inc.	13	\$ 925,500,000	
	Xerox Corp. (2000)	15	\$ 750,000,000	
	Cardinal Health, Inc.	21	\$ 600,000,000	
	Dynegy Inc. (2002)	28	\$ 474,050,000	
	Qwest Communications International, Inc. (2001)	33	\$ 445,000,000	
	Rite Aid Corp.	38	\$ 319,580,000	
	3Com Corp. (1997) (N.D. Cal.)	50	\$ 259,000,000	
	Charles Schwab & Co., Inc. (2008) (N.D. Cal.) (Schwab YieldPlus Fund)	51	\$ 235,000,000	
	Motorola, Inc. (2007)	59	\$ 200,000,000	
	MicroStrategy Inc.	64	\$ 192,500,000	
	Pharmacia Corp.	73	\$ 164,000,000	
	AT&T Wireless Tracking Stock	79	\$ 150,000,000	
	Broadcom Corp. (2001)	79	\$ 150,000,000	
	TXU Corp. (2002)	82	\$ 149,750,000	
	The Coca-Cola Company (2000)	88	\$ 137,500,000	
	Computer Associates International, Inc. (1998)	91	\$ 133,551,000	
	Doral Financial Corp. (2005)	92	\$ 130,000,000	

CA NAME	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT	TOTAL SETTLEMENT ADMINISTERED
	Mattel, Inc.	98	\$ 122,000,000	
Rust Consulting, Inc.				\$ 5,427,500,000
	American International Group, Inc. (2004)	12	\$ 1,009,500,000	
	HealthSouth Corp. (2004)	14	\$ 804,500,000	
	Countrywide Financial Corp. (2007) (C.D. Cal.)	20	\$ 624,000,000	
	Merrill Lynch & Co., Inc. (2007)	27	\$ 475,000,000	
	Marsh & McLennan Companies, Inc.	35	\$ 400,000,000	
	Juniper Networks, Inc. (2006)	69	\$ 169,500,000	
	Satyam Computer Services, Ltd.	78	\$ 150,500,000	
Complete Claim Solutions, Inc.				
	American International Group, Inc. (2004)	12	\$ 1,009,500,000	
	Waste Management Inc. (1999) (S.D. Tex.)	31	\$ 457,000,000	
	Motorola, Inc. (2003)	65	\$ 190,000,000	
	Biovail Corp. (2003)	87	\$ 138,000,000	
Heffler, Radetich & Saitta, L.L.P.				\$ 4,475,850,000
	Cendant Corp.	3	\$ 3,319,350,000	
	BankAmerica Corp. (1999)	25	\$ 490,000,000	
	Waste Management Inc. (1997)	53	\$ 220,000,000	
	Schering-Plough Corp. (2001)	71	\$ 165,000,000	
	Apollo Group, Inc. (2004)	85	\$ 145,000,000	
	Informix Corp.	90	\$ 136,500,000	
Analytics, Inc.				\$ 1,786,827,088
	McKesson HBOC Inc.	11	\$ 1,052,000,000	
	Raytheon Company	30	\$ 460,000,000	
	Merrill Lynch & Co., Inc. (Bonds or Preferred Shares Offerings)	79	\$ 150,000,000	
	New Century Financial Corp.	97	\$ 124,827,088	
Epiq Systems, Inc.				\$ 1,151,098,500
	Schering-Plough Corp. (2008)	29	\$ 473,000,000	
	General Motors Corp. (2005) (E.D. Mich.)	41	\$ 303,000,000	
	Merck & Co., Inc. (2008)	55	\$ 215,000,000	
	Brocade Communications Systems, Inc. (2005)	75	\$ 160,098,500	
A.B. Data, Ltd.				\$ 790,520,000
	Lehman Brothers Holdings, Inc. (S.D.N.Y.) (Equity/Debt Securities)*	16	\$ 120,000,000	
	El Paso Corporation (2002) (S.D. Tex.)	46	\$ 285,000,000	
	Massey Energy Company (2010)	49	\$ 265,000,000	

CA NAME	CASE NAME	RANK	TOTAL SETTLEMENT AMOUNT	TOTAL SETTLEMENT ADMINISTERED
	Lernout & Hauspie Speech Products N.V. (2000)	99	\$ 120,520,000	
Valley Forge Administrative Services, Inc.				\$ 852,725,000
	Adelphia Communications Corp.	26	\$ 478,725,000	
	Cendant Corp. (PRIDES)	36	\$ 374,000,000	
BMC Group				\$ 177,500,000
	McKesson HBOC Inc.*	11	\$ 9,500,000	
	National City Corp. (N.D. Ohio)	70	\$ 168,000,000	
ACS Financial Securities Services				\$ 290,245,187
	Sumitomo (Copper Trading) Corp.	83	\$ 149,250,000	
	Sunbeam Corp.	86	\$ 140,995,187	
Berdon Claims Administration LLC				\$ 371,250,000
	Comverse Technology, Inc. (2006)	52	\$ 225,000,000	
	Charter Communications, Inc. (2002)	84	\$ 146,250,000	
Poorman-Douglas				\$ 257,500,000
	Electronic Data Systems Corp. (2002)	88	\$ 137,500,000	
	Conseco, Inc. (2000)	100	\$ 120,000,000	
Digex, Inc.				\$ 165,000,000
	Digex, Inc.	71	\$ 165,000,000	
Edward D. Jones & Co., L.P.				\$ 127,500,000
	Edward D. Jones & Co., L.P. (Federal Class Settlement)	94	\$ 127,500,000	
Strategic Claims Services				\$ 120,000,000
	Bank One Corp. (First Chicago NBD)	100	\$ 120,000,000	

**Partial settlement administration*

SECURITIES CLASS ACTION SERVICES RESTATEMENTS

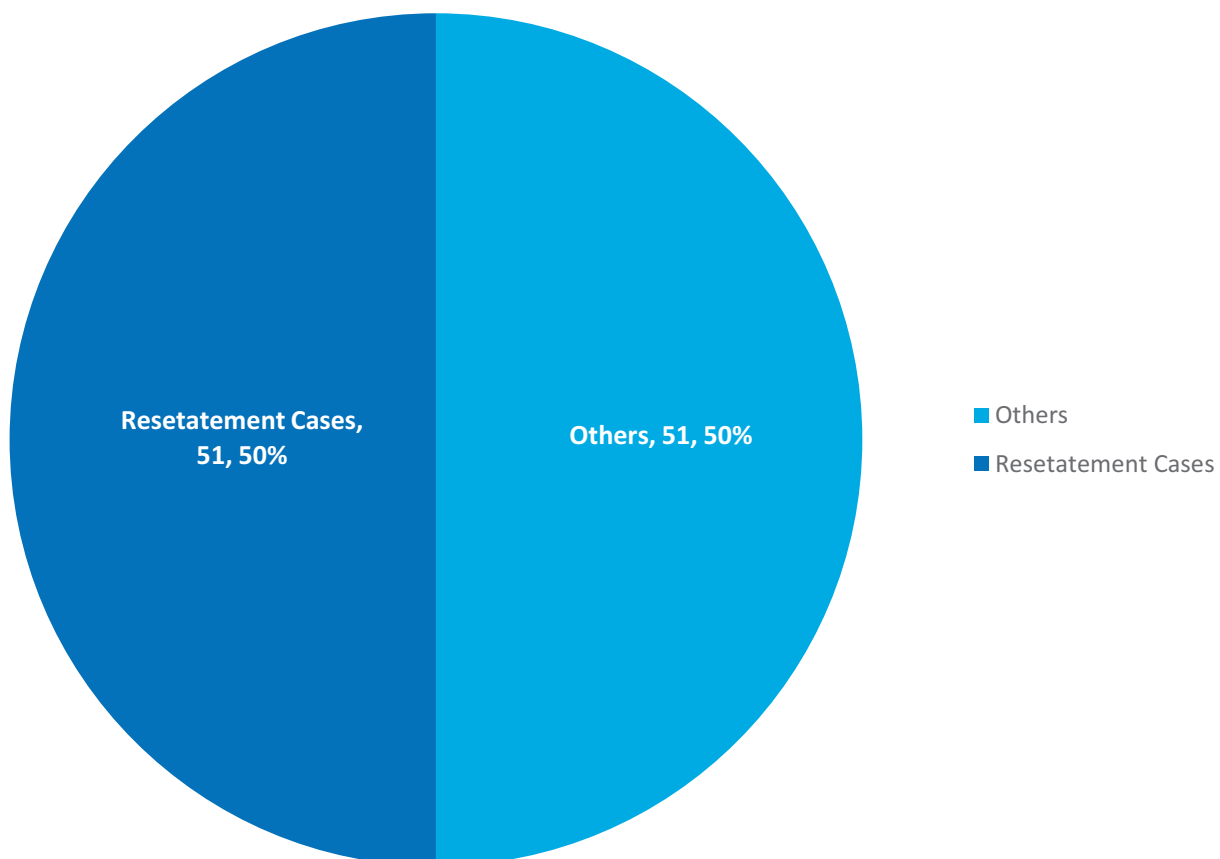
RANK	CASE NAME	TOTAL SETTLEMENT AMOUNT	SETTLEMENT YEAR
1	Enron Corp. (2001)	\$ 7,242,000,000.00	2010
2	WorldCom, Inc. (2002)	\$ 6,194,100,713.69	2012
3	Cendant Corp.	\$ 3,319,350,000.00	2000
4	AOL Time Warner, Inc. (S.D.N.Y.)	\$ 2,500,000,000.00	2006
5	Nortel Networks Corp. (2001) (I)	\$ 1,142,775,308.00	2006
6	Royal Ahold, N.V.	\$ 1,100,000,000.00	2006
7	Nortel Networks Corp. (2004) (II)	\$ 1,074,265,298.00	2006
8	McKesson HBOC Inc.	\$ 1,052,000,000.00	2013
9	American International Group, Inc. (2004)	\$ 1,009,500,000.00	2013
10	UnitedHealth Group, Inc.	\$ 925,500,000.00	2009
11	HealthSouth Corp. (2004)	\$ 804,500,000.00	2010
12	Xerox Corp. (2000)	\$ 750,000,000.00	2009
13	Lucent Technologies, Inc.	\$ 667,000,000.00	2003
14	Countrywide Financial Corp. (2007) (C.D. Cal.)	\$ 624,000,000.00	2011
15	Cardinal Health, Inc.	\$ 600,000,000.00	2007
16	Adelphia Communications Corp.	\$ 478,725,000.00	2013
17	Waste Management Inc. (1999) (S.D. Tex.)	\$ 457,000,000.00	2003
18	Global Crossing, Ltd. (2002)	\$ 447,800,000.00	2007
19	Qwest Communications International, Inc. (2001)	\$ 445,000,000.00	2009
20	Federal Home Loan Mortgage Corp. (Freddie Mac) (2003)	\$ 410,000,000.00	2006
21	Cendant Corp. (PRIDES)	\$ 374,000,000.00	2006

RANK	CASE NAME	TOTAL SETTLEMENT AMOUNT	SETTLEMENT YEAR
22	Refco, Inc.	\$ 358,300,000.00	2011
23	Rite Aid Corp.	\$ 319,580,000.00	2003
24	General Motors Corp. (2005) (E.D. Mich.)	\$ 303,000,000.00	2009
25	Bristol-Myers Squibb Co. (2002)	\$ 300,000,000.00	2004
26	El Paso Corporation (2002) (S.D. Tex.)	\$ 285,000,000.00	2007
27	3Com Corp. (1997) (N.D. Cal.)	\$ 259,000,000.00	2001
28	Comverse Technology, Inc. (2006)	\$ 225,000,000.00	2010
29	Waste Management Inc. (1997)	\$ 220,000,000.00	1999
30	The Mills Corp.	\$ 202,750,000.00	2009
31	WellCare Health Plans, Inc.	\$ 200,000,000.00	2011
31	CMS Energy Corp.	\$ 200,000,000.00	2007
33	Safety-Kleen Corp. (Bondholders)	\$ 197,622,944.00	2006
34	MicroStrategy Inc.	\$ 192,500,000.00	2001
35	Broadcom Corp. (2006) (Individual Defendants)	\$ 173,500,000.00	2012
36	Maxim Integrated Products, Inc.	\$ 173,000,000.00	2010
37	Juniper Networks, Inc. (2006)	\$ 169,500,000.00	2010
38	Dollar General Corp. (2001)	\$ 162,000,000.00	2002
39	Brocade Communications Systems, Inc. (2005)	\$ 160,098,500.00	2009
40	Federal National Mortgage Association (Fannie Mae) (2004)	\$ 153,000,000.00	2013
41	Satyam Computer Services, Ltd.	\$ 150,500,000.00	2011
42	Broadcom Corp. (2001)	\$ 150,000,000.00	2005
43	Charter Communications, Inc. (2002)	\$ 146,250,000.00	2005

RANK	CASE NAME	TOTAL SETTLEMENT AMOUNT	SETTLEMENT YEAR
44	Sunbeam Corp.	\$ 140,995,187.00	2002
45	Biovail Corp. (2003)	\$ 138,000,000.00	2008
46	Informix Corp.	\$ 136,500,000.00	1999
47	Doral Financial Corp. (2005)	\$ 130,000,000.00	2007
48	Delphi Corporation	\$ 128,350,000.00	2009
49	New Century Financial Corp.	\$ 124,827,088.00	2010
50	Lernout & Hauspie Speech Products N.V. (2000)	\$ 120,520,000.00	2004
51	Conseco, Inc. (2000)	\$ 120,000,000.00	2002

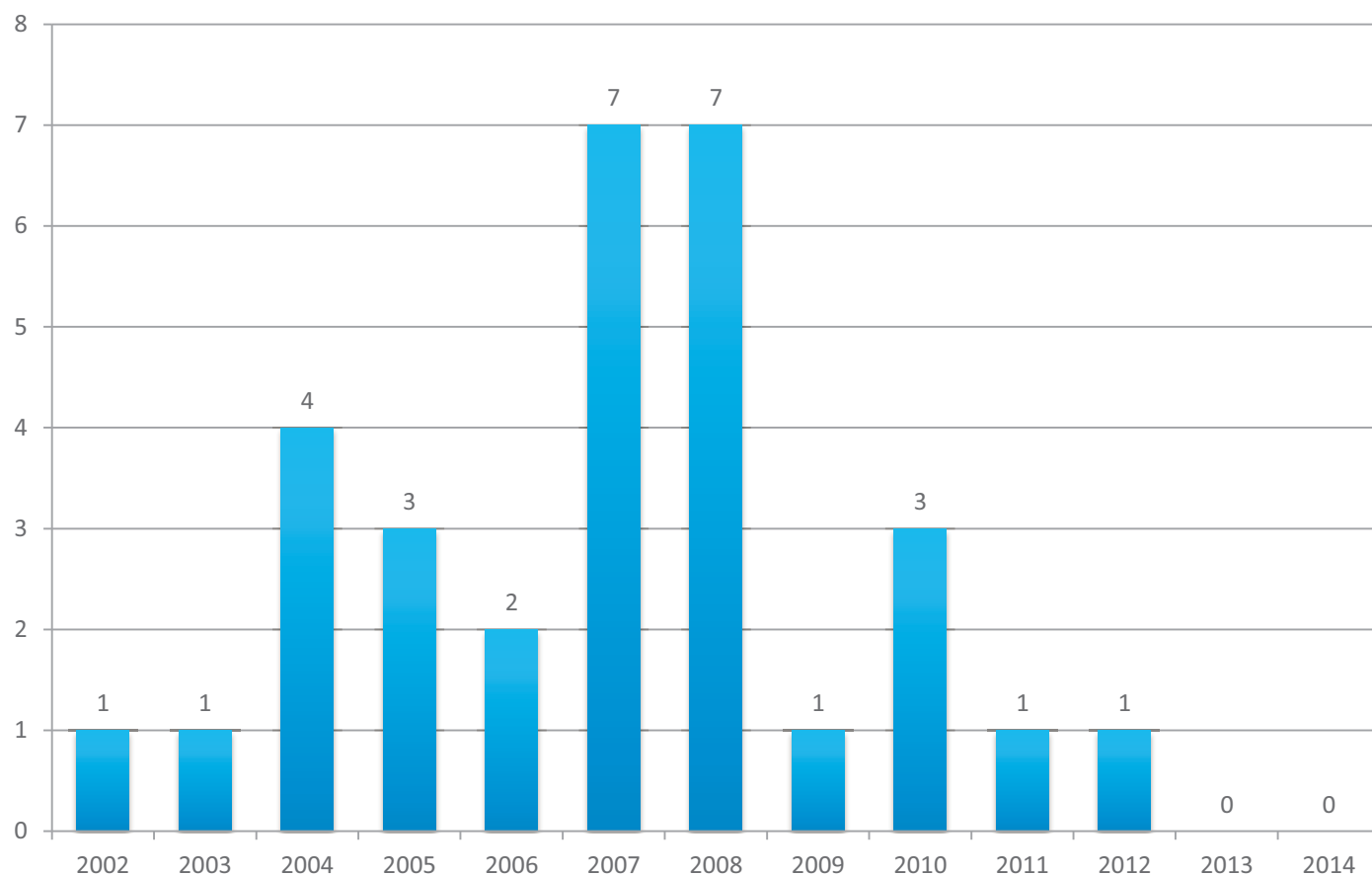
RESTATEMENTS

Cases Involving Accounting Restatements in Top 100 Settlements



NO. OF SETTLEMENTS ADDED TO SECURITIES CLASS ACTION SERVICES TOP 30 SEC DISGORGEMENTS

2002 - Present



TOP 30 SEC DISGORGEMENTS

Cases Listed in Top 30 Disgorgements Categorized By Settlement Amount

RANK	CASE NAME	SETTLEMENT YEAR	TOTAL SETTLEMENT AMOUNT
1	American International Group, Inc. (SEC) (2006)	2008	\$ 800,000,000.00
2	WorldCom, Inc. (SEC)	2003	\$ 750,000,000.00
3	Enron Corp. (SEC)	2008	\$ 450,000,000.00
4	Banc of America Capital Management, LLC (SEC)	2007	\$ 375,000,000.00
5	Federal National Mortgage Association (Fannie Mae) (SEC)	2007	\$ 350,000,001.00
6	Invesco Funds (SEC)	2008	\$ 325,000,000.00
7	Time Warner Inc. (SEC)	2005	\$ 308,000,000.00
8	Prudential Securities (SEC)	2010	\$ 270,000,000.00
9	Qwest Communications International Inc. (SEC Fair Fund)	2006	\$ 252,869,388.00
10	Alliance Capital Management L.P. (SEC)	2008	\$ 250,000,000.00
10	Bear Stearns (SEC)	2008	\$ 250,000,000.00
10	PBHG Mutual Funds (SEC)	2004	\$ 250,000,000.00
13	NYSE Specialist Firms (SEC)	2004	\$ 247,557,022.57
14	Massachusetts Financial Services Co. (SEC)	2007	\$ 225,629,142.87
15	Computer Associates International, Inc. (CRIMINAL)	2005	\$ 225,000,000.00
16	Morgan Keegan Funds (SEC)	2012	\$ 200,300,000.00
17	Millennium Partners, L.P. (SEC)	2007	\$ 180,575,005.00
18	SEC Analyst Suit 2 - Citigroup Global Markets f/k/a Salomon Smith Barney	2005	\$ 157,500,000.00
19	Putnam Investment Management, LLC (SEC)	2007	\$ 153,524,387.00
20	Bank of America Corporation (SEC)	2010	\$ 150,000,001.00
20	Bristol-Myers Squibb Co. (SEC)	2004	\$ 150,000,001.00
22	AOL Time Warner, Inc. (DOJ)	2006	\$ 150,000,000.00

RANK	CASE NAME	SETTLEMENT YEAR	TOTAL SETTLEMENT AMOUNT
23	Strong Capital Management, Inc. (SEC)	2009	\$ 140,750,000.00
24	Columbia Funds (SEC) (2005)	2007	\$ 140,000,000.00
25	American International Group, Inc. (SEC) (2004)	2004	\$ 126,366,000.00
26	Canadian Imperial Holdings Inc./CIBC World Markets Corp. (SEC)	2010	\$ 125,000,000.00
27	Royal Dutch Petroleum / Shell Transport (SEC)	2008	\$ 120,000,000.00
28	Charles Schwab Investment (SEC)	2011	\$ 110,000,000.00
29	Capital Consultants, LLC (SEC)	2002	\$ 100,000,000.00
29	HealthSouth Corp. (SEC)	2007	\$ 100,000,000.00
29	Janus Capital Management LLC (SEC)	2008	\$ 100,000,000.00

Note:

Total Settlement Amount" reflects the sum of disgorgement and civil penalties in settlements reached with the U.S. Securities and Exchange Commission.

Settlements that have the same amount are given the same ranking.

To be eligible for the Top 30 SEC Disgorgements, the Distribution Plan for the distribution of the Fair Fund must have been approved by the SEC.

For further information, please visit our website at <http://www.issgovernance.com/governance-solutions/securities-class-action-services/> or sales@issgovernance.com.

GLOSSARY

Claims Administrator – is an entity selected by the Lead Counsel or appointed by the court to manage the settlement notification and claim process.

Disgorgement - A repayment of ill-gotten gains that is imposed on wrong-doers by the courts.

Final settlements – settlements that received final approval from the court.

Institutional Lead Plaintiff - is an institutional shareholder or group of institutional shareholders appointed by the court to represent the interests of a class or classes of similarly situated shareholders.

Lead Counsel - law firm, or lawyer, appointed by the court, that prosecutes a class action on behalf of the class members.

Partial Settlement – is a preliminary agreement between some of the identified defendants in the action.

PSLRA – or Private Securities Litigation Reform Act of 1995 Legislation passed by Congress that implemented several substantive changes in the United States, affecting certain cases brought under the federal securities laws, including changes related to pleading, discovery, liability, class representation, and awards fees and expenses.

Settlement Year - corresponds to the year the settlement, or the most recent partial settlement, received final approval from the Court.

Total Settlement Amount - Refers to the sum of the settlement fund or the gross settlement fund approved by the court.

Employment of Manipulative and Deceptive Practices – or U.S. Securities and Exchange Commission Rule 10b-5 of the Securities Exchange Act of 1934

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Exhibit 2

CORNERSTONE RESEARCH

ECONOMIC AND FINANCIAL CONSULTING AND EXPERT TESTIMONY

Securities Class Action Settlements

2013 Review and Analysis



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HIGHLIGHTS

- Total settlement dollars in 2013 increased substantially—46 percent over 2012 and 60 percent above the average for the prior five years. [\(page 3\)](#)
- There were 67 settlements in 2013 (up from 57 in 2012), the first year-over-year increase since 2009. [\(page 3\)](#)
- Mega settlements pushed settlement dollars up in 2013, accounting for 84 percent of total settlement dollars, the second highest proportion in the last decade. [\(page 4\)](#)
- While mega settlements drove up the 2013 average settlement amount, the median settlement amount declined, reflecting a reduction in the size of more typical cases. [\(page 5\)](#)
- For 2013, the median “estimated damages” declined 48 percent from 2012 and is 17.5 percent lower than the median for post-Reform Act settlements in the prior five years. Since “estimated damages” are the most important factor in determining settlement amounts, this decline was likely a major factor contributing to the substantially lower median settlement in 2013 compared with 2012. [\(page 7\)](#)
- The proportion of settled cases in 2013 involving accounting allegations dipped to a ten-year low, but the settlement as a percentage of “estimated damages” for these cases was much higher than for cases not involving such allegations. [\(page 13\)](#)
- The median settlement in 2013 for cases with a public pension as a lead plaintiff was \$23 million, compared with \$3 million for cases without a public pension as a lead plaintiff. [\(page 15\)](#)
- New analyses reveal that settlements of \$50 million or lower are far less likely to involve accompanying SEC actions or a public pension as a lead plaintiff. [\(page 18\)](#)

FIGURE 1: SETTLEMENT STATISTICS

(Dollars in Millions)

	2013	1996–2012
Minimum	\$0.7	\$0.1
Median	\$6.5	\$8.3
Average	\$71.3	\$55.5
Maximum	\$2,425.0	\$8,358.2
Total Amount	\$4,773.9	\$73,740.2

Note: Settlement dollars adjusted for inflation; 2013 dollar equivalent figures used.

DEVELOPING TRENDS

The year 2013 saw the highest total dollar value of settlements approved over the last six years. This was due in part to an uptick in the number of cases settled (compared with the prior two years), as well as the relatively high average shareholder losses associated with cases settled in 2013 (the second highest in the last six years). The surrounding economic events are an important backdrop to understanding the settlement trends.

Settlement sizes in 2013 were affected by the resolution of a number of credit crisis cases, which tend to involve relatively large settlement amounts and related investor losses. Pharmaceutical industry sector settlements also contributed to the overall increase.

At the opposite end of the settlement spectrum were settlements of Chinese reverse merger cases. These matters tend to be relatively small. According to *Securities Class Action Filings—2013 Year in Review* released earlier this year by Cornerstone Research, the majority of these cases were filed in 2011 and thus, not surprisingly, a relatively large number (14 cases) were settled in 2013. All but one of these settlements were for amounts less than \$10 million.

Despite record enforcement activity by the SEC in the last couple of years, there has not been an increase in securities class action settlements accompanied by SEC actions. This is due in part to the potential lag between the underlying class action settlement and resolution of activity commenced by the SEC. Furthermore, the SEC's enforcement activity includes matters outside the scope of this research. Nevertheless, it is possible there will be an increase in securities class actions accompanied by disclosure-related SEC enforcement actions in the future.

In addition, securities class action filings (i.e., new cases) involving Rule 10b-5, Section 11, and/or Section 12 allegations have been relatively high over the last few years, including a surge in the second half of 2013 (see *Securities Class Action Filings—2013 Year in Review*). Thus, it is unlikely there will be any significant decline in the overall number of cases settled in upcoming years.

Looking ahead, it would be remiss not to mention the *Halliburton Co. v. Erica P. John Fund* matter currently before the U.S. Supreme Court. As has been widely discussed, the case challenges the fraud-on-the-market presumption that was established in 1988 through *Basic Inc. v. Levinson*. The suit has the potential to dramatically affect the entire landscape surrounding securities class actions, including issues that are the focus of this report, such as the damages associated with securities cases, the progression of these cases through the litigation process, and ultimately, the settlement amounts involved.

This report analyzes a sample of securities class actions filed after passage of the Private Securities Litigation Reform Act of 1995 (Reform Act) and settled from 1996 through year-end 2013, and explores a variety of factors that influence settlement outcomes. This study focuses on cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price). See page 24 for a detailed description of the research sample.

NUMBER AND SIZE OF SETTLEMENTS

TOTAL SETTLEMENT DOLLARS

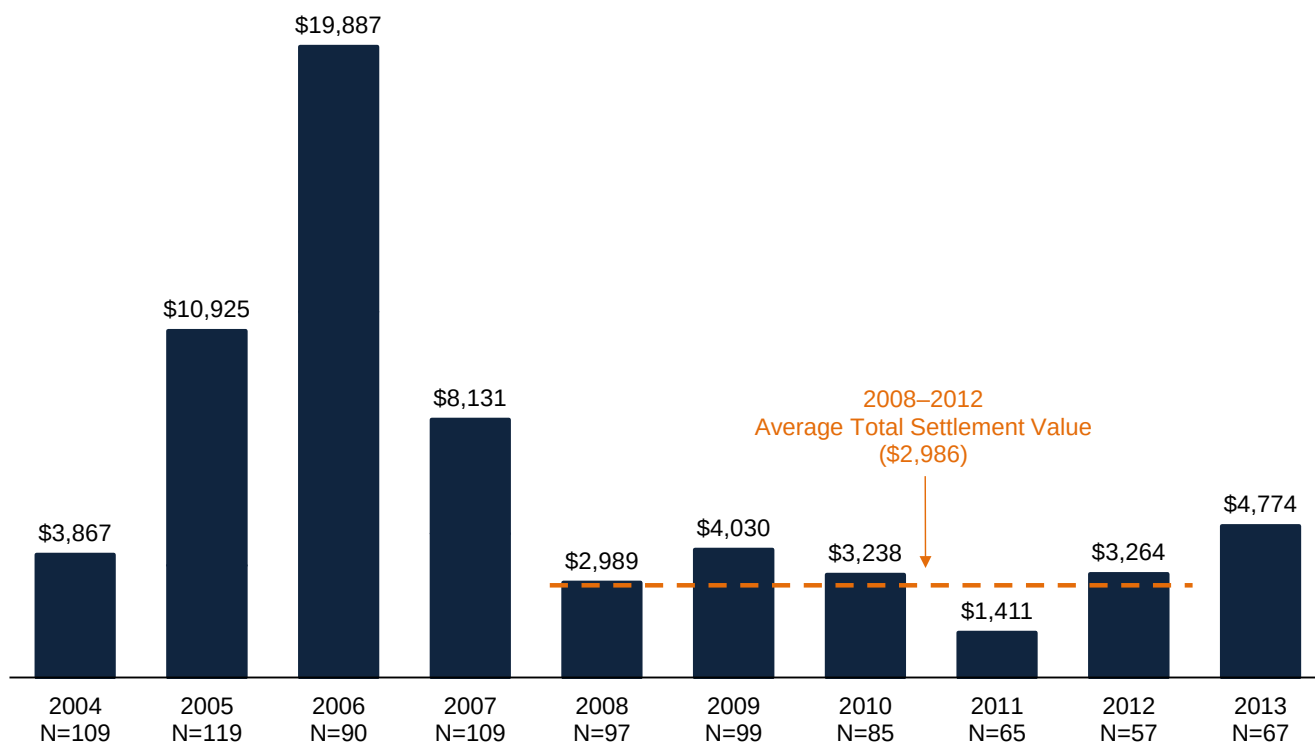
- In 2013, there were 67 court-approved settlements, a 17.5 percent increase from 2012 and a reversal of the year-over-year decline in the number of settlements observed since 2009.
- The increase in the number of settlements is likely due, in part, to increased securities class action filings during 2010 through 2012.¹ (See page 19 for a related discussion of time from filing to settlement.)
- The increase in total settlement dollars in 2013 was largely driven by six mega settlements (settlements at or above \$100 million).

Total settlement dollars in 2013 increased 46 percent over 2012.

FIGURE 2: TOTAL SETTLEMENT DOLLARS

2004–2013

(Dollars in Millions)



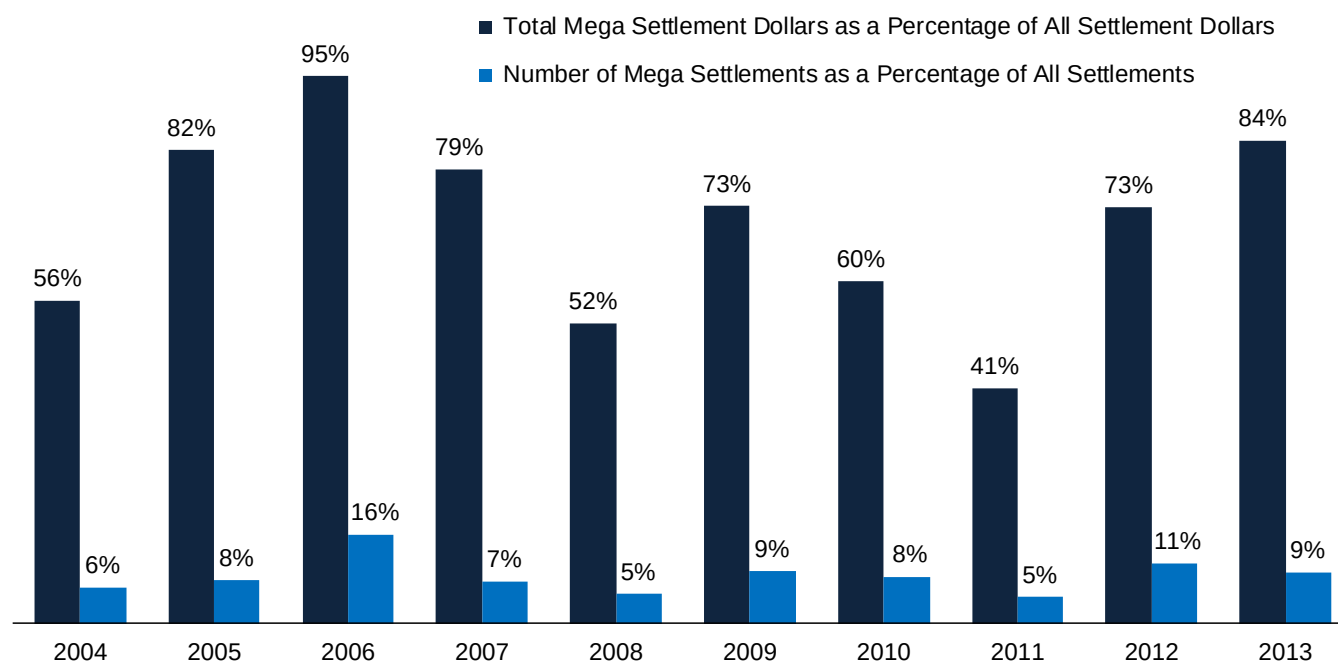
Note: Settlement dollars adjusted for inflation; 2013 dollar equivalent figures used.

MEGA SETTLEMENTS

- The percentage of settlement dollars from mega settlements (settlements at or above \$100 million) was the second highest proportion in the last ten years.
- As noted, there were six mega settlements in 2013, including one settlement for more than \$2 billion. The remaining five cases settled for between \$150 million and \$600 million.
- Three mega settlements involved pharmaceutical companies, and three involved financial institutions.

In 2013,
six settlements
accounted for
84 percent of total
settlement dollars.

FIGURE 3: MEGA SETTLEMENTS
2004–2013

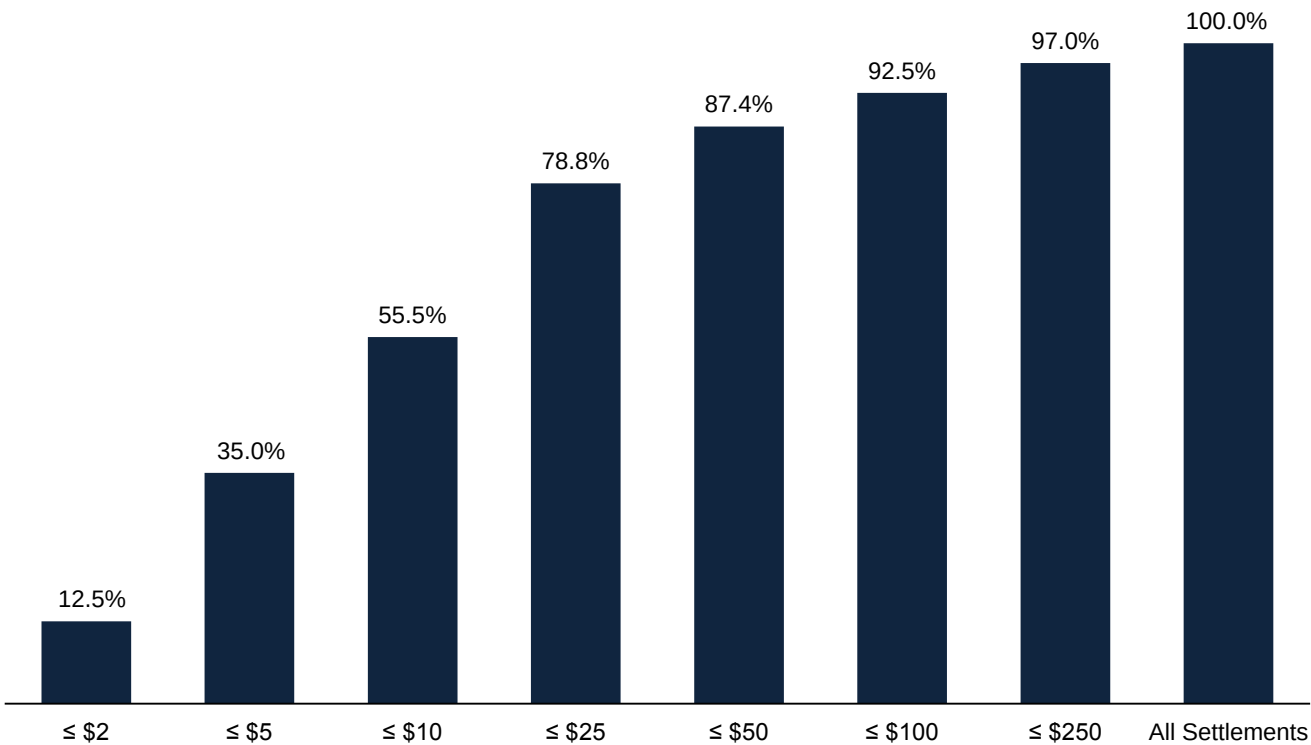


SETTLEMENT SIZE

- In 2013, the settlement size in approximately 60 percent of settled cases was \$10 million or less, slightly higher than the cumulative ten-year percentage of about 56 percent.
- This high number of smaller settlements contributed to a 37 percent decline in the median settlement size in 2013 compared with 2012 (\$6.5 million in 2013 versus \$10.3 million in 2012).
- Roughly 32 percent of settlements less than \$10 million in 2013 were for cases involving Chinese reverse mergers.²
- A total of 44 cases related to the subprime credit crisis are included in this study.³ The median settlement for credit crisis–related cases was \$30 million and the average settlement was over \$140 million. These cases generally settle for higher amounts compared to cases not associated with the credit crisis.

The vast majority of securities class actions settle for less than \$50 million.

FIGURE 4: CUMULATIVE TEN-YEAR SETTLEMENT DISTRIBUTION
2004–2013
(Dollars in Millions)



Note: Settlement dollars adjusted for inflation; 2013 dollar equivalent figures used.

SETTLEMENT SIZE *continued*

- Overall, 50 percent of post–Reform Act cases have settled for between \$3.6 million and \$20.6 million.
- Despite recent swings in annual median settlements, the range of settlement values between the 25th and 75th percentiles, with few exceptions, has fluctuated moderately with no discernible trend.

Annual median settlement values have ranged between \$6 and \$12 million in recent years.

FIGURE 5: SETTLEMENT PERCENTILES*(Dollars in Millions)*

Year	Average	10th	25th	Median	75th	90th
1996–2013	\$42.0	\$1.7	\$3.6	\$8.1	\$20.6	\$70.6
2013	\$71.3	\$1.9	\$3.0	\$6.5	\$21.5	\$79.5
2012	\$57.3	\$1.3	\$2.8	\$10.3	\$35.5	\$110.6
2011	\$21.7	\$1.9	\$2.6	\$6.0	\$18.6	\$43.3
2010	\$38.1	\$2.1	\$4.5	\$12.0	\$26.7	\$85.0
2009	\$40.7	\$2.6	\$4.2	\$8.7	\$21.7	\$72.1

Note: Settlement dollars adjusted for inflation; 2013 dollar equivalent figures used.

DAMAGES ESTIMATES AND MARKET CAPITALIZATION LOSSES

“ESTIMATED DAMAGES”

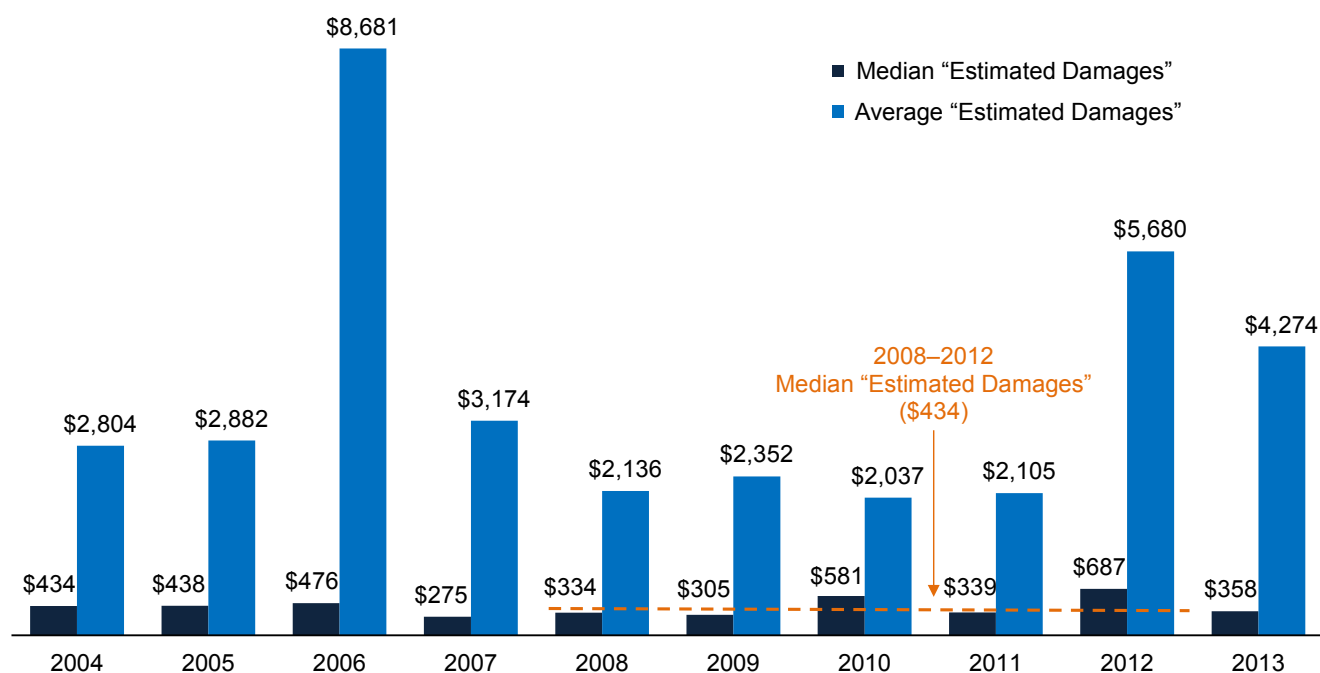
For purposes of this research and prior Cornerstone Research reports on securities class action settlements, these analyses use simplified calculations of shareholder losses, referred to as “estimated damages.” Application of this consistent method allows for the identification and analysis of potential trends. “Estimated damages” are not necessarily linked to the allegations included in the associated court pleadings.⁴ Accordingly, damages estimates presented in this report are not intended to be indicative of actual economic damages borne by shareholders.

- Average “estimated damages” for 2013 were the third highest in the post-Reform Act era, due in part to a small number of extremely large cases, two of which related to the credit crisis.
- The decline in median “estimated damages” was likely a major factor contributing to the substantially lower median settlement in 2013 relative to 2012.⁵

Median “estimated damages” for 2013 declined 48 percent from 2012.

**FIGURE 6: MEDIAN AND AVERAGE “ESTIMATED DAMAGES”
2004–2013**

(Dollars in Millions)



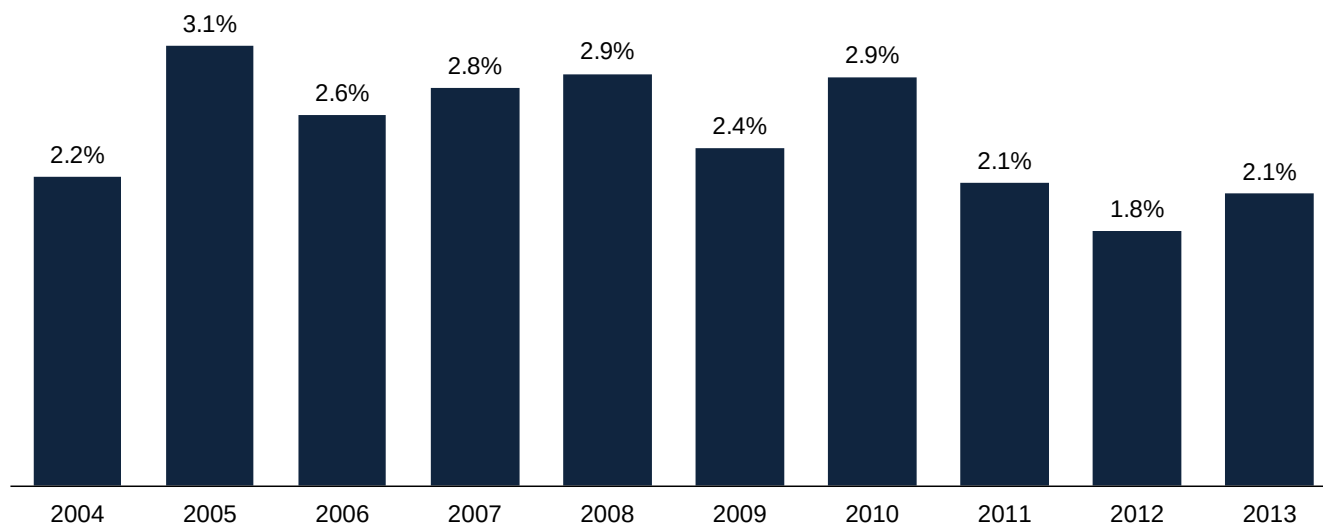
Note: “Estimated damages” are adjusted for inflation based on class period end dates.

“ESTIMATED DAMAGES” *continued*

- In 2013, the median settlement as a percentage of “estimated damages” rebounded slightly from a historic low of 1.8 percent in 2012.
- Median settlements as a percentage of “estimated damages” remained relatively low compared to levels observed over the past decade. Two factors contributed to this: the increased number of extremely large cases and the presence of credit crisis cases.
 - Traditionally, cases with large “estimated damages” have settled for a smaller proportion of those damages.
 - For credit crisis cases settled in 2013, the median settlement as a percentage of “estimated damages” was 0.7 percent, compared with 2.3 percent for all other cases settled in 2013.

Settlements as a percentage of “estimated damages” observed over the last three years are the lowest in the past decade.

FIGURE 7: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” 2004–2013



“ESTIMATED DAMAGES” continued

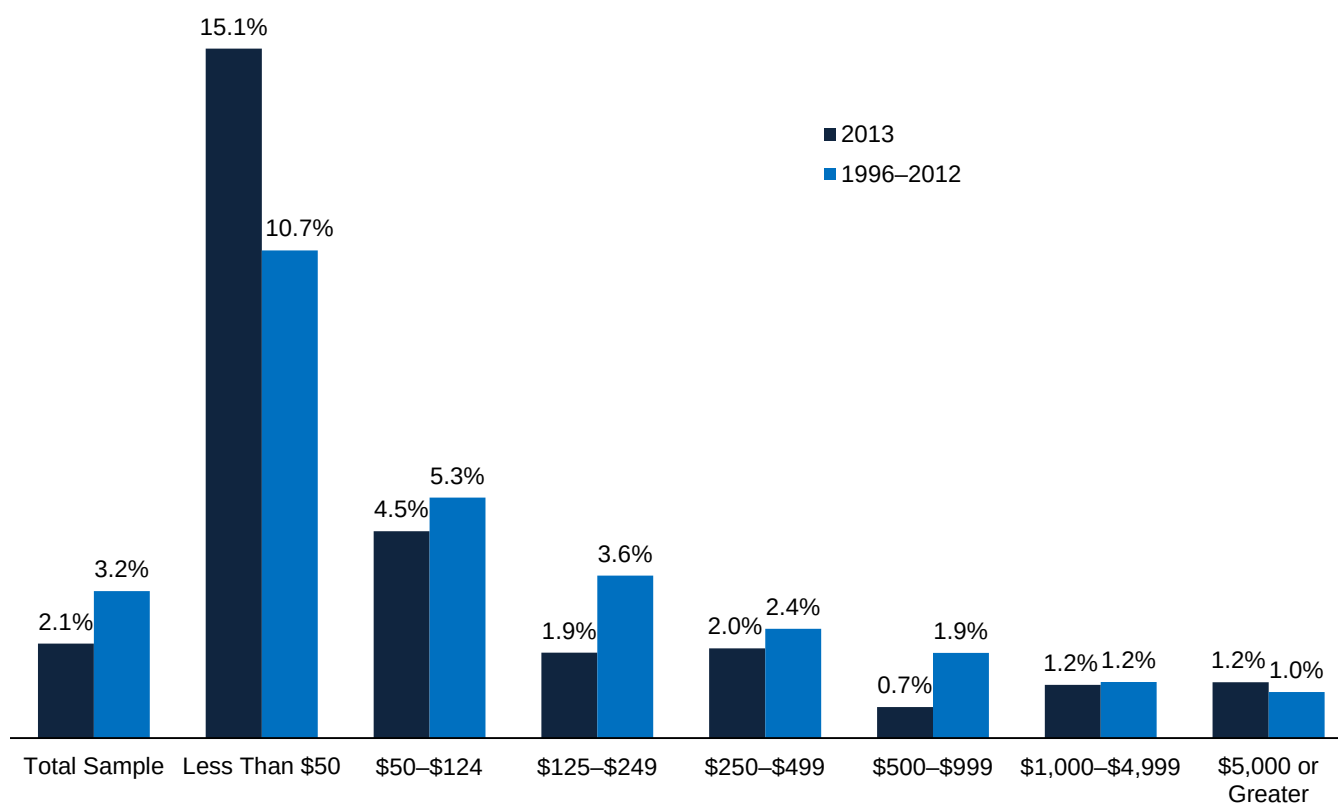
- Settlement amounts are generally larger when “estimated damages” are larger. Yet, as previously mentioned, settlements as a percentage of “estimated damages” tend to be smaller when “estimated damages” are larger.
- In 2013, relatively small cases—those with “estimated damages” of less than \$50 million—had a median settlement as a percentage of “estimated damages” of 15.1 percent, compared with 2.1 percent for all 2013 settlements.

In 2013, smaller cases settled at a much higher percentage of “estimated damages.”

FIGURE 8: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” BY DAMAGES RANGES

1996–2013

(Dollars in Millions)



DISCLOSURE DOLLAR LOSS

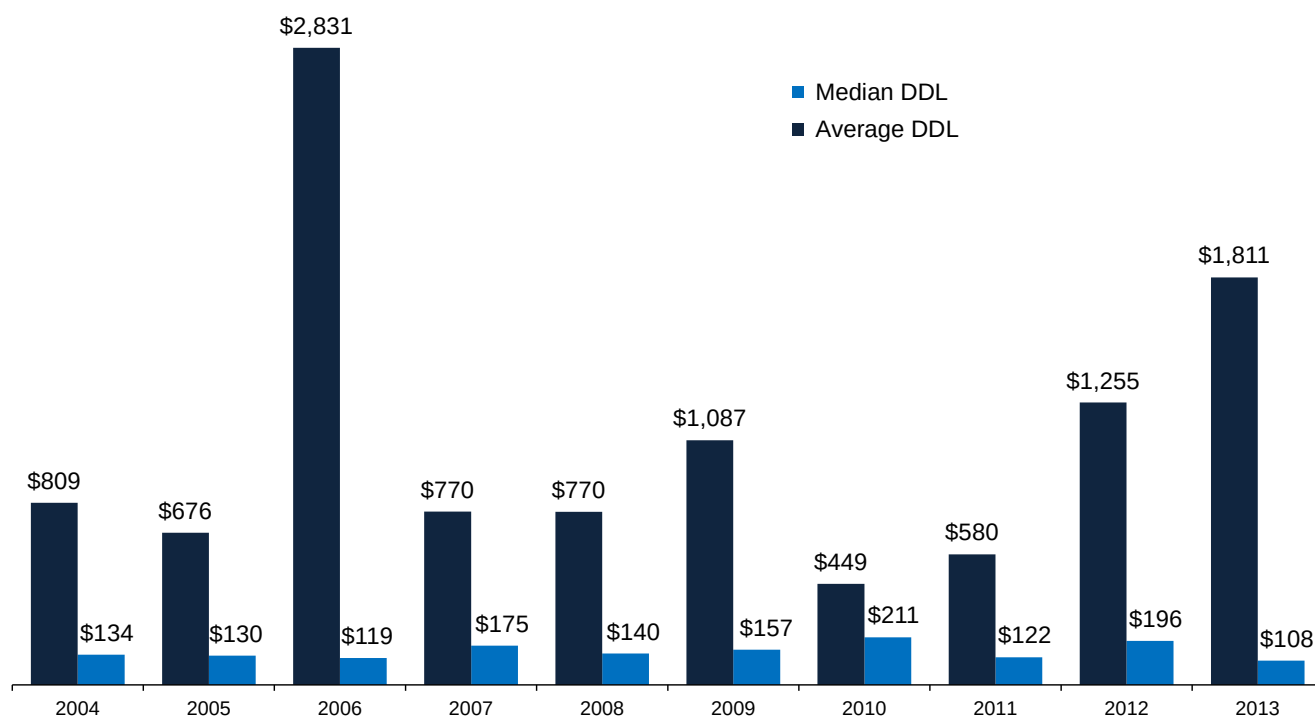
Disclosure Dollar Loss (DDL) is another simplified measure of shareholder losses and an alternative measure to “estimated damages.” DDL is calculated as the decline in the market capitalization of the defendant firm from the trading day immediately preceding the end of the class period to the trading day immediately following the end of the class period.⁶

- In contrast to the median DDL, average DDL increased 44 percent from 2012 to \$1.8 billion, reflecting the influence of a few very large cases.
- The median market capitalization at the time of settlement for issuers in the top 10 percent of DDL was dramatically higher than the median market capitalization for the next tier of DDL (\$133.8 billion compared with \$9.2 billion).
- The relationship between settlements and DDL is similar to that between settlements and “estimated damages”—settlements are larger when DDL is larger, yet settlements as a percentage of DDL are generally smaller when DDL is larger.

The median DDL associated with settled cases in 2013 decreased 45 percent from 2012.

FIGURE 9: MEDIAN AND AVERAGE DISCLOSURE DOLLAR LOSS 2004–2013

(Dollars in Millions)



Note: DDL adjusted for inflation based on class period end dates.

TIERED ESTIMATED DAMAGES

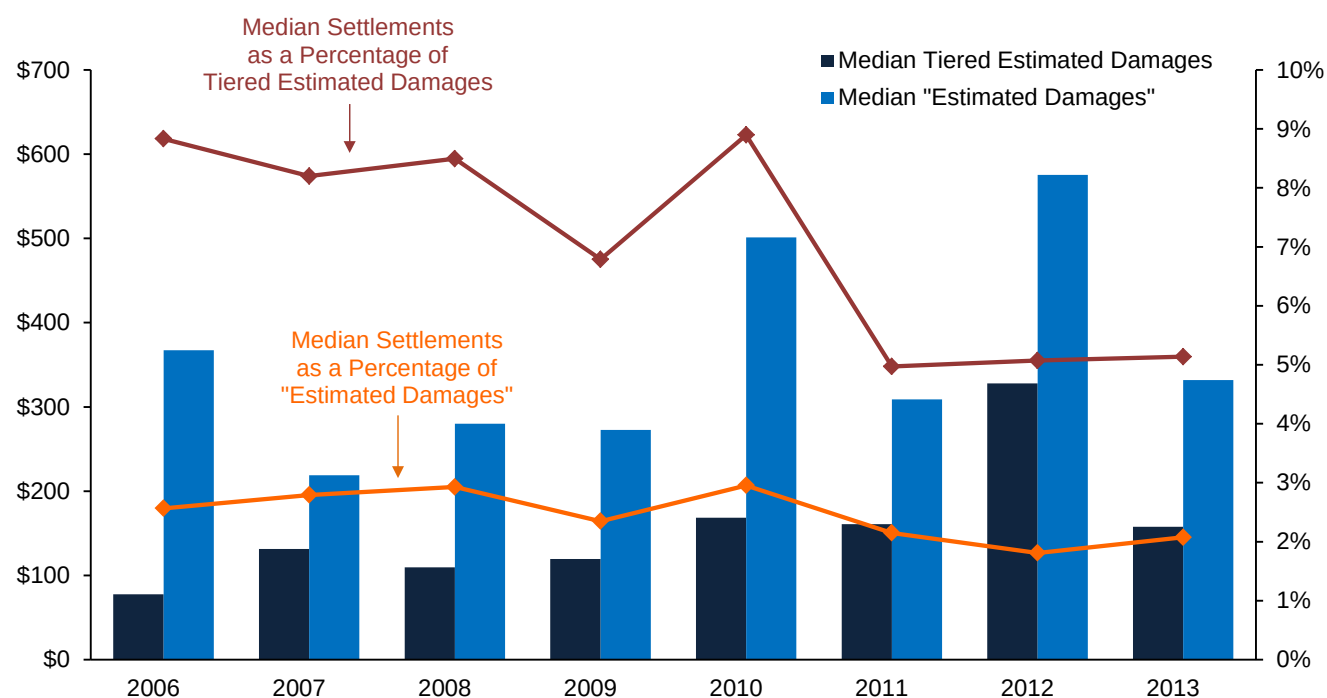
The landmark decision in 2005 by the U.S. Supreme Court in *Dura Pharmaceuticals Inc. v. Broudo* (*Dura*) determined that plaintiffs must show a causal link between alleged misrepresentations and the subsequent actual losses suffered by plaintiffs. As a result of this decision, damages cannot be associated with shares sold before information regarding the alleged fraud reaches the market. Accordingly, this report considers the influence of *Dura* on securities class action damages calculations by exploring an alternative measure of damages in settlements research. This alternative measure, referred to here as tiered estimated damages, is based on the stock-price drops on alleged corrective disclosure dates as described in the plan of allocation for the settlement.⁷ It utilizes a single value line when there is only one alleged corrective disclosure date (at the end of the class period) or a tiered value line when there are multiple alleged corrective disclosure dates.

This alternative measure has been calculated for a subsample of cases settled after 2005. As noted in past reports, tiered estimated damages has not yet surpassed the traditional measure of “estimated damages” used in this series of reports in terms of its power as a predictor of settlement outcomes. However, it is highly correlated with settlement amounts and provides an alternative measure of investor losses for more recent securities class action settlements.

FIGURE 10: TIERED ESTIMATED DAMAGES

2006–2013

(Dollars in Millions)



ANALYSIS OF SETTLEMENT CHARACTERISTICS

NATURE OF CLAIMS

- The number of cases settled in 2013 involving only Section 11 and/or Section 12(a)(2) claims is consistent with the increased activity in the U.S. IPO market in recent years.⁸ There were eight such cases in 2013 compared with only four in 2012.
- The median settlement as a percentage of “estimated damages” is higher for cases involving only Section 11 and/or Section 12(a)(2) claims compared with cases involving only Rule 10b-5 claims.

“Estimated damages” are typically smaller for cases involving only Section 11 and/or Section 12(a)(2) claims.

FIGURE 11: SETTLEMENTS BY NATURE OF CLAIMS

1996–2013

(Dollars in Millions)

	Number of Settlements	Median Settlements	Median "Estimated Damages"	Median Settlements as a Percentage of "Estimated Damages"
Section 11 and/or 12(a)(2) Only	80	\$3.4	\$46.7	7.4%
Both Rule 10b-5 and Section 11 and/or 12(a)(2)	246	\$11.7	\$402.3	3.4%
Rule 10b-5 Only	1,049	\$6.8	\$272.2	2.9%
All Post-Reform Act Settlements	1,376	\$7.0	\$257.1	3.1%

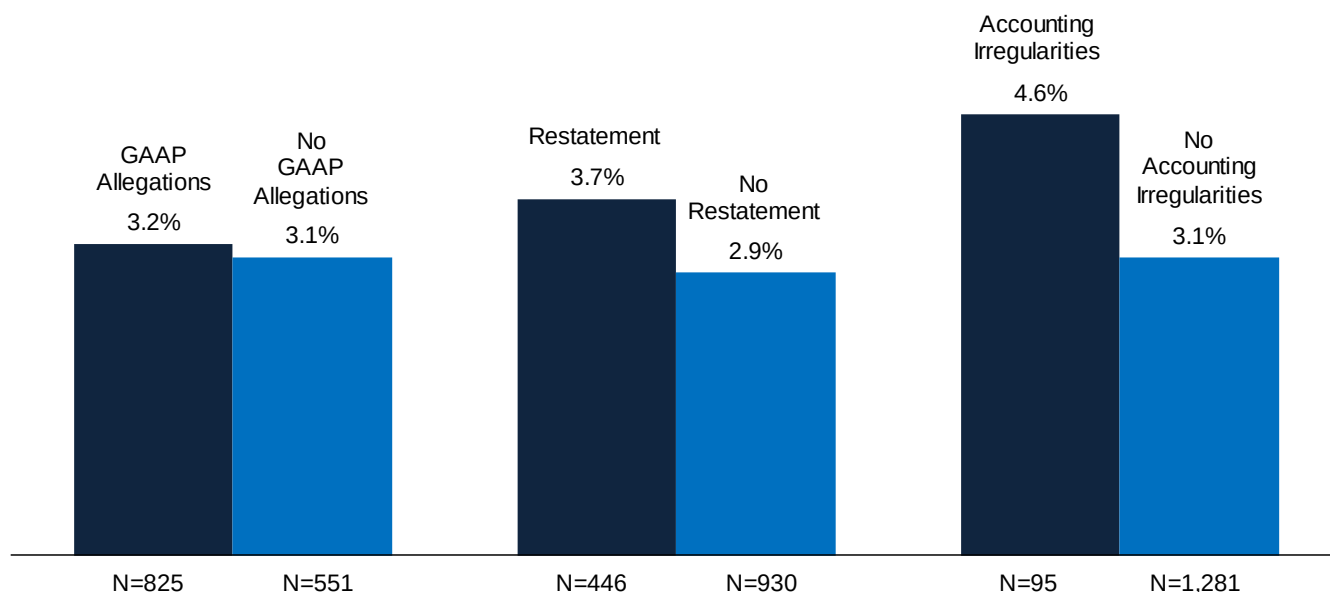
ACCOUNTING ALLEGATIONS

This research examines three types of accounting allegations among settled cases: (1) alleged GAAP violations, (2) restatements, and (3) reported accounting irregularities.⁹

- Cases involving accounting allegations are typically associated with higher settlement amounts and higher settlements as a percentage of “estimated damages.”
- Cases alleging GAAP violations settled for only a slightly higher percentage of “estimated damages” than cases not alleging GAAP violations.
- Restatement cases settled for a higher percentage of “estimated damages” compared with GAAP cases not involving restatements.
- In 2013, 55 percent of settled cases alleged GAAP violations, 21 percent were associated with restatements, while only 4 percent involved reported accounting irregularities.
- Although relatively few settlements in 2013 involved reported accounting irregularities, these cases settled for a much larger percentage of “estimated damages” compared with cases not involving accounting irregularities.

The proportion of settled cases in 2013 involving accounting allegations dipped to a ten-year low.

FIGURE 12: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” AND ACCOUNTING ALLEGATIONS 1996–2013

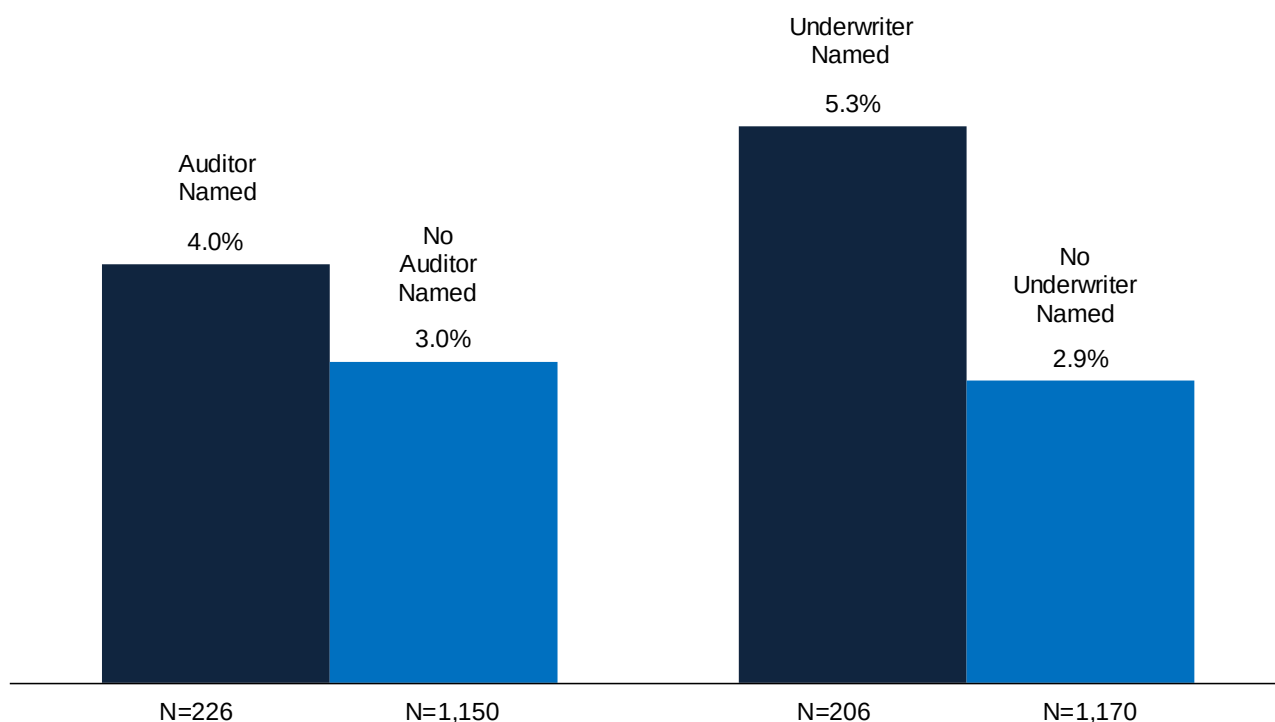


THIRD-PARTY CODEFENDANTS

- Third parties, such as an auditor or an underwriter, are often named as codefendants in larger, more complex cases and provide an additional source of settlement funds.
- Outside auditor defendants are often associated with cases involving restatements of financial statements or alleged GAAP violations, while the presence of underwriter defendants is highly correlated with the inclusion of Section 11 claims.
- In 2013, 32 percent of accounting-related cases had a named auditor defendant, while 76 percent of cases with Section 11 claims had a named underwriter defendant.

Cases with third-party codefendants have higher settlements as a percentage of “estimated damages.”

FIGURE 13: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” AND THIRD-PARTY CODEFENDANTS 1996–2013



INSTITUTIONAL INVESTORS

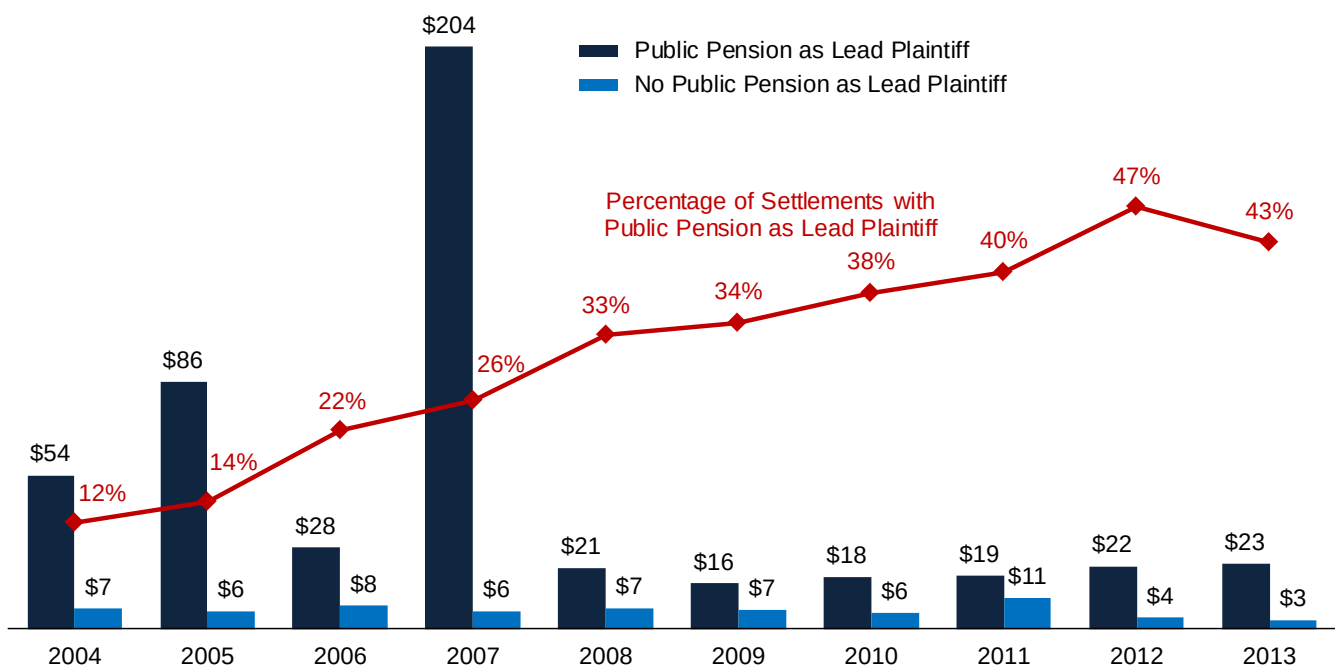
- Since 2006, more than half of the settlements in any given year have involved institutional investors as lead plaintiffs.
- Among institutional investors, public pensions are the most active, involved as lead plaintiffs in over 55 percent of settlements with an institutional investor lead plaintiff since 2006.
- In 2013, public pensions served as a lead plaintiff in 43 percent of settled cases, slightly lower than in 2012 (47 percent), but nearly four times the 2004 figure (12 percent).
- The median settlement in 2013 for cases with a public pension as a lead plaintiff was \$23 million, compared with \$3 million for cases without a public pension as a lead plaintiff.

The presence of a public pension as a lead plaintiff is associated with higher settlements.

FIGURE 14: MEDIAN SETTLEMENT AMOUNTS AND PUBLIC PENSIONS

2004–2013

(Dollars in Millions)



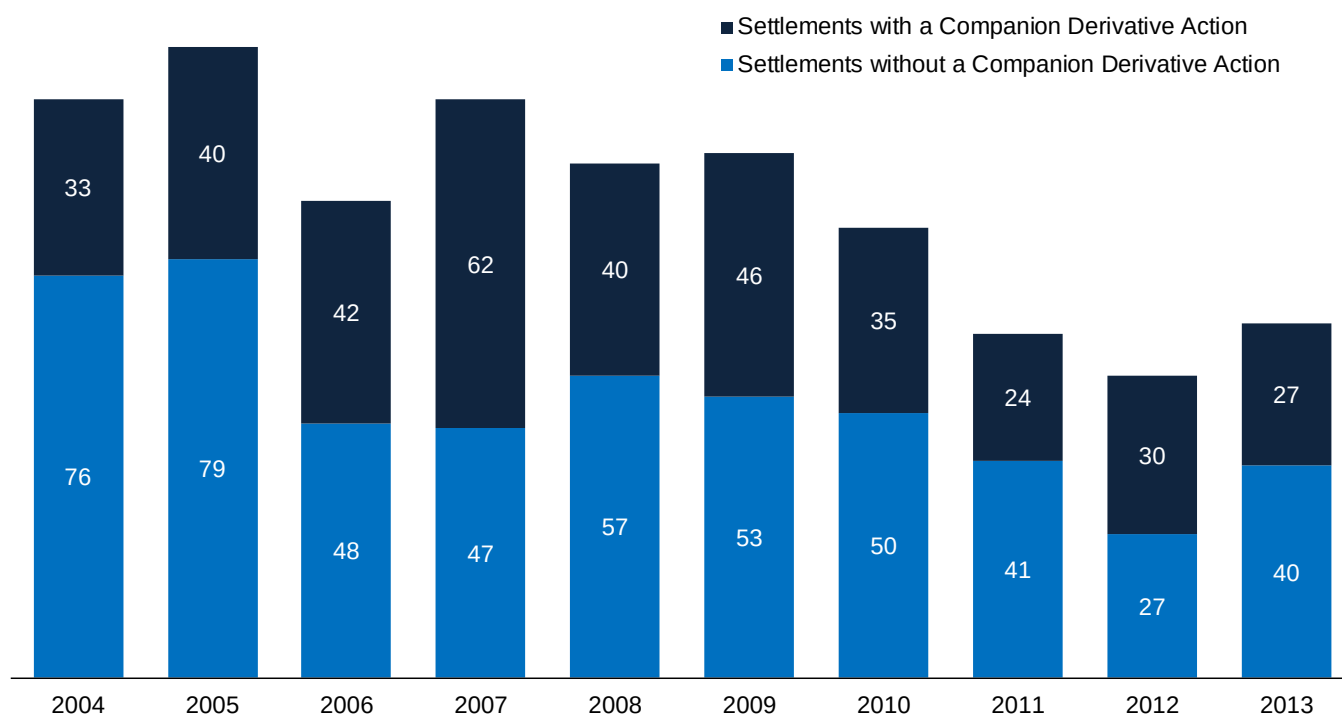
Note: Settlement dollars adjusted for inflation; 2013 dollar equivalent figures used.

DERIVATIVE ACTIONS

- “Estimated damages” for cases with accompanying derivative actions are typically higher compared to cases with no identifiable derivative action.¹⁰
- In 2013, 40 percent of settled cases were accompanied by derivative actions, compared with 53 percent of settled cases in 2012, and 32 percent of settled cases in prior post-Reform Act years.
- In recent years, cases in the sample have included far fewer simultaneous class and derivative settlements than in prior years.¹¹ In fact, during 2013, only two securities class actions settled simultaneously with the related derivative action.

Settlement amounts for class actions accompanied by derivative actions are significantly higher.

FIGURE 15: FREQUENCY OF DERIVATIVE ACTIONS
2004–2013



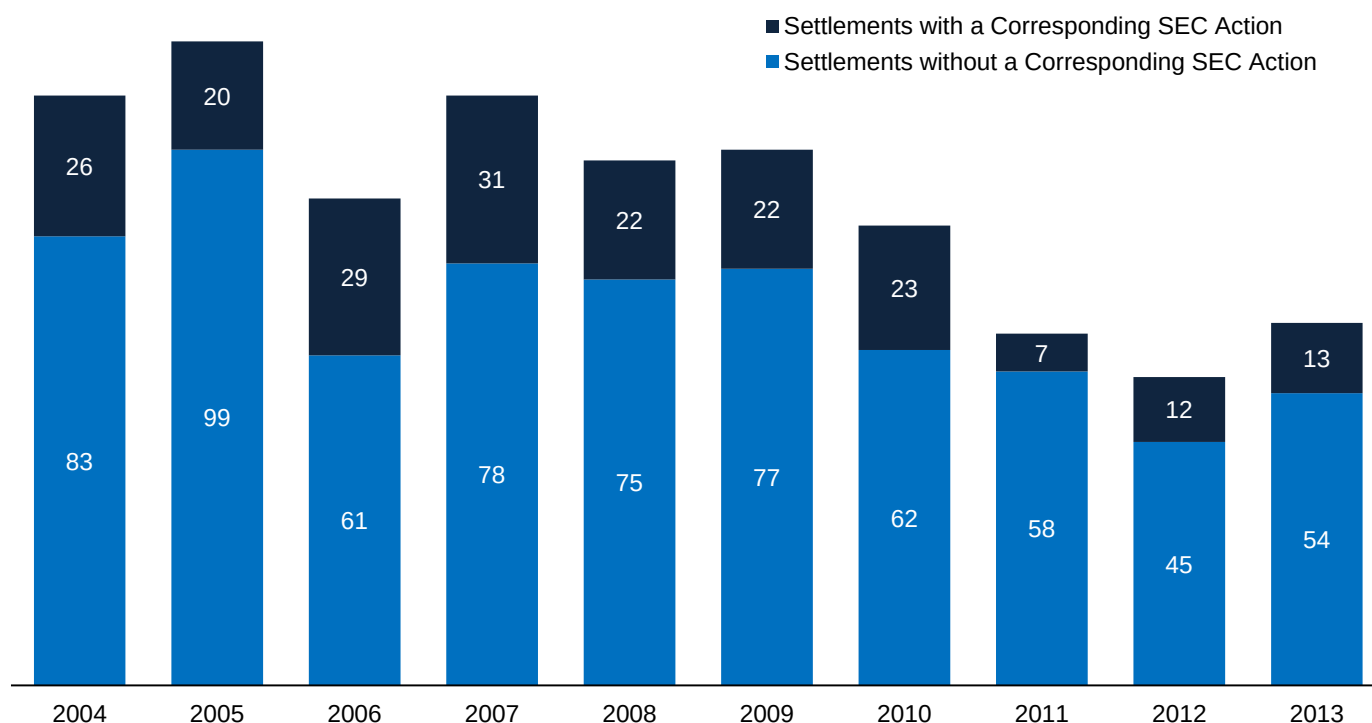
CORRESPONDING SEC ACTIONS

Cases that involve a corresponding SEC action (evidenced by the filing of a litigation release or administrative proceeding prior to the settlement of the class action) are associated with significantly higher settlement amounts and have higher settlements as a percentage of “estimated damages.”¹²

- In 2013, 19 percent of settled cases involved a corresponding SEC action, compared with 21 percent in 2012, and 23 percent of settled cases in prior post-Reform Act years.
- The median settlement for cases with an SEC action among all post-Reform Act years (\$12.9 million) was more than two times the median settlement for cases without a corresponding SEC action.
- Record enforcement activity by the SEC in 2011 and 2012 was followed by a modest decrease in 2013.¹³ SEC enforcements focus on a large scope of allegations, beyond those that may be included in the types of cases examined in this report. However, the SEC is placing sufficient emphasis on disclosure-related fraud and securities offerings such that the rate of securities class action settlements with corresponding SEC actions may increase.¹⁴

The recent decline in corresponding SEC actions may result from the reported slowdown in financial fraud investigations by the SEC during 2008–2010.

FIGURE 16: FREQUENCY OF SEC ACTIONS
2004–2013



COMPARISON OF SETTLEMENT CHARACTERISTICS BY SIZE

Several of the characteristics highlighted in this report are more prevalent for larger cases than smaller cases. For example, among the small proportion of post-Reform Act cases that settled for more than \$50 million, 63 percent had a companion derivative action and 52 percent involved a third party as a codefendant. However, for the vast majority of cases in the sample that settled for less than \$50 million, only 29 percent had a companion derivative action and only 24 percent involved a third-party as a codefendant.

- In addition, 57 percent were associated with GAAP allegations, compared with 79 percent for larger cases.
- 16 percent had a public pension as a lead plaintiff, compared with 62 percent for larger cases.

Settlements of \$50 million or lower are far less likely to involve corresponding SEC actions or public pensions as lead plaintiffs.

FIGURE 17: COMPARISON OF SETTLEMENT CHARACTERISTICS BY SIZE
2004–2013

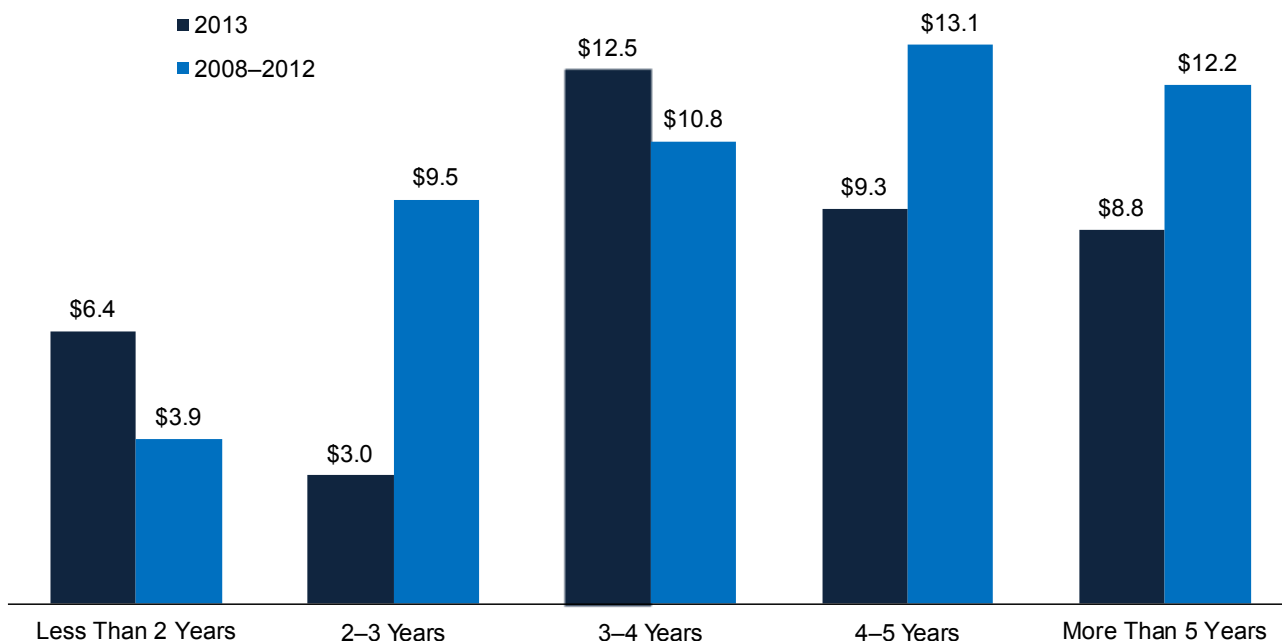
	Corresponding SEC Action	Accompanying Derivative Action	GAAP Allegations	Named Third-Party Codefendant	Public Pension as Lead Plaintiff
\$50 Million or Less	19%	29%	57%	24%	16%
More Than \$50 Million	54%	63%	79%	52%	62%

TIME TO SETTLEMENT

- Overall, the average time to reach settlement (as measured by the settlement hearing date) has been higher in recent years compared with the early post-Reform Act period.
- However, despite the longer settlement resolutions in recent years, in 2013, a substantial portion of settlements (37 percent) were resolved within 30 months of filing, the highest proportion in the past decade.
- Larger cases (as measured by “estimated damages”) and cases involving larger firms tend to take longer to reach settlement.

In 2013, the median time to settlement was 3.2 years.

FIGURE 18: MEDIAN SETTLEMENTS BY DURATION FROM FILING DATE TO SETTLEMENT HEARING DATE 2008–2013
(Dollars in Millions)



LITIGATION STAGES

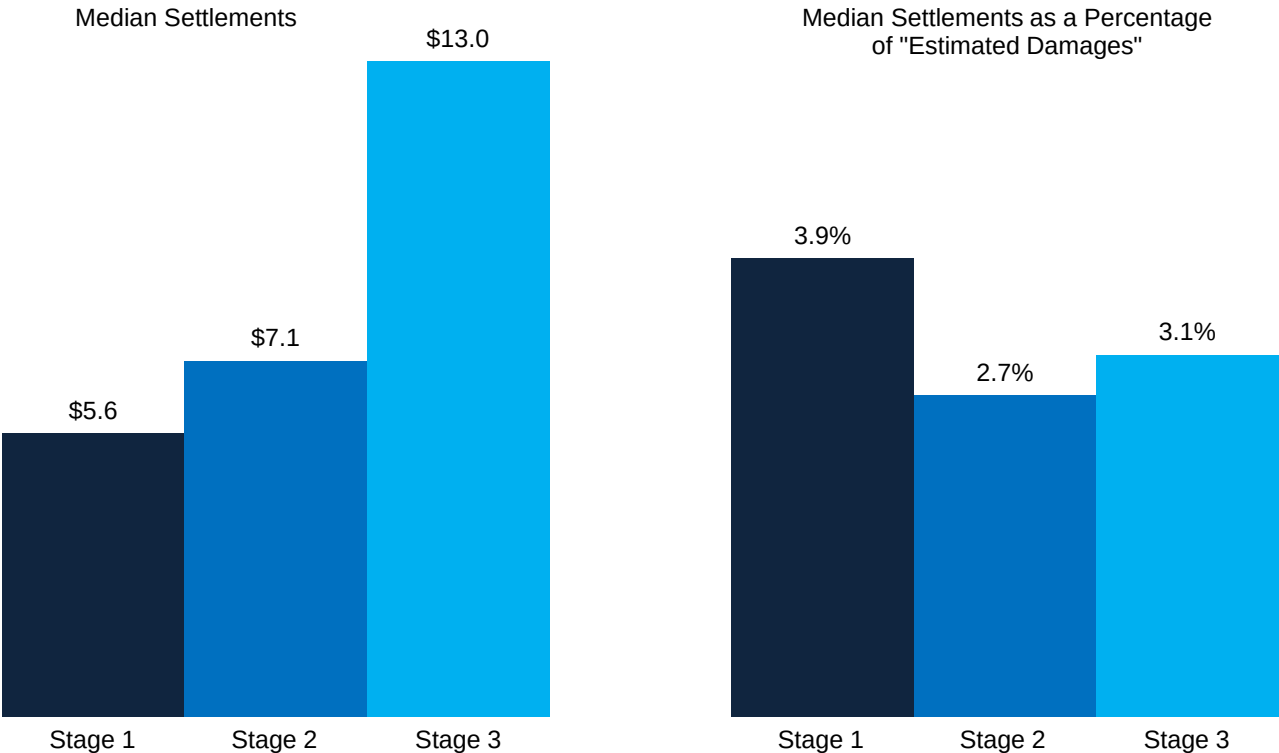
Advancement of cases through the litigation process may be considered an indication of the merits of a case (e.g., surviving a motion to dismiss) and/or the time and effort invested by the plaintiff counsel. This report studies three stages in the litigation process:

- Stage 1: Settlement before the first ruling on a motion to dismiss
- Stage 2: Settlement after a ruling on motion to dismiss, but before a ruling on motion for summary judgment
- Stage 3: Settlement after a ruling on motion for summary judgment¹⁵

- Settlement amounts tend to increase as litigation progresses.
- Cases settling in Stage 1 settled for the highest percentage of “estimated damages,” while there was only a small difference in the percentage between cases settling in Stage 2 versus Stage 3.
- Larger cases tend to settle at more advanced stages of litigation and tend to take longer to reach settlement. Through 2013, cases reaching Stage 3 had median “estimated damages” of more than three and a half times the median “estimated damages” of cases settling in Stage 1.

Settlements occurring early in the litigation process have smaller “estimated damages.”

FIGURE 19: LITIGATION STAGES
1996–2013
(Dollars in Millions)



INDUSTRY SECTORS

The financial industry continues to rank the highest in median settlement value across all post-Reform Act years. However, industry sector is not a significant determinant of settlement amounts when controlling for other variables that influence settlement outcomes (such as “estimated damages,” asset size, and the presence of third-party codefendants).

- Resolution of credit crisis–related cases has comprised a large portion of settlement activity in the financial sector in recent years—22 percent of settlements in 2013, 30 percent in 2012, and 18 percent in 2011.
- The next most prevalent sectors, in terms of the number of cases settled in 2013, were pharmaceuticals (18 percent) and technology (9 percent). In comparison, pharmaceuticals and technology comprised 6 percent and 24 percent, respectively, of cases settled during 1996 through 2012.
- The shift of settled cases to the pharmaceutical sector is consistent with the larger share of filing activity in the consumer non-cyclical sector (which includes healthcare, biotechnology, and pharmaceutical companies, among others) observed in recent years.¹⁶

The proportion of settled cases involving pharmaceutical firms was higher in 2013 relative to prior years.

FIGURE 20: **SETTLEMENTS BY SELECT INDUSTRY SECTORS**

1996–2013

(Dollars in Millions)

Industry	Number of Settlements	Median Settlements	Median "Estimated Damages"	Median Settlements as a Percentage of "Estimated Damages"
Financial	169	\$12.5	\$575.4	3.1%
Telecommunications	141	8.0	340.6	2.4%
Pharmaceuticals	94	8.1	434.0	2.2%
Healthcare	56	6.3	212.1	3.5%
Technology	324	6.0	236.7	3.0%
Retail	117	5.8	171.0	4.3%

FEDERAL COURT CIRCUITS

- The highest concentration of settled cases in the Ninth Circuit in 2013 was in the technology and pharmaceutical sectors, each representing 9 percent of all cases. In prior post-Reform Act years, 38 percent of cases in this circuit involved technology firms, while only 6.5 percent related to pharmaceuticals.
- The number of docket entries can illustrate the complexity of a case and is correlated with the length of time from filing to settlement. Interestingly, the Second Circuit, one of the most active circuits, reports a median number of docket entries that ranks among the lowest.
- Generally, settlement approval hearings are held within four to seven months following the public announcement of a tentative settlement.

The Second and Ninth Circuits continue to lead the other circuits in number of settlements.

**FIGURE 21: SETTLEMENTS BY FEDERAL COURT CIRCUIT
2009–2013**

(Dollars in Millions)

Circuit	Number of Settlements	Median Number of Docket Entries	Median Duration from Tentative Settlement to Approval Hearing (in months)	Median Settlements	Median Settlements as a Percentage of "Estimated Damages"
First	11	104	7.3	\$6.0	2.7%
Second	95	123	6.5	\$11.4	2.4%
Third	34	144	5.8	\$10.1	2.4%
Fourth	14	183	4.3	\$8.8	1.8%
Fifth	19	168	5.2	\$6.5	1.6%
Sixth	16	116	4.0	\$13.6	4.1%
Seventh	22	158	4.8	\$6.2	2.5%
Eighth	8	178	5.9	\$6.5	4.0%
Ninth	110	167	6.0	\$8.0	2.3%
Tenth	9	180	6.4	\$7.5	3.4%
Eleventh	19	154	5.5	\$6.3	2.1%
DC	2	603	4.9	\$83.3	3.7%

CORNERSTONE RESEARCH'S SETTLEMENT PREDICTION ANALYSIS

Characteristics of securities cases that may affect settlement outcomes are often correlated. Regression analysis makes it possible to examine the effects of these factors simultaneously. As part of this ongoing analysis of securities class action settlements, regression analysis was applied to study factors associated with settlement outcomes. Based on this research sample of post-Reform Act cases settled through December 2013, the variables that were important determinants of settlement amounts included the following:

- “Estimated damages”
- Disclosure Dollar Loss (DDL)
- Most recently reported total assets of the defendant firm
- Number of entries on the lead case docket
- The year in which the settlement occurred
- Whether the issuer reported intentional misstatements or omissions in financial statements
- Whether a restatement of financials related to the alleged class period was announced
- Whether there was a corresponding SEC action against the issuer, other defendants, or related parties
- Whether the plaintiffs named an auditor as codefendant
- Whether the plaintiffs named an underwriter as codefendant
- Whether a companion derivative action was filed
- Whether a public pension was a lead plaintiff
- Whether noncash components, such as common stock or warrants, made up a portion of the settlement fund
- Whether the plaintiffs alleged that securities other than common stock were damaged
- Whether criminal charges/indictments were brought with similar allegations to the underlying class action
- Whether Section 11 claims accompanied Rule 10b-5 claims
- Whether the issuer traded on a nonmajor exchange

Settlements were higher when “estimated damages,” DDL, defendant asset size, or the number of docket entries were larger. Settlements were also higher in cases involving intentional misstatements or omissions in financial statements reported by the issuer, a restatement of financials, a corresponding SEC action, an underwriter and/or auditor named as codefendant, an accompanying derivative action, a public pension involved as lead plaintiff, a noncash component to the settlement, filed criminal charges, or securities other than common stock alleged to be damaged. Settlements were lower if the settlement occurred in 2004 or later, and if the issuer traded on a nonmajor exchange.

While the primary approach of these analyses is designed to better understand and predict the total settlement amount, these analyses also are able to estimate the probabilities associated with reaching alternative settlement levels. These probabilities can be useful analyses for clients in considering the different layers of insurance coverage available and likelihood of contributing to the settlement fund. Regression analysis can also be used to explore hypothetical scenarios, including but not limited to the effects on settlement amounts given the presence or absence of particular factors found to significantly affect settlement outcomes.

RESEARCH SAMPLE

- The database used in this report focuses on cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price).
- The sample is limited to cases alleging Rule 10b-5, Section 11, and/or Section 12(a)(2) claims brought by purchasers of a corporation's common stock. These criteria are imposed to ensure data availability and to provide a relatively homogeneous set of cases in terms of the nature of the allegations.
- The current sample includes 1,396 securities class actions filed after passage of the Reform Act (1995) and settled from 1996 through 2013. These settlements are identified based on a review of case activity collected by Securities Class Action Services LLC (SCAS).¹⁷
- The designated settlement year, for purposes of this report, corresponds to the year in which the hearing to approve the settlement was held.¹⁸ Cases involving multiple settlements are reflected in the year of the most recent partial settlement, provided certain conditions are met.¹⁹

DATA SOURCES

In addition to SCAS, data sources include Dow Jones Factiva, Bloomberg, Center for Research in Security Prices (CRSP) at University of Chicago Booth School of Business, Standard & Poor's Compustat, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, and public press.

ENDNOTES

- ¹ See *Securities Class Action Filings—2013 Year in Review*, Cornerstone Research, 2014. This report, *Securities Class Action Settlements—2013 Review and Analysis*, excludes merger and acquisition cases since those cases do not meet the sample criteria.
- ² See *Investigations and Litigation Related to Chinese Reverse Merger Companies*, Cornerstone Research, 2011; and *Securities Class Action Filings—2013 Year in Review*, Cornerstone Research, 2014.
- ³ For further discussion and case details for subprime credit crisis matters, see the *D&O Diary* at www.dandodiary.com.
- ⁴ The simplified “estimated damages” model is applied to common stock only. For all cases involving Rule 10b-5 claims, damages are calculated using a market-adjusted, backward-pegged value line. For cases involving only Section 11 and/or Section 12(a)(2) claims, damages are calculated using a model that caps the purchase price at the offering price. Volume reduction assumptions are based on the exchange on which the issuer’s common stock traded. Finally, no adjustments for institutions, insiders, or short sellers are made to the underlying float.
- ⁵ Twenty settlements out of the 1,396 cases in the sample were excluded from calculations involving “estimated damages” due to stock data availability issues. The WorldCom settlement was also excluded from these calculations because most of the settlement in that matter related to liability associated with bond offerings (and this research does not compute damages related to securities other than common stock).
- ⁶ DDL captures the price reaction—using closing prices—of the disclosure that resulted in the first filed complaint. This measure does not incorporate additional stock price declines during the alleged class period that may affect certain purchasers’ potential damages claims. Thus, as this measure does not isolate movements in the defendant’s stock price that are related to case allegations, it is not intended to represent an estimate of investor losses. The DDL calculation also does not apply a model of investors’ share-trading behavior to estimate the number of shares damaged.
- ⁷ The dates used to identify the applicable inflation bands may be supplemented with information from the operative complaint at the time of settlement.
- ⁸ See *Securities Class Action Filings—2013 Year in Review*, Cornerstone Research, 2014. Annual U.S. IPO activity in 2010–2012 was significantly higher than in 2008–2009.
- ⁹ The three categories of accounting allegations analyzed in this report are: (1) GAAP violations—cases with allegations involving Generally Accepted Accounting Principles (GAAP); (2) restatements—cases involving a restatement (or announcement of a restatement) of financial statements; and (3) accounting irregularities—cases in which the defendant has reported the occurrence of accounting irregularities (intentional misstatements or omissions) in its financial statements.
- ¹⁰ This is true whether or not the settlement of the derivative action coincides with the settlement of the underlying class action, or occurs at a different time.
- ¹¹ Typically, the resolution of derivative suits lags settlement of an accompanying class action. The common practice of seeking a stay in a parallel derivative suit contributes to this lag in the resolution of derivative suits when compared with accompanying class actions.
- ¹² It could be that the merits in such cases are stronger, or simply that the presence of an accompanying SEC action provides plaintiffs with increased leverage when negotiating a settlement.
- ¹³ “SEC Announces Enforcement Results for FY 2013,” SEC press release, December 17, 2013, http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370540503617#.UrCA_tJUeul.
- ¹⁴ See Sara E. Gilley and David F. Marcus, Cornerstone Research, “The Changing Nature of SEC Enforcement Actions,” *Law360*, October 8, 2013.
- ¹⁵ Litigation stage data obtained from Stanford Law School’s Securities Class Action Clearinghouse. Sample does not add to 100 percent as there is a small sample of cases with other litigation stage classifications.
- ¹⁶ See *Securities Class Action Filings—2013 Year in Review*, Cornerstone Research, 2014.
- ¹⁷ Available on a subscription basis.
- ¹⁸ Movements of partial settlements between years can cause differences in amounts reported for prior years from those presented in earlier reports. Additionally, four cases, omitted from 2012 settlements, were added to the data sample.
- ¹⁹ This categorization is based on the timing of the settlement approval. If a new partial settlement equals or exceeds 50 percent of the then-current settlement fund amount, the entirety of the settlement amount is recategorized to reflect the settlement hearing date of the most recent partial settlement. If a subsequent partial settlement is less than 50 percent of the then-current total, the partial settlement is added to the total settlement amount and the settlement hearing date is left unchanged.

ABOUT THE AUTHORS

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Laarni Bulan is a manager in Cornerstone Research's Boston office, where she specializes in finance. She has consulted on cases related to financial institutions and the credit crisis, municipal bond mutual funds, merger valuations, insider trading, asset-backed commercial paper conduits, and credit default swaps. Dr. Bulan has published several academic articles in peer-reviewed journals. Her research covers topics in dividend policy, capital structure, executive compensation, corporate governance, and real options. Prior to joining Cornerstone Research, Dr. Bulan was an assistant professor of finance at the International Business School and in the economics department of Brandeis University.

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Laura Simmons is a senior advisor in Cornerstone Research's Washington, DC, office. She is a certified public accountant (CPA) and has more than twenty years of experience in accounting practice and economic and financial consulting. She has focused on damages and liability issues in litigation, as well as on accounting issues arising in a variety of complex commercial litigation matters. She has served as a testifying expert in cases involving accounting analyses, securities case damages, research on securities lawsuits, and other issues involving empirical analyses.

Dr. Simmons's research on pre- and post-Reform Act securities litigation settlements has been published in a number of reports and is frequently cited in the public press and legal journals. She has spoken at various conferences and appeared as a guest on CNBC addressing the topic of securities case settlements. She has also published in academic journals, with recent research focusing on the intersection of accounting and litigation. Dr. Simmons was previously an accounting faculty member at the Mason School of Business at the College of William & Mary. From 1986 to 1991, she was an accountant with Price Waterhouse.

The authors acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research. Please direct any questions and requests for additional information to the settlement database administrator at settlement.database@cornerstone.com.

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Exhibit 3

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1 UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

2 -----x

3 MASSACHUSETTS PENSION RESERVES
INVESTMENT MANAGEMENT BOARD
4 ("PRIM"), ET AL.,

5 Plaintiffs,

6 v.

08 CV 7831 (PAC)

7 FEDERAL NATIONAL MORTGAGE
ASSOCIATION, ("Fannie Mae")
8 and FEDERAL HOUSING FINANCE
AGENCY ("FHFA"),

9 Defendants.

10 -----x

11 New York, N.Y.
November 12, 2014
12 3:06 p.m.

13 Before:

14 HON. PAUL A. CROTTY,

15 District Judge

16 APPEARANCES

17 BERMAN DE VALERIO
Attorneys for Plaintiffs
18 BY: GLEN DeVALERIO, ESQ.
JUSTIN N. SAIF, ESQ.

19
20 LABATON SUCHAROW LLP
Attorneys for Plaintiffs
21 BY: LOUIS GOTTLIEB, ESQ.
NICOLE M. ZEISS, ESQ.

22
23 KAPLAN FOX & KILSHEIMER, LLP
Attorneys for Plaintiffs
24 BY: DONALD R. HALL, ESQ.
FREDERICK FOX, ESQ.

1 APPEARANCES (CONTINUED)

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JEFFREY W. KILDUFF, ESQ.
4

5 DUANE MORRIS
Attorneys for Defendant FHFA
6 BY: JOSEPH J. ARONICA, ESQ.

7
DLA PIPER US LLP
8 Attorneys for Defendant Daniel Mudd
BY: JAMES WAREHAM, ESQ.
9

10 DECHERT, LLP
Attorneys for Defendant Enrico Dallavecchia
11 BY: DAVID STANOCH, ESQ.

12

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1 (In open court)

2 (Case called)

3 MR. DeVALERIO: Your Honor, Glen DeValerio for the
4 class plaintiffs.

5 THE COURT: Mr. DeValerio.

6 MS. ZEISS: Good afternoon, your Honor. Nicole Zeiss
7 from Labaton Sucharow ask on behalf of the common stock class.

8 MR. FOX: Good afternoon, your Honor. Frederick Fox,
9 Kaplan Fox and Kilsheimer on behalf of lead plaintiff,
10 Tennessee Consolidated Retirement System and preferred share
11 class.

12 MR. HALL: Donald Hall, Kaplan Fox, on behalf of
13 Tennessee Consolidated Retirement System and the preferred
14 shareholder class.

15 MR. GOTTLIEB: Lou Gottlieb from Labaton Sucharow on
16 behalf of the Boston Retirement System and the common
17 stockholder class.

18 THE COURT: Okay. Mr. Gottlieb.

19 MR. SAIF: Justin Saif from Berman DeValerio on behalf
20 of the Massachusetts Pension Reserve Investment Management
21 Board and the common stock class.

22 THE COURT: Okay. How about you?

23 MR. ARONICA: Joe Aronica from Duane Morris on behalf
24 of FHFA as conservator of Fannie Mae.

25 MR. WALSH: Michael Walsh of O'Melveny and Myers on

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1 behalf of Fannie Mae, and with me is my partner, Jeff Kilduff.

2 THE COURT: Okay, Mr. Walsh and Mr. Kilduff. How are
3 you?

4 MR. WALSH: Good.

5 MR. WAREHAM: And, your Honor, James Wareham from DLA
6 in Washington on behalf of the former Chief Executive Officer
7 Danny Mudd.

8 THE COURT: Has Mr. Mudd settled? Oh, excuse me.

9 MR. STANOCH: David Stanoch of Dechert LLP, your
10 Honor, on behalf of defendant Enrico Dallavecchia, former Chief
11 Risk Officer of Fannie Mae.

12 THE COURT: Thank you. Is Mr. Mudd settling?

13 MR. WAREHAM: Your Honor, both Mr. Mudd and
14 Mr. Dallavecchia are defined and are not settling parties.
15 It's a little bit of a nuanced position. They are going to be
16 released in the case. The case is terminated as to all
17 defendants, but we did not and will not agree to enter into a
18 settlement.

19 THE COURT: But it ends the case against Mr. Mudd?

20 MR. WAREHAM: Correct, your Honor.

21 THE COURT: Now, I want to just jump ahead a little
22 bit because I received a letter from Mr. Harwood and Mr. Ciolko
23 advising me that the ERISA litigation, that that matter has
24 been settled as well, and the question I have is should we
25 bring this in for a soft landing on the same day or keep the

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1 matters separate? Mr. Walsh?

2 MR. WALSH: Your Honor, I think we should probably
3 keep the matters separate. The ERISA settlement is not fully
4 papered, and I'm not sure when it will actually be filed.

5 THE COURT: Okay. You want to get this one out of the
6 way.

7 MR. WALSH: I think that would be best.

8 THE COURT: Okay. All right. Mr. DeValerio, are you
9 going to speak on behalf of the settlement?

10 MR. DeVALERIO: Yes, I am, your Honor.

11 THE COURT: Go ahead.

12 MR. DeVALERIO: Your Honor, we are here today seeking
13 preliminary approval of this settlement. We have settled the
14 matter for \$170 million. The settlement fund was then divided
15 between the common stock class and the preferred stock class,
16 123-point-something million for the common, and 46 million --

17 THE COURT: 123.76, it seems.

18 MR. DeVALERIO: -- right -- for the preferred.

19 Your Honor, this is, we believe, a fair settlement,
20 sufficiently fair and adequate to warrant the Court's
21 preliminary approval, and the entry of a preliminary approval
22 order, and the giving of notice to the class, and proceeding
23 to -- eventually to final approval hearing.

24 The final approval -- excuse me. The preliminary
25 approval order that we have submitted covers a number of

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1 factors, your Honor. It finds that the settlement is fair and
2 adequate and supports giving notice to the class. It
3 certifies, for settlement purposes only, a common stock and
4 preferred stock class. It approves the class representatives
5 and co-lead counsel for the common and preferred classes. It
6 appoints AB Data as the claims administrator. It approves the
7 form and substance of the notice to be mailed to class members,
8 and the form and substance of the summary notice, which will be
9 printed in the Wall Street Journal and carried on NPR newswire.
10 It approves the claim form as part of the notice to be filed by
11 claimants. It provides for the deposit of the settlement funds
12 pending the final resolution of the matter.

13 Then, it also provides dates for, first of all, the
14 settlement hearing date, which then measures backwards to the
15 filing of briefing in support of the fairness, filing and
16 briefing in support of an award of attorneys fees and
17 reimbursement of expenses, sets the dates for service of
18 shareholder opt-outs, and the dates for the filing and service
19 of objections to either the settlement fairness or the fee
20 petition.

21 So I'm prepared to present to your Honor with regard
22 to all of those subjects, or if your Honor prefers, I can
23 answer questions you might have.

24 THE COURT: Well, let's take it up in order, then,
25 Mr. DeValerio. Tell me why this proposed settlement, for

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1 \$170 million, is fair and reasonable and adequate in light of,
2 my recollection is, it's two percent of the potential exposure
3 here. Why is it fair and reasonable and adequate?

4 MR. DeVALERIO: Your Honor, we have litigated this
5 case for over six years. We have reviewed over 60 million
6 pages of documents. We've taken some 20 depositions. We've
7 reviewed over 60 transcripts from SEC depositions. We
8 proceeded in our mediation negotiations with the defendants
9 fully informed on both sides of the strengths and weaknesses of
10 our case.

11 A principal issue in the case, your Honor, is the fact
12 that the Second Circuit, about a year or so ago now, in a
13 companion Freddie --

14 THE COURT: Freddie Mac.

15 MR. DeVALERIO: -- Freddie Mac case dismissed the
16 complaint. First of all, the District Court had dismissed it
17 and the Second Circuit affirmed that dismissal. Virtually, the
18 same disclosure dates and the same disclosures applied in the
19 Freddie Mac case were the same dates and similar disclosures
20 for Fannie Mae, and the Second Circuit found those statements
21 to not be actionable.

22 That posed a real burden for us. We believe that we
23 were able and certainly, for purposes of settlement
24 negotiations, to demonstrate that there was a path through
25 which we could successfully proceed with our case and not be

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1 subject to the decision by the Second Circuit in the Freddie
2 Mac decision.

3 Both of us, both sides recognized that that was a
4 major risk for us and warranted substantial consideration in
5 our mediation discussions. The mediation that was successful,
6 which occurred in May of this year --

7 THE COURT: How much time did you spend in the
8 mediation?

9 MR. DeVALERIO: Excuse me, your Honor?

10 THE COURT: How much time did you spend in the
11 mediation?

12 MR. DeVALERIO: This was the second one. The first
13 one was one day. The second one was one day, and then followed
14 by numerous phone communications through the mediator,
15 eventually arriving by July at the settlement that we reached.

16 THE COURT: Who is the mediator?

17 MR. DeVALERIO: Lane Phillips, your Honor, former
18 federal judge, very experienced in this area, has mediated
19 dozens of major securities and antitrust class actions.

20 THE COURT: And you believe that, based on your
21 review, it satisfies the Grinnell factors?

22 MR. DeVALERIO: I do, your Honor, and I'm prepared to
23 address those.

24 THE COURT: Why don't you just tick those off a little
25 bit, Mr. DeValerio.

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1 MR. DeVALERIO: I'm sorry, your Honor?

2 THE COURT: Why don't you just tick through them.

3 MR. DeVALERIO: Certainly. First, the complexity,
4 expense and likely duration of the litigation, this was and is
5 an extremely complex case. It involves some significant
6 financial investments and methods of doing business by a -- in
7 a complicated environment.

8 We, as I said, reviewed millions of pages of
9 documents, looked at dozens and dozens of transcripts of
10 depositions, and we knew this was a complicated -- and even
11 though we had been at it for six years, we knew that there was
12 still a fair road ahead of us to an uncertain future, in light
13 of the Freddie Mac decision.

14 Reaction to the class, of course, that would come
15 after notice.

16 THE COURT: That would come later.

17 MR. DeVALERIO: The stage of proceedings and the
18 amount of discovery completed, as I just described, we had done
19 a substantial amount. And as your Honor knows, we've been
20 through two motions to dismiss leading up to the discovery that
21 we conducted. The risks of establishing liability --

22 THE COURT: You've already covered that in the second
23 one.

24 MR. DeVALERIO: I've covered that, your Honor. The
25 risk of establishing damages, that was one of the principal

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1 issues that's addressed by the Freddie Mac decision, is whether
2 or not an alleged misrepresentation in the disclosures that
3 Freddie decided were not actionable, poses real risks for us
4 establishing damages.

5 I don't think there was any significant risk that if
6 the class were certified, that we could maintain it through
7 trial. There's also a question of the ability of the
8 defendants to sustain a larger award. In this case, we have
9 the unique situation in which Fannie Mae is in receivership and
10 is under the aegis of the FHFA.

11 THE COURT: It's doing much better, though, isn't it?

12 MR. DeVALERIO: Excuse me, your Honor?

13 THE COURT: It's doing much better.

14 MR. DeVALERIO: It's doing very well. It's making a
15 lot of money.

16 THE COURT: Yes.

17 MR. DeVALERIO: But there's a significant question.
18 If you recall, early on in the case you were informed that FHFA
19 passed regulations which said that only the conservator, FHFA,
20 will make the decision as to whether to honor any judgment that
21 was entered against the company, and although I think there's
22 some --

23 THE COURT: He's been replaced, right? The person who
24 was going to make that decision has been replaced.

25 MR. DeVALERIO: He has, that's correct. But it's

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1 still within their -- We could go all the way to verdict, get a
2 verdict and have the FHA, as a conservator, say I'm not going
3 to honor it. And although we think there is some
4 constitutional issues with that regulation, the District Court
5 in the District of Columbia, in a recent case have found
6 certain portions of those regulations to be constitutional, and
7 we think that's a real risk for us as well.

8 So even if we went all the way, got around Freddie
9 Mac, got a judgment, we still would have even questions of
10 whether we could eventually collect it.

11 THE COURT: So in light of all those difficulties, you
12 believe the settlement of \$170 million is reasonable?

13 MR. DeVALERIO: Because it was then the product of
14 very serious arm's length negotiations, significant bargaining
15 on both sides, a lot of work by the mediator to bring us to
16 that number, and we think that, given all those risks, that was
17 a very sizeable and substantial result. And we're, frankly,
18 very proud of what we accomplished here.

19 THE COURT: Well, that takes care of approving the
20 proposed settlement. Any of the defendants want to say
21 anything, at this stage?

22 MR. WALSH: Not Fannie Mae, your Honor.

23 MR. WAREHAM: Not at this point, your Honor.

24 THE COURT: FHFA?

25 MR. ARONICA: No, your Honor.

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1 THE COURT: All right. We'll skip over, because we're
2 going to come back to it, the form, the content and the methods
3 of the notice. Do you want to talk about the certification of
4 the settlement classes for settlement purposes only --

5 MR. DeVALERIO: Yes, your Honor.

6 THE COURT: -- under 23A and B?

7 MR. DeVALERIO: Yes, your Honor. The class is
8 represented, first of all, by three substantial institutional
9 plaintiffs. The Tennessee Consolidated Retirement System
10 represents the preferred stock, and the common stock is jointly
11 represented by Boston State Retirement Fund and the
12 Massachusetts PRIM. They are sophisticated, large
13 institutional investors.

14 I want to point out to the Court that they have been
15 extremely active in all aspects of the case, directly
16 supervising counsel, and were full participants in the
17 mediation and all of the post-mediation discussions. So they
18 have fulfilled their responsibilities to the class in all
19 respects.

20 They've been active, and they have been extremely
21 helpful in that process. They've all cooperated by producing
22 documents. One of them was deposed. The others were pending
23 deposition when we settled. So there's no question that they
24 have acted appropriately in a typical -- excuse me, or adequate
25 class representatives.

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1 They are, in turn, represented, all three of us,
2 extremely experienced in securities class actions. All three
3 firms have been well known in this area and have had
4 substantial successful results in securities class cases. So
5 they are, in turn, represented by more than adequate counsel.

6 Their claims are typical. Since they, likewise,
7 purchased stock, both the common and preferred stock, during
8 the class period and sustained losses and, thus, have the same
9 claims against the defendants as all other plaintiffs would
10 have and, as I said, they're adequate. So I believe that they
11 meet all the responsibilities for class certification.

12 I also want to add at this point, your Honor, that --

13 THE COURT: I was talking about certification of the
14 two classes under 23A and 23B.

15 MR. DeVALERIO: That's right.

16 THE COURT: You're talking about the adequacy of
17 representation.

18 MR. DeVALERIO: I did.

19 THE COURT: Yes.

20 MR. DeVALERIO: And I also want to point out that even
21 though Judge Lynch appointed two separate classes -- or found
22 two separate classes and appointed two separate class
23 representatives, the class representatives and class counsel
24 have worked very efficiently and very cooperatively handling
25 this case jointly at all levels, minimizing any potential

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1 duplication, and working together in all regards.

2 So I think that you will find, when you read
3 everything for final approval, that there has been great
4 efficiency in the way we've operated, which also speaks to
5 their adequacy in total.

6 So I believe that we meet all the requirements for
7 class certification for purposes of the settlement.

8 THE COURT: Are you talking about the factors in 23A
9 and 23B?

10 MR. DeVALERIO: Well, under 23A, we have numerosity.
11 There isn't any question here. There's over a billion and a
12 half common shares.

13 THE COURT: I understand all that. Just focus on 23B,
14 will you? 23B.

15 MR. DeVALERIO: Well, I think I did, your Honor,
16 adequacy typicality.

17 THE COURT: What's the common question here?

18 MR. DeVALERIO: The common question is whether or not
19 the defendants misrepresented a truth about how they were
20 conducting themselves when they told the public, first of all,
21 that they had adequate controls when they were venturing into
22 the subprime and Alt-A investments, and whether or not they
23 told the truth to the public when they said that they had
24 minimal exposure to those types of investments when the
25 plaintiffs submitted for purposes -- in our complaint, and as

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1 sustained over motions to dismiss, that, in fact, they did not
2 have adequate controls, and that they had not adequately
3 informed the public about the type of exposure they had to the
4 subprime and Alt-A markets. So they advanced those claims, and
5 those are the same claims that all of the members of the class
6 have.

7 THE COURT: Do the defendants have any objection to
8 either the certification of the settlement classes or the
9 appointment of the two Massachusetts Pension Reserve and the
10 State Boston Retirement Fund, Tennessee Consolidated Retirement
11 System of class representatives and the appointment of various
12 counsel?

13 MR. WALSH: No, your Honor.

14 MR. WAREHAM: We have no position on that, your Honor.

15 THE COURT: Okay.

16 MR. ARONICA: No, your Honor.

17 THE COURT: All right. And the notice,
18 Mr. DeValerio --

19 MR. DeVALERIO: I just want to point out one thing,
20 your Honor.

21 THE COURT: Yes.

22 MR. DeVALERIO: The order that we handed up to you
23 just a few minutes ago has a slight difference in it from the
24 one that was submitted with the papers originally.

25 THE COURT: Yes.

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1 MR. DeVALERIO: And that is that we had provided for
2 ten days from the date of your Honor's entering the order to
3 send the notice out, and in this one, we are asking for 15
4 days.

5 THE COURT: That's because of the Thanksgiving
6 holiday?

7 MR. DeVALERIO: Yes, your Honor.

8 THE COURT: Okay. All right. It's all right with me.

9 Now, with respect to the notice, its form, its content
10 and its method of delivery. Tell me again about the methods of
11 delivery, is there going to be any mailing here or just
12 publication?

13 MR. DeVALERIO: It's mailing. With your Honor's
14 permission, I'd like to have Nicole Zeiss from Labaton, who is
15 very expert on all aspects of the notice and the claims
16 process, to address the Court with those questions.

17 THE COURT: Okay. We'll take Ms. Zeiss in just a
18 minute.

19 MR. DeVALERIO: Okay.

20 THE COURT: Let me just focus in on a couple of nits I
21 have with you with regard to the form of the notice. The form
22 of the notice, as set forth as Exhibit 1, notice of lead
23 plaintiff's unopposed motion for preliminary approval, you
24 filed back on October 27th.

25 MR. DeVALERIO: Yes, your Honor.

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1 THE COURT: Do you want to follow? Do you have it?

2 MR. DeVALERIO: I do.

3 THE COURT: At Page 1, we are talking about notice of
4 class action settlements?

5 MR. DeVALERIO: Yes, your Honor.

6 THE COURT: As I read the PLSRA, there should be a
7 reference to the legal fees on the first page of the notice.

8 MS. ZEISS: Your Honor?

9 THE COURT: I don't want to be overly technical about
10 this. It's been already passed upon by the Second Circuit, but
11 the statute does say legal fees on the first page.

12 MS. ZEISS: You're right, your Honor. The legal fees
13 are on Page 3.

14 THE COURT: Yes, I have that.

15 MS. ZEISS: Yes. We've reported the information in
16 the order that the PSLRA lays out. These days, it's just very
17 hard to get it on the first page. We could get at a
18 direction --

19 THE COURT: You could get one sentence in there that
20 says legal fees are up to 20 percent are set forth on such and
21 such.

22 MS. ZEISS: We could do that.

23 THE COURT: Also, on Page 2, subpart 1 (i), when
24 you're talking about a purchaser required by Fannie Mae or sold
25 Fannie Mae common stock put options and were thereby damaged, I

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1 assume "were thereby damaged" refers to A and B, not just B?

2 MS. ZEISS: Yes, your Honor.

3 THE COURT: All right. That could be clarified.

4 MS. ZEISS: We could repeat it in A.

5 THE COURT: And, finally, with respect to your talking
6 about the people who will bound by the settlement, I think it's
7 at Paragraph 97 of the notice. "If you are a member of the
8 common stock class and/or preferred stock class, you will be
9 bound by any orders." I'd be happier if you said "and you have
10 not opted out, as set forth in 105 and 106."

11 MS. ZEISS: Okay.

12 THE COURT: Okay. Ms. Zeiss, with that, you can tell
13 me about what you're doing to provide notice.

14 MS. ZEISS: Okay. So, yes, your Honor, Exhibit 1 is
15 the long form mailing notice that will be mailed by first class
16 mail. It will also be posted on the settlement website. There
17 will be a dedicated settlement website.

18 THE COURT: How big is the mailing going to be?

19 MS. ZEISS: We're estimating 300,000 claims, and the
20 mailing will be about 1.5 million notices at this point.
21 Fannie has already provided its transfer records and there are
22 23,000 unique names and addresses. AB Data will also mail to
23 us a proprietary list of brokers and other nominees; so that's
24 about 5,000 entities, and then the notice will circulate to
25 their customers.

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1 THE COURT: And where is it going to be published?

2 MS. ZEISS: The Wall Street Journal and also
3 disseminated throughout the Internet by PR Newswire.

4 THE COURT: You have a lot of experience in this.
5 What is your experience with regard to this kind of
6 publication? Is it as broad as it can be?

7 MS. ZEISS: Yes. We will publish it in the day with
8 the largest circulation for the Wall Street Journal.

9 THE COURT: What's that day?

10 MS. ZEISS: I think it might be Thursday.

11 THE COURT: All right. They keep track of statistics
12 on that?

13 MS. ZEISS: They do.

14 THE COURT: Anything else you want to say?

15 MS. ZEISS: No, that's it for the long form notice.

16 The summary notice, we've talked about. We're,
17 obviously, seeking approval of the proof of claim form, and
18 then we just have -- we're proposing AB Data as the claims
19 administrator.

20 THE COURT: Nobody objects to AB Data, do they?

21 MR. WALSH: No, your Honor.

22 THE COURT: They're approved.

23 MS. ZEISS: That's it, unless you have some questions.

24 THE COURT: No. Do you have anything you want to
25 raise, Mr. Walsh?

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1 MR. WALSH: No, your Honor.

2 THE COURT: The settlement is all right with the
3 defendants? The defendants have no objection to the
4 settlement; is that correct?

5 MR. WALSH: Fannie Mae has no objection to settlement.

6 THE COURT: Tell me again about Mr. Mudd. What is
7 his -- I mean, I think, I understand intellectually this, but
8 legally, what's the impact?

9 MR. WAREHAM: Mr. DeValerio summarized a lot of the
10 risk factors, but what he didn't summarize is the record
11 through the extensive discovery that has been conducted.
12 Mr. Mudd has not been at the company for 74 months; so he's not
13 in a position to judge or understand the federal government's
14 decision to pay this money, but he does know the facts.

15 And the real reason why, were he the CEO, Mr. Mudd
16 would not settle, the central reason is, of all the deposition
17 testimony, not one person has said that these loans that were
18 the core of all the cases that evolve out of this disclosure,
19 were subprime loans. EA loans, MCM loans, expanded approval,
20 my community mortgage, are their full names. They were not
21 subprime loans, and they never were viewed by anybody to be
22 subprime loans.

23 No one deposed, through all the cases -- and we're
24 essentially done with discovery -- has ever said that the
25 disclosure regime was in any way different than what they

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1 thought it should be. We have the FCC today signing off on the
2 very same disclosure that was in place when Mr. Mudd and
3 Mr. Dallavecchia ran the company.

4 They had in play the state-of-the-art disclosure
5 committee. Multiple members of that committee had SEC
6 experience. Multiple members of the company that signed off on
7 the disclosure had SEC experience. Denny Beresford is maybe
8 the world's most renowned accounting-sided disclosure guru. He
9 was chairman of the board of the audit committee. He's
10 testified why these were fair, adequate disclosures.

11 So as a central and conclusory matter, we don't think
12 the plaintiffs could have proven anything and have gotten
13 anything past motion for summary judgment. And for that
14 reason, as I said, he's not a party to the settlement, and were
15 he the CEO, we would have gone to the next stage and had high
16 confidence the case would have been dismissed.

17 But again, Mr. Mudd has great regard for Mr. Kilduff
18 and Mr. Walsh and their judgments and is not in a position to
19 weigh what to do with the billions of dollars that your Court
20 pointed out are flowing into Fannie. And one of the reasons
21 that they're flowing into Fannie is because these so-called
22 risky loans that weren't disclosed, they ain't so risky.
23 They're paying off.

24 And so that's the duality of Mr. Dallavecchia's view,
25 as I understand it, and certainly Mr. Mudd's view, is that

EBCPMASC

1 there was no case there. But, again, out of mutual respect and
2 out of lack of knowledge, he's asked us to take this fairly
3 nuanced and agnostic position.

4 THE COURT: Agnostic position in that he's not taking
5 a position?

6 MR. WAREHAM: Correct.

7 THE COURT: He's not opposing?

8 MR. WAREHAM: Correct, your Honor.

9 THE COURT: He's certainly not agreeing.

10 MR. WAREHAM: Correct, your Honor.

11 THE COURT: And he's out of the lawsuit.

12 MR. WAREHAM: Correct, your Honor.

13 THE COURT: It's buying his peace.

14 MR. WAREHAM: Yes, your Honor.

15 THE COURT: Mr. Walsh, do you want to say anything
16 about why Fannie Mae is putting up \$170 million, in light of
17 what Mr. Mudd's position?

18 MR. WALSH: Unless you have any specific questions,
19 your Honor.

20 THE COURT: No, I don't. All right. I have the
21 proposed revised order. Has everybody --

22 MS. ZEISS: Yes.

23 THE COURT: Miss Zeiss, did you want to say anything?

24 MS. ZEISS: No. I was just going to walk you through
25 the three places that need your input.

EBCPMASC

1 THE COURT: Okay.

2 MS. ZEISS: So --

3 THE COURT: You strike out proposed and revised,
4 right?

5 MS. ZEISS: Yes. So the first is on Page 2, the top
6 there. It's the date of this hearing.

7 THE COURT: It's the 12th of November.

8 MS. ZEISS: Yes.

9 THE COURT: All right.

10 MS. ZEISS: And then Page 6, Paragraph 7, would be the
11 date for the final -- the settlement hearing.

12 THE COURT: Yes.

13 MS. ZEISS: And given the fact that we're here on
14 November 12th --

15 THE COURT: Yes.

16 MS. ZEISS: -- the week that we're looking at for the
17 hearing, in light of all the events that need to take place, is
18 on or after Tuesday, March 3rd.

19 THE COURT: Why don't we just say March 3rd.

20 MS. ZEISS: That would be fine, your Honor.

21 THE COURT: What time, Marlon?

22 THE DEPUTY CLERK: 3:00 p.m., your Honor?

23 THE COURT: At 3:00 p.m. Okay.

24 MS. ZEISS: And then it's just your signature, your
25 Honor. We'll calculate all the other dates based on what's

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1 already in the order.

2 THE COURT: All right. I'm signing, so ordered, at
3 the foot of Page 14.

4 MS. ZEISS: Thank you, your Honor.

5 THE COURT: Dated New York, New York, November 12th,
6 2014. I learned a long time ago never to put my signature on a
7 blank page; so it's on Page 15.

8 MS. ZEISS: Sorry about that, your Honor.

9 THE COURT: Not that that's a comment on anybody.
10 Anything else to do today, Mr. DeValerio? Ms. Zeiss?

11 MR. DeVALERIO: I believe that's all, your Honor.

12 THE COURT: Gentlemen?

13 MR. WALSH: Nothing from Fannie Mae, your Honor.

14 THE COURT: Thank you very much.

15 MR. DeVALERIO: Thank you.

16 MS. ZEISS: Thank you.

17 MR. WALSH: Thank you.

18 (Adjourned)

19

20

21

22

23

24

25

Exhibit 4

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

IN RE FANNIE MAE 2008 SECURITIES
LITIGATION

:
: Master File No. 08 Civ. 7831 (PAC)
:
:

**DECLARATION OF ADAM D. WALTER ON BEHALF OF A.B. DATA, LTD.
REGARDING MAILING OF NOTICE TO POTENTIAL MEMBERS OF THE
SETTLEMENT CLASSES AND PUBLICATION OF SUMMARY NOTICE**

I, Adam D. Walter, declare as follows:

1. I am a Senior Project Manager of A.B. Data, Ltd.'s Class Action Administration Division ("A.B. Data"), whose Corporate Office is located in Milwaukee, Wisconsin. Pursuant to the Order Granting Preliminary Approval of Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement, dated November 12, 2014 (the "Preliminary Approval Order"), A.B. Data was authorized to act as the Claims Administrator in connection with the Settlement in the above-captioned action. I am over 21 years of age and am not a party to this action. I have personal knowledge of the facts set forth herein and, if called as a witness, could and would testify competently thereto.

MAILING OF THE NOTICE AND PROOF OF CLAIM

2. Pursuant to the Preliminary Approval Order, A.B. Data mailed the Notice of (I) Proposed Class Action Settlement and Plan of Allocation; (II) Settlement Hearing; and (III) Requests for Awards of Attorneys' Fees and Litigation Expenses (the "Notice") and the Proof of Claim and Release form ("Proof of Claim" and collectively with the Notice, the "Notice Packet")

to potential Members of the Settlement Classes. A copy of the Notice Packet is attached hereto as Exhibit A.

3. On October 8, 2014, A.B. Data received 23,707 names and addresses of record holders from Lead Counsel, which were provided by Fannie Mae's Counsel. Once received, the data was electronically processed by A.B. Data to ensure adequate address formatting and the elimination of duplicate names and addresses, which resulted in 23,081 distinct records for mailing. A.B. Data also standardized and updated the mailing list addresses using NCOALink[®], a national database of address changes that is compiled by the United States Postal Service.

4. As in most class actions of this nature, the majority of potential Members of the Settlement Classes are beneficial purchasers whose securities are held in "street name" —*i.e.*, the securities are purchased by brokerage firms, banks, institutions, and other third-party nominees in the name of the nominee, on behalf of the beneficial purchasers. A.B. Data maintains a proprietary database with names and addresses of the largest and most common banks, brokers, and other nominees. On December 4, 2014, A.B. Data caused Notice Packets to be mailed to the 5,334 mailing records contained in the A.B. Data record holder mailing database.

5. In total, 28,415 Notice Packets were mailed to potential Members of the Settlement Classes and their nominees by first-class mail on December 4, 2014.

6. On December 9, 2014, A.B. Data also submitted the Notice to the Depository Trust Company ("DTC") to post on their Legal Notice System, which offers DTC member banks and brokers access to a comprehensive library of notices concerning DTC-eligible securities.

7. With respect to A.B. Data's outreach to brokers and nominees, the Notice requested that those who, during the Class Period, purchased or otherwise acquired Fannie Mae common stock, common stock call options, or preferred stock, and/or sold common stock put

options for the beneficial interest of a person or organization other than themselves either (i) request from A.B. Data copies of the Notice Packet for the beneficial owners, or (ii) provide to A.B. Data the names and addresses of such beneficial owners no later than seven (7) calendar days after such nominees' receipt of the Notice Packet. *See* Notice at ¶ 121.

8. As of the date of this Declaration, A.B. Data has received an additional 510,022 names and addresses of potential Members of the Settlement Classes from individuals or brokerage firms, banks, institutions and other nominees. A.B. Data has also received requests from brokers and other nominee holders for 26,844 Notice Packets, which, pursuant to the Preliminary Approval Order and Notice, the brokers and nominees are required to mail to their customers. All such mailing requests have been, and will continue to be, complied with and addressed by A.B. Data in a timely manner.

9. As of the date of this Declaration, 3,423 Notice Packets were returned by the United States Postal Service to A.B. Data as undeliverable as addressed ("UAA"). Of those returned UAA, 761 had forwarding addresses and were promptly re-mailed to the updated address. The remaining 2,662 UAAs were processed through LexisNexis to obtain an updated address. Of these, 1,521 new addresses were obtained and A.B. Data promptly re-mailed Notice Packets to these potential Members of the Settlement Classes.

10. As of the date of this Declaration, a total of 567,563 Notice Packets have been mailed to potential Members of the Settlement Classes and their nominees.

PUBLICATION OF THE SUMMARY NOTICE

11. In accordance with Paragraph 13 of the Preliminary Approval Order, on December 17, 2014, A.B. Data caused the release of the Summary Notice via *PR Newswire*, and

on December 18, 2014, A.B. Data caused the Summary Notice to be published in *The Wall Street Journal*. Proof of this publication is attached hereto as Exhibits B and C, respectively.

TELEPHONE HOTLINE

12. On or about December 4, 2014, a case-specific toll-free number, (800) 949-0192, was established with an Interactive Voice Response system and live operators. An automated attendant answers all calls initially and presents callers with a series of choices to respond to basic questions. If callers need further help, they have the option to be transferred to a live operator during business hours.

13. From December 4, 2014 through the date of this Declaration, A.B. Data received 426 telephone calls.

WEBSITE

14. On or about December 4, 2014, A.B. Data established a case-specific website, www.FannieMae2008Litigation.com, which includes general information regarding the case and its current status; downloadable copies of the Notice, Proof of Claim, Summary Notice; and downloadable copies of other settlement documents, including the Stipulation and Agreement of Settlement. In addition, the website allows potential Members of the Settlement Classes to complete and submit their Proof of Claim online or to check the status of a submitted claim. The settlement website is accessible 24 hours a day, 7 days a week.

REPORT ON EXCLUSIONS AND OBJECTIONS

15. The Notice informed potential Members of the Settlement Classes that requests for exclusion are to be sent to the Claims Administrator, such that they are received no later than February 2, 2015. The Notice also sets forth the information that must be included in each request for exclusion. As of the date of this Declaration, A.B. Data has received three requests

for exclusion. Copies of the requests, which are redacted to remove personal information such as account numbers and addresses, are attached hereto as Exhibit D.

16. As of the date of this Declaration, A.B. Data has not received any objections to the Settlement.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 13th day of January, 2015.

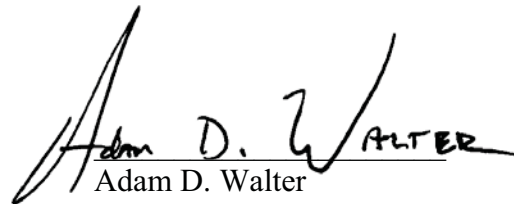

Adam D. Walter

EXHIBIT A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE FANNIE MAE 2008 SECURITIES
LITIGATION

:
: Master File No. 08 Civ. 7831 (PAC)
:
:

**NOTICE OF (I) PROPOSED CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION; (II) SETTLEMENT HEARING;
AND (III) REQUESTS FOR AWARDS OF ATTORNEYS' FEES AND LITIGATION EXPENSES**

TO: ALL PERSONS AND ENTITIES THAT, DURING THE PERIOD BETWEEN NOVEMBER 8, 2006 AND SEPTEMBER 5, 2008, INCLUSIVE (THE "CLASS PERIOD"), EITHER ON THE SECONDARY MARKET OR THROUGH AN ORIGINAL OFFERING PURSUANT TO A REGISTRATION STATEMENT OR PROSPECTUS: (I) PURCHASED OR ACQUIRED FANNIE MAE COMMON STOCK AND/OR COMMON STOCK CALL OPTIONS, AND WERE THEREBY DAMAGED; AND/OR (II) SOLD FANNIE MAE COMMON STOCK PUT OPTIONS, AND WERE THEREBY DAMAGED; AND/OR (III) PURCHASED OR ACQUIRED FANNIE MAE PREFERRED STOCK DURING THE CLASS PERIOD, AND WERE THEREBY DAMAGED.

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF CLASS ACTION SETTLEMENT: Please be advised that the Court-appointed co-lead plaintiffs for the Common Stock Class (defined in ¶1 below), the Massachusetts Pension Reserves Investment Management Board ("PRIM") and State Boston Retirement Board ("SBRB"), and the Court-appointed lead plaintiff for the Preferred Stock Class (defined in ¶1 below and, together with the Common Stock Class, referred to as the "Settlement Classes"), Tennessee Consolidated Retirement System ("TCRS," and together with PRIM and SBRB, "Lead Plaintiffs"), on behalf of themselves and their respective classes, have reached a proposed Settlement of the above-captioned securities class action lawsuit (the "Action") with Defendants Federal National Mortgage Association ("Fannie Mae") and the Federal Housing Finance Agency ("FHFA"), Conservator for Fannie Mae (together, Lead Plaintiffs, Fannie Mae, and FHFA are referred to as the "Settling Parties") for a total of \$170,000,000 in cash.¹ Of this amount, \$123,760,000 has been allocated to the Common Stock Class ("Common Stock Allocated Amount") and \$46,240,000 has been allocated to the Preferred Stock Class ("Preferred Stock Allocated Amount"). If approved, the proposed Settlement will resolve all claims in the Action. As set forth in more detail on Page 3, plaintiffs' counsel will seek award(s) of attorneys fees of no more than 20%, in the aggregate, of the Settlement Fund and payments of litigation expenses that will not exceed \$2,950,000.

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a Member of the Common Stock Class and/or the Preferred Stock Class, your legal rights will be affected whether or not you act.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A PROOF OF CLAIM FORM ("CLAIM FORM") BY APRIL 3, 2015.	This is the only way to be eligible to receive a payment from the Settlement. If you are a Member of the Common Stock Class and/or Preferred Stock Class, and do not seek exclusion, you will be bound by the Settlement as approved by the Court and you will give up any Released Class Claims (as defined in ¶99 below) that you have against Released Defendant Parties (as defined in ¶99 below), so it is in your interest to submit a Claim Form. A Claim Form is included with this Notice. You can also visit www.FannieMae2008Litigation.com to obtain, complete, and file a Claim Form online.
EXCLUDE YOURSELF BY SUBMITTING A WRITTEN REQUEST SO THAT IT IS <u>RECEIVED</u> NO LATER THAN FEBRUARY 2, 2015.	Receive no payment. This is the only option that, assuming your claim is timely brought, might enable you to ever bring or be part of any <u>other</u> lawsuit about the Released Class Claims against Released Defendant Parties.
OBJECT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS <u>RECEIVED</u> NO LATER THAN FEBRUARY 2, 2015.	If you are a Member of the Common Stock Class and/or the Preferred Stock Class and do not like the proposed Settlement, the proposed Plan of Allocation, or the requests for attorneys' fees and litigation expenses, you may write to the Court and explain why you do not like them.
GO TO THE HEARING ON MARCH 3, 2015 AT 3:00 PM, WHICH REQUIRES YOU FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS <u>RECEIVED</u> NO LATER THAN FEBRUARY 2, 2015.	Filing a written objection and notice of intention to appear by February 2, 2015 allows you to, at the discretion of the Court, speak in Court about the fairness of the proposed Settlement, the Plan of Allocation, or the requests for attorneys' fees and litigation expenses. If you submit a written objection, you may (but do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING.	If you are a Member of the Settlement Classes and you do not submit a Claim Form by April 3, 2015, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a Member of the Settlement Classes, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement dated as of October 24, 2014 (the "Stipulation"), which is available on the website for the Settlement at www.FannieMae2008Litigation.com.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please **DO NOT** contact Fannie Mae or FHFA. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶¶10, 42, and 124 below).

SUMMARY OF THIS NOTICE

1. Notice of Pendency of Class Action and Settlement Classes: This Notice relates to a proposed Settlement of claims in a pending securities class action lawsuit brought by investors alleging, among other things, that Defendants² violated the federal securities laws by (i) misrepresenting the state of risk controls relating to Fannie Mae's purchase of certain mortgages, including subprime and Alt-A loans and (ii) misrepresenting Fannie Mae's exposure to subprime and Alt-A mortgages. The proposed Settlement, if approved by the United States District Court for the Southern District of New York (the "Court"), will settle claims of the following classes of persons and entities:

- (i) **All persons and entities that, during the period between November 8, 2006 and September 5, 2008, inclusive, either on the secondary market or through an original offering pursuant to a registration statement or prospectus:**
 - (a) **purchased or acquired Fannie Mae common stock and/or common stock call options, and were thereby damaged;**
 - and/or (b) **sold Fannie Mae common stock put options, and were thereby damaged (the "Common Stock Class");** and
- (ii) **All persons and entities that, during the period between November 8, 2006 and September 5, 2008, inclusive, either on the secondary market or through an original offering pursuant to a registration statement or prospectus purchased or acquired Fannie Mae preferred stock, and were thereby damaged (the "Preferred Stock Class").**

Excluded from the Settlement Classes by definition are: (i) Defendants and Former Defendants; (ii) members of the immediate family of any Non-Settling Individual Defendant or Former Individual Defendant; (iii) any person who was an officer or member of the Board of Directors of Fannie Mae during the Class Period; (iv) any firm, trust, corporation, officer, or other entity in which any Defendant or Former Defendant has or had a controlling interest; and (v) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded party. For the avoidance of doubt, "affiliates" are persons or entities that directly, or indirectly through one or more intermediaries, control, are controlled by or are under common control with one of the Defendants or Former Defendants, and include any employee benefit plan organized for the benefit of Fannie Mae's employees. Former Underwriter Defendants and their affiliates shall be excluded solely with regard to the securities held solely on behalf of, or for the benefit of, their own account(s) (*i.e.*, accounts in which they hold a proprietary interest). Any Investment Vehicle shall not be deemed an excluded person or entity by definition. Also excluded is any Person who submits a valid and timely request for exclusion in accordance with the requirements set forth in this Notice.

2. Statement of Recovery of Settlement Classes: Subject to Court approval, and as described more fully below, Lead Plaintiffs, on behalf of themselves and their respective classes, have agreed to settle all claims based on (i) the purchase or other acquisition of Fannie Mae common stock and Fannie Mae call options; (ii) the sale of Fannie Mae common stock put options; and (iii) the purchase or other acquisition of Fannie Mae preferred stock during the Class Period, that were or could have been asserted against Defendants in the Action, in exchange for a settlement payment of \$170,000,000 in cash (the "Settlement Amount") to be deposited into interest-bearing escrow accounts. The Settlement is being apportioned between the Common Stock Class and the Preferred Stock Class as follows: \$123.76 million or 72.8% of the Settlement Amount to the Common Stock Class and \$46.24 million or 27.2% of the Settlement Amount to the Preferred Stock Class. This apportionment was determined by Lead Plaintiffs for the Common Stock Class and the Preferred Stock Class and is based upon and fully consistent with the overall estimated damages attributable to each class as determined by a consulting damages expert for Lead Plaintiffs. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less (i) any Taxes; (ii) any Notice and Administration Expenses; (iii) any litigation expenses awarded by the Court; and (iv) any attorneys' fees awarded by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Classes. The proposed plan of allocation (the "Plan of Allocation") is set forth on Pages 8-13 below.

3. Estimate of Average Amount of Recovery Per Share: Lead Plaintiffs' consulting plan of allocation expert estimates that approximately 1,490,292,170 shares of Fannie Mae common stock, 268,797,100 common stock call options, and 469,676,527 shares of Fannie Mae preferred stock were purchased, and 296,373,600 common stock put options were sold, during the Class Period and held through an alleged disclosure, and therefore were allegedly damaged pursuant to Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). Lead Plaintiffs' consulting plan of allocation expert estimates that, if valid claims for all damaged shares are submitted, the average recovery per allegedly damaged share of Fannie Mae common stock will be approximately \$0.08 per share before deduction of attorneys' fees, costs and expenses awarded by the Court, and the costs of providing notice and administering the Settlement. Similarly, Lead Plaintiffs' consulting plan of allocation expert estimates that, if valid claims for all damaged shares are submitted, the average recovery per allegedly damaged Fannie Mae common stock call option will be approximately \$0.002 before deduction of attorneys' fees, costs and expenses awarded by the Court, and the costs of providing notice and administering the Settlement. Lead Plaintiffs' consulting plan of allocation expert estimates that, if valid claims for all damaged shares are submitted, the average recovery per allegedly damaged Fannie Mae common stock put option will be approximately \$0.02 before deduction of attorneys' fees, costs and expenses awarded by the Court, and the costs of providing notice and administering the Settlement. Lead Plaintiffs' consulting plan of allocation expert estimates that, if valid claims for all damaged shares are submitted, the average recovery per allegedly damaged share of Fannie Mae preferred stock will be approximately \$0.10 per share before deduction of attorneys' fees, costs and expenses awarded by the Court, and the costs of providing notice and administering the Settlement. **Members of the Settlement Classes should note, however, that the foregoing average recovery per damaged share of Fannie Mae common stock, per damaged common stock call option, per damaged common stock put option, and per damaged share of preferred stock are only estimates.** The actual recovery of a Member of the Settlement Classes will depend on several things, including: (i) the number of claims filed; (ii) when Members of the Settlement Classes purchased, acquired, and/or held their Fannie Mae common stock, common stock call options, and/or preferred stock, and/or sold their common stock put options, during the

² Defendants are Fannie Mae, FHFA, Daniel H. Mudd, and Enrico Dallavecchia. Mudd and Dallavecchia are referred to as the "Non-Settling Individual Defendants."

Class Period; and (iii) whether Members of the Settlement Classes sold their shares of Fannie Mae common stock, common stock call options, and/or preferred stock, and/or closed their common stock put options, and, if so, when. Distributions to Members of the Settlement Classes will be made based on the Plan of Allocation set forth herein (see Pages 8-13 below) or such other plan of allocation as may be ordered by the Court.

4. Statement of Potential Recovery and Average Amount of Damages Per Share: The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail in the Action. The Parties strenuously disagreed about the ability of Lead Plaintiffs to prove damages, even if liability were established. Defendants repeatedly argued that Lead Plaintiffs' damages were overstated. At summary judgment or trial, Defendants would likely argue, *inter alia*, that: (i) statistically significant stock price reactions were not the result of corrective disclosures nor were they the result of a materialization of previously undisclosed risks and therefore did not cause damages; and (ii) damages must be offset by certain gains. Defendants also assert that they were prepared to establish that the price of Fannie Mae common stock, common stock call options, and preferred stock declined in value, and the price of Fannie Mae common stock put options increased in value, for reasons not related to the disclosure of any allegedly false or misleading statements. In sum, Defendants do not agree with the assertion that they engaged in any actionable misconduct under the federal securities laws or that any damages were suffered by any Members of the Settlement Classes as a result of their conduct.

5. Statement of Attorneys' Fees and Expenses Sought: Court-appointed Lead Counsel for the Preferred Stock Class, Kaplan Fox & Kilsheimer LLP, and Lead Counsel for the Common Stock Class, Labaton Sucharow LLP and Berman DeValerio, (collectively "Lead Counsel"), who have been prosecuting the Action on a wholly contingent basis since its inception in 2008, have not received any payment of attorneys' fees for their representation of the Settlement Classes and have advanced millions of dollars in expenses necessarily incurred in order to prosecute the Action. As set forth in greater detail below (see ¶¶17-37 below), Lead Counsel have taken this case from inception through discovery, which was scheduled to conclude in September 2014. Among other things, Lead Counsel were responsible for: (i) conducting an extensive investigation into the claims of the Settlement Classes; (ii) drafting two detailed amended complaints; (iii) opposing two rounds of multiple dismissal motions; (iv) successfully opposing Defendants' motions for reconsideration of multiple issues decided by the Court in connection with Defendants' first round of motions to dismiss; (v) filing Lead Plaintiffs' motions for class certification;³ (vi) engaging in an extensive discovery program, including participating in approximately 21 depositions and receiving, reviewing, and/or analyzing more than 75 million pages of documents from Defendants; and (vii) engaging in multiple in-person and telephonic meetings regarding a possible settlement of the Action before reaching an agreement in principle to settle.

6. Lead Counsel for the Common Stock Class and Lead Counsel for the Preferred Stock Class will make an application(s) for awards of attorneys' fees of no more than 20%, in the aggregate, of the Settlement Fund. They will also make an application(s) for payments of litigation expenses incurred in connection with the prosecution and resolution of the Action, in amounts that will not in the aggregate exceed \$2,950,000, which sums may also directly include the reasonable costs and expenses of the Common Stock Lead Plaintiffs and Preferred Stock Lead Plaintiff directly related to their representation of their respective class. Pending review of the final Fee and Expense Application(s), Lead Plaintiffs PRIM, SBRB, and TCRS each reserve all of their rights, including the right to object to such application(s).

7. If the Court approves an application(s) for fees of no more than 20%, in the aggregate, of the Settlement Fund, as well as an application(s) for expenses, the average cost would be approximately \$0.02 per allegedly damaged share of Fannie Mae common stock; \$0.001 per allegedly damaged Fannie Mae common stock call option; \$0.004 per allegedly damaged Fannie Mae common stock put option; and \$0.02 per allegedly damaged share of Fannie Mae preferred stock.

8. Identification of Attorneys' Representatives: The Preferred Stock Lead Plaintiff and the Preferred Stock Class are being represented by: Frederic S. Fox, Esq. and Donald Hall, Esq., Kaplan Fox & Kilsheimer LLP, 850 Third Avenue, 14th Floor, New York, NY 10022, 800-290-1952, mail@kaplanfox.com. The Common Stock Lead Plaintiffs and the Common Stock Class are being represented by: Thomas A. Dubbs, Esq. and Louis Gottlieb, Esq., Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, 888-219-6877, settlementquestions@labaton.com; Glen DeValerio, Esq., Berman DeValerio, One Liberty Square, Boston, MA 02109, 617-542-8300, and Daniel E. Barenbaum, Esq., Berman DeValerio, One California Street, Suite 900, San Francisco, CA 94111, 415-433-3200, fannie@bermandevalerio.com.

9. Reasons for the Settlement: Lead Plaintiffs' principal reason for entering into the Settlement is the substantial cash benefits for the Settlement Classes without serious risk or the delays inherent in further litigation. Moreover, the substantial cash benefits provided under the Settlement must be considered against the significant risk that a smaller recovery—or, indeed, no recovery at all—might be achieved after summary judgment motions or a trial of the Action and the likely appeals that would follow a trial, a process that could last several years. Fannie Mae and FHFA, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

10. Further Information: Further information regarding this Action and this Notice may be obtained by contacting the Claims Administrator or Lead Counsel (see ¶8 above):

FANNIE MAE 2008 SECURITIES LITIGATION
c/o A.B. DATA, LTD.
PO BOX 173002
MILWAUKEE, WI 53217
Phone: 800-949-0192
Email: info@FannieMae2008Litigation.com

DO NOT CALL THE COURT WITH QUESTIONS ABOUT THE SETTLEMENT.

³ Lead Plaintiffs' motions for class certification, which were filed on July 18, 2011, were later withdrawn in light of Lead Plaintiffs subsequently filing a Second Amended Consolidated Class Action Complaint on March 2, 2012.

WHAT THIS NOTICE CONTAINS

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WHY DID I GET THIS NOTICE?

11. This Notice is being sent to you pursuant to an Order of the Court because you or someone in your family or an investment account for which you serve as custodian may have purchased or otherwise acquired Fannie Mae common stock, call options, or preferred stock, and/or sold common stock put options during the Class Period (*i.e.*, November 8, 2006 through September 5, 2008, inclusive). The Court has directed us to send you this Notice because, as a potential Member of the Settlement Classes, you have a right to know about your options before the Court rules on the proposed Settlement of this case. Additionally, you have the right to learn how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, the Claims Administrator selected by Lead Plaintiffs and approved by the Court will distribute payments pursuant to the Settlement and Plan of Allocation after any objections and appeals are resolved.

12. The Court in charge of this case is the United States District Court for the Southern District of New York, and the case is known as *In re Fannie Mae 2008 Securities Litigation*, No. 08 Civ. 7831 (PAC) (S.D.N.Y.). The Judge presiding over this case is the Honorable Paul A. Crotty, United States District Judge. The people who are suing are called plaintiffs, and those who are being sued are called defendants. In this case, the named plaintiffs are referred to as the Lead Plaintiffs and they are suing on behalf of themselves and their respective classes, as defined in ¶1 above, and the Defendants are Fannie Mae, FHFA, and the Non-Settling Individual Defendants (*see* fn. 2 above). If the Settlement is approved, it will resolve all claims in the Action by Members of the Settlement Classes (except those who exclude themselves) against Defendants and will bring the Action to an end.

13. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of the existence of this Action, the Settlement that has been reached in this Action, and how you might be affected. It also is being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement, the proposed Plan of Allocation, and the requests by Lead Counsel for attorneys' fees and litigation expenses (the "Settlement Hearing").

14. The Settlement Hearing will be held on **March 3, 2015, at 3:00 p.m.**, before the Honorable Paul A. Crotty, at the Daniel Patrick Moynihan United States Courthouse, Courtroom 14-C, 500 Pearl Street, New York, NY 10007, to determine:

- whether the proposed Settlement is fair, reasonable, and adequate and should be approved by the Court;
- whether the Action should be dismissed with prejudice against the Defendants as set forth in the Stipulation;
- whether the proposed Plan of Allocation is fair and reasonable and should be approved by the Court;
- whether Lead Counsel's requests for attorneys' fees and litigation expenses should be approved by the Court; and
- any other relief the Court deems necessary to effectuate the terms of the Settlement.

15. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. As referenced above, there are several billion shares of Fannie Mae common stock, common stock call options, common stock put options, and shares of preferred stock as to which claims may be submitted and, thus, the claims process could take substantial time to complete fully and fairly. Please be patient.

WHY IS THIS CASE A CLASS ACTION?

16. In a securities class action lawsuit, under a federal law governing lawsuits such as this one, the court appoints one or more investors, known as class representatives, to oversee litigation brought on behalf of all investors with similar claims, commonly known as the class or the QUESTIONS? VISIT WWW.FANNIEMAE2008LITIGATION.COM OR CALL 800-949-0192 TOLL FREE

class members. In this Action, the Court has appointed PRIM and SBRB to serve as Lead Plaintiffs for the Common Stock Class and has appointed the law firms of Labaton Sucharow LLP and Berman DeValerio to serve as Lead Counsel for the Common Stock Class. The Court has also appointed TCRS as Lead Plaintiff for the Preferred Stock Class and has appointed the law firm of Kaplan Fox & Kilsheimer LLP to serve as Lead Counsel for the Preferred Stock Class. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing class members with both consistency and efficiency. Accordingly, the Settlement, if approved by the Court, will resolve all issues on behalf of the Members of the Settlement Classes, except for any Persons who exclude themselves.

WHAT IS THIS CASE ABOUT?

A. Summary of Procedural History and Background on Lead Plaintiffs' Claims

17. On September 7, 2008, FHFA announced that it had placed Fannie Mae into conservatorship due to its concerns about Fannie Mae's liquidity and solvency as a result of Fannie Mae's exposure to subprime and Alt-A loans and Fannie Mae's internal risk controls.

18. Beginning in September 2008, numerous securities fraud class actions were filed against Fannie Mae, its auditor Deloitte & Touche LLP, fifteen underwriters (in connection with four preferred stock offerings and one common stock offering during the Class Period),⁴ and certain of its officers.

19. By Memorandum Opinion and Order dated April 16, 2009, the Court consolidated the federal securities actions and appointed PRIM and SBRB as Lead Plaintiffs for the Common Stock Class and TCRS as Lead Plaintiff for the Preferred Stock Class, pursuant to the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). In the same Order, the Court also approved the selection of Labaton Sucharow LLP and Berman DeValerio as Lead Counsel for the Common Stock Class and Kaplan Fox & Kilsheimer LLP as Lead Counsel for the Preferred Stock Class.

20. On June 22, 2009, Lead Plaintiffs filed their Joint Consolidated Amended Class Action Complaint ("First Amended Complaint"), which asserted that Defendants⁵ had violated federal securities laws and alleged claims on behalf of all persons and entities who (i) purchased or acquired Fannie Mae common stock and/or call options and/or sold Fannie Mae common stock put options between November 8, 2006 and September 5, 2008, inclusive; and (ii) purchased or acquired Fannie Mae preferred stock between November 8, 2006 and September 5, 2008, inclusive, and were damaged thereby.

21. The First Amended Complaint alleged that Defendants violated the federal securities laws by making materially false and misleading statements and omissions regarding: (i) Fannie Mae's risk management; (ii) Fannie Mae's exposure to subprime and Alt-A loans; and (iii) Fannie Mae's capitalization and compliance with generally accepted accounting principles ("GAAP"). The First Amended Complaint alleged that these actions deceived the investing public in violation of the federal securities laws; artificially inflated the price of Fannie Mae common stock, common stock call options, and preferred stock; artificially deflated the price of Fannie Mae common stock put options; and caused putative Members of the Settlement Classes to purchase Fannie Mae common stock, common stock call options, and preferred stock at artificially inflated prices, and to sell Fannie Mae common stock put options at artificially deflated prices.

22. The First Amended Complaint further alleged that the truth about Fannie Mae's risk controls, subprime and Alt-A holdings, and capitalization was not fully revealed until September 7, 2008, when FHFA announced it would impose a conservatorship on Fannie Mae as a result of its conclusion that Fannie Mae (i) had increased its exposure to subprime and Alt-A loans; (ii) maintained capital that was inadequate, of a low quality, and overstated; and (iii) had erroneous or questionable accounting practices, which had caused the overstatements. The First Amended Complaint also alleged at least seven partial disclosures during the Class Period in which material information, which had previously been allegedly concealed or misrepresented by Defendants, was made public. Lead Plaintiffs sought damages for all of their claims based solely on the amounts that the price of Fannie Mae's securities dropped, or common stock put options rose, allegedly as a result of disclosures during the Class Period.

23. Based on the facts set forth above, the First Amended Complaint alleged that certain Defendants violated Sections 10(b) and 20(a) of the Exchange Act and/or Sections 12(a)(2) and 15 of the Securities Act of 1933 (the "Securities Act").

24. In July 2009, defendants moved to dismiss all claims in the First Amended Complaint arising under the Securities Act. In November 2009, in response to those motions to dismiss, the Court dismissed all claims arising under the Securities Act and all claims against the Former Underwriter Defendants and one former officer, David Hisey. In September 2009, the remaining defendants moved to dismiss all claims arising under the Exchange Act.

25. On October 13, 2009, the Court granted the motion to intervene filed by FHFA, as conservator for Fannie Mae.

26. On September 30, 2010, the Court issued an Opinion and Order that granted in part, and denied in part, Defendants' motions to dismiss. Specifically, the Court sustained (i) Lead Plaintiffs' Section 10(b) claims against Fannie Mae and the Non-Settling Individual Defendants regarding Fannie Mae's internal controls and risk management; and (ii) Lead Plaintiffs' Section 20(a) claims for control person liability against the Non-Settling Individual Defendants regarding Fannie Mae's internal controls and risk management. The Court dismissed all remaining claims against two former officers, Robert Blakely and Stephen Swad, as well as Deloitte & Touche LLP. The Former Underwriter Defendants, Deloitte & Touche LLP, David Hisey, Robert T. Blakely, and Stephen M. Swad are collectively referred to as the "Former Defendants."

27. On October 14, 2010, Fannie Mae and the Non-Settling Individual Defendants filed motions for reconsideration of multiple issues decided by Judge Crotty in his September 30, 2010 Opinion and Order related to Defendants' motions to dismiss. On April 11, 2011, after full briefing, Judge Crotty denied Fannie Mae's and the Non-Settling Individual Defendants' motions.

⁴ Merrill Lynch, Pierce, Fenner & Smith, Inc.; Citigroup Global Markets Inc.; Morgan Stanley & Co. Inc.; UBS Securities LLC; Wachovia Capital Markets, LLC; Wachovia Securities, LLC; Goldman, Sachs & Co.; Banc of America Securities LLC; Barclays Capital Inc.; Deutsche Bank Securities Inc.; Wells Fargo Securities LLC; J.P. Morgan Securities Inc. (n/k/a J.P. Morgan Securities LLC); E*Trade Securities LLC; and Bear, Stearns & Co., Inc. (n/k/a J.P. Morgan Securities LLC) (collectively, the "Former Underwriter Defendants").

⁵ Defendants in the First Amended Complaint were Fannie Mae, Daniel H. Mudd, Enrico Dallavecchia, Robert T. Blakely, Stephen M. Swad, David Hisey, Deloitte & Touche LLP, and the Former Underwriter Defendants.

28. On July 18, 2011, Lead Plaintiffs filed their Motions for Class Certification and Appointment of Class Representatives and Class Counsel. In December 2011, the Securities and Exchange Commission (“SEC”) filed a civil action against the Non-Settling Individual Defendants. In light of the SEC’s action, Lead Plaintiffs were granted leave to amend the First Amended Complaint and withdrew their motions for class certification.

29. On March 2, 2012, Lead Plaintiffs filed a Second Amended Joint Consolidated Class Action Complaint (the “Complaint”) against Fannie Mae, the Non-Settling Individual Defendants, and FHFA as conservator for Fannie Mae. The Complaint contained additional allegations in support of Lead Plaintiffs’ Section 10(b) claims against Defendants Fannie Mae, FHFA, and the Non-Settling Individual Defendants and Section 20(a) claims against the Non-Settling Individual Defendants. The Complaint alleged that Fannie Mae and the Non-Settling Individual Defendants publicly issued materially false and misleading statements that artificially inflated the price of Fannie Mae’s securities, in violation of Sections 10(b) and 20(a) of the Exchange Act, concerning (i) internal controls and risk management relating to Fannie Mae’s purchase of certain mortgages, including subprime and Alt-A loans, as alleged in the First Amended Complaint, and (ii) Fannie Mae’s exposure to subprime and Alt-A loans.

30. Defendants moved to dismiss the new allegations in the Complaint. After full briefing, by Opinion and Order dated August 30, 2012, the Court sustained Lead Plaintiffs’ Sections 10(b) and 20(a) claims regarding Fannie Mae’s subprime and Alt-A exposure.

31. On October 20, 2012, Defendant Fannie Mae answered the Complaint. On November 5, 2012, the Non-Settling Individual Defendants answered the Complaint. Defendants denied Lead Plaintiffs’ claims and asserted a number of defenses to liability.

32. The Parties and their counsel have vigorously pursued discovery in this case. Fact discovery was scheduled to conclude in September 2014. During the course of the litigation, the Parties conducted 21 depositions and produced, reviewed, and/or analyzed more than 75 million pages of documents.

B. The Parties’ Settlement Negotiations

33. In May 2011, the Parties participated in a mediation with the assistance of the Honorable Layn R. Phillips, a former federal district court judge and highly experienced mediator. After a second mediation on May 29, 2014, and subsequent discussions among counsel and with Judge Phillips, an agreement in principle to settle the Action was reached.

34. On July 15, 2014, counsel for Fannie Mae and Lead Counsel, on behalf of Lead Plaintiffs, executed a term sheet providing for the settlement and release of all claims asserted against the Defendants for \$170,000,000 in cash, subject to certain terms and conditions and the execution of a customary “long form” stipulation and agreement of settlement and related papers.

35. Based upon their investigation, prosecution, and mediation of the case, Lead Counsel for the Common Stock Class and Lead Counsel for the Preferred Stock Class have concluded that the terms and conditions of the Settlement are fair, reasonable, and adequate to the Lead Plaintiffs and the other members of their respective classes, and in the best interest of the members of the respective classes. Based on Lead Plaintiffs’ direct oversight of the prosecution of this matter and with the advice of Lead Counsel, each of the Lead Plaintiffs has agreed to settle the claims raised in the Action pursuant to the terms and provisions of the Stipulation, after considering, among other things (i) the very substantial financial benefits that Lead Plaintiffs and the other Members of the Settlement Classes will receive under the proposed Settlement; (ii) the significant risks and delays of continued litigation and trial; and (iii) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation. The fact that Lead Plaintiffs have agreed to settle the Action shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Lead Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of Defendants’ affirmative defenses to liability have any merit.

36. Fannie Mae and FHFA are entering into the Stipulation solely to eliminate the uncertainty, burden, and expense of further protracted litigation. Each of the Defendants denies any wrongdoing, and the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any of the Released Defendant Parties (defined in ¶99 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that Defendants have, or could have, asserted. Defendants expressly deny that Lead Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing, or damages whatsoever.

37. On November 12, 2014, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Members of the Settlement Classes, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

HOW DO I KNOW IF I AM PART OF THE SETTLEMENT?

38. If you are a member of the Common Stock Class and/or the Preferred Stock Class, you are subject to the Settlement unless you choose to exclude yourself as set forth below.

39. The Common Stock Class consists of all Persons who, during the Class Period, either on the secondary market or through an original offering pursuant to a registration statement or prospectus: (i) purchased or acquired Fannie Mae common stock and/or call options, and were thereby damaged; and/or (ii) sold Fannie Mae common stock put options, and were thereby damaged.

40. The Preferred Stock Class consists of all Persons who, during the Class Period, either on the secondary market or through an original offering pursuant to a registration statement or prospectus purchased or acquired Fannie Mae preferred stock, and were thereby damaged.

ARE THERE EXCEPTIONS TO BEING INCLUDED IN THE SETTLEMENT CLASSES?

41. **Excluded from the Settlement Classes are:** (i) Defendants and Former Defendants; (ii) members of the immediate family of any Non-Settling Individual Defendant or Former Individual Defendant; (iii) any person who was an officer or member of the Board of Directors of Fannie Mae during the Class Period; (iv) any firm, trust, corporation, officer, or other entity in which any Defendant or Former Defendant has or had a controlling interest; and (v) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded party. For the avoidance of doubt, “affiliates” are persons or entities that directly, or indirectly through one or more intermediaries, control, are controlled by or are under common control with one of the Defendants or Former Defendants, and include any employee benefit plan organized for the benefit of Fannie Mae’s employees. Former Underwriter Defendants and their affiliates shall be excluded solely with regard to the securities held solely on

behalf of, or for the benefit of, their own account(s) (*i.e.*, accounts in which they hold a proprietary interest). Any Investment Vehicle⁶ shall not be deemed an excluded person or entity by definition. Also excluded is any Person who submits a valid and timely request for exclusion in accordance with the requirements set forth below (*see* ¶¶106-107).

WHAT IF I AM STILL NOT SURE IF I AM INCLUDED?

42. If you are still not sure whether you are included, you can ask for free help. You can call 800-949-0192 or visit www.FannieMae2008Litigation.com for more information. Or you can fill out and return the Claim Form or complete and file a Claim Form online at www.FannieMae2008Litigation.com.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A MEMBER OF THE SETTLEMENT CLASSES OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A MEMBER OF THE SETTLEMENT CLASSES AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN. YOU CAN ALSO VISIT WWW.FANNIEMAE2008LITIGATION.COM TO COMPLETE AND FILE A CLAIM FORM ONLINE. CLAIM FORMS MUST BE POSTMARKED OR RECEIVED NO LATER THAN **APRIL 3, 2015**, OR FILED ONLINE BY **APRIL 3, 2015**.

WHAT ARE LEAD PLAINTIFFS' REASONS FOR THE SETTLEMENT?

43. The principal reason for Lead Plaintiffs' consent to the Settlement is that it provides immediate and substantial benefits to the Settlement Classes, in the form of substantial monetary recoveries. The benefits of the present Settlement must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, a process that could last several years.

44. But for the Settlement, this Action may have proceeded through several lengthy motion briefing periods, including summary judgment and class certification, and may have proceeded to trial. The claims advanced by the Settlement Classes in this Action involve numerous complex legal and factual issues. If the Action were to proceed to trial, Lead Plaintiffs would have to overcome significant defenses asserted by multiple defendants. Among other things, the Parties disagree about (i) whether Lead Plaintiffs or the Settlement Classes have suffered any damages; (ii) whether the price of Fannie Mae common stock, common stock call options, and preferred stock was artificially inflated, or common stock put options was artificially deflated, by reason of the alleged misrepresentations, omissions, or otherwise; (iii) whether Lead Plaintiffs or the Settlement Classes were harmed by the conduct alleged in the Complaint; and (iv) whether Defendants made actionable misstatements with scienter. This Settlement enables the Settlement Classes to recover without incurring any additional risk or costs.

45. Defendants have expressly denied and continue to deny all assertions of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action. Defendants also continue to believe that the claims asserted against them in the Action are without merit. Fannie Mae and FHFA have agreed to enter into the Settlement, as embodied in the Stipulation, solely to avoid the uncertainty, burden, and expense of further protracted litigation.

46. In light of the risks associated with a trial of this Action, the monetary amount of the Settlement and the immediacy of this recovery to the Settlement Classes, Lead Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Classes. Lead Plaintiffs and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Classes, namely \$170,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no, recovery after trial and appeals.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

47. If there were no Settlement and Lead Plaintiffs failed to establish any essential legal or factual element of their claims, neither Lead Plaintiffs nor the other Members of the Settlement Classes would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on appeal, the Settlement Classes likely would recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW MUCH WILL MY PAYMENT BE?

48. At this time, it is not possible to make any determination as to how much any individual Member of the Settlement Classes may receive from the Settlement.

49. Pursuant to the Settlement, Fannie Mae has agreed to pay one hundred and seventy million dollars (\$170,000,000) in cash. Of that amount, \$123,760,000 million has been allocated to the Common Stock Class and \$46,240,000 has been allocated to the Preferred Stock Class. The Settlement Amount will be deposited into interest-bearing escrow account(s). The Settlement Amount plus all interest earned thereon is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (that is, the Settlement Fund less (i) all federal, state and local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (ii) the fees and expenses incurred in connection with providing notice to Members of the Settlement Classes and administering the Settlement on behalf of Members of the Settlement Classes; and (iii) any attorneys' fees and litigation expenses awarded by the Court) will be distributed to Members of the Settlement Classes who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

50. The Net Settlement Fund will not be distributed until the Court has approved a plan of allocation and the Settlement, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

⁶ An "Investment Vehicle" means any investment company or pooled investment fund, including but not limited to mutual fund families, exchange-traded funds, fund of funds, private equity funds, real estate funds, and hedge funds, in which any Former Underwriter Defendant or any of its affiliates has or may have a direct or indirect interest or as to which any Former Underwriter Defendant or any of its affiliates may act as an investment advisor, general partner, managing member, or other similar capacity, but in which the Former Underwriter Defendant or any of its respective affiliates is not a majority owner or does not hold a majority beneficial interest.

51. Neither Fannie Mae nor any other person or entity that paid any portion of the Settlement Amount on its behalf are entitled to get back any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. Fannie Mae, FHFA, and the Released Defendant Parties shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the Plan of Allocation.

52. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

53. Only Members of the Settlement Classes, defined above, will be eligible to share in the distribution of the Net Settlement Fund.

54. Each Member of the Settlement Classes wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Common Stock Class and/or the Preferred Stock Class, including all required documentation, postmarked or received no later than **April 3, 2015**, to the address set forth in the Claim Form that accompanies this Notice.

55. Unless the Court otherwise orders, any Member of the Settlement Classes who fails to submit a Claim Form postmarked or received no later than **April 3, 2015** shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Member of the Settlement Classes and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Member of the Settlement Classes releases the Released Class Claims (as defined in ¶99 below) against Released Defendant Parties (as defined in ¶99 below) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Class Claims against any of the Released Defendant Parties whether or not such Member of the Settlement Classes submits a Claim Form.

56. **Information Required on the Claim Form:** Among other things, each Claim Form must state and provide sufficient documentation for the position of the Claimant (defined herein as any Person submitting a Claim Form) in Fannie Mae common stock, common stock call options, common stock put options, and/or preferred stock as of the beginning of the Class Period; all transactions in Fannie Mae common stock, common stock call options, common stock put options, and/or preferred stock during the Class Period; and the Claimant's closing position in Fannie Mae common stock, common stock call options, common stock put options, and/or preferred stock on the date specified in the Claim Form.

57. Participants and beneficiaries in any employee benefit plan(s) organized for the benefit of Fannie Mae employees (collectively the "ERISA Plans") should NOT include any information relating to their transactions in Fannie Mae securities held through the ERISA Plans in any Claim Form that they may submit in this Action. They should include ONLY those securities that they purchased, otherwise acquired, held, and/or sold outside of the ERISA Plans. Unexercised stock options issued to employees of Fannie Mae in connection with their employment are also not eligible securities for purposes of a recovery from the Settlement and should not be included in a Claim Form. If an employee stock option was exercised, and Fannie Mae common stock was purchased, in that event, the Fannie Mae common stock would be the eligible security and should be listed on the Claim Form at the exercise price of the employee stock option.

58. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any Member of the Settlement Classes.

59. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

60. Persons and entities that either are excluded from the Settlement Classes by definition, or who choose to exclude themselves, will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

PROPOSED PLAN OF ALLOCATION

61. The objective of the Plan of Allocation set forth below is to equitably distribute Settlement proceeds to those Members of the Settlement Classes who suffered economic losses as a proximate result of the alleged wrongdoing. The Plan of Allocation generally measures the amount of loss that a Member of the Settlement Classes can claim for purposes of making *pro rata* allocations of the Settlement proceeds to Authorized Claimants. The Plan of Allocation is not a formal damages analysis. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of the amounts that Members of the Settlement Classes might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The calculations made pursuant to the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Settlement proceeds.

FANNIE MAE COMMON STOCK AND OPTIONS CALCULATION OF RECOGNIZED COMMON STOCK LOSS AMOUNTS

62. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the investor's loss and inflation paid at the time of purchase must exceed the inflation at time of sale.⁷ Common Stock Lead Plaintiffs allege that the market price of Fannie Mae Common Stock and Call Options were artificially inflated during the Class Period. In particular, Common Stock Lead Plaintiffs' allegations imply that as the market for subprime and Alt-A mortgages progressively worsened during the financial crisis, the value of Fannie Mae Common Stock and Call Options would have declined earlier than actually observed and the value of Fannie Mae Put Options would have increased earlier than actually observed because the market was not sufficiently aware of Fannie Mae's exposure to those assets. As a result, as time progressed through the Class Period and as losses on subprime and Alt-A mortgages accelerated the artificial inflation in Fannie Mae Common Stock and Call Options increased over time.⁸ Furthermore, Common Stock Lead Plaintiffs alleged that the market price of Fannie Mae Common Stock and Call Options declined in reaction to information disclosed on July 10, 2008, July 11, 2008, August 8, 2008, August 20, 2008, and September 8, 2008.⁹

63. A consulting plan of allocation expert retained by Common Stock Lead Plaintiffs determined that the market prices of Fannie Mae Common Stock and Call Options declined in a statistically significant manner as a result of the information that plaintiffs allege was disclosed on the dates listed in ¶62 above.¹⁰ Furthermore, using information on the timing of losses in the mortgage-backed securities market, the consulting

⁷ For *writers* of put options, where the price was allegedly deflated (as opposed to inflated), the artificial deflation must have decreased between the writing of the put option and the disposition (whether through sale or exercise) of the option position.

⁸ This also implies the artificial deflation in Fannie Mae Put Options decreased over time.

⁹ Conversely, the market price of Fannie Mae Put Options increased upon the release of the alleged disclosure information on these days.

¹⁰ The market price of Fannie Mae Put Options increased in a statistically significant manner as well.

plan of allocation expert developed a reasonable model for determining the timing of when the inflation/deflation revealed by these alleged disclosures came to be present in the market prices of Fannie Mae Common Stock and Options. In order to have a “Recognized Common Stock Loss Amount” under the Plan of Allocation with respect to Fannie Mae Common Stock and Call Options, the security must have been purchased during the Class Period and held through at least one of the alleged disclosures that resulted in a statistically significant change in market price, and with respect to Put Options, those options must have been sold (written) during the Class Period and not closed through at least one alleged disclosure that resulted in a statistically significant change in market price. Furthermore, the calculation of the Recognized Common Stock Loss Amount takes into account that the inflation paid at the time of purchase (deflation at time of sale in the case of Put Options) must exceed the inflation at the time of sale (deflation at date of close for Put Options) for an investor to have suffered a loss as a result of the alleged fraud.

64. For purposes of determining whether a Claimant has an eligible Claim, purchases, acquisitions, and sales of like securities will first be matched on a First In, First Out basis as set forth in ¶77 below. For Fannie Mae Put Options, Class Period purchases will be matched first to close out positions open at the beginning of the Class Period, and then against Put Options sold (written) during the Class Period in chronological order.

65. With respect to shares of Fannie Mae Common Stock and Call and Put Options, a Recognized Common Stock Loss Amount will be calculated by the Claims Administrator as set forth below for each purchase or other acquisition of Fannie Mae Common Stock and Call Option contracts and each sale of Fannie Mae Put Option contracts from November 8, 2006 through and including September 5, 2008, that is listed in the Claim Form and for which adequate documentation is provided. To the extent that a calculation of a Recognized Common Stock Loss Amount results in a negative number, that number shall be set to zero.

FANNIE MAE COMMON STOCK CALCULATIONS

66. For each share of Common Stock purchased or otherwise acquired from November 8, 2006 through and including September 5, 2008, and:

- A. Sold before the opening of trading on July 10, 2008, the Recognized Common Stock Loss Amount for each such share shall be zero.
- B. Sold after the opening of trading on July 10, 2008 and before the close of trading on September 5, 2008, the Recognized Common Stock Loss Amount for each such share shall be *the lesser of*:
 - (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below *minus* the dollar artificial inflation applicable to each such share on the date of sale as set forth in Table 1 below; or
 - (ii) the actual purchase/acquisition price *minus* the actual sale price.
- C. Sold after the close of trading on September 5, 2008 and before the close of trading on December 5, 2008, the Recognized Common Stock Loss Amount for each such share shall be *the lesser of*:
 - (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below; or
 - (ii) the actual purchase/acquisition price of each such share *minus* the average closing price from September 8, 2008 up to the date of sale as set forth in Table 2 below.
- D. Held as of the close of trading on December 5, 2008, the Recognized Common Stock Loss Amount for each such share shall be *the lesser of*:
 - (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below; or
 - (ii) the actual purchase/acquisition price of each such share *minus* \$0.89.¹¹

FANNIE MAE CALL AND PUT OPTIONS CALCULATIONS

67. Exchange-traded options are traded in units called “contracts” which entitle the holder to buy (in the case of a call option) or sell (in the case of a put option) 100 shares of the underlying security, which in this case is Fannie Mae Common Stock. Throughout this Plan of Allocation, all price quotations are *per share of the underlying security* (i.e., 1/100 of a contract).

68. Each option contract specifies a strike price and an expiration date. Contracts with the same strike price and expiration date are referred to as a “series” and each series represents a different security that trades in the market and has its own market price (and thus artificial inflation or deflation). Under the Plan of Allocation, the dollar artificial inflation per share (i.e., 1/100 of a contract) for each series of Fannie Mae Call Options and the dollar artificial deflation per share (i.e., 1/100 of a contract) for each series of Fannie Mae Put Options have been calculated by Common Stock Lead Plaintiffs’ consulting plan of allocation expert. Table 3 below sets forth the dollar artificial inflation per share in Fannie Mae Call Options during the Class Period. Table 4 below sets forth the dollar artificial deflation per share in Fannie Mae Put Options during the Class Period.

69. For each Fannie Mae Call Option purchased or otherwise acquired from November 8, 2006 through and including September 5, 2008, and:

- A. Closed (through sale, exercise, or expiration) before the opening of trading on July 10, 2008, the Recognized Common Stock Loss Amount for each such share shall be zero.
- B. Closed (through sale, exercise, or expiration) after the opening of trading on July 10, 2008 and before the close of trading on September 5, 2008, the Recognized Common Stock Loss Amount for each such share shall be *the lesser of*:
 - (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 3 below *minus* the dollar artificial inflation applicable to each such share on the date of close as set forth in Table 3 below; or
 - (ii) the actual purchase/acquisition price *minus* the actual sale price.

¹¹ Pursuant to Section 21D(e)(1) of the PSLRA, “in any private action arising under this chapter in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day look-back period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the PSLRA, Recognized Common Stock Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Fannie Mae Common Stock during the 90-day look-back period, September 8, 2008 through December 5, 2008. The mean (average) closing price for Fannie Mae Common Stock during this 90-day look-back period was \$0.89.

C. Open as of the close of trading on September 5, 2008, the Recognized Common Stock Loss Amount for each such share shall be ***the lesser of:***

- (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 3 below; or
- (ii) the actual purchase/acquisition price of each such share minus the closing price on September 8, 2008 for each such share (*i.e.*, the “Holding Price”) as set forth on Table 3 below.

70. For each Fannie Mae Put Option sold (written) from November 8, 2006 through and including September 5, 2008, and:

- A. Closed (through purchase, exercise, or expiration) before the opening of trading on July 10, 2008, the Recognized Common Stock Loss Amount for each such share shall be zero.
- B. Closed (through purchase, exercise, or expiration) after the opening of trading on July 10, 2008 and before the close of trading on September 5, 2008, the Recognized Common Stock Loss Amount for each such share shall be ***the lesser of:***
 - (i) the dollar artificial deflation applicable to each such share on the date of sale as set forth in Table 4 below minus the dollar artificial deflation applicable to each such share on the date of close as set forth in Table 4 below; or
 - (ii) the actual closing price minus the actual sale price of such share.
- C. Open as of the close of trading on September 5, 2008, the Recognized Common Stock Loss Amount for each such share shall be ***the lesser of:***
 - (i) the dollar artificial deflation applicable to each such share on the date of sale as set forth in Table 4 below; or
 - (ii) the closing price on September 8, 2008 for each such share (*i.e.*, the “Holding Price”) as set forth on Table 4 below minus the actual sale price of each such share.

71. The Settlement proceeds available for Fannie Mae Call Options purchased during the Class Period and Fannie Mae Put Options sold (written) during the Class Period shall be limited to a total amount equal to five percent (5%) of the Net Settlement Fund allocated to the Common Stock Class (“Common Stock Net Settlement Fund”).

FANNIE MAE PREFERRED STOCK CALCULATION OF RECOGNIZED PREFERRED STOCK LOSS AMOUNTS

72. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the investor’s loss, and inflation paid at the time of purchase must exceed the inflation at time of sale. Preferred Stock Lead Plaintiff alleges that the market price of Fannie Mae Preferred Stock was artificially inflated during the Class Period. In particular, Preferred Stock Lead Plaintiff’s allegations imply that as the market for subprime and Alt-A mortgages progressively worsened during the financial crisis, the value of Fannie Mae Preferred Stock would have declined earlier than actually observed because the market was not sufficiently aware of Fannie Mae’s exposure to those assets. As a result, as time progressed through the Class Period and as losses on subprime and Alt-A mortgages accelerated, the artificial inflation in Fannie Mae Preferred Stock increased over time. Furthermore, Preferred Stock Lead Plaintiff alleged that the market price of Fannie Mae Preferred Stock declined in reaction to information disclosed on July 10, 2008, July 11, 2008, August 20, 2008, and September 8, 2008.

73. A consulting plan of allocation expert retained by Preferred Stock Lead Plaintiff determined that the market prices of Fannie Mae Preferred Stock declined in a statistically significant manner as a result of the information that Preferred Stock Lead Plaintiff alleges was disclosed on the dates listed in ¶72 above. Furthermore, using information on the timing of losses in the mortgage-backed securities market, the consulting plan of allocation expert developed a reasonable model for determining the timing of when the inflation revealed by these alleged disclosures came to be present in the market prices of Fannie Mae Preferred Stock. In order to have a “Recognized Preferred Stock Loss Amount” under the Plan of Allocation with respect to Fannie Mae Preferred Stock, the security must have been purchased during the Class Period and held through at least one of the alleged disclosures that resulted in a statistically significant change in market price. Furthermore, the calculation of the Recognized Preferred Stock Loss Amount takes into account that the inflation paid at the time of purchase must exceed the inflation at the time of sale for an investor to have suffered a loss as a result of the alleged fraud.

74. For purposes of determining whether a Claimant has an eligible Claim, purchases, acquisitions, and sales of like securities will first be matched on a First In, First Out basis as set forth in ¶77 below.

75. With respect to shares of Fannie Mae Preferred Stock, a Recognized Preferred Stock Loss Amount will be calculated as set forth below for each purchase or other acquisition of Fannie Mae Preferred Stock from November 8, 2006 through and including September 5, 2008, that is listed in the Claim Form and for which adequate documentation is provided. To the extent that a calculation of a Recognized Preferred Stock Loss Amount results in a negative number, that number shall be set to zero.

FANNIE MAE PREFERRED STOCK CALCULATIONS

76. For each share of Fannie Mae Preferred Stock purchased or otherwise acquired from November 8, 2006 through and including September 5, 2008, and:

- A. Sold before the opening of trading on July 10, 2008, the Recognized Preferred Stock Loss Amount for each such share shall be zero.
- B. Sold after the opening of trading on July 10, 2008 and before the close of trading on September 5, 2008, the Recognized Preferred Stock Loss Amount for each such share shall be ***the lesser of:***
 - (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 5 below for the appropriate Preferred Stock series minus the dollar artificial inflation applicable to each such share on the date of sale as set forth in Table 5 below for the appropriate Preferred Stock series; or
 - (ii) the actual purchase/acquisition price minus the actual sale price.

- C. Sold after the close of trading on September 5, 2008 and before the close of trading on December 5, 2008, the Recognized Preferred Stock Loss Amount for each such share shall be *the lesser of*:
- (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 5 below for the appropriate Preferred Stock series; or
 - (ii) the actual purchase/acquisition price of each such share *minus* the average closing price from September 8, 2008, up to the date of sale as set forth in Table 6 below for the appropriate Preferred Stock series.
- D. Held as of the close of trading on December 5, 2008, the Recognized Preferred Stock Loss Amount for each such share shall be *the lesser of*:
- (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 5 below for the appropriate Preferred Stock series; or
 - (ii) the actual purchase/acquisition price of each such share *minus* the average price found on the last line of Table 6 below for the appropriate Preferred Stock series.¹²

ADDITIONAL PROVISIONS FOR ALL CLAIMS

77. FIFO Matching: If a Claimant has more than one purchase/acquisition or sale of Fannie Mae Common Stock, Call Options, Put Options, or Preferred Stock during the Class Period, all purchases/acquisitions and sales of the like security shall be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

78. Purchase/Acquisition/Sale Dates and Prices: Purchases or acquisitions and sales of Fannie Mae Common Stock, Call Options, Put Options, or Preferred Stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. All purchase or acquisition and sale prices shall exclude any fees, taxes, and commissions. The receipt or grant by gift, inheritance or operation of law of Fannie Mae Common Stock, Call Options, Put Options, or Preferred Stock during the Class Period shall not be deemed a purchase, acquisition or sale for the calculation of a Claimant’s Recognized Common Stock Loss Amount or Recognized Preferred Stock Loss Amount pursuant to the calculations set forth above and such receipt or grant shall not be deemed an assignment of any claim relating to the purchase/acquisition or sale of such Fannie Mae securities, unless (i) the donor or decedent purchased or otherwise acquired such securities during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Fannie Mae Common Stock, Call Options, Put Options, or Preferred Stock.

79. Short Sales: With respect to Fannie Mae Common and Preferred Stock, the date of covering a short sale is deemed to be the date of purchase or acquisition of the stock. The date of a short sale is deemed to be the date of sale of the respective Fannie Mae Common or Preferred Stock. In accordance with the Plan of Allocation, however, the Recognized Common Stock Loss Amount and the Recognized Preferred Stock Loss Amount on short sales during the Class Period is zero. In the event that a Claimant has an opening short position in Fannie Mae Common or Preferred Stock, the earliest Class Period purchases or acquisitions shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

80. If a member of the Common Stock Class has “written” Fannie Mae Call Options, thereby having a short position in the Call Options, the date of covering such a written position is deemed to be the date of purchase or acquisition of the Call Option. The date on which the Call Option was written is deemed to be the date of sale of the Call Option. In accordance with the Plan of Allocation, however, the Recognized Common Stock Loss Amount on “written” Call Options is zero. In the event that a Claimant has an opening written position in Fannie Mae Call Options, the earliest Class Period purchases or acquisitions of like Call Options shall be matched against such opening written position, and not be entitled to a recovery, until that written position is fully covered.

81. If a member of the Common Stock Class has purchased or acquired Fannie Mae Put Options, thereby having a long position in the Put Options, the date of purchase or acquisition is deemed to be the date of purchase or acquisition of the Put Option. The date on which the Put Option was sold, exercised, or expired is deemed to be the date of sale of the Put Option. In accordance with the Plan of Allocation, however, the Recognized Common Stock Loss Amount on purchased or acquired Put Options is zero. In the event that a Claimant has an opening long position in Fannie Mae Put Options, the earliest Class Period sales or dispositions of like Put Options shall be matched against such opening position, and not be entitled to a recovery, until that long position is fully covered.

82. Eligible Securities: Fannie Mae Common Stock, Call Options, Put Options, and Preferred Stock are the only securities eligible for recovery under the Plan of Allocation. Unexercised stock options issued to employees of Fannie Mae in connection with their employment are not eligible securities for purposes of a recovery under the Plan of Allocation. If an employee stock option is exercised, and Fannie Mae Common Stock was purchased, in that event, the Fannie Mae Common Stock would be the eligible security and should be listed on the Claim Form at the exercise price of the employee stock option. Fannie Mae securities held through a Fannie Mae ERISA Plan (see ¶57 above) are also not eligible securities. With respect to Fannie Mae Common Stock purchased or sold through the exercise of an option, including an employee stock option, the purchase/sale date of the Fannie Mae Common Stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

ADDITIONAL PROVISIONS FOR COMMON STOCK AND OPTIONS

83. For purposes of calculating whether a Claimant had an overall gain or loss on his, her or its Common Stock and Option transactions, Recognized Common Stock Loss Amounts in Fannie Mae Common Stock and Options will be summed and compared with a Claimant’s net gain or loss based on his, her or its market transactions in Fannie Mae Common Stock and Options.

¹² Consistent with the requirements of the PSLRA, Recognized Preferred Stock Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Fannie Mae Preferred Stock during the 90-day look-back period, September 8, 2008 through December 5, 2008. The mean (average) closing price for each Fannie Mae Preferred Stock during this 90-day look-back period can be found on the last line of Table 6 for each respective Preferred Stock series.

- A. Total Recognized Common Stock Loss Amounts:** With respect to the calculations made pursuant to all Recognized Common Stock Loss Amounts (including those for options), the Claimant's Recognized Common Stock Loss Amounts will be totaled (the "Total Recognized Common Stock Loss Amount").
- B. Calculating Common Stock and Option Market Gains and Losses:** With respect to all Fannie Mae Common Stock and Call Options purchased or acquired and Put Options sold during the Class Period, the Claims Administrator will also determine if the Claimant had a market gain or a market loss with respect to his, her or its overall transactions during the Class Period in those securities. For purposes of making this calculation, with respect to Fannie Mae Common Stock and Call Options, the Claims Administrator shall determine the difference between (i) the Claimant's Common Stock Total Purchase Amount¹³ and (ii) the sum of the Claimant's Common Stock Sales Proceeds¹⁴ and the Claimant's Common Stock Holding Value.¹⁵ For Fannie Mae Common Stock and Call Options, if the Claimant's Common Stock Total Purchase Amount *minus* the sum of the Claimant's Common Stock Sales Proceeds and the Common Stock Holding Value is a positive number, that number will be the Claimant's Common Stock Market Loss; if the number is a negative number or zero, that number will be the Claimant's Common Stock Market Gain. With respect to Fannie Mae Put Options, the Claims Administrator shall determine the difference between (i) the sum of the Claimant's Common Stock Total Purchase Amount and the Claimant's Common Stock Holding Value; and (ii) the Claimant's Common Stock Sale Proceeds. For Fannie Mae Put Options, if the sum of the Claimant's Common Stock Total Purchase Amount and the Claimant's Common Stock Holding Value *minus* the Claimant's Common Stock Sales Proceeds is a positive number, that number will be the Claimant's Common Stock Market Loss; if the number is a negative number or zero, that number will be the Claimant's Common Stock Market Gain.

84. Calculation of Claimant's "Common Stock Recognized Claim": If a Claimant has a Common Stock Market Gain, the Claimant's "Common Stock Recognized Claim" will be zero. If the Claimant has a Total Recognized Common Stock Loss Amount *and* a Common Stock Market Loss, the Claimant's Common Stock Recognized Claim will be the lesser of those two amounts.

85. Determination of Distribution Amount: If the sum total of Common Stock Recognized Claims of all Authorized Claimants who are entitled to receive payment from the Common Stock Net Settlement Fund is greater than the Common Stock Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Common Stock Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Common Stock Recognized Claim divided by the total of Common Stock Recognized Claims of all Authorized Claimants, multiplied by the total Common Stock Net Settlement Fund.

86. If the Common Stock Net Settlement Fund exceeds the sum total amount of the Common Stock Recognized Claims of all Authorized Claimants entitled to receive payment from the Common Stock Net Settlement Fund, the excess amount in the Common Stock Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

87. The Common Stock Net Settlement Fund will be distributed to Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the proration calculation and no distribution will be made to that Authorized Claimant.

88. To the extent that any monies remain in the Common Stock Net Settlement Fund after the Claims Administrator has caused distributions to be made to all Authorized Claimants, whether by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distributions, any balance remaining in the Common Stock Net Settlement Fund at least six (6) months after the initial distribution of such funds shall be re-distributed to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Common Stock Net Settlement Fund for such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior distribution checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses that would be incurred with respect to such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance in the Common Stock Net Settlement Fund shall be contributed to non-sectarian, not-for-profit 501(c)(3) organization(s) approved by the Court.

ADDITIONAL PROVISIONS FOR PREFERRED STOCK

89. For purposes of calculating whether a Claimant had an overall gain or loss on his, her or its Preferred Stock transactions, Recognized Preferred Stock Loss Amounts in Fannie Mae Preferred Stock will be summed and compared with a Claimant's net gain or loss based on his, her or its market transactions in Fannie Mae Preferred Stock.

- A. Total Recognized Preferred Stock Loss Amounts:** With respect to the calculations made pursuant to all Recognized Preferred Stock Loss Amounts, the Claimant's Recognized Preferred Stock Loss Amounts on all Preferred Stock will be totaled (the "Total Recognized Preferred Stock Loss Amount").
- B. Calculating Preferred Stock Market Gains and Losses:** With respect to all Fannie Mae Preferred Stock purchased or acquired during the Class Period, the Claims Administrator will also determine if the Claimant had a market gain or a market loss with respect to his, her or its overall transactions during the Class Period in those securities. For purposes of making this calculation, the Claims Administrator shall determine the difference between (i) the Claimant's Preferred Stock Total Purchase Amount¹⁶ and (ii) the sum of

¹³ For Common Stock and Call Options, the "Total Purchase Amount" is the total amount the Claimant paid (excluding all fees, taxes and commissions) for all such Fannie Mae Securities purchased or acquired during the Class Period. For Put Options, the price paid to close out the option position will be considered the "Total Purchase Amount."

¹⁴ The total amount received for sales of Common Stock and Call Options sold during the Class Period is the "Sales Proceeds." For Put Options, the total amount received for Put Options sold (written) during the Class Period is the "Sales Proceeds."

¹⁵ The Claims Administrator shall ascribe a "Holding Value" of \$0.73 to each share of Fannie Mae Common Stock purchased or acquired during the Class Period that was still held as of the close of trading on September 5, 2008. For each Fannie Mae Call Option purchased or acquired during the Class Period that was still held as of the close of trading on September 5, 2008 and for each Fannie Mae Put Option sold (written) during the Class Period that was still outstanding as of the close of trading on September 5, 2008, the Claims Administrator shall ascribe a "Holding Value" for that option which shall be the Holding Price set forth on Table 3 below with respect to Call Options and Table 4 below with respect to Put Options.

¹⁶ The "Total Purchase Amount" is the total amount the Claimant paid (excluding all fees, taxes and commissions) for all such Fannie Mae Preferred Stock purchased or acquired during the Class Period.

the Claimant's Preferred Stock Sales Proceeds¹⁷ and the Claimant's Preferred Stock Holding Value.¹⁸ If the Claimant's Preferred Stock Total Purchase Amount *minus* the sum of the Claimant's Preferred Stock Sales Proceeds and sum of the Preferred Stock Holding Values is a positive number, that number will be the Claimant's Preferred Stock Market Loss; if the number is a negative number or zero, that number will be the Claimant's Preferred Stock Market Gain.

90. Calculation of Claimant's "Preferred Stock Recognized Claim": If a Claimant has a Preferred Stock Market Gain, the Claimant's "Preferred Stock Recognized Claim" will be zero. If the Claimant has a Total Recognized Preferred Stock Loss Amount *and* a Preferred Stock Market Loss, the Claimant's Preferred Stock Recognized Claim will be the lesser of those two amounts.

91. Determination of Distribution Amount: If the sum total of Preferred Stock Recognized Claims of all Authorized Claimants who are entitled to receive payment from the Net Settlement Fund allocated to the Preferred Stock Class (the "Preferred Stock Net Settlement Fund") is greater than the Preferred Stock Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Preferred Stock Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Preferred Stock Recognized Claim divided by the total of Preferred Stock Recognized Claims of all Authorized Claimants, multiplied by the total Preferred Stock Net Settlement Fund.

92. If the Preferred Stock Net Settlement Fund exceeds the sum total amount of the Preferred Stock Recognized Claims of all Authorized Claimants entitled to receive payment from the Preferred Stock Net Settlement Fund, the excess amount in the Preferred Stock Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

93. The Preferred Stock Net Settlement Fund will be distributed to Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the proration calculation and no distribution will be made to that Authorized Claimant.

94. To the extent that any monies remain in the Preferred Stock Net Settlement Fund after the Claims Administrator has caused distributions to be made to all Authorized Claimants, whether by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distributions, any balance remaining in the Preferred Stock Net Settlement Fund at least six (6) months after the initial distribution of such funds shall be re-distributed to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Preferred Stock Net Settlement Fund for such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior distribution checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses that would be incurred with respect to such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance in the Preferred Stock Net Settlement Fund shall be contributed to non-sectarian, not-for-profit 501(c)(3) organization(s) approved by the Court.

FURTHER PAYMENT INFORMATION FOR ALL CLAIMS

95. Payment pursuant to the Plan of Allocation, or such other plan as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiffs, Lead Counsel, Fannie Mae, FHFA, their counsel, their experts, the Claims Administrator, or other agent designated by Lead Counsel, arising from determinations or distributions to Claimants made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further orders of the Court. Fannie Mae, FHFA, and their counsel, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Plan of Allocation, the determination, administration, calculation, or payment of any Claim or any actions taken (or not taken) by the Claims Administrator, the payment or withholding of Taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

96. The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiffs and Lead Counsel to the Court for approval. The Court may approve this Plan of Allocation as proposed or it may modify the Plan without further notice to the Settlement Classes. Any orders regarding a modification of the Plan of Allocation will be posted to the website for this Settlement, www.FannieMae2008Litigation.com.

WHEN WILL I GET MY PAYMENT?

97. The Court will hold a Settlement Hearing on **March 3, 2015, at 3:00 p.m.**, to decide whether to approve the Settlement. Even if the Court approves the Settlement, there may still be appeals, which can take time to resolve, often more than a year. It also takes time for all the Claim Forms to be processed. All Claim Forms need to be **postmarked or received no later than April 3, 2015**. Once all Claim Forms are processed and claims are calculated, Lead Counsel, without further notice to the Settlement Classes, will apply to the Court for an order distributing the Net Settlement Fund to the Members of the Settlement Classes. Please be patient.

HOW ARE MEMBERS OF THE SETTLEMENT CLASSES AFFECTED BY THE ACTION AND THE SETTLEMENT?

98. If you are a Member of the Common Stock Class and/or Preferred Stock Class, and you have not sought exclusion as set forth in ¶¶106-107, below, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiffs and all other Members of the Settlement Classes, on behalf of themselves, their heirs, executors, trustees, administrators, predecessors, successors, and assigns, will fully and finally release, to the fullest extent that the law permits their release in this Action, as against Fannie Mae, FHFA, and the other **Released Defendant Parties** (as defined in ¶99 below), all **Released Class Claims** (as explained in ¶99 below).

99. "Released Class Claims" and "Released Defendant Parties" are defined as follows: Upon the Effective Date of the Settlement, Lead Plaintiffs and each Member of the Settlement Classes shall be deemed to have released and forever discharged Fannie Mae; FHFA; Mudd; Dallavecchia; dismissed defendants Stephen A. Swad, Robert Blakely, David Hisey, and Deloitte & Touche LLP; all former underwriters of

¹⁷ The total amount received for sales of Fannie Mae Preferred Stock sold during the Class Period is the "Sales Proceeds."

¹⁸ The Claims Administrator shall ascribe a "Holding Value" equal to the closing price on September 8, 2008 (Table 6, row 1) to each share of the respective Fannie Mae Preferred Stock purchased or acquired during the Class Period that was still held as of the close of trading on September 5, 2008.

Fannie Mae's stock, including Banc of America Securities LLC, Barclays Capital Inc., Bear, Stearns & Co., Inc. (n/k/a J.P. Morgan Securities LLC), Citigroup Global Markets Inc., Deutsche Bank Securities, Inc., E*Trade Securities LLC, FTN Financial Securities Corp., Goldman, Sachs & Co., J.P. Morgan Securities, Inc. (n/k/a J.P. Morgan Securities LLC), J.P. Morgan Chase & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., Morgan Stanley & Co. Inc., UBS Securities LLC, Wachovia Capital Markets, LLC, Wachovia Securities, LLC, and Wells Fargo Securities LLC; and their respective present and former parents, affiliates, conservators, and subsidiaries, and their divisions, partners, employees, officers, directors, attorneys, accountants, underwriters, insurers, agents, predecessors, heirs, successors, and assigns (collectively "**Released Defendant Parties**") from any and all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, whether known or unknown, concealed or hidden, accrued or not accrued, foreseen or unforeseen, matured or not matured, that were asserted or that could have been asserted directly, indirectly, representatively or in any other capacity, at any time, in any forum by Lead Plaintiffs or any Member of the Settlement Classes against the Released Defendant Parties arising out of, based upon, or related in any way to: (a) the purchase or acquisition of Fannie Mae common stock, preferred stock, or call options, or the sale or disposition of Fannie Mae put options, during the "Class Period", the allegations that were made or could have been made in the Action and any of the facts, transactions, events, occurrences, disclosures, public filings, registration statements, financial statements, audit opinions, statements, acts, omissions, or failures to act which were or that could have been asserted in the Action; or (b) the settlement or resolution of the Action (the "**Released Class Claims**"). However, nothing herein is meant to release the claims asserted in *In Re: 2008 Fannie Mae ERISA Litigation*, No. 09-cv-01350-PAC (S.D.N.Y.); *Comprehensive Investment Services, Inc., v. Fannie Mae, et al.*, No. 08-cv-07831-PAC (S.D.N.Y.); *Smith v. Federal National Mortgage Assoc., et al.*, No. 10-cv-02781-PAC (S.D.N.Y.); *Washington Federal, et al. v. United States*, No. 13-cv-0385-MMS (Ct. Fed. Cl.); *Rafter, et al. v. United States, et al.*, No. 14-00740-MMS (Ct. Fed. Cl.) and No. 14-cv-01404-RCL (D.D.C.); *Fairholme Funds Inc. et al. v. United States, et al.*, No. 13-cv-00465-MMS (Ct. Fed. Cl.) and No. 13-cv-01053-RCL (D.D.C.); *Arrowood Indemnity Co., et al. v. Federal National Mortgage Association, et al.*, No. 13-cv-00698-MMS (Ct. Fed. Cl.) and No. 13-cv-1439-RLW (D.D.C.); *Cacciopelle, et al. v. Federal National Mortgage Association, et al.*, No. 13-cv-01149-RLW (D.D.C.) and No. 13-cv-00466-MMS (Ct. Fed. Cl.); *Fisher, et al. v. United States, et al.*, No. 13-cv-00608-MMS (Ct. Fed. Cl.); *In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations*, No. 13-mc-01288-RLW (D.D.C.); *Perry Capital LLC v. Lew et al.*, No. 13-cv-01025-RLW (D.D.C.); *Liao, et al. v. Lew, et al.*, No. 13-cv-01094-RCL (D.D.C.); *Continental Western Insurance Company v. The Federal Housing Finance Agency, et al.*, No. 14-cv-00042 (S.D. Iowa); *American-European Ins. Co. v. United States, et al.*, No. 13-496-MMS (Ct. Fed. Cl.) and No. 13-1169-RLW (D.D.C.); *John Cane v. Federal Housing Finance Agency, et al.*, No. 13-1184-RLW (D.D.C.); *Francis J. Dennis v. United States, et al.*, No. 13-542-MMS (Ct. Fed. Cl.) and No. 13-1208-RLW (D.D.C.); *Erick Shipmon v. United States, et al.*, No. 13-672-MMS (Ct. Fed. Cl.); *Marneu Holdings, Co., et al. v. Federal Housing Finance Agency, et al.*, No. 13-1421-RLW (D.D.C.); *Gail C. Sweeney Estate Marital Trust v. Treasury, et al.*, No. 13-206 (D.D.C.); or claims to enforce the Settlement. Released Class Claims shall also include any Unknown Claims.

100. "Unknown Claims" means any Released Class Claim that any Plaintiff does not know or suspect to exist in his, her, its, or their favor at the time of the release of the Released Defendant Parties, and any Released Defendant Claims that any of the Released Defendant Parties do not know or suspect to exist in his, her, its, or their favor at the time of the release of the Released Plaintiff Parties, which, if known by him, her, it, or them might have affected his, her, its, or their settlement with and release of the Released Defendant Parties or Released Plaintiff Parties, or might have affected his, her, its, or their decision not to object to this Settlement or request exclusion from the Settlement Classes. With respect to any and all Released Class Claims or Released Defendant Claims, the Settling Parties and Released Defendant Parties, stipulate and agree that they shall be deemed to have expressly waived, and each other Member of the Settlement Classes shall be deemed to have, and by operation of the Judgment shall have, waived the provisions, rights and benefits of California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Settling Parties and Released Defendant Parties stipulate and agree that, upon the Effective Date, they shall expressly, and each other Member of the Settlement Classes shall be deemed to have, and by operation of the Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code § 1542. Any Plaintiff or Released Defendant Party may hereafter discover facts in addition to or different from those that he, she, it or they now know or believe to exist or to be true with respect to the subject matter of the Released Class Claims or Released Defendant Claims, but the Plaintiffs shall have fully, finally, and forever settled and released any and all Released Class Claims, and the Released Defendant Parties shall have fully, finally, and forever settled and released any and all Released Defendant Claims, known or Unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties and the Released Defendant Parties acknowledge, and other Members of the Settlement Classes by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Class Claims and Released Defendant Claims was separately bargained for and was a key element of the Settlement.

DO I HAVE A LAWYER IN THIS CASE?

101. The Court appointed the law firms Labaton Sucharow LLP and Berman DeValerio to represent the Common Stock Class. The Court appointed the law firm Kaplan Fox & Kilsheimer LLP to represent the Preferred Stock Class. These lawyers are called Lead Counsel. You will not be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

WHAT PAYMENTS ARE THE ATTORNEYS FOR THE SETTLEMENT CLASSES SEEKING? HOW WILL THE LAWYERS BE PAID?

102. Lead Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Classes, nor have Lead Counsel been reimbursed for their litigation expenses. Lead Counsel for the Common Stock Class and Lead Counsel for

the Preferred Stock Class will make an application(s) for awards of attorneys' fees of no more than 20%, in the aggregate, of the Settlement Fund. They will also make an application(s) for payments of litigation expenses incurred in connection with the prosecution and resolution of the Action, in amounts that will not in the aggregate exceed \$2,950,000, which sums may also include the reasonable costs and expenses of the Common Stock Lead Plaintiffs and Preferred Stock Lead Plaintiff directly related to their representation of their respective class. The Court will determine the amount of any award of attorneys' fees or litigation expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Members of the Settlement Classes are not personally liable for any such fees or expenses.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

103. To be eligible for a payment from the proceeds of the Settlement, you must be a member of one or both of the Settlement Classes and you must timely complete and return the Claim Form with all required information and adequate supporting documentation **postmarked or received no later than April 3, 2015**. A Claim Form is included with this Notice. You can visit the website for this Settlement, www.FannieMae2008Litigation.com to obtain, complete, and file a Claim Form **online by April 3, 2015**. You may also request that a Claim Form be mailed to you by calling the Claims Administrator, A.B. Data, Ltd., toll free at 800-949-0192. Please retain all records of your ownership of and transactions in Fannie Mae securities, as they may be needed to document your Claim. If you are excluded from the Settlement Classes by definition or properly request to be excluded, or if you do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

104. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf with the Court and must serve copies of his or her notice of appearance on the attorneys listed in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?," ¶¶111-119, below.

105. If you are a Member of the Settlement Classes and you wish to object to the Settlement, the proposed Plan of Allocation, or Lead Counsel's requests for attorneys' fees and litigation expenses, you may present your objections by following the instructions in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?," ¶¶111-119, below.

HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT? WHAT DO I NEED TO DO?

106. If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue Released Defendant Parties, on your own, about the Released Class Claims, then you must take steps to exclude yourself. This is called "opting out" of the Settlement Classes. **Please note:** if you decide to exclude yourself, there is a risk that any lawsuit you may thereafter file to pursue claims alleged in the Action may be dismissed, including because such suit is not filed within the applicable time periods required for filing suit. Also, Fannie Mae may withdraw from and terminate the Settlement if putative Members of the Settlement Classes who have in excess of a certain number of shares exclude themselves from the Settlement.

107. To exclude yourself from this Settlement, you must send a signed letter by mail stating that you request to be "excluded from the Common Stock Class and/or the Preferred Stock Class in *In re Fannie Mae 2008 Securities Litigation*, No. 08 Civ. 7831 (PAC) (S.D.N.Y.)." Your letter must state the date(s), price(s), and number(s) of shares of all your purchases, acquisitions, and sales of Fannie Mae common stock, common stock call options, common stock put options, and preferred stock during the Class Period. In addition, you must include your name, address, telephone number, email address, and your signature. You must mail your exclusion request so that it is **received no later than February 2, 2015**, to:

**FANNIE MAE 2008 SECURITIES LITIGATION
EXCLUSIONS
c/o A.B. DATA, LTD.
3410 WEST HOPKINS STREET
MILWAUKEE, WI 53216**

You cannot exclude yourself by telephone, online, or by email. Your exclusion request must comply with these requirements in order to be valid. If you request to be excluded in accordance with these requirements, you will not get any settlement payment, and you cannot object to the Settlement. However, you will not be legally bound by anything that happens in connection with this Settlement, and you may be able to sue (or continue to sue) the Released Defendant Parties in the future. (As set forth above, if you decide to exclude yourself from the Settlement Classes, you may not be able to assert all claims alleged in the Action.) If you are a member of *both* the Common Stock Class and the Preferred Stock Class, and you request to be excluded from one of them, you will be excluded from both Settlement Classes and you will not get any settlement payment from the class that you did not seek exclusion from.

IF I DO NOT EXCLUDE MYSELF, CAN I SUE THE DEFENDANTS, FORMER DEFENDANTS, AND/OR RELEASED DEFENDANT PARTIES FOR THE SAME THING LATER?

108. No. If you do not exclude yourself, you give up any rights to sue the Released Defendant Parties for any and all Released Class Claims. If you have a pending lawsuit, speak to your lawyer in that case **immediately**. **You must exclude yourself from the Settlement Classes to continue your own lawsuit.** The exclusion deadline is **February 2, 2015**.

109. If you request exclusion from the Settlement Classes and later seek to pursue an action against the Released Defendant Parties and to obtain discovery taken by Lead Counsel, Lead Plaintiffs will likely seek advance payment on behalf of their respective classes for the reasonable costs (including the value of Lead Counsel's time, *i.e.*, "lodestar") related to such discovery. If you and the Lead Plaintiffs are unable to agree upon the amount of such compensation, Lead Plaintiffs will likely make a motion requesting payment. If Lead Plaintiffs elect to do so, they will request, for example, an order from the Court providing that you shall be required to compensate the Settlement Classes for the costs (including lodestar) associated with any deposition transcripts (including exhibits) you receive in connection with such legal proceeding, if the depositions were taken as part of discovery in the Action. Likewise, if you seek access to the electronic document repository, currently hosting more than 75 million pages of documents, which was established and maintained in significant part by Lead Counsel, Lead Plaintiffs may seek an order requiring you to compensate the Settlement Classes a reasonable amount for the costs (including lodestar) associated with establishing and maintaining this electronic document repository. Lead Plaintiffs may request that the amount of such compensation be determined by the Court

based on the size of the claim you are asserting and the cost to the Settlement Classes of obtaining the discovery being sought, which shall include Lead Counsel's lodestar and expenses directly or indirectly related to that discovery. Discovery in the Action included 21 depositions, based upon, *inter alia*, the receipt, review, and/or analysis of the 75 million pages of documents mentioned above.

110. If you exclude yourself, you are not entitled to receive any funds as part of this Settlement. If you exclude yourself, do not send in a Claim Form to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against the Released Defendant Parties.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? HOW DO I OBJECT?
DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

111. Members of the Settlement Classes do not need to attend the Settlement Hearing. The Court will consider any objections made in accordance with the provisions below even if a Member of the Settlement Classes does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.

112. The Settlement Hearing will be held on **March 3, 2015, at 3:00 p.m.**, before the Honorable Paul A. Crotty, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 14C, New York, NY 10007. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's requests for attorneys' fees and litigation expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the Members of the Settlement Classes.

113. Any Member of the Settlement Classes who does not submit a request for exclusion in connection with the Notice may object to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's requests for attorneys' fees and litigation expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers, exhibits, and briefs supporting the objection, with the Clerk's Office of the Court at the address set forth below **no later than February 2, 2015**. You must also serve the papers on Lead Counsel for the Settlement Classes and counsel for Fannie Mae and FHFA at the addresses set forth below so that the papers are **received no later than February 2, 2015**.

CLERK'S OFFICE	LEAD COUNSEL	COUNSEL FOR FANNIE MAE	COUNSEL FOR FHFA
United States District Court Southern District of New York Clerk of the Court Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007-1312	KAPLAN FOX & KILSHEIMER LLP Frederic S. Fox, Esq. Donald Hall, Esq. 850 Third Avenue, 14th Floor New York, NY 10022 LABATON SUCHAROW LLP Thomas A. Dubbs, Esq. Louis Gottlieb, Esq. 140 Broadway New York, NY 10005 BERMAN DEVALERIO Glen DeValerio, Esq. Daniel E. Barenbaum, Esq. One Liberty Square Boston, MA 02109	O'MELVENY & MYERS LLP Jeffrey W. Kilduff, Esq. 1625 Eye Street, N.W. Washington, DC 20006	DUANE MORRIS LLP Joseph J. Aronica, Esq. 505 9th Street, N.W. Suite 1000 Washington, DC 20004

114. Any objection to the Settlement (i) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (ii) must contain a statement of the objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Member of the Settlement Classes wishes to bring to the Court's attention; and (iii) must include documents sufficient to prove the objector's membership in the Common Stock Class and/or Preferred Stock Class, such as the number of shares of Fannie Mae common stock, common stock call options, common stock put options, or shares of preferred stock that the objecting Member of the Settlement Classes purchased, otherwise acquired, held, and/or sold during the relevant period, as well as the dates and prices of each such purchase, acquisition, and/or sale. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's requests for attorneys' fees and litigation expenses if you request exclusion from the Settlement Classes or if you are not a member of the Settlement Classes.

115. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

116. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's requests for attorneys' fees and litigation expenses, and you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and counsel for Fannie Mae and FHFA at the addresses set forth above so that it is **received no later than February 2, 2015**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

117. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and counsel for Fannie Mae and FHFA at the addresses set forth above so that the notice is **received no later than February 2, 2015**.

118. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Classes. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

119. Unless the Court orders otherwise, any Member of the Settlement Classes who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's requests for attorneys' fees and litigation expenses. Members of the Settlement Classes do not need to appear at the hearing or take any other action to indicate their approval.

WHAT HAPPENS IF I DO NOTHING AT ALL?

120. If you do nothing and the Settlement is approved and you are a member of the Settlement Classes, you will get no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants or the Released Defendant Parties about the Released Class Claims, ever again. To share in the Net Settlement Fund, you must submit a Claim Form. To start, continue, or be a part of any *other* lawsuit against the Defendants and the Released Defendant Parties about the Released Class Claims, you *must* exclude yourself from the Settlement Classes.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF OR I AM A BROKER AND/OR NOMINEE?

121. If, for the beneficial interest of any person or entity other than yourself, you purchased or otherwise acquired Fannie Mae common stock, common stock call options, or preferred stock, and/or sold common stock put options, during the period from November 8, 2006 through September 5, 2008, inclusive, the Court has ordered that you must either: (i) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form ("Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of the copies of the Notice Packet, forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to: Fannie Mae 2008 Securities Litigation, Attn: Fulfillment Department, c/o A.B. Data, Ltd, 3410 West Hopkins Street, PO Box 173002, Milwaukee, WI 53217, 866-561-6065, fulfillment@abdata.com.

122. If you choose the first option, *i.e.*, you elect to mail the Notice Packet directly to beneficial owners, you must retain the mailing records for use in connection with any further notices that may be provided in the Action and send a statement to the Claims Administrator confirming that the mailing was done. Upon mailing of the Notice Packets, you may seek reimbursement of your reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought.

123. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners whose names and addresses you supply. Upon full compliance with these directions, you may seek reimbursement of your reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website for this Settlement, www.FannieMae2008Litigation.com or by calling the Claims Administrator, A.B. Data, Ltd., at 800-949-0192.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

124. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the Settlement and matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website for this Settlement, www.FannieMae2008Litigation.com. All inquiries concerning this Notice or the Claim Form should be directed to the Claims Administrator or Lead Counsel at:

FANNIE MAE 2008 SECURITIES LITIGATION
c/o A.B. DATA, LTD.
PO BOX 173002
MILWAUKEE, WI 53217
Phone: 800-949-0192
Email: info@FannieMae2008Litigation.com
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800-516-9926
fannie@bermandevalerio.com

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF COURT REGARDING THIS NOTICE.
DO NOT CALL OR WRITE FANNIE MAE OR FHFA REGARDING THIS NOTICE.**

DATED: DECEMBER 4, 2014

By Order of the Clerk of Court
United States District Court
Southern District of New York

TABLE 1—Fannie Mae Common Stock Artificial Inflation per Share

Security	Table 1—Artificial Inflation per Share During Trading Periods														
	11/8/2006 through 1/25/2007	1/26/2007 through 2/20/2007	2/21/2007 through 6/13/2007	6/14/2007 through 7/9/2007	7/10/2007 through 7/19/2007	7/20/2007 through 7/25/2007	7/26/2007 through 9/20/2007	9/21/2007 through 10/15/2007	10/16/2007 through 1/3/2008	1/4/2008 through 4/15/2008	4/16/2008 through 7/9/2008	7/10/2008 through 8/7/2008	8/8/2008 through 8/19/2008	8/20/2008 through 9/5/2008	
Common Stock	\$0.07	\$0.73	\$1.46	\$2.19	\$2.92	\$3.65	\$4.38	\$5.11	\$5.84	\$6.57	\$7.29	\$6.41	\$5.22	\$4.46	\$3.53

TABLE 2—Fannie Mae Common Stock Average Closing Price from September 8, 2008 through Date Shown (90-Day Look-Back Period)

Date	Average Closing Price Between September 8, 2008 and Date Shown			Date	Average Closing Price Between September 8, 2008 and Date Shown			Date	Average Closing Price Between September 8, 2008 and Date Shown			Date	Average Closing Price Between September 8, 2008 and Date Shown		
	09/08/08	09/09/08	09/10/08		09/23/08	09/24/08	09/25/08		10/08/08	10/09/08	10/10/08		11/07/08	11/24/08	Average Closing Price Between September 8, 2008 and Date Shown
09/08/08	\$0.73	\$0.86	\$0.81												\$0.90
09/09/08	\$0.86	\$0.86	\$0.81												\$0.90
09/10/08	\$0.82	\$0.81	\$0.89												\$0.89
09/11/08	\$0.81	\$0.81	\$0.89												\$0.90
09/12/08	\$0.80	\$0.77	\$0.89												\$0.90
09/15/08	\$0.77	\$0.72	\$0.89												\$0.90
09/16/08	\$0.72	\$0.69	\$0.89												\$0.89
09/17/08	\$0.69	\$0.67	\$0.89												\$0.89
09/18/08	\$0.67	\$0.67	\$0.89												\$0.89
09/19/08	\$0.67	\$1.11	\$0.89												\$0.93
09/22/08	\$0.68	\$1.11	\$0.89												\$0.91

TABLE 3—Fannie Mae Call Option Daily Artificial Inflation per Share and Holding Values

Expiration Date	Strike Price	Table 3—Call Option Artificial Inflation per Share During Trading Periods															Holding Value
		11/8/2006 through 1/25/2007	1/26/2007 through 2/20/2007	2/21/2007 through 6/13/2007	6/14/2007 through 7/9/2007	7/10/2007 through 7/19/2007	7/20/2007 through 7/25/2007	7/26/2007 through 9/20/2007	9/21/2007 through 10/15/2007	10/16/2007 through 1/3/2008	1/4/2008 through 4/15/2008	4/16/2008 through 7/9/2008	7/10/2008	7/11/2008 through 8/7/2008	8/8/2008 through 8/19/2008	8/20/2008 through 9/5/2008	
7/19/2008	\$5.00	\$0.02	\$0.19	\$0.38	\$0.57	\$0.75	\$0.94	\$1.13	\$1.32	\$1.51	\$1.70	\$1.89	\$1.08	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$7.50	\$0.02	\$0.16	\$0.32	\$0.49	\$0.65	\$0.81	\$0.97	\$1.14	\$1.30	\$1.46	\$1.62	\$0.86	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$10.00	\$0.01	\$0.13	\$0.26	\$0.39	\$0.52	\$0.65	\$0.77	\$0.90	\$1.03	\$1.16	\$1.29	\$0.55	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$11.00	\$0.01	\$0.12	\$0.24	\$0.35	\$0.47	\$0.59	\$0.71	\$0.83	\$0.94	\$1.06	\$1.18	\$0.45	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$12.00	\$0.01	\$0.10	\$0.20	\$0.30	\$0.40	\$0.50	\$0.60	\$0.70	\$0.81	\$0.91	\$1.01	\$0.31	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$13.00	\$0.01	\$0.08	\$0.16	\$0.24	\$0.32	\$0.40	\$0.48	\$0.56	\$0.64	\$0.72	\$0.80	\$0.16	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$14.00	\$0.01	\$0.07	\$0.13	\$0.20	\$0.26	\$0.33	\$0.40	\$0.46	\$0.53	\$0.59	\$0.66	\$0.10	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$15.00	\$0.01	\$0.05	\$0.11	\$0.16	\$0.21	\$0.27	\$0.32	\$0.37	\$0.43	\$0.48	\$0.53	\$0.10	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$16.00	\$0.00	\$0.03	\$0.07	\$0.10	\$0.13	\$0.17	\$0.20	\$0.24	\$0.27	\$0.30	\$0.34	\$0.02	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$17.00	\$0.00	\$0.02	\$0.04	\$0.07	\$0.09	\$0.11	\$0.13	\$0.15	\$0.18	\$0.20	\$0.22	\$0.02	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$18.00	\$0.00	\$0.02	\$0.03	\$0.05	\$0.06	\$0.08	\$0.09	\$0.11	\$0.13	\$0.14	\$0.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$19.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.03	\$0.04	\$0.04	\$0.05	\$0.06	\$0.07	\$0.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$20.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03	\$0.04	\$0.04	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$21.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.04	\$0.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$22.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$23.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$24.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$25.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$26.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$27.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$28.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$29.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$30.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$31.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$32.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$35.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/19/2008	\$40.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00
8/16/2008	\$5.00	\$0.02	\$0.23	\$0.46	\$0.69	\$0.92	\$1.15	\$1.38	\$1.61	\$1.84	\$2.07	\$2.30	\$1.47	\$0.55	\$0.00	\$0.00	\$0.00
8/16/2008	\$7.50	\$0.02	\$0.19	\$0.39	\$0.58	\$0.77	\$0.96	\$1.16	\$1.35	\$1.54	\$1.73	\$1.93	\$1.34	\$0.61	\$0.00	\$0.00	\$0.00
8/16/2008	\$10.00	\$0.02	\$0.16	\$0.31	\$0.47	\$0.63	\$0.78	\$0.94	\$1.10	\$1.25	\$1.41	\$1.57	\$1.02	\$0.54	\$0.00	\$0.00	\$0.00
8/16/2008	\$11.00	\$0.01	\$0.12	\$0.25	\$0.37	\$0.49	\$0.62	\$0.74	\$0.86	\$0.99	\$1.11	\$1.23	\$0.73	\$0.39	\$0.00	\$0.00	\$0.00
8/16/2008	\$12.00	\$0.01	\$0.10	\$0.20	\$0.30	\$0.41	\$0.51	\$0.61	\$0.71	\$0.81	\$0.91	\$1.01	\$0.50	\$0.30	\$0.00	\$0.00	\$0.00
8/16/2008	\$13.00	\$0.01	\$0.07	\$0.15	\$0.22	\$0.30	\$0.37	\$0.45	\$0.52	\$0.60	\$0.67	\$0.75	\$0.34	\$0.14	\$0.00	\$0.00	\$0.00
8/16/2008	\$14.00	\$0.01	\$0.06	\$0.12	\$0.18	\$0.23	\$0.29	\$0.35	\$0.41	\$0.47	\$0.53	\$0.59	\$0.23	\$0.09	\$0.00	\$0.00	\$0.00
8/16/2008	\$15.00	\$0.00	\$0.01	\$0.03	\$0.03	\$0.03	\$0.02	\$0.02	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.05	\$0.00	\$0.00	\$0.00
8/16/2008	\$16.00	\$0.00	\$0.03	\$0.07	\$0.10	\$0.13	\$0.16	\$0.20	\$0.23	\$0.26	\$0.30	\$0.33	\$0.08	\$0.03	\$0.00	\$0.00	\$0.00

Expiration Date	Strike Price	Table 3—Call Option Artificial Inflation per Share During Trading Periods															Holding Value
		11/8/2006 through 1/25/2007	1/26/2007 through 2/20/2007	2/21/2007 through 6/13/2007	6/14/2007 through 7/9/2007	7/10/2007 through 7/19/2007	7/20/2007 through 7/25/2007	7/26/2007 through 9/20/2007	9/21/2007 through 10/15/2007	10/16/2007 through 1/3/2008	1/4/2008 through 4/15/2008	4/16/2008 through 7/9/2008	7/10/2008	7/11/2008 through 8/7/2008	8/8/2008 through 8/19/2008	8/20/2008 through 9/5/2008	
8/16/2008	\$17.00	\$0.00	\$0.03	\$0.06	\$0.08	\$0.11	\$0.14	\$0.17	\$0.20	\$0.22	\$0.25	\$0.28	\$0.04	\$0.04	\$0.00	\$0.00	
8/16/2008	\$18.00	\$0.00	\$0.02	\$0.04	\$0.05	\$0.07	\$0.09	\$0.11	\$0.13	\$0.14	\$0.16	\$0.18	\$0.00	\$0.00	\$0.00	\$0.00	
8/16/2008	\$19.00	\$0.00	\$0.01	\$0.03	\$0.04	\$0.05	\$0.06	\$0.08	\$0.09	\$0.10	\$0.11	\$0.13	\$0.00	\$0.00	\$0.00	\$0.00	
8/16/2008	\$20.00	\$0.00	\$0.01	\$0.02	\$0.03	\$0.04	\$0.05	\$0.06	\$0.07	\$0.08	\$0.09	\$0.11	\$0.00	\$0.00	\$0.00	\$0.00	
8/16/2008	\$21.00	\$0.00	\$0.01	\$0.02	\$0.03	\$0.04	\$0.05	\$0.06	\$0.08	\$0.09	\$0.10	\$0.11	\$0.01	\$0.00	\$0.00	\$0.00	
8/16/2008	\$22.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.03	\$0.04	\$0.04	\$0.05	\$0.06	\$0.07	\$0.07	\$0.00	\$0.00	\$0.00	\$0.00	
8/16/2008	\$23.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.03	\$0.03	\$0.04	\$0.04	\$0.05	\$0.06	\$0.06	\$0.00	\$0.00	\$0.00	\$0.00	
8/16/2008	\$24.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.04	\$0.04	\$0.00	\$0.00	\$0.00	\$0.00	
8/16/2008	\$25.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.00	\$0.00	\$0.00	\$0.00	
8/16/2008	\$26.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.04	\$0.04	\$0.00	\$0.00	\$0.00	\$0.00	
8/16/2008	\$27.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.01	\$0.00	\$0.00	\$0.00	
8/16/2008	\$28.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	
8/16/2008	\$30.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
9/20/2008	\$5.00	\$0.04	\$0.38	\$0.75	\$1.13	\$1.51	\$1.88	\$2.26	\$2.64	\$3.01	\$3.39	\$3.77	\$2.99	\$2.06	\$1.56	\$1.18	
9/20/2008	\$7.50	\$0.02	\$0.23	\$0.46	\$0.68	\$0.91	\$1.14	\$1.37	\$1.59	\$1.82	\$2.05	\$2.28	\$1.71	\$0.93	\$0.54	\$0.39	
9/20/2008	\$10.00	\$0.02	\$0.15	\$0.31	\$0.46	\$0.62	\$0.77	\$0.93	\$1.08	\$1.23	\$1.39	\$1.54	\$1.04	\$0.48	\$0.14	\$0.08	
9/20/2008	\$11.00	\$0.01	\$0.13	\$0.27	\$0.40	\$0.53	\$0.66	\$0.80	\$0.93	\$1.06	\$1.20	\$1.33	\$0.86	\$0.36	\$0.03	\$0.03	
9/20/2008	\$12.50	\$0.01	\$0.10	\$0.20	\$0.30	\$0.40	\$0.50	\$0.60	\$0.70	\$0.80	\$0.90	\$1.00	\$0.66	\$0.26	\$0.00	\$0.03	
9/20/2008	\$14.00	\$0.01	\$0.08	\$0.16	\$0.24	\$0.31	\$0.39	\$0.47	\$0.55	\$0.63	\$0.71	\$0.78	\$0.47	\$0.19	\$0.01	\$0.00	
9/20/2008	\$15.00	\$0.01	\$0.07	\$0.14	\$0.21	\$0.27	\$0.34	\$0.41	\$0.48	\$0.55	\$0.62	\$0.68	\$0.39	\$0.14	\$0.00	\$0.03	
9/20/2008	\$16.00	\$0.01	\$0.06	\$0.11	\$0.17	\$0.22	\$0.28	\$0.33	\$0.39	\$0.44	\$0.50	\$0.55	\$0.29	\$0.10	\$0.00	\$0.03	
9/20/2008	\$17.50	\$0.00	\$0.04	\$0.08	\$0.12	\$0.16	\$0.20	\$0.24	\$0.28	\$0.32	\$0.36	\$0.40	\$0.21	\$0.05	\$0.00	\$0.03	
9/20/2008	\$19.00	\$0.00	\$0.03	\$0.06	\$0.08	\$0.11	\$0.14	\$0.17	\$0.20	\$0.23	\$0.25	\$0.28	\$0.14	\$0.03	\$0.00	\$0.03	
9/20/2008	\$20.00	\$0.00	\$0.03	\$0.05	\$0.08	\$0.10	\$0.13	\$0.15	\$0.18	\$0.20	\$0.23	\$0.25	\$0.15	\$0.04	\$0.00	\$0.03	
9/20/2008	\$21.00	\$0.00	\$0.02	\$0.04	\$0.05	\$0.07	\$0.09	\$0.11	\$0.13	\$0.14	\$0.16	\$0.18	\$0.10	\$0.03	\$0.00	\$0.03	
9/20/2008	\$22.50	\$0.00	\$0.01	\$0.03	\$0.04	\$0.06	\$0.07	\$0.09	\$0.10	\$0.12	\$0.13	\$0.15	\$0.07	\$0.01	\$0.00	\$0.03	
9/20/2008	\$24.00	\$0.00	\$0.01	\$0.02	\$0.03	\$0.04	\$0.05	\$0.06	\$0.07	\$0.08	\$0.09	\$0.11	\$0.05	\$0.01	\$0.00	\$0.03	
9/20/2008	\$25.00	\$0.00	\$0.01	\$0.02	\$0.02	\$0.03	\$0.04	\$0.05	\$0.06	\$0.07	\$0.07	\$0.08	\$0.04	\$0.00	\$0.00	\$0.03	
9/20/2008	\$26.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.03	\$0.04	\$0.04	\$0.05	\$0.06	\$0.06	\$0.07	\$0.04	\$0.00	\$0.00	\$0.03	
9/20/2008	\$27.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.03	\$0.04	\$0.04	\$0.05	\$0.06	\$0.07	\$0.07	\$0.05	\$0.01	\$0.00	\$0.03	
9/20/2008	\$28.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.02	\$0.03	\$0.04	\$0.04	\$0.05	\$0.06	\$0.06	\$0.04	\$0.00	\$0.00	\$0.03	
9/20/2008	\$29.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.02	\$0.03	\$0.03	\$0.04	\$0.04	\$0.05	\$0.05	\$0.04	\$0.00	\$0.00	\$0.03	
9/20/2008	\$30.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.02	\$0.03	\$0.03	\$0.04	\$0.04	\$0.05	\$0.05	\$0.02	\$0.00	\$0.00	\$0.03	
9/20/2008	\$31.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.02	\$0.00	\$0.00	\$0.03	
9/20/2008	\$32.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03	\$0.04	\$0.04	\$0.02	\$0.00	\$0.00	\$0.03	
9/20/2008	\$33.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02	\$0.00	\$0.00	\$0.03	
9/20/2008	\$34.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.03	
9/20/2008	\$35.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.01	\$0.00	\$0.00	\$0.03	
9/20/2008	\$36.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.03	
9/20/2008	\$37.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03	
9/20/2008	\$38.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.03	
9/20/2008	\$40.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.03	
9/20/2008	\$45.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.03	
9/20/2008	\$50.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.03	
9/20/2008	\$55.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03	
9/20/2008	\$60.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03	
12/20/2008	\$5.00	\$0.04	\$0.43	\$0.87	\$1.30	\$1.73	\$2.17	\$2.60	\$3.04	\$3.47	\$3.90	\$4.34	\$3.60	\$2.68	\$2.28	\$1.86	
12/20/2008	\$7.50	\$0.03	\$0.34	\$0.68	\$1.01	\$1.35	\$1.69	\$2.03	\$2.37	\$2.70	\$3.04	\$3.38	\$2.79	\$1.99	\$1.61	\$1.35	
12/20/2008	\$10.00	\$0.02	\$0.25	\$0.50	\$0.75	\$1.00	\$1.25	\$1.50	\$1.74	\$1.99	\$2.24	\$2.49	\$2.05	\$1.39	\$0.95	\$0.96	
12/20/2008	\$11.00	\$0.02	\$0.22	\$0.45	\$0.67	\$0.89	\$1.12	\$1.34	\$1.56	\$1.79	\$2.01	\$2.23	\$1.83	\$1.25	\$0.85	\$0.85	
12/20/2008	\$12.00	\$0.02	\$0.19	\$0.39	\$0.58	\$0.77	\$0.97	\$1.16	\$1.35	\$1.55	\$1.74	\$1.93	\$1.62	\$1.08	\$0.83	\$0.75	
12/20/2008	\$13.00	\$0.02	\$0.17	\$0.34	\$0.51	\$0.69	\$0.86	\$1.03	\$1.20	\$1.37	\$1.54	\$1.71	\$1.44	\$0.94	\$0.71	\$0.65	
12/20/2008	\$14.00	\$0.01	\$0.15	\$0.30	\$0.45	\$0.60	\$0.75	\$0.90	\$1.05	\$1.20	\$1.35	\$1.50	\$1.26	\$0.81	\$0.61	\$0.58	
12/20/2008	\$15.00	\$0.01	\$0.13	\$0.26	\$0.39	\$0.52	\$0.65	\$0.78	\$0.91	\$1.04	\$1.17	\$1.30	\$1.01	\$0.69	\$0.50	\$0.48	
12/20/2008	\$16.00	\$0.01	\$0.11	\$0.23	\$0.34	\$0.45	\$0.57	\$0.68	\$0.79	\$0.91	\$1.02	\$1.13	\$0.63	\$0.44	\$0.43	\$0.43	
12/20/2008	\$17.00	\$0.01	\$0.09	\$0.19	\$0.28	\$0.37	\$0.47	\$0.56	\$0.66	\$0.75	\$0.84	\$0.94	\$0.82	\$0.50	\$0.38	\$0.38	
12/20/2008	\$18.00	\$0.01	\$0.08	\$0.16	\$0.25	\$0.33	\$0.41	\$0.49	\$0.58	\$0.66	\$0.74	\$0.82	\$0.75	\$0.45	\$0.33	\$0.33	
12/20/2008	\$19.00	\$0.01	\$0.07	\$0.14	\$0.21	\$0.28	\$0.35	\$0.42	\$0.49	\$0.56	\$0.63	\$0.70	\$0.64	\$0.39	\$0.28	\$0.28	
12/20/2008	\$20.00	\$0.01	\$0.06	\$0.12	\$0.18	\$0.24	\$0.30	\$0.36	\$0.43	\$0.49	\$0.55	\$0.61	\$0.57	\$0.33	\$0.25	\$0.25	
12/20/2008	\$21.00	\$0.01	\$0.05	\$0.10	\$0.15	\$0.20	\$0.25	\$0.30	\$0.35	\$0.40	\$0.45	\$0.50	\$0.48	\$0.25	\$0.19	\$0.19	
12/20/2008	\$22.00	\$0.00	\$0.04	\$0.09	\$0.13	\$0.18	\$0.22	\$0.26	\$0.31	\$0.35	\$0.39	\$0.44	\$0.44	\$0.24			

Expiration Date	Strike Price	Table 3—Call Option Artificial Inflation per Share During Trading Periods																Holding Value
		11/8/2006 through 1/25/2007	1/26/2007 through 2/20/2007	2/21/2007 through 6/13/2007	6/14/2007 through 7/9/2007	7/10/2007 through 7/19/2007	7/20/2007 through 7/25/2007	7/26/2007 through 9/20/2007	9/21/2007 through 10/15/2007	10/16/2007 through 1/3/2008	1/4/2008 through 4/15/2008	4/16/2008 through 7/9/2008	7/10/2008	7/11/2008 through 8/7/2008	8/8/2008 through 8/19/2008	8/20/2008 through 9/5/2008		
12/20/2008	\$24.00	\$0.00	\$0.03	\$0.07	\$0.10	\$0.14	\$0.17	\$0.21	\$0.24	\$0.27	\$0.31	\$0.34	\$0.34	\$0.16	\$0.15	\$0.14	\$0.03	
12/20/2008	\$25.00	\$0.00	\$0.03	\$0.06	\$0.09	\$0.12	\$0.15	\$0.18	\$0.22	\$0.25	\$0.28	\$0.31	\$0.31	\$0.11	\$0.11	\$0.11	\$0.03	
12/20/2008	\$26.00	\$0.00	\$0.03	\$0.06	\$0.09	\$0.12	\$0.15	\$0.18	\$0.21	\$0.23	\$0.26	\$0.29	\$0.29	\$0.11	\$0.10	\$0.10	\$0.03	
12/20/2008	\$27.00	\$0.00	\$0.03	\$0.05	\$0.08	\$0.10	\$0.13	\$0.15	\$0.18	\$0.20	\$0.23	\$0.26	\$0.26	\$0.08	\$0.08	\$0.08	\$0.03	
12/20/2008	\$28.00	\$0.00	\$0.03	\$0.05	\$0.08	\$0.10	\$0.13	\$0.15	\$0.18	\$0.21	\$0.23	\$0.26	\$0.26	\$0.09	\$0.08	\$0.08	\$0.03	
12/20/2008	\$29.00	\$0.00	\$0.03	\$0.05	\$0.08	\$0.10	\$0.13	\$0.15	\$0.18	\$0.21	\$0.23	\$0.26	\$0.26	\$0.09	\$0.06	\$0.06	\$0.03	
12/20/2008	\$30.00	\$0.00	\$0.02	\$0.04	\$0.06	\$0.09	\$0.11	\$0.13	\$0.15	\$0.17	\$0.19	\$0.22	\$0.22	\$0.08	\$0.05	\$0.05	\$0.03	
12/20/2008	\$31.00	\$0.00	\$0.02	\$0.04	\$0.05	\$0.07	\$0.09	\$0.11	\$0.12	\$0.14	\$0.16	\$0.18	\$0.18	\$0.04	\$0.04	\$0.04	\$0.03	
12/20/2008	\$32.00	\$0.00	\$0.02	\$0.04	\$0.06	\$0.08	\$0.10	\$0.12	\$0.14	\$0.16	\$0.18	\$0.20	\$0.20	\$0.05	\$0.04	\$0.04	\$0.03	
12/20/2008	\$33.00	\$0.00	\$0.01	\$0.03	\$0.04	\$0.06	\$0.07	\$0.09	\$0.10	\$0.12	\$0.13	\$0.15	\$0.15	\$0.04	\$0.03	\$0.03	\$0.03	
12/20/2008	\$40.00	\$0.00	\$0.01	\$0.02	\$0.03	\$0.05	\$0.06	\$0.07	\$0.08	\$0.09	\$0.10	\$0.12	\$0.12	\$0.03	\$0.01	\$0.01	\$0.03	
12/20/2008	\$45.00	\$0.00	\$0.01	\$0.02	\$0.02	\$0.03	\$0.04	\$0.05	\$0.05	\$0.06	\$0.07	\$0.08	\$0.08	\$0.03	\$0.00	\$0.00	\$0.03	
1/17/2009	\$2.50	\$0.06	\$0.56	\$1.12	\$1.68	\$2.24	\$2.81	\$3.37	\$3.93	\$4.49	\$5.05	\$5.61	\$4.70	\$3.60	\$3.15	\$2.53	\$0.20	
1/17/2009	\$5.00	\$0.05	\$0.45	\$0.90	\$1.35	\$1.80	\$2.26	\$2.71	\$3.16	\$3.61	\$4.06	\$4.51	\$3.75	\$2.85	\$2.43	\$1.96	\$0.08	
1/17/2009	\$7.50	\$0.04	\$0.35	\$0.71	\$1.06	\$1.42	\$1.77	\$2.12	\$2.48	\$2.83	\$3.19	\$3.54	\$2.91	\$2.13	\$1.75	\$1.43	\$0.08	
1/17/2009	\$10.00	\$0.03	\$0.26	\$0.53	\$0.79	\$1.06	\$1.32	\$1.59	\$1.85	\$2.11	\$2.38	\$2.64	\$2.11	\$1.51	\$1.21	\$1.00	\$0.08	
1/17/2009	\$12.50	\$0.02	\$0.39	\$0.79	\$0.99	\$0.79	\$0.99	\$1.18	\$1.38	\$1.58	\$1.77	\$1.97	\$1.63	\$1.11	\$0.90	\$0.76	\$0.03	
1/17/2009	\$15.00	\$0.01	\$0.15	\$0.29	\$0.44	\$0.59	\$0.74	\$0.88	\$1.03	\$1.18	\$1.32	\$1.47	\$1.24	\$0.79	\$0.63	\$0.56	\$0.03	
1/17/2009	\$17.50	\$0.01	\$0.10	\$0.20	\$0.31	\$0.41	\$0.51	\$0.61	\$0.71	\$0.81	\$0.92	\$1.02	\$0.90	\$0.55	\$0.41	\$0.39	\$0.03	
1/17/2009	\$20.00	\$0.01	\$0.07	\$0.14	\$0.21	\$0.28	\$0.35	\$0.41	\$0.48	\$0.55	\$0.62	\$0.69	\$0.68	\$0.40	\$0.30	\$0.29	\$0.03	
1/17/2009	\$22.50	\$0.00	\$0.04	\$0.08	\$0.12	\$0.17	\$0.21	\$0.25	\$0.29	\$0.33	\$0.37	\$0.41	\$0.41	\$0.21	\$0.21	\$0.21	\$0.03	
1/17/2009	\$25.00	\$0.00	\$0.03	\$0.07	\$0.10	\$0.14	\$0.17	\$0.21	\$0.24	\$0.28	\$0.31	\$0.35	\$0.35	\$0.18	\$0.14	\$0.14	\$0.03	
1/17/2009	\$30.00	\$0.00	\$0.02	\$0.05	\$0.07	\$0.10	\$0.12	\$0.15	\$0.17	\$0.19	\$0.22	\$0.24	\$0.24	\$0.11	\$0.06	\$0.06	\$0.03	
1/17/2009	\$35.00	\$0.00	\$0.01	\$0.03	\$0.04	\$0.06	\$0.07	\$0.09	\$0.10	\$0.11	\$0.13	\$0.14	\$0.14	\$0.06	\$0.04	\$0.04	\$0.03	
1/17/2009	\$40.00	\$0.00	\$0.01	\$0.03	\$0.04	\$0.06	\$0.07	\$0.08	\$0.10	\$0.11	\$0.12	\$0.14	\$0.14	\$0.04	\$0.01	\$0.01	\$0.03	
1/17/2009	\$45.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.03	\$0.03	\$0.04	\$0.04	\$0.05	\$0.06	\$0.06	\$0.06	\$0.01	\$0.00	\$0.00	\$0.03	
1/17/2009	\$50.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.01	\$0.00	\$0.00	\$0.03	
1/17/2009	\$55.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.04	\$0.04	\$0.04	\$0.01	\$0.00	\$0.00	\$0.03	
1/17/2009	\$60.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.01	\$0.00	\$0.00	\$0.03	
1/17/2009	\$65.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02	\$0.00	\$0.00	\$0.00	\$0.03	
1/17/2009	\$70.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.03	
1/17/2009	\$80.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.03	
1/17/2009	\$90.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03	
1/16/2010	\$2.50	\$0.06	\$0.56	\$1.11	\$1.67	\$2.22	\$2.78	\$3.33	\$3.89	\$4.45	\$5.00	\$5.56	\$4.57	\$3.56	\$3.21	\$2.61	\$0.33	
1/16/2010	\$5.00	\$0.05	\$0.48	\$0.95	\$1.43	\$1.91	\$2.38	\$2.86	\$3.33	\$3.81	\$4.29	\$4.76	\$3.92	\$3.14	\$2.76	\$2.35	\$0.23	
1/16/2010	\$7.50	\$0.04	\$0.40	\$0.79	\$1.19	\$1.58	\$1.98	\$2.38	\$2.77	\$3.17	\$3.56	\$3.96	\$3.45	\$2.65	\$2.35	\$1.84	\$0.18	
1/16/2010	\$10.00	\$0.03	\$0.34	\$0.67	\$1.01	\$1.34	\$1.68	\$2.01	\$2.35	\$2.68	\$3.02	\$3.35	\$2.91	\$2.29	\$2.04	\$1.59	\$0.13	
1/16/2010	\$12.50	\$0.03	\$0.28	\$0.56	\$0.84	\$1.12	\$1.40	\$1.68	\$1.97	\$2.25	\$2.53	\$2.81	\$2.45	\$1.89	\$1.69	\$1.34	\$0.10	
1/16/2010	\$15.00	\$0.02	\$0.22	\$0.45	\$0.67	\$0.90	\$1.12	\$1.35	\$1.57	\$1.80	\$2.02	\$2.24	\$2.03	\$1.61	\$1.45	\$1.15	\$0.10	
1/16/2010	\$17.50	\$0.02	\$0.18	\$0.36	\$0.53	\$0.71	\$0.89	\$1.07	\$1.24	\$1.42	\$1.60	\$1.78	\$1.69	\$1.35	\$1.18	\$0.93	\$0.13	
1/16/2010	\$20.00	\$0.02	\$0.16	\$0.32	\$0.48	\$0.64	\$0.80	\$0.95	\$1.11	\$1.27	\$1.43	\$1.59	\$1.59	\$1.20	\$1.09	\$0.85	\$0.08	
1/16/2010	\$22.50	\$0.01	\$0.13	\$0.26	\$0.38	\$0.51	\$0.64	\$0.77	\$0.89	\$1.02	\$1.15	\$1.28	\$1.28	\$1.04	\$0.86	\$0.70	\$0.08	
1/16/2010	\$25.00	\$0.01	\$0.11	\$0.21	\$0.32	\$0.43	\$0.54	\$0.64	\$0.75	\$0.86	\$0.96	\$1.07	\$1.07	\$0.85	\$0.74	\$0.60	\$0.08	
1/16/2010	\$30.00	\$0.01	\$0.08	\$0.16	\$0.23	\$0.31	\$0.39	\$0.47	\$0.55	\$0.62	\$0.70	\$0.78	\$0.78	\$0.65	\$0.56	\$0.48	\$0.05	
1/16/2010	\$35.00	\$0.01	\$0.05	\$0.11	\$0.16	\$0.22	\$0.27	\$0.33	\$0.38	\$0.43	\$0.49	\$0.54	\$0.54	\$0.51	\$0.45	\$0.38	\$0.05	
1/16/2010	\$40.00	\$0.00	\$0.04	\$0.09	\$0.13	\$0.18	\$0.22	\$0.26	\$0.31	\$0.35	\$0.39	\$0.44	\$0.44	\$0.44	\$0.34	\$0.28	\$0.05	
1/16/2010	\$45.00	\$0.00	\$0.03	\$0.06	\$0.09	\$0.13	\$0.16	\$0.19	\$0.22	\$0.25	\$0.28	\$0.31	\$0.31	\$0.31	\$0.25	\$0.20	\$0.08	
1/16/2010	\$50.00	\$0.00	\$0.03	\$0.06	\$0.09	\$0.12	\$0.15	\$0.18	\$0.21	\$0.24	\$0.27	\$0.30	\$0.30	\$0.30	\$0.25	\$0.20	\$0.03	
1/16/2010	\$55.00	\$0.00	\$0.02	\$0.04	\$0.06	\$0.09	\$0.11	\$0.13	\$0.15	\$0.17	\$0.19	\$0.21	\$0.21	\$0.21	\$0.15	\$0.13	\$0.08	
1/16/2010	\$60.00	\$0.00	\$0.02	\$0.03	\$0.05	\$0.06	\$0.08	\$0.09	\$0.11	\$0.12	\$0.14	\$0.15	\$0.15	\$0.15	\$0.11	\$0.11	\$0.03	
1/16/2010	\$65.00	\$0.00	\$0.01	\$0.03	\$0.04	\$0.06	\$0.07	\$0.08	\$0.10	\$0.11	\$0.12	\$0.14	\$0.14	\$0.14	\$0.08	\$0.06	\$0.08	
1/16/2010	\$70.00	\$0.00	\$0.01	\$0.03	\$0.04	\$0.06	\$0.07	\$0.08	\$0.10	\$0.11	\$0.12	\$0.14	\$0.14	\$0.14	\$0.09	\$0.09	\$0.03	
1/16/2010	\$80.00	\$0.00	\$0.01	\$0.02	\$0.03	\$0.05	\$0.06	\$0.07	\$0.08	\$0.09	\$0.10	\$0.11	\$0.11	\$0.11	\$0.05	\$0.05	\$0.03	
1/16/2010	\$90.00	\$0.00	\$0.01	\$0.02	\$0.03	\$0.05	\$0.06	\$0.07	\$0.08	\$0.09	\$0.10	\$0.11	\$0.11	\$0.06	\$0.03	\$0.03	\$0.03	

TABLE 4—Fannie Mae Put Option Daily Artificial Deflation per Share and Holding Values

		Table 4—Put Option Artificial Deflation per Share During Trading Periods														Holding Value	
Expiration Date	Strike Price	11/8/2006 through 1/25/2007	1/26/2007 through 2/20/2007	2/21/2007 through 6/13/2007	6/14/2007 through 7/9/2007	7/10/2007 through 7/19/2007	7/20/2007 through 7/25/2007	7/26/2007 through 9/20/2007	9/21/2007 through 10/15/2007	10/16/2007 through 1/3/2008	1/4/2008 through 4/15/2008	4/16/2008 through 7/9/2008	7/10/2008	7/11/2008 through 8/7/2008	8/8/2008 through 8/19/2008		8/20/2008 through 9/5/2008
7/19/2008	\$5.00	\$0.00	\$0.02	\$0.04	\$0.07	\$0.09	\$0.11	\$0.13	\$0.16	\$0.18	\$0.20	\$0.22	\$0.18	\$0.00	\$0.00	\$0.00	\$0.00
																	\$0.00

Expiration Date	Strike Price	Table 4—Put Option Artificial Deflation per Share During Trading Periods															Holding Value
		11/8/2006 through 1/25/2007	1/26/2007 through 2/20/2007	2/21/2007 through 6/13/2007	6/14/2007 through 7/9/2007	7/10/2007 through 7/19/2007	7/20/2007 through 7/25/2007	7/26/2007 through 9/20/2007	9/21/2007 through 10/15/2007	10/16/2007 through 1/3/2008	1/4/2008 through 4/15/2008	4/16/2008 through 7/9/2008	7/10/2008	7/11/2008 through 8/7/2008	8/8/2008 through 8/19/2008	8/20/2008 through 9/5/2008	
7/19/2008	\$7.50	\$0.01	\$0.05	\$0.10	\$0.15	\$0.20	\$0.25	\$0.30	\$0.35	\$0.40	\$0.45	\$0.51	\$0.43	\$0.00	\$0.00	\$0.00	
7/19/2008	\$10.00	\$0.01	\$0.09	\$0.17	\$0.26	\$0.34	\$0.43	\$0.51	\$0.60	\$0.68	\$0.77	\$0.85	\$0.70	\$0.00	\$0.00	\$0.00	
7/19/2008	\$11.00	\$0.01	\$0.10	\$0.20	\$0.30	\$0.40	\$0.50	\$0.60	\$0.69	\$0.79	\$0.89	\$0.99	\$0.81	\$0.00	\$0.00	\$0.00	
7/19/2008	\$12.00	\$0.01	\$0.12	\$0.24	\$0.36	\$0.48	\$0.60	\$0.72	\$0.84	\$0.95	\$1.07	\$1.19	\$1.01	\$0.00	\$0.00	\$0.00	
7/19/2008	\$13.00	\$0.01	\$0.14	\$0.27	\$0.41	\$0.54	\$0.68	\$0.81	\$0.95	\$1.09	\$1.22	\$1.36	\$1.08	\$0.00	\$0.00	\$0.00	
7/19/2008	\$14.00	\$0.01	\$0.15	\$0.30	\$0.45	\$0.60	\$0.75	\$0.89	\$1.04	\$1.19	\$1.34	\$1.49	\$1.15	\$0.00	\$0.00	\$0.00	
7/19/2008	\$15.00	\$0.02	\$0.17	\$0.33	\$0.50	\$0.67	\$0.83	\$1.00	\$1.17	\$1.35	\$1.50	\$1.67	\$1.20	\$0.00	\$0.00	\$0.00	
7/19/2008	\$16.00	\$0.02	\$0.18	\$0.36	\$0.54	\$0.72	\$0.90	\$1.08	\$1.26	\$1.44	\$1.62	\$1.80	\$1.22	\$0.00	\$0.00	\$0.00	
7/19/2008	\$17.00	\$0.02	\$0.19	\$0.38	\$0.57	\$0.76	\$0.95	\$1.14	\$1.33	\$1.52	\$1.71	\$1.90	\$1.24	\$0.00	\$0.00	\$0.00	
7/19/2008	\$18.00	\$0.02	\$0.20	\$0.40	\$0.60	\$0.80	\$1.00	\$1.20	\$1.40	\$1.60	\$1.80	\$2.00	\$1.26	\$0.00	\$0.00	\$0.00	
7/19/2008	\$19.00	\$0.02	\$0.20	\$0.41	\$0.61	\$0.82	\$1.02	\$1.23	\$1.43	\$1.64	\$1.84	\$2.04	\$1.26	\$0.00	\$0.00	\$0.00	
7/19/2008	\$20.00	\$0.02	\$0.21	\$0.42	\$0.63	\$0.83	\$1.04	\$1.25	\$1.46	\$1.67	\$1.88	\$2.09	\$1.26	\$0.00	\$0.00	\$0.00	
7/19/2008	\$21.00	\$0.02	\$0.21	\$0.42	\$0.63	\$0.83	\$1.04	\$1.25	\$1.46	\$1.67	\$1.88	\$2.09	\$1.28	\$0.00	\$0.00	\$0.00	
7/19/2008	\$22.00	\$0.02	\$0.21	\$0.42	\$0.63	\$0.84	\$1.05	\$1.27	\$1.48	\$1.69	\$1.90	\$2.11	\$1.24	\$0.00	\$0.00	\$0.00	
7/19/2008	\$23.00	\$0.02	\$0.21	\$0.42	\$0.63	\$0.84	\$1.05	\$1.27	\$1.48	\$1.69	\$1.90	\$2.11	\$1.22	\$0.00	\$0.00	\$0.00	
7/19/2008	\$24.00	\$0.02	\$0.21	\$0.43	\$0.64	\$0.85	\$1.07	\$1.28	\$1.49	\$1.70	\$1.92	\$2.13	\$1.22	\$0.00	\$0.00	\$0.00	
7/19/2008	\$25.00	\$0.02	\$0.21	\$0.43	\$0.64	\$0.85	\$1.06	\$1.28	\$1.49	\$1.70	\$1.92	\$2.13	\$1.26	\$0.00	\$0.00	\$0.00	
7/19/2008	\$26.00	\$0.02	\$0.21	\$0.43	\$0.64	\$0.85	\$1.07	\$1.28	\$1.49	\$1.70	\$1.92	\$2.13	\$1.24	\$0.00	\$0.00	\$0.00	
7/19/2008	\$27.00	\$0.02	\$0.21	\$0.42	\$0.63	\$0.84	\$1.06	\$1.27	\$1.48	\$1.69	\$1.90	\$2.11	\$1.22	\$0.00	\$0.00	\$0.00	
7/19/2008	\$28.00	\$0.02	\$0.21	\$0.42	\$0.63	\$0.84	\$1.06	\$1.27	\$1.48	\$1.69	\$1.90	\$2.11	\$1.22	\$0.00	\$0.00	\$0.00	
7/19/2008	\$29.00	\$0.02	\$0.21	\$0.43	\$0.64	\$0.85	\$1.07	\$1.28	\$1.49	\$1.70	\$1.92	\$2.13	\$1.22	\$0.00	\$0.00	\$0.00	
7/19/2008	\$30.00	\$0.02	\$0.21	\$0.42	\$0.63	\$0.84	\$1.06	\$1.27	\$1.48	\$1.69	\$1.90	\$2.11	\$1.22	\$0.00	\$0.00	\$0.00	
7/19/2008	\$31.00	\$0.02	\$0.21	\$0.42	\$0.63	\$0.84	\$1.06	\$1.27	\$1.48	\$1.69	\$1.90	\$2.11	\$1.22	\$0.00	\$0.00	\$0.00	
7/19/2008	\$32.00	\$0.02	\$0.21	\$0.43	\$0.64	\$0.85	\$1.07	\$1.28	\$1.49	\$1.70	\$1.92	\$2.13	\$1.22	\$0.00	\$0.00	\$0.00	
7/19/2008	\$33.00	\$0.02	\$0.21	\$0.42	\$0.63	\$0.84	\$1.06	\$1.27	\$1.48	\$1.69	\$1.90	\$2.11	\$1.22	\$0.00	\$0.00	\$0.00	
7/19/2008	\$35.00	\$0.02	\$0.21	\$0.42	\$0.63	\$0.84	\$1.06	\$1.27	\$1.48	\$1.69	\$1.90	\$2.11	\$1.22	\$0.00	\$0.00	\$0.00	
7/19/2008	\$40.00	\$0.02	\$0.21	\$0.43	\$0.64	\$0.85	\$1.07	\$1.28	\$1.49	\$1.70	\$1.92	\$2.13	\$1.22	\$0.00	\$0.00	\$0.00	
8/16/2008	\$5.00	\$0.10	\$0.20	\$0.30	\$0.40	\$0.50	\$0.60	\$0.70	\$0.80	\$0.90	\$1.00	\$1.10	\$0.30	\$0.00	\$0.00	\$0.00	
8/16/2008	\$7.50	\$0.01	\$0.08	\$0.16	\$0.24	\$0.31	\$0.39	\$0.47	\$0.55	\$0.63	\$0.71	\$0.78	\$0.55	\$0.00	\$0.00	\$0.00	
8/16/2008	\$10.00	\$0.01	\$0.11	\$0.23	\$0.34	\$0.46	\$0.57	\$0.69	\$0.80	\$0.92	\$1.03	\$1.14	\$0.79	\$0.01	\$0.00	\$0.00	
8/16/2008	\$11.00	\$0.01	\$0.14	\$0.27	\$0.41	\$0.55	\$0.69	\$0.82	\$0.96	\$1.10	\$1.24	\$1.37	\$1.01	\$0.00	\$0.00	\$0.00	
8/16/2008	\$12.00	\$0.02	\$0.17	\$0.33	\$0.50	\$0.66	\$0.83	\$0.99	\$1.16	\$1.33	\$1.49	\$1.66	\$1.24	\$0.00	\$0.00	\$0.00	
8/16/2008	\$13.00	\$0.02	\$0.19	\$0.37	\$0.56	\$0.75	\$0.94	\$1.12	\$1.31	\$1.50	\$1.69	\$1.87	\$1.39	\$0.00	\$0.00	\$0.00	
8/16/2008	\$14.00	\$0.02	\$0.20	\$0.41	\$0.61	\$0.82	\$1.02	\$1.23	\$1.43	\$1.63	\$1.84	\$2.04	\$1.50	\$0.00	\$0.00	\$0.00	
8/16/2008	\$15.00	\$0.02	\$0.22	\$0.44	\$0.67	\$0.89	\$1.11	\$1.33	\$1.56	\$1.78	\$2.00	\$2.22	\$1.63	\$0.00	\$0.00	\$0.00	
8/16/2008	\$16.00	\$0.02	\$0.23	\$0.45	\$0.68	\$0.91	\$1.13	\$1.36	\$1.59	\$1.81	\$2.04	\$2.27	\$1.65	\$0.00	\$0.00	\$0.00	
8/16/2008	\$17.00	\$0.02	\$0.24	\$0.47	\$0.71	\$0.94	\$1.18	\$1.41	\$1.65	\$1.88	\$2.12	\$2.35	\$1.76	\$0.00	\$0.00	\$0.00	
8/16/2008	\$18.00	\$0.02	\$0.25	\$0.49	\$0.74	\$0.98	\$1.23	\$1.47	\$1.72	\$1.97	\$2.21	\$2.46	\$1.74	\$0.00	\$0.00	\$0.00	
8/16/2008	\$19.00	\$0.03	\$0.25	\$0.51	\$0.76	\$1.01	\$1.26	\$1.52	\$1.77	\$2.02	\$2.27	\$2.53	\$1.81	\$0.00	\$0.00	\$0.00	
8/16/2008	\$20.00	\$0.03	\$0.25	\$0.50	\$0.76	\$1.01	\$1.26	\$1.51	\$1.76	\$2.02	\$2.27	\$2.52	\$1.72	\$0.00	\$0.00	\$0.00	
8/16/2008	\$21.00	\$0.03	\$0.26	\$0.52	\$0.78	\$1.04	\$1.29	\$1.55	\$1.81	\$2.07	\$2.33	\$2.59	\$1.81	\$0.00	\$0.00	\$0.00	
8/16/2008	\$22.00	\$0.03	\$0.26	\$0.52	\$0.78	\$1.04	\$1.30	\$1.55	\$1.81	\$2.07	\$2.33	\$2.59	\$1.79	\$0.00	\$0.00	\$0.00	
8/16/2008	\$23.00	\$0.03	\$0.26	\$0.52	\$0.78	\$1.04	\$1.31	\$1.57	\$1.83	\$2.09	\$2.35	\$2.61	\$1.81	\$0.00	\$0.00	\$0.00	
8/16/2008	\$24.00	\$0.03	\$0.26	\$0.52	\$0.78	\$1.05	\$1.31	\$1.57	\$1.83	\$2.09	\$2.35	\$2.61	\$1.75	\$0.00	\$0.00	\$0.00	
8/16/2008	\$25.00	\$0.03	\$0.27	\$0.54	\$0.80	\$1.07	\$1.34	\$1.61	\$1.87	\$2.14	\$2.41	\$2.68	\$1.79	\$0.00	\$0.00	\$0.00	
8/16/2008	\$26.00	\$0.03	\$0.27	\$0.54	\$0.80	\$1.07	\$1.34	\$1.61	\$1.87	\$2.14	\$2.41	\$2.68	\$1.77	\$0.00	\$0.00	\$0.00	
8/16/2008	\$27.00	\$0.03	\$0.27	\$0.53	\$0.80	\$1.06	\$1.33	\$1.59	\$1.86	\$2.12	\$2.39	\$2.66	\$1.75	\$0.00	\$0.00	\$0.00	
8/16/2008	\$28.00	\$0.03	\$0.27	\$0.53	\$0.80	\$1.06	\$1.33	\$1.59	\$1.86	\$2.12	\$2.39	\$2.66	\$1.75	\$0.00	\$0.00	\$0.00	
8/16/2008	\$30.00	\$0.03	\$0.27	\$0.54	\$0.80	\$1.07	\$1.34	\$1.61	\$1.87	\$2.14	\$2.41	\$2.68	\$1.77	\$0.00	\$0.00	\$0.00	
9/20/2008	\$5.00	\$0.03	\$0.29	\$0.58	\$0.87	\$1.16	\$1.45	\$1.74	\$2.03	\$2.32	\$2.61	\$2.90	\$2.74	\$2.41	\$2.01	\$4.30	
9/20/2008	\$7.50	\$0.04	\$0.42	\$0.85	\$1.27	\$1.69	\$2.12	\$2.54	\$2.96	\$3.39	\$3.81	\$4.23	\$3.95	\$3.48	\$2.83	\$6.80	
9/20/2008	\$10.00	\$0.05	\$0.50	\$1.01	\$1.51	\$2.02	\$2.52	\$3.03	\$3.54	\$4.04	\$4.54	\$5.05	\$4.68	\$3.99	\$3.13	\$9.30	
9/20/2008	\$11.00	\$0.05	\$0.51	\$1.07	\$1.60	\$2.14	\$2.67	\$3.21	\$3.74	\$4.28	\$4.81	\$5.35	\$4.93	\$4.16	\$3.18	\$10.30	
9/20/2008	\$12.50	\$0.06	\$0.56	\$1.12	\$1.67	\$2.23	\$2.79	\$3.35	\$3.90	\$4.46	\$5.02	\$5.58	\$5.03	\$4.23	\$4.00	\$3.20	
9/20/2008	\$14.00	\$0.06	\$0.58	\$1.17	\$1.75	\$2.33	\$2.91	\$3.50	\$4.08	\$4.66	\$5.24	\$5.83	\$5.27	\$4.30	\$4.00	\$3.20	
9/20/2008	\$15.00	\$0.06	\$0.59	\$1.18	\$1.77												

Expiration Date	Strike Price	Table 4—Put Option Artificial Deflation per Share During Trading Periods															Holding Value
		11/8/2006 through 1/25/2007	1/26/2007 through 2/20/2007	2/21/2007 through 6/13/2007	6/14/2007 through 7/9/2007	7/10/2007 through 7/19/2007	7/20/2007 through 7/25/2007	7/26/2007 through 9/20/2007	9/21/2007 through 10/15/2007	10/16/2007 through 1/3/2008	1/4/2008 through 4/15/2008	4/16/2008 through 7/9/2008	7/10/2008	7/11/2008 through 8/7/2008	8/8/2008 through 8/19/2008	8/20/2008 through 9/5/2008	
9/20/2008	\$30.00	\$0.07	\$0.65	\$1.30	\$1.96	\$2.61	\$3.26	\$3.91	\$4.56	\$5.22	\$5.87	\$6.52	\$5.65	\$4.45	\$3.98	\$3.20	\$29.30
9/20/2008	\$31.00	\$0.07	\$0.66	\$1.32	\$1.98	\$2.64	\$3.30	\$3.96	\$4.62	\$5.28	\$5.94	\$6.60	\$5.65	\$4.45	\$3.98	\$3.20	\$30.30
9/20/2008	\$32.00	\$0.07	\$0.66	\$1.32	\$1.98	\$2.64	\$3.30	\$3.96	\$4.62	\$5.28	\$5.94	\$6.60	\$5.65	\$4.45	\$3.98	\$3.20	\$31.30
9/20/2008	\$33.00	\$0.07	\$0.67	\$1.33	\$2.00	\$2.66	\$3.34	\$4.00	\$4.67	\$5.34	\$6.00	\$6.67	\$5.69	\$4.48	\$3.98	\$3.20	\$32.30
9/20/2008	\$34.00	\$0.07	\$0.66	\$1.33	\$1.99	\$2.66	\$3.32	\$3.99	\$4.65	\$5.31	\$5.98	\$6.64	\$5.69	\$4.45	\$3.98	\$3.20	\$33.30
9/20/2008	\$35.00	\$0.07	\$0.67	\$1.33	\$2.00	\$2.67	\$3.34	\$4.00	\$4.67	\$5.34	\$6.00	\$6.67	\$5.68	\$4.48	\$3.98	\$3.20	\$34.30
9/20/2008	\$36.00	\$0.07	\$0.67	\$1.34	\$2.01	\$2.68	\$3.34	\$4.01	\$4.68	\$5.35	\$6.02	\$6.69	\$5.72	\$4.48	\$4.00	\$3.20	\$35.30
9/20/2008	\$37.00	\$0.07	\$0.67	\$1.33	\$2.00	\$2.67	\$3.33	\$4.00	\$4.67	\$5.33	\$6.00	\$6.67	\$5.72	\$4.48	\$4.00	\$3.20	\$36.30
9/20/2008	\$38.00	\$0.07	\$0.66	\$1.32	\$1.98	\$2.64	\$3.30	\$3.96	\$4.62	\$5.28	\$5.94	\$6.60	\$5.65	\$4.43	\$3.98	\$3.20	\$37.30
9/20/2008	\$40.00	\$0.07	\$0.66	\$1.33	\$1.99	\$2.65	\$3.31	\$3.96	\$4.64	\$5.30	\$5.96	\$6.63	\$5.70	\$4.48	\$4.00	\$3.20	\$39.30
9/20/2008	\$45.00	\$0.07	\$0.66	\$1.33	\$1.99	\$2.65	\$3.31	\$3.98	\$4.64	\$5.30	\$5.97	\$6.63	\$5.68	\$4.48	\$3.98	\$3.20	\$44.30
9/20/2008	\$50.00	\$0.07	\$0.66	\$1.32	\$1.98	\$2.63	\$3.29	\$3.95	\$4.61	\$5.27	\$5.93	\$6.59	\$5.68	\$4.48	\$3.98	\$3.20	\$49.30
9/20/2008	\$55.00	\$0.07	\$0.66	\$1.32	\$1.97	\$2.62	\$3.29	\$3.95	\$4.61	\$5.27	\$5.92	\$6.58	\$5.63	\$4.45	\$4.00	\$3.20	\$54.30
9/20/2008	\$60.00	\$0.07	\$0.66	\$1.31	\$1.97	\$2.62	\$3.28	\$3.93	\$4.59	\$5.25	\$5.90	\$6.56	\$5.61	\$4.43	\$3.98	\$3.20	\$59.30
12/20/2008	\$5.00	\$0.02	\$0.21	\$0.42	\$0.62	\$0.83	\$1.04	\$1.25	\$1.46	\$1.66	\$1.87	\$2.08	\$1.88	\$1.65	\$1.65	\$1.28	\$4.30
12/20/2008	\$7.50	\$0.03	\$0.31	\$0.60	\$0.94	\$1.25	\$1.56	\$1.87	\$2.19	\$2.50	\$2.81	\$3.12	\$2.81	\$2.43	\$2.35	\$1.85	\$6.85
12/20/2008	\$10.00	\$0.04	\$0.40	\$0.80	\$1.20	\$1.59	\$1.99	\$2.39	\$2.79	\$3.19	\$3.59	\$3.98	\$3.55	\$3.00	\$2.90	\$2.23	\$9.30
12/20/2008	\$11.00	\$0.04	\$0.42	\$0.85	\$1.27	\$1.69	\$2.12	\$2.54	\$2.96	\$3.39	\$3.81	\$4.23	\$3.73	\$3.13	\$3.03	\$2.35	\$10.30
12/20/2008	\$12.00	\$0.05	\$0.45	\$0.90	\$1.35	\$1.80	\$2.25	\$2.70	\$3.15	\$3.60	\$4.05	\$4.50	\$3.96	\$3.30	\$3.18	\$2.45	\$11.30
12/20/2008	\$13.00	\$0.05	\$0.48	\$0.96	\$1.43	\$1.91	\$2.39	\$2.87	\$3.34	\$3.82	\$4.30	\$4.78	\$4.18	\$3.48	\$3.30	\$2.55	\$12.30
12/20/2008	\$14.00	\$0.05	\$0.50	\$1.00	\$1.50	\$2.00	\$2.50	\$2.99	\$3.49	\$3.99	\$4.49	\$4.99	\$4.34	\$3.58	\$3.38	\$2.63	\$13.30
12/20/2008	\$15.00	\$0.05	\$0.52	\$1.04	\$1.56	\$2.08	\$2.60	\$3.12	\$3.64	\$4.16	\$4.68	\$5.20	\$4.48	\$3.70	\$3.45	\$2.70	\$14.30
12/20/2008	\$16.00	\$0.05	\$0.53	\$1.06	\$1.57	\$2.12	\$2.66	\$3.19	\$3.72	\$4.25	\$4.78	\$5.31	\$4.57	\$3.75	\$3.53	\$2.78	\$15.30
12/20/2008	\$17.00	\$0.05	\$0.55	\$1.10	\$1.64	\$2.19	\$2.74	\$3.29	\$3.83	\$4.38	\$4.93	\$5.48	\$4.72	\$3.88	\$3.63	\$2.83	\$16.30
12/20/2008	\$18.00	\$0.06	\$0.56	\$1.12	\$1.68	\$2.23	\$2.79	\$3.35	\$3.91	\$4.47	\$5.03	\$5.58	\$4.80	\$4.00	\$3.63	\$2.88	\$17.30
12/20/2008	\$19.00	\$0.06	\$0.57	\$1.14	\$1.72	\$2.29	\$2.86	\$3.43	\$4.01	\$4.58	\$5.15	\$5.72	\$4.92	\$4.20	\$3.70	\$2.92	\$18.30
12/20/2008	\$20.00	\$0.06	\$0.59	\$1.17	\$1.76	\$2.35	\$2.93	\$3.52	\$4.11	\$4.69	\$5.28	\$5.87	\$5.02	\$4.10	\$3.78	\$2.98	\$19.30
12/20/2008	\$21.00	\$0.06	\$0.60	\$1.19	\$1.79	\$2.39	\$2.99	\$3.58	\$4.18	\$4.78	\$5.38	\$5.97	\$5.11	\$4.13	\$3.80	\$3.00	\$20.30
12/20/2008	\$22.00	\$0.06	\$0.60	\$1.21	\$1.81	\$2.42	\$3.02	\$3.63	\$4.23	\$4.84	\$5.44	\$6.05	\$5.18	\$4.20	\$3.83	\$3.05	\$21.30
12/20/2008	\$23.00	\$0.06	\$0.60	\$1.21	\$1.81	\$2.42	\$3.02	\$3.63	\$4.23	\$4.84	\$5.44	\$6.05	\$5.16	\$4.20	\$3.83	\$3.08	\$22.30
12/20/2008	\$24.00	\$0.06	\$0.62	\$1.23	\$1.85	\$2.47	\$3.08	\$3.70	\$4.32	\$4.93	\$5.55	\$6.17	\$5.26	\$4.28	\$3.85	\$3.08	\$23.30
12/20/2008	\$25.00	\$0.06	\$0.63	\$1.25	\$1.88	\$2.50	\$3.13	\$3.75	\$4.38	\$5.01	\$5.63	\$6.26	\$5.33	\$4.33	\$3.93	\$3.13	\$24.30
12/20/2008	\$26.00	\$0.06	\$0.63	\$1.26	\$1.88	\$2.51	\$3.14	\$3.77	\$4.39	\$5.02	\$5.65	\$6.28	\$5.33	\$4.33	\$3.93	\$3.13	\$25.30
12/20/2008	\$27.00	\$0.06	\$0.63	\$1.25	\$1.88	\$2.50	\$3.13	\$3.75	\$4.38	\$5.01	\$5.63	\$6.26	\$5.33	\$4.33	\$3.93	\$3.15	\$26.30
12/20/2008	\$28.00	\$0.06	\$0.64	\$1.27	\$1.91	\$2.55	\$3.19	\$3.82	\$4.46	\$5.10	\$5.74	\$6.37	\$5.40	\$4.40	\$3.95	\$3.20	\$27.30
12/20/2008	\$29.00	\$0.06	\$0.64	\$1.28	\$1.93	\$2.57	\$3.21	\$3.85	\$4.50	\$5.14	\$5.78	\$6.42	\$5.49	\$4.45	\$3.98	\$3.18	\$28.30
12/20/2008	\$30.00	\$0.06	\$0.64	\$1.29	\$1.93	\$2.58	\$3.22	\$3.87	\$4.51	\$5.16	\$5.80	\$6.45	\$5.52	\$4.48	\$3.98	\$3.18	\$29.30
12/20/2008	\$31.00	\$0.06	\$0.64	\$1.28	\$1.93	\$2.57	\$3.21	\$3.85	\$4.49	\$5.13	\$5.78	\$6.42	\$5.49	\$4.43	\$3.98	\$3.18	\$30.30
12/20/2008	\$32.00	\$0.07	\$0.65	\$1.30	\$1.95	\$2.60	\$3.25	\$3.91	\$4.56	\$5.21	\$5.86	\$6.51	\$5.52	\$4.48	\$3.98	\$3.18	\$31.30
12/20/2008	\$35.00	\$0.07	\$0.65	\$1.31	\$1.96	\$2.61	\$3.27	\$3.92	\$4.57	\$5.23	\$5.88	\$6.53	\$5.60	\$4.50	\$3.98	\$3.18	\$34.30
12/20/2008	\$40.00	\$0.07	\$0.67	\$1.34	\$2.01	\$2.68	\$3.34	\$4.01	\$4.68	\$5.35	\$6.02	\$6.69	\$5.74	\$4.58	\$4.03	\$3.23	\$39.30
12/20/2008	\$45.00	\$0.07	\$0.67	\$1.34	\$2.01	\$2.68	\$3.34	\$4.01	\$4.68	\$5.35	\$6.02	\$6.69	\$5.74	\$4.57	\$4.03	\$3.23	\$44.30
1/17/2009	\$25.00	\$0.01	\$0.10	\$0.20	\$0.31	\$0.41	\$0.51	\$0.61	\$0.72	\$0.82	\$0.92	\$1.02	\$0.95	\$0.84	\$0.79	\$0.60	\$1.95
1/17/2009	\$5.00	\$0.02	\$0.20	\$0.40	\$0.60	\$0.80	\$1.00	\$1.20	\$1.40	\$1.60	\$1.80	\$2.00	\$1.86	\$1.58	\$1.55	\$1.25	\$4.40
1/17/2009	\$7.50	\$0.03	\$0.38	\$0.59	\$0.89	\$1.19	\$1.48	\$1.78	\$2.07	\$2.37	\$2.67	\$2.96	\$2.68	\$2.29	\$2.29	\$1.73	\$6.80
1/17/2009	\$10.00	\$0.04	\$0.38	\$0.76	\$1.14	\$1.51	\$1.89	\$2.27	\$2.65	\$3.03	\$3.41	\$3.79	\$3.40	\$2.88	\$2.73	\$2.15	\$9.30
1/17/2009	\$12.50	\$0.05	\$0.45	\$0.90	\$1.36	\$1.81	\$2.26	\$2.71	\$3.16	\$3.62	\$4.07	\$4.52	\$4.00	\$3.30	\$3.08	\$2.45	\$11.80
1/17/2009	\$15.00	\$0.05	\$0.50	\$1.01	\$1.51	\$2.01	\$2.52	\$3.02	\$3.52	\$4.03	\$4.53	\$5.03	\$4.34	\$3.60	\$3.38	\$2.65	\$14.30
1/17/2009	\$17.50	\$0.06	\$0.56	\$1.11	\$1.67	\$2.23	\$2.78	\$3.34	\$3.90	\$4.45	\$5.01	\$5.57	\$4.79	\$3.93	\$3.58	\$2.83	\$16.80
1/17/2009	\$20.00	\$0.06	\$0.58	\$1.16	\$1.75	\$2.33	\$2.91	\$3.49	\$4.07	\$4.65	\$5.24	\$5.82	\$4.97	\$4.05	\$3.68	\$2.93	\$19.30
1/17/2009	\$22.50	\$0.06	\$0.61	\$1.22	\$1.83	\$2.45	\$3.06	\$3.67	\$4.28	\$4.89	\$5.50	\$6.12	\$5.19	\$4.23	\$3.85	\$2.80	\$21.80
1/17/2009	\$25.00	\$0.06	\$0.62	\$1.24	\$1.85	\$2.47	\$3.09	\$3.71	\$4.32	\$4.94	\$5.56	\$6.18	\$5.27	\$4.23	\$3.85	\$3.08	\$24.30
1/17/2009	\$30.00	\$0.07	\$0.65	\$1.31	\$1.96	\$2.61	\$3.26	\$3.92	\$4.57	\$5.22	\$5.87	\$6.53	\$5.53	\$4.45	\$3.98	\$3.18	\$29.30
1/17/2009	\$35.00	\$0.06	\$0.65	\$1.30	\$1.95	\$2.60	\$3.25	\$3.90	\$4.55	\$5.20	\$5.85	\$6.50	\$5.55	\$4.43	\$3.95	\$3.18	\$34.30
1/17/2009	\$40.00	\$0.07	\$0.67	\$1.33	\$2.00	\$2.66	\$3.33	\$3.99	\$4.66	\$5.32	\$5.99	\$6.65	\$5.66	\$4.48	\$4.00	\$3.23	\$39.30
1/17/2009	\$45.00	\$0.07	\$0.67	\$1.34	\$2.00	\$2.67	\$3.34	\$4.01	\$4.67	\$5.34	\$6.01	\$6.68	\$5.73	\$4.53	\$4.00	\$3.23	\$44.30
1/17/2009	\$50.00	\$0.07	\$0.67	\$1.34	\$2.01	\$2.68	\$3.35	\$4.02	\$4.69	\$5.36	\$6.03	\$6.70	\$5.75	\$4.53	\$4.00	\$3.23	\$49.30
1/17/2009	\$55.00	\$0.07	\$0.66	\$1.31	\$1.97	\$2.63	\$3.28	\$3.94	\$4.59	\$5.25	\$5.91	\$6.56	\$5.70	\$4.48	\$4.00	\$3.23	\$54.30
1/17/2009	\$60.00	\$0.07	\$0.68	\$1.35	\$2.03	\$2.70	\$3.38	\$4.05	\$4.73	\$5.40	\$6.08	\$6.75	\$5.82	\$4.60	\$4.03	\$3.23	\$59.30
1/17/2009	\$65.00	\$0.07	\$0.68	\$1.35	\$2.03	\$2.70	\$3.38	\$4.05	\$4.73	\$5.40	\$6.08	\$6.75	\$5.82	\$4.60	\$4.03	\$3.23	\$64.30
1/17/2009	\$70.00	\$0.07	\$0.67	\$1.34	\$2.01	\$2.68	\$3.35	\$4.02	\$4.69	\$5.36	\$6.03	\$6.71	\$5.82	\$4.57	\$4.03	\$3.23	\$69.30
1/17/2009	\$80.00	\$0.07	\$0.67	\$1.35	\$2.02	\$2.69	\$3.37	\$4.04	\$4.71	\$5.38	\$6.06	\$6.73	\$5.84	\$4.60	\$4.03	\$3.23	\$79.30
1/17/2009	\$90.00	\$0.07	\$0.68	\$1.35	\$2.03	\$2.71	\$3.39	\$4.06	\$4.74	\$5.42	\$6.09	\$6.77	\$5.88	\$4.60	\$4.03	\$3.23	\$89.30
1/16/2010	\$2.50	\$0.02	\$0.34	\$0.50	\$0.75	\$1.00	\$1.25	\$1.50	\$1.75	\$2.00	\$2.25	\$2.50	\$2.00	\$1.75	\$1.50	\$1.25	\$2.03
1/16/2010	\$5.00	\$0.02	\$0.50	\$0.84	\$1.01	\$1.34	\$1.67	\$2.00	\$2.33	\$2.66	\$2.99	\$3.32	\$2.66	\$2.33	\$2.00	\$1.67	\$4.40
1/16/2010	\$7.50	\$0.02	\$0.23	\$0.45	\$0.68	\$0.91	\$1.13	\$1.36	\$1.59	\$1.82	\$2.04	\$2.27	\$1.95	\$1.71	\$1.55	\$1.28	\$6.85
1/16/2010	\$10.00	\$0.03	\$0.29	\$0.58	\$0.87	\$1.17	\$1.46	\$1.75	\$2.04	\$2.33	\$2.62	\$2.92	\$2.54	\$2.18	\$2.00	\$1.65	\$9.35

Expiration Date	Strike Price	Table 4—Put Option Artificial Deflation per Share During Trading Periods															Holding Value
		11/8/2006 through 1/25/2007	1/26/2007 through 2/20/2007	2/21/2007 through 6/13/2007	6/14/2007 through 7/9/2007	7/10/2007 through 7/19/2007	7/20/2007 through 7/25/2007	7/26/2007 through 9/20/2007	9/21/2007 through 10/15/2007	10/16/2007 through 1/3/2008	1/4/2008 through 4/15/2008	4/16/2008 through 7/9/2008	7/10/2008 through 7/11/2008	7/11/2008 through 8/7/2008	8/8/2008 through 8/19/2008	8/20/2008 through 9/5/2008	
1/16/2010	\$12.50	\$0.04	\$0.36	\$0.72	\$1.08	\$1.44	\$1.80	\$2.16	\$2.52	\$2.88	\$3.24	\$3.60	\$2.97	\$2.53	\$2.30	\$1.83	\$11.75
1/16/2010	\$15.00	\$0.04	\$0.42	\$0.83	\$1.25	\$1.66	\$2.08	\$2.49	\$2.91	\$3.32	\$3.74	\$4.15	\$3.46	\$2.88	\$2.58	\$2.10	\$14.25
1/16/2010	\$17.50	\$0.05	\$0.47	\$0.94	\$1.42	\$1.89	\$2.36	\$2.83	\$3.30	\$3.77	\$4.25	\$4.72	\$3.83	\$3.15	\$2.80	\$2.25	\$16.75
1/16/2010	\$20.00	\$0.05	\$0.52	\$1.03	\$1.55	\$2.07	\$2.59	\$3.10	\$3.62	\$4.14	\$4.65	\$5.17	\$4.22	\$3.40	\$3.08	\$2.45	\$19.30
1/16/2010	\$22.50	\$0.05	\$0.55	\$1.09	\$1.64	\$2.18	\$2.73	\$3.27	\$3.82	\$4.37	\$4.91	\$5.46	\$4.40	\$3.60	\$3.18	\$2.55	\$21.75
1/16/2010	\$25.00	\$0.06	\$0.58	\$1.16	\$1.75	\$2.33	\$2.91	\$3.49	\$4.07	\$4.66	\$5.24	\$5.82	\$4.72	\$3.90	\$3.45	\$2.73	\$24.30
1/16/2010	\$30.00	\$0.06	\$0.61	\$1.21	\$1.82	\$2.42	\$3.03	\$3.63	\$4.24	\$4.84	\$5.45	\$6.05	\$4.87	\$3.95	\$3.58	\$2.85	\$29.25
1/16/2010	\$35.00	\$0.06	\$0.65	\$1.30	\$1.95	\$2.60	\$3.25	\$3.90	\$4.54	\$5.19	\$5.84	\$6.49	\$5.37	\$4.25	\$3.75	\$3.00	\$34.30
1/16/2010	\$40.00	\$0.07	\$0.66	\$1.33	\$1.99	\$2.66	\$3.32	\$3.99	\$4.65	\$5.32	\$5.98	\$6.65	\$5.57	\$4.35	\$3.88	\$3.10	\$39.30
1/16/2010	\$45.00	\$0.07	\$0.66	\$1.32	\$1.98	\$2.66	\$3.30	\$3.97	\$4.63	\$5.29	\$5.95	\$6.61	\$5.53	\$4.45	\$3.95	\$3.18	\$44.30
1/16/2010	\$50.00	\$0.07	\$0.67	\$1.33	\$2.00	\$2.66	\$3.33	\$3.99	\$4.66	\$5.32	\$5.99	\$6.65	\$5.53	\$4.45	\$3.95	\$3.18	\$49.30
1/16/2010	\$55.00	\$0.07	\$0.67	\$1.34	\$2.02	\$2.69	\$3.36	\$4.03	\$4.70	\$5.37	\$6.05	\$6.72	\$5.66	\$4.50	\$3.98	\$3.23	\$54.30
1/16/2010	\$60.00	\$0.07	\$0.67	\$1.33	\$2.00	\$2.67	\$3.33	\$4.00	\$4.66	\$5.33	\$6.00	\$6.66	\$5.63	\$4.43	\$3.98	\$3.23	\$59.30
1/16/2010	\$65.00	\$0.07	\$0.67	\$1.33	\$2.00	\$2.67	\$3.34	\$4.00	\$4.67	\$5.34	\$6.01	\$6.67	\$5.64	\$4.48	\$3.98	\$3.23	\$64.30
1/16/2010	\$70.00	\$0.07	\$0.67	\$1.34	\$2.00	\$2.67	\$3.34	\$4.01	\$4.67	\$5.34	\$6.01	\$6.68	\$5.75	\$4.53	\$4.00	\$3.23	\$69.30
1/16/2010	\$80.00	\$0.07	\$0.66	\$1.33	\$1.99	\$2.66	\$3.32	\$3.99	\$4.65	\$5.31	\$5.98	\$6.64	\$5.69	\$4.45	\$3.97	\$3.18	\$79.30
1/16/2010	\$90.00	\$0.07	\$0.66	\$1.33	\$1.99	\$2.66	\$3.32	\$3.99	\$4.65	\$5.32	\$5.98	\$6.65	\$5.76	\$4.47	\$3.97	\$3.18	\$89.30

TABLE 5—Fannie Mae Preferred Stock Artificial Inflation per Share

Preferred Stock Series	Table 5—Artificial Inflation per Share During Trading Periods															8/20/2008 through 9/5/2008
	11/8/2006 through 1/25/2007	1/26/2007 through 2/20/2007	2/21/2007 through 6/13/2007	6/14/2007 through 7/9/2007	7/10/2007 through 7/19/2007	7/20/2007 through 7/25/2007	7/26/2007 through 9/20/2007	9/21/2007 through 10/15/2007	10/16/2007 through 1/3/2008	1/4/2008 through 4/15/2008	4/16/2008 through 7/9/2008	7/10/2008 through 7/11/2008	7/11/2008 through 8/19/2008			
E	\$0.10	\$0.97	\$1.94	\$2.91	\$3.88	\$4.85	\$5.82	\$6.79	\$7.75	\$8.72	\$9.69	\$8.78	\$7.96	\$7.07		
F	\$0.05	\$0.46	\$0.91	\$1.37	\$1.82	\$2.28	\$2.73	\$3.19	\$3.65	\$4.10	\$4.56	\$4.50	\$4.40	\$4.09		
G	\$0.06	\$0.59	\$1.18	\$1.77	\$2.37	\$2.96	\$3.55	\$4.14	\$4.73	\$5.32	\$5.92	\$5.16	\$5.16	\$4.49		
H	\$0.11	\$1.12	\$2.25	\$3.37	\$4.49	\$5.61	\$6.74	\$7.86	\$8.98	\$10.10	\$11.23	\$10.13	\$8.75	\$7.26		
I	\$0.10	\$1.01	\$2.01	\$3.02	\$4.03	\$5.04	\$6.04	\$7.05	\$8.06	\$9.07	\$10.07	\$9.40	\$8.39	\$6.99		
L	\$0.09	\$0.86	\$1.73	\$2.59	\$3.45	\$4.32	\$5.18	\$6.04	\$6.90	\$7.77	\$8.63	\$7.60	\$6.95	\$6.95		
M	\$0.09	\$0.85	\$1.70	\$2.56	\$3.41	\$4.26	\$5.11	\$5.97	\$6.82	\$7.67	\$8.52	\$7.33	\$6.77	\$6.74		
N	\$0.10	\$1.00	\$2.00	\$3.00	\$4.00	\$5.01	\$6.01	\$7.01	\$8.01	\$9.01	\$10.01	\$9.45	\$8.30	\$7.40		
O	\$0.16	\$1.60	\$3.20	\$4.80	\$6.40	\$8.00	\$9.60	\$11.20	\$12.80	\$14.40	\$16.00	\$14.78	\$8.37	\$8.37		
P	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3.14	\$3.59	\$4.04	\$4.49	\$3.69	\$3.32	\$2.91		
Q	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$4.57	\$5.22	\$5.88	\$6.53	\$5.43	\$5.17	\$4.41		
R	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$6.78	\$7.63	\$8.47	\$7.23	\$6.30	\$4.98		
S	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$6.76	\$7.61	\$8.45	\$6.91	\$6.45	\$4.87		
T	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$7.96	\$6.80	\$6.21	\$4.92		
2004-1	\$194	\$1,939	\$3,877	\$5,816	\$7,755	\$9,693	\$11,632	\$13,571	\$15,509	\$17,448	\$19,387	\$17,565	\$15,922	\$14,135		
2008-1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$12.55	\$11.59	\$9.64	\$7.87		

TABLE 6—Fannie Mae Preferred Stock Average Closing Price from September 8, 2008 through Date Shown (90-Day Look-Back Period)

Date	Table 6—Average Closing Price by Preferred Stock Series															
	E	F	G	H	I	L	M	N	O	P	Q	R	S	T	2004-1	2008-1
9/8/2008	\$7.00	\$3.25	\$3.05	\$3.70	\$3.50	\$3.40	\$3.50	\$3.65	\$3.57	\$2.01	\$2.26	\$2.70	\$3.42	\$3.00	\$7,950	\$1.45
9/9/2008	\$7.00	\$3.20	\$3.08	\$3.50	\$3.43	\$3.38	\$3.37	\$3.50	\$3.24	\$1.81	\$2.16	\$2.53	\$3.26	\$2.75	\$6,600	\$1.70
9/10/2008	\$7.00	\$3.14	\$3.13	\$3.48	\$3.42	\$3.37	\$3.36	\$3.46	\$2.89	\$1.79	\$2.15	\$2.41	\$3.14	\$2.70	\$6,133	\$1.77
9/11/2008	\$5.75	\$3.13	\$3.13	\$3.51	\$3.42	\$3.31	\$3.30	\$3.38	\$2.86	\$1.77	\$2.14	\$2.35	\$3.03	\$2.64	\$5,900	\$1.60
9/12/2008	\$5.00	\$3.30	\$3.27	\$3.66	\$3.49	\$3.41	\$3.40	\$3.51	\$2.84	\$1.80	\$2.20	\$2.39	\$3.02	\$2.64	\$5,420	\$1.50
9/15/2008	\$4.50	\$3.24	\$3.21	\$3.56	\$3.46	\$3.41	\$3.36	\$3.47	\$2.87	\$1.72	\$2.15	\$2.34	\$2.92	\$2.57	\$5,100	\$1.42
9/16/2008	\$4.14	\$3.13	\$3.12	\$3.46	\$3.31	\$3.28	\$3.24	\$3.33	\$2.78	\$1.61	\$2.05	\$2.23	\$2.79	\$2.46	\$4,657	\$1.32
9/17/2008	\$3.88	\$3.01	\$2.97	\$3.34	\$3.18	\$3.12	\$3.05	\$3.15	\$2.74	\$1.50	\$1.92	\$2.12	\$2.68	\$2.30	\$4,325	\$1.24
9/18/2008	\$3.67	\$2.89	\$2.84	\$3.23	\$3.05	\$3.00	\$2.89	\$3.01	\$2.60	\$1.40	\$1.80	\$2.02	\$2.59	\$2.18	\$4,067	\$1.19
9/19/2008	\$3.55	\$2.88	\$2.79	\$3.21	\$3.01	\$2.97	\$2.86	\$2.97	\$2.49	\$1.37	\$1.76	\$2.01	\$2.60	\$2.15	\$3,860	\$1.17
9/22/2008	\$3.35	\$2.87	\$2.80	\$3.26	\$3.03	\$3.00	\$2.88	\$3.00	\$2.48	\$1.36	\$1.78	\$1.98	\$2.61	\$2.12	\$3,691	\$1.19
9/23/2008	\$3.19	\$2.92	\$2.86	\$3.40	\$3.07	\$3.08	\$2.98	\$3.04	\$2.48	\$1.40	\$1.76	\$1.99	\$2.64	\$2.15	\$3,653	\$1.25
9/24/2008	\$3.05	\$2.99	\$2.94	\$3.52	\$3.18	\$3.13	\$3.04	\$3.13	\$2.56	\$1.42	\$1.81	\$2.01	\$2.68	\$2.20	\$3,699	\$1.36
9/25/2008	\$2.94	\$3.04	\$2.99	\$3.59	\$3.29	\$3.20	\$3.15	\$3.21	\$2.59	\$1.46	\$1.82	\$2.04	\$2.72	\$2.26	\$3,738	\$1.48
9/26/2008	\$2.83	\$3.06	\$3.02	\$3.64	\$3.35	\$3.26	\$3.20	\$3.29	\$2.56	\$1.48	\$1.81	\$2.04	\$2.72	\$2.29	\$3,772	\$1.57
9/29/2008	\$2.75	\$3.08	\$3.04	\$3.63	\$3.37	\$3.27	\$3.19	\$3.31	\$2.59	\$1.48	\$1.78	\$2.02	\$2.67	\$2.27	\$3,802	\$1.62

Date	Table 6—Average Closing Price by Preferred Stock Series															2008-1
	E	F	G	H	I	L	M	N	O	P	Q	R	S	T		
9/30/2008	\$2.67	\$3.09	\$3.05	\$3.63	\$3.37	\$3.29	\$3.18	\$3.30	\$2.60	\$1.48	\$1.78	\$2.00	\$2.65	\$2.26	\$3,769	\$1.67
10/1/2008	\$2.60	\$3.13	\$3.08	\$3.66	\$3.41	\$3.32	\$3.22	\$3.33	\$2.61	\$1.51	\$1.81	\$2.02	\$2.63	\$2.27	\$3,741	\$1.72
10/2/2008	\$2.53	\$3.16	\$3.10	\$3.67	\$3.42	\$3.34	\$3.24	\$3.37	\$2.62	\$1.53	\$1.82	\$2.01	\$2.62	\$2.27	\$3,715	\$1.76
10/3/2008	\$2.48	\$3.18	\$3.14	\$3.67	\$3.43	\$3.34	\$3.25	\$3.39	\$2.60	\$1.54	\$1.83	\$2.03	\$2.62	\$2.27	\$3,804	\$1.78
10/6/2008	\$2.43	\$3.19	\$3.16	\$3.65	\$3.41	\$3.33	\$3.24	\$3.38	\$2.62	\$1.55	\$1.83	\$2.02	\$2.61	\$2.26	\$3,885	\$1.79
10/7/2008	\$2.38	\$3.19	\$3.17	\$3.66	\$3.41	\$3.32	\$3.23	\$3.36	\$2.63	\$1.56	\$1.82	\$2.01	\$2.60	\$2.24	\$3,958	\$1.79
10/8/2008	\$2.34	\$3.17	\$3.16	\$3.65	\$3.39	\$3.31	\$3.22	\$3.35	\$2.67	\$1.56	\$1.81	\$1.99	\$2.59	\$2.22	\$4,025	\$1.78
10/9/2008	\$2.30	\$3.15	\$3.15	\$3.62	\$3.38	\$3.30	\$3.21	\$3.33	\$2.68	\$1.55	\$1.80	\$1.97	\$2.56	\$2.19	\$4,087	\$1.77
10/10/2008	\$2.26	\$3.12	\$3.14	\$3.57	\$3.34	\$3.27	\$3.19	\$3.30	\$2.67	\$1.54	\$1.78	\$1.95	\$2.53	\$2.17	\$4,143	\$1.76
10/13/2008	\$2.23	\$3.10	\$3.11	\$3.54	\$3.33	\$3.24	\$3.16	\$3.28	\$2.64	\$1.53	\$1.78	\$1.94	\$2.51	\$2.15	\$4,195	\$1.76
10/14/2008	\$2.20	\$3.08	\$3.09	\$3.50	\$3.30	\$3.21	\$3.14	\$3.25	\$2.66	\$1.53	\$1.77	\$1.94	\$2.48	\$2.14	\$4,244	\$1.76
10/15/2008	\$2.17	\$3.06	\$3.07	\$3.48	\$3.27	\$3.20	\$3.12	\$3.23	\$2.66	\$1.53	\$1.76	\$1.94	\$2.47	\$2.14	\$4,289	\$1.75
10/16/2008	\$2.14	\$3.05	\$3.06	\$3.46	\$3.26	\$3.18	\$3.11	\$3.22	\$2.67	\$1.52	\$1.76	\$1.93	\$2.46	\$2.13	\$4,330	\$1.74
10/17/2008	\$2.12	\$3.04	\$3.05	\$3.44	\$3.25	\$3.17	\$3.10	\$3.21	\$2.68	\$1.51	\$1.75	\$1.92	\$2.45	\$2.13	\$4,353	\$1.73
10/20/2008	\$2.10	\$3.02	\$3.03	\$3.43	\$3.25	\$3.16	\$3.09	\$3.20	\$2.68	\$1.51	\$1.74	\$1.92	\$2.43	\$2.12	\$4,399	\$1.72
10/21/2008	\$2.07	\$3.01	\$3.01	\$3.41	\$3.24	\$3.15	\$3.08	\$3.19	\$2.67	\$1.51	\$1.74	\$1.91	\$2.41	\$2.12	\$4,443	\$1.71
10/22/2008	\$2.05	\$2.99	\$3.00	\$3.38	\$3.22	\$3.14	\$3.07	\$3.17	\$2.67	\$1.51	\$1.73	\$1.90	\$2.40	\$2.11	\$4,484	\$1.69
10/23/2008	\$2.04	\$2.97	\$2.98	\$3.36	\$3.21	\$3.13	\$3.05	\$3.16	\$2.68	\$1.50	\$1.72	\$1.89	\$2.38	\$2.11	\$4,523	\$1.67
10/24/2008	\$2.02	\$2.96	\$2.97	\$3.35	\$3.18	\$3.11	\$3.05	\$3.15	\$2.67	\$1.50	\$1.72	\$1.88	\$2.37	\$2.10	\$4,559	\$1.65
10/27/2008	\$2.00	\$2.94	\$2.95	\$3.33	\$3.17	\$3.10	\$3.03	\$3.13	\$2.67	\$1.49	\$1.71	\$1.87	\$2.36	\$2.09	\$4,594	\$1.64
10/28/2008	\$1.98	\$2.92	\$2.93	\$3.32	\$3.17	\$3.08	\$3.02	\$3.12	\$2.67	\$1.48	\$1.69	\$1.85	\$2.35	\$2.07	\$4,627	\$1.62
10/29/2008	\$1.97	\$2.90	\$2.92	\$3.30	\$3.16	\$3.07	\$3.01	\$3.10	\$2.67	\$1.48	\$1.68	\$1.84	\$2.34	\$2.07	\$4,636	\$1.62
10/30/2008	\$1.95	\$2.88	\$2.91	\$3.28	\$3.15	\$3.05	\$3.00	\$3.09	\$2.66	\$1.47	\$1.68	\$1.82	\$2.34	\$2.06	\$4,646	\$1.61
10/31/2008	\$1.94	\$2.86	\$2.89	\$3.27	\$3.13	\$3.04	\$2.99	\$3.08	\$2.66	\$1.46	\$1.66	\$1.81	\$2.33	\$2.05	\$4,655	\$1.61
11/3/2008	\$1.93	\$2.85	\$2.88	\$3.25	\$3.12	\$3.03	\$2.98	\$3.07	\$2.64	\$1.47	\$1.65	\$1.80	\$2.33	\$2.05	\$4,663	\$1.60
11/4/2008	\$1.91	\$2.84	\$2.87	\$3.24	\$3.12	\$3.02	\$2.97	\$3.07	\$2.63	\$1.47	\$1.65	\$1.79	\$2.33	\$2.05	\$4,671	\$1.60
11/5/2008	\$1.90	\$2.83	\$2.85	\$3.23	\$3.11	\$2.99	\$2.96	\$3.06	\$2.60	\$1.47	\$1.65	\$1.78	\$2.32	\$2.04	\$4,679	\$1.59
11/6/2008	\$1.89	\$2.81	\$2.83	\$3.22	\$3.11	\$2.98	\$2.95	\$3.05	\$2.60	\$1.46	\$1.64	\$1.77	\$2.32	\$2.04	\$4,686	\$1.58
11/7/2008	\$1.88	\$2.79	\$2.81	\$3.21	\$3.10	\$2.97	\$2.94	\$3.05	\$2.59	\$1.46	\$1.63	\$1.76	\$2.31	\$2.03	\$4,668	\$1.57
11/10/2008	\$1.87	\$2.77	\$2.79	\$3.20	\$3.10	\$2.96	\$2.93	\$3.04	\$2.57	\$1.45	\$1.62	\$1.75	\$2.31	\$2.02	\$4,652	\$1.56
11/11/2008	\$1.86	\$2.75	\$2.76	\$3.19	\$3.09	\$2.95	\$2.92	\$3.03	\$2.54	\$1.45	\$1.62	\$1.74	\$2.30	\$2.01	\$4,636	\$1.55
11/12/2008	\$1.85	\$2.72	\$2.73	\$3.18	\$3.08	\$2.94	\$2.92	\$3.02	\$2.52	\$1.44	\$1.61	\$1.73	\$2.29	\$2.00	\$4,620	\$1.54
11/13/2008	\$1.84	\$2.70	\$2.71	\$3.16	\$3.07	\$2.93	\$2.91	\$3.01	\$2.49	\$1.43	\$1.60	\$1.72	\$2.28	\$1.99	\$4,606	\$1.53
11/14/2008	\$1.83	\$2.67	\$2.67	\$3.15	\$3.05	\$2.92	\$2.90	\$3.00	\$2.49	\$1.43	\$1.59	\$1.71	\$2.26	\$1.97	\$4,592	\$1.52
11/17/2008	\$1.82	\$2.64	\$2.65	\$3.14	\$3.04	\$2.90	\$2.88	\$2.99	\$2.47	\$1.42	\$1.58	\$1.70	\$2.25	\$1.95	\$4,578	\$1.50
11/18/2008	\$1.82	\$2.61	\$2.62	\$3.12	\$3.03	\$2.89	\$2.87	\$2.97	\$2.45	\$1.41	\$1.57	\$1.69	\$2.23	\$1.94	\$4,565	\$1.49
11/19/2008	\$1.81	\$2.57	\$2.58	\$3.11	\$3.01	\$2.88	\$2.86	\$2.96	\$2.44	\$1.39	\$1.56	\$1.67	\$2.21	\$1.91	\$4,552	\$1.47
11/20/2008	\$1.80	\$2.54	\$2.54	\$3.08	\$2.99	\$2.86	\$2.84	\$2.93	\$2.41	\$1.37	\$1.54	\$1.66	\$2.18	\$1.89	\$4,540	\$1.46
11/21/2008	\$1.79	\$2.50	\$2.50	\$3.05	\$2.96	\$2.85	\$2.82	\$2.91	\$2.38	\$1.35	\$1.53	\$1.64	\$2.15	\$1.86	\$4,529	\$1.44
11/24/2008	\$1.79	\$2.46	\$2.47	\$3.02	\$2.93	\$2.81	\$2.79	\$2.88	\$2.35	\$1.34	\$1.51	\$1.62	\$2.13	\$1.84	\$4,518	\$1.42
11/25/2008	\$1.78	\$2.42	\$2.43	\$2.99	\$2.90	\$2.79	\$2.77	\$2.85	\$2.32	\$1.33	\$1.49	\$1.60	\$2.11	\$1.82	\$4,507	\$1.41
11/26/2008	\$1.77	\$2.39	\$2.40	\$2.96	\$2.87	\$2.76	\$2.74	\$2.82	\$2.29	\$1.31	\$1.49	\$1.59	\$2.08	\$1.80	\$4,496	\$1.41
11/28/2008	\$1.75	\$2.37	\$2.37	\$2.95	\$2.85	\$2.74	\$2.71	\$2.81	\$2.27	\$1.30	\$1.48	\$1.58	\$2.07	\$1.79	\$4,486	\$1.41
12/1/2008	\$1.74	\$2.34	\$2.35	\$2.93	\$2.83	\$2.71	\$2.69	\$2.79	\$2.24	\$1.29	\$1.47	\$1.57	\$2.05	\$1.78	\$4,476	\$1.41
12/2/2008	\$1.73	\$2.32	\$2.32	\$2.91	\$2.81	\$2.69	\$2.67	\$2.77	\$2.22	\$1.28	\$1.46	\$1.56	\$2.03	\$1.76	\$4,467	\$1.41
12/3/2008	\$1.71	\$2.29	\$2.29	\$2.90	\$2.78	\$2.67	\$2.65	\$2.75	\$2.20	\$1.27	\$1.45	\$1.54	\$2.01	\$1.74	\$4,458	\$1.41
12/4/2008	\$1.69	\$2.26	\$2.27	\$2.89	\$2.76	\$2.65	\$2.63	\$2.73	\$2.18	\$1.26	\$1.44	\$1.53	\$1.99	\$1.72	\$4,449	\$1.41
12/5/2008	\$1.67	\$2.24	\$2.24	\$2.87	\$2.73	\$2.62	\$2.60	\$2.70	\$2.16	\$1.25	\$1.42	\$1.51	\$1.97	\$1.71	\$4,440	\$1.40

IN RE FANNIE MAE 2008 SECURITIES
LITIGATION

Master File No. 08 Civ. 7831 (PAC)

PROOF OF CLAIM AND RELEASE FORM

FANNIE MAE 2008 SECURITIES LITIGATION
c/o A.B. DATA, LTD.
PO BOX 173002
MILWAUKEE, WI 53217
800-949-0192
www.FannieMae2008Litigation.com

TO BE ELIGIBLE TO RECEIVE A SHARE OF THE NET SETTLEMENT FUND IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION, YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND RELEASE FORM ("CLAIM FORM") AND MAIL IT BY PREPAID, FIRST-CLASS MAIL TO THE ABOVE ADDRESS, **POSTMARKED OR RECEIVED NO LATER THAN APRIL 3, 2015, OR FILE IT ONLINE AT WWW.FANNIEMAE2008LITIGATION.COM NO LATER THAN APRIL 3, 2015.**

FAILURE TO SUBMIT YOUR CLAIM FORM BY THE DATE SPECIFIED WILL SUBJECT YOUR CLAIM TO REJECTION AND MAY PRECLUDE YOU FROM BEING ELIGIBLE TO RECOVER ANY MONEY IN CONNECTION WITH THE SETTLEMENT.

DO NOT MAIL OR DELIVER YOUR CLAIM FORM TO THE COURT, THE PARTIES TO THIS ACTION, OR THEIR COUNSEL. SUBMIT YOUR CLAIM FORM ONLY TO THE CLAIMS ADMINISTRATOR AT THE ADDRESS SET FORTH ABOVE.

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1. It is important that you completely read the Notice of (I) Proposed Class Action Settlement and Plan of Allocation; (II) Settlement Hearing; and (III) Requests for Awards of Attorneys' Fees and Litigation Expenses (the "Notice") that accompanies this Claim Form, including the Plan of Allocation of the Net Settlement Fund set forth in the Notice. The Notice describes the proposed Settlement, how Members of the Settlement Classes are affected by the Settlement, and the manner in which the Net Settlement Fund will be distributed if the Settlement and Plan of Allocation are approved by the Court. The Notice and Stipulation and Agreement of Settlement, dated as of October 24, 2014 (the "Stipulation"), filed with the Court and posted at www.FannieMae2008Litigation.com, also contain the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, either by mail or online, you will be certifying that you have read and that you understand the Notice, including the terms of the releases described therein and provided for herein.
2. This Claim Form is directed to the following persons and entities: (i) all persons and entities who, between November 8, 2006 and September 5, 2008, inclusive (the "Class Period"), either on the secondary market or through an original offering pursuant to a registration statement or prospectus: (a) purchased or acquired Fannie Mae common stock and/or call options and were thereby damaged, and/or (b) sold Fannie Mae common stock put options, and were thereby damaged (the "Common Stock Class"); and (ii) all persons and entities who, during the Class Period, either on the secondary market or through an original offering pursuant to a registration statement or prospectus, purchased or acquired Fannie Mae preferred stock, and were thereby damaged (the "Preferred Stock Class") (together, the "Settlement Classes").
3. Excluded from the Settlement Classes by definition are: (i) Defendants and Former Defendants; (ii) members of the immediate family of any Non-Settling Individual Defendant or Former Individual Defendant; (iii) any person who was an officer or member of the Board of Directors of Fannie Mae during the Class Period; (iv) any firm, trust, corporation, officer, or other entity in which any Defendant or Former Defendant has or had a controlling interest; and (v) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded party. For the avoidance of doubt, "affiliates" are persons or entities that directly, or indirectly through one or more intermediaries, control, are controlled by, or are under common control with one of the Defendants or Former Defendants, and include any employee benefit plan organized for the benefit of Fannie Mae's employees. Former Underwriter Defendants and their affiliates shall be excluded solely with regard to the securities held solely on behalf of, or for the benefit of, their own account(s) (*i.e.*, accounts in which they hold a proprietary interest). Any Investment Vehicle (as defined in the Stipulation and Notice) shall not be deemed an excluded person or entity by definition. Also excluded from the Settlement Classes is any Person who submits a valid and timely request for exclusion in accordance with the requirements in the Notice.
4. IF YOU ARE NOT A MEMBER OF THE COMMON STOCK CLASS AND/OR THE PREFERRED STOCK CLASS, OR IF YOU OR SOMEONE ACTING ON YOUR BEHALF SUBMITS A REQUEST FOR EXCLUSION IN CONNECTION WITH THE NOTICE, DO NOT SUBMIT A CLAIM FORM. **YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT IF YOU ARE NOT A MEMBER OF THE SETTLEMENT CLASSES.** THUS, IF YOU ARE EXCLUDED FROM THE SETTLEMENT CLASSES (AS SET FORTH IN PARAGRAPH 3 ABOVE), ANY CLAIM FORM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED.
5. If you are a Member of the Common Stock Class and/or the Preferred Stock Class, you will be bound by the terms of any judgments or orders entered in the Action WHETHER OR NOT YOU SUBMIT A CLAIM FORM, unless you submit a request for exclusion in accordance with the Notice. As described in the Notice, the Judgment will release and enjoin the filing or continued prosecution of the Released Class Claims against the Released Defendant Parties (as defined in the Stipulation).
6. You are eligible to participate in the distribution of the Net Settlement Fund only if you are a Member of the Common Stock Class and/or the Preferred Stock Class and if you complete and return this form as specified below. If you fail to submit a timely, properly addressed, and completed Claim Form, your claim may be rejected and you may be precluded from receiving any distribution from the Net Settlement Fund.
7. **Submission of this Claim Form does not guarantee that you will share in the proceeds of the Settlement.** The distribution of the Net Settlement Fund will be governed by the Plan of Allocation set forth in the Notice, if it is approved by the Court, or by such other plan of allocation as the Court approves.
8. Use Section III of this Claim Form entitled "SCHEDULES OF TRANSACTIONS IN ELIGIBLE FANNIE MAE SECURITIES" to **supply all required details of your transaction(s) (including free transfers) in and holdings of the Fannie Mae securities eligible to participate in the Settlement.** On these schedules, please provide *all* of the requested information with respect to your holdings, purchases, acquisitions, and sales of Fannie Mae common stock, common stock call options, common stock put options, and preferred stock, whether such transactions resulted in a profit or a loss. **Failure to report all transaction and holding information during the requested time periods may result in the rejection of your claim.** Please note: Only Fannie Mae common stock, common stock call options, and preferred stock purchased/acquired (or sold, with respect to common stock put options) during the Class Period are eligible to participate in the Settlement.
9. You are required to submit genuine and sufficient documentation for all of your transactions in and holdings of Fannie Mae common stock, common stock call and put options, and preferred stock set forth in the Schedules of Transactions in Part III of this form. Documentation may consist of copies of brokerage confirmations or monthly statements. The Parties and the Claims Administrator do not independently have information about your investments in Fannie Mae common stock, common stock call and put options, or preferred stock. IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN THE REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. **Please keep a copy of all documents that you send to the Claims Administrator. Also, please do not highlight any portion of the Claim Form or any supporting documents.**

10. If you are a participant in any employee benefit plan(s) organized for the benefit of Fannie Mae employees (“ERISA Plans”), you should **not** include Fannie Mae securities held through the ERISA Plan(s) on your Claim Form. Instead, you should include on your Claim Form ONLY Fannie Mae common stock, common stock call options, and preferred stock that you purchased or acquired, or common stock put options that you sold, *outside* of the ERISA Plan(s) (see Notice at ¶57). Unexercised stock options issued to employees of Fannie Mae in connection with their employment are also not eligible securities for purposes of a recovery from the Settlement and should not be included on this Claim Form. If an employee stock option is exercised and Fannie Mae common stock was purchased, then, in that event, that Fannie Mae common stock would be the eligible security and should be listed on this Claim Form at the exercise price of the employee stock option.

11. Separate Claim Forms should be submitted for each separate legal entity (e.g., a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made solely in the individual’s name). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity, no matter how many separate accounts that entity has (e.g., a corporation with multiple brokerage accounts should include all transactions made in all accounts on one Claim Form).

12. This Claim Form must be signed by the beneficial owner(s), or a person duly authorized to sign on the beneficial owner’s(s’) behalf, of the Fannie Mae securities that are being identified. Joint beneficial owners must each sign this Claim Form. If you (i) purchased or acquired Fannie Mae common stock, call options or preferred stock and/or (ii) sold Fannie Mae common stock put options in your name or the securities were registered on your behalf in the name of a third party, such as a nominee or brokerage firm, then you are the beneficial owner and you must sign this Claim Form to participate in the Settlement.

13. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:

- (a) expressly state the capacity in which they are acting;
- (b) identify the name, account number, Social Security Number (or taxpayer identification number), address, and telephone number of the beneficial owner (or other person or entity on whose behalf they are acting); and
- (c) furnish herewith evidence of their authority to bind to the Claim Form the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade stock in another Person’s accounts.)

14. By submitting a signed Claim Form, you will be swearing that you:

- (a) own(ed) the Fannie Mae common stock, common stock call and put options, and/or preferred stock; or
- (b) are expressly authorized to act on behalf of the owner thereof.

15. By submitting a signed Claim Form, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.

16. **NOTICE REGARDING ELECTRONIC FILES:** Certain Claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. To obtain the mandatory electronic filing requirements and file layout, you may visit the settlement website at www.FannieMae2008Litigation.com or you may email the Claims Administrator’s electronic filing department at efiling@abdata.com. Any file not in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email after processing your file with your claim numbers and respective account information. Do not assume that your file has been received or processed until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the electronic filing department at efiling@abdata.com to inquire about your file and confirm it was received and acceptable.

17. If the Court approves the Settlement, payments to Authorized Claimants pursuant to the Plan of Allocation (or such other plan of allocation as the Court approves) will be made after any appeals are resolved, and after the completion of all claims processing. As referenced in the Notice, there are several billion shares of Fannie Mae securities to which claims may be submitted and, thus, the claims process could take substantial time to complete fully and fairly. Please be patient.

18. **PLEASE NOTE:** As set forth in the Plan of Allocation, each Authorized Claimant shall receive his/her/its *pro rata* share of the Settlement proceeds. If the pro-rated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

19. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or the Notice, you may contact the Claims Administrator, A.B. Data, Ltd., at the above address or by toll-free telephone call at 800-949-0192, or you may download the documents from www.FannieMae2008Litigation.com.

For Official Use Only



UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK
In re Fannie Mae 2008 Securities Litigation
Master File No. 08 Civ. 7831 (PAC)

MUST BE POSTMARKED OR
RECEIVED NO LATER THAN
APRIL 3, 2015

PROOF OF CLAIM AND RELEASE FORM

PLEASE TYPE OR PRINT

PART II—CLAIMANT INFORMATION

Beneficial Owner's Name (First, Middle, Last)

Joint Beneficial Owner's Name (First, Middle, Last)

Company/Trust/Other Entity (If Claimant Is Not an Individual)

Contact Person (If Claimant Is Not an Individual)

Trustee/Nominee/Other

Account Number (If Claimant Is Not an Individual)

Trust Date/Other (If Applicable)

Address Line 1

Address Line 2 (If Applicable)

City

State

Zip Code

Foreign Province

Foreign Postal Code

Foreign Country

Social Security Number

Taxpayer Identification Number

OR

Check Appropriate box:

- ☐ Individual or Sole Proprietor
☐ Corporation
☐ IRA

- ☐ Partnership
☐ Pension Plan
☐ Trust

- ☐ Estate
☐ Other (please specify)

Telephone Number (Daytime)

Telephone Number (Evening)

() —

() —

Email Address (Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.)

PART III—SCHEDULES OF TRANSACTIONS IN ELIGIBLE FANNIE MAE SECURITIES

Failure to provide proof of all holdings, purchases, acquisitions, and sales information requested below will impede proper processing of your claim and may result in the rejection of your claim. Please include proper documentation with your Claim Form as described in detail in Part I—General Instructions, Paragraph 9, above.

A. FANNIE MAE COMMON STOCK: *Do not include information regarding securities other than Fannie Mae common stock.*

1. BEGINNING HOLDINGS —State the total number of shares of Fannie Mae common stock held as of the opening of trading on November 8, 2006. If none, write “0” or “Zero.” (Must be documented.)				Proof of Holdings Enclosed ☐ Y ☐ N	
2. PURCHASES/ACQUISITIONS DURING THE CLASS PERIOD AND 90 DAY LOOKBACK PERIOD —Separately list each and every purchase/acquisition of Fannie Mae common stock from after the opening of trading on November 8, 2006 through and including the close of trading on December 5, 2008. (Must be documented.)				IF NONE, CHECK HERE ☐	
Date of Purchase (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Purchase Price Per Share	Total Purchase Price (excluding taxes, commissions and fees)	Proof of Purchase Enclosed	
/ /		\$	\$	☐ Y ☐ N	
/ /		\$	\$	☐ Y ☐ N	
/ /		\$	\$	☐ Y ☐ N	
/ /		\$	\$	☐ Y ☐ N	
/ /		\$	\$	☐ Y ☐ N	
/ /		\$	\$	☐ Y ☐ N	
/ /		\$	\$	☐ Y ☐ N	
3. SALES DURING THE CLASS PERIOD AND DURING THE 90-DAY LOOKBACK PERIOD —Separately list each and every sale/disposition of Fannie Mae common stock from after the opening of trading on November 8, 2006 through and including the close of trading on December 5, 2008. (Must be documented.)				IF NONE, CHECK HERE ☐	
Date of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (excluding taxes, commissions and fees)	Proof of Sale Enclosed	
/ /		\$	\$	☐ Y ☐ N	
/ /		\$	\$	☐ Y ☐ N	
/ /		\$	\$	☐ Y ☐ N	
/ /		\$	\$	☐ Y ☐ N	
/ /		\$	\$	☐ Y ☐ N	
/ /		\$	\$	☐ Y ☐ N	
4. ENDING HOLDINGS —State the total number of shares of Fannie Mae common stock held as of the close of trading on December 5, 2008. If none, write “0” or “Zero.” (Must be documented.)				Proof Enclosed ☐ Y ☐ N	

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX ☐

B. FANNIE MAE PREFERRED STOCK: Do not include information regarding securities other than Fannie Mae preferred stock.

Code	Preferred Stock Series	Preferred Security Description	CUSIP Number
1	E	5.10% Non-Cumulative Preferred Stock	313586604
2	F	Variable Rate Non-Cumulative Preferred Stock	313586703
3	G	Variable Rate Non-Cumulative Preferred Stock	313586802
4	H	5.81% Non-Cumulative Preferred Stock	313586885
5	I	5.375% Non-Cumulative Preferred Stock	313586877
6	L	5.125% Non-Cumulative Preferred Stock	313586844
7	M	4.75% Non-Cumulative Preferred Stock	313586836
8	N	5.50% Non-Cumulative Preferred Stock	313586828
9	O	Non-Cumulative Preferred Stock	313586794
10	P	Variable Rate Non-Cumulative Preferred Stock	313586786
11	Q	6.75% Rate Non-Cumulative Preferred Stock	313586778
12	R	7.625% Non-Cumulative Preferred Stock	313586760
13	S	Fixed-to-Floating Rate Non-Cumulative Preferred Stock	313586752
14	T	8.25% Non-Cumulative Preferred Stock	313586737
15	2004-1	Non-Cumulative Convertible Series 2004-1 Preferred Stock	313586810
16	2008-1	8.75% Non-Cumulative Mandatory Convertible Preferred Stock	313586745

1. BEGINNING HOLDINGS—State the total number of shares of Fannie Mae preferred stock held as of the opening of trading on November 8, 2006. If none, write “0” or “Zero.” (Must be documented.)

Insert Code Indicated Above	Number of Shares Held	Insert Code Indicated Above	Number of Shares Held	Insert Code Indicated Above	Number of Shares Held

2. PURCHASES/ACQUISITIONS DURING THE CLASS PERIOD AND 90-DAY LOOKBACK PERIOD—Separately list each and every purchase/acquisition of Fannie Mae preferred stock from after the opening of trading on November 8, 2006 through and including the close of trading on December 5, 2008. (Must be documented.)

Insert Code Indicated Above	Date of Purchase (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Purchase Price Per Share	Total Purchase Price (excluding taxes, commissions and fees)	IF NONE, CHECK HERE
	/ /		\$	\$	
	/ /		\$	\$	
	/ /		\$	\$	
	/ /		\$	\$	
	/ /		\$	\$	

3. SALES DURING THE CLASS PERIOD AND DURING THE 90-DAY LOOKBACK PERIOD—Separately list each and every sale/disposition of Fannie Mae preferred stock from after the opening of trading on November 8, 2006 through and including the close of trading on December 5, 2008. (Must be documented.)

Insert Code Indicated Above	Date of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (excluding taxes, commissions and fees)	IF NONE, CHECK HERE
	/ /		\$	\$	
	/ /		\$	\$	
	/ /		\$	\$	
	/ /		\$	\$	
	/ /		\$	\$	

4. ENDING HOLDINGS—State the total number of shares of Fannie Mae preferred stock held as of the close of trading on December 5, 2008. If none, write “0” or “Zero.” (Must be documented.)

Insert Code Indicated Above	Number of Shares Held	Insert Code Indicated Above	Number of Shares Held

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX

QUESTIONS? VISIT WWW.FANNIEMAE2008LITIGATION.COM OR CALL 800-949-0192 TOLL FREE

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C. FANNIE MAE CALL OPTIONS: Do not include information regarding securities other than Fannie Mae Call Options.

1. BEGINNING HOLDINGS—For each of the following, state the total number of Fannie Mae call option contracts held as of the opening of trading on November 8, 2006. If none, write “0” or “Zero.” (Must be documented.)							
Strike Price of Fannie Mae Call Option Contract	Number of Call Option Contracts Held	Expiration Date of Call Option Contract (MM/YY)	Strike Price of Fannie Mae Call Option Contract	Number of Call Option Contracts Held	Expiration Date of Call Option Contract (MM/YY)		
\$		/	\$		/		
\$		/	\$		/		
2. PURCHASES/ACQUISITIONS DURING THE CLASS PERIOD— Separately list each and every purchase/acquisition of Fannie Mae call option contracts from after the opening of trading on November 8, 2006 through and including the close of trading on September 5, 2008. (Must be documented.)							
Date of Purchase (List Chronologically) (Month/Day/Year)	Strike Price of Fannie Mae Call Option Contract	Number of Call Option Contracts Purchased	Purchase Price Per Call Option Contract	Total Purchase Price (excluding taxes, commissions and fees)	Insert “E” if Exercised. Insert “X” if Expired.	Exercise Date (Month/Day/Year)	Expiration Date of Call Option Contract (MM/YY)
/ /	\$		\$			/ /	/
/ /	\$		\$			/ /	/
/ /	\$		\$			/ /	/
/ /	\$		\$			/ /	/
3. SALES DURING THE CLASS PERIOD— Separately list each and every sale of Fannie Mae call option contracts from after the opening of trading on November 8, 2006 through and including the close of trading on September 5, 2008. (Must be documented.)							
Date of Sale (List Chronologically) (Month/Day/Year)	Strike Price of Fannie Mae Call Option Contract	Number of Call Option Contracts Sold	Sale Price Per Call Option Contract	Total Sale Price (excluding taxes, commissions and fees)	Insert “A” if Assigned. Insert “X” if Expired.	Expiration Date of Call Option Contract (MM/YY)	
/ /	\$		\$	\$		/	
/ /	\$		\$	\$		/	
/ /	\$		\$	\$		/	
/ /	\$		\$	\$		/	
4. ENDING HOLDINGS—For each of the following, state the total number of Fannie Mae call option contracts held as of the close of trading on September 5, 2008. If none, write “0” or “Zero.” If you wrote any call options, thereby having a short position in the options, please state the total short position(s) as a negative number. (Must be documented.)							
Strike Price of Fannie Mae Call Option Contract	Number of Call Option Contracts Held	Expiration Date of Call Option Contract (MM/YY)	Strike Price of Fannie Mae Call Option Contract	Number of Call Option Contracts Held	Expiration Date of Call Option Contract (MM/YY)		
\$		/	\$		/		
\$		/	\$		/		

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX ☐

D. FANNIE MAE PUT OPTIONS: *Do not include information regarding securities other than Fannie Mae Put Options.*

1. BEGINNING HOLDINGS—For each of the following , state the total number of Fannie Mae put option contracts held as of the opening of trading on November 8, 2006. If none, write “0” or “Zero.” (Must be documented.)									
Strike Price of Fannie Mae Put Option Contract	Number of Put Option Contracts Held	Expiration Date of Put Option Contract (MM/YY)	Sale Price Per Put Option Contract (MM/YY)	Strike Price of Fannie Mae Put Option Contract	Number of Put Option Contracts Held	Expiration Date of Put Option Contract (MM/YY)			
\$		/		\$		/			
\$		/		\$		/			
2. SALES (WRITING OF PUT OPTIONS) DURING THE CLASS PERIOD —Separately list each and every sale (writing) of Fannie Mae put option contracts from after the opening of trading on November 8, 2006 through and including the close of trading on September 5, 2008. (Must be documented.)									
Date of Sale (Writing) (List Chronologically) (Month/Day/Year)	Strike Price of Fannie Mae Put Option Contract	Number of Put Option Contracts Sold (Wrote)	Sale Price Per Put Option Contract	Total Sale Price (excluding taxes, commissions and fees)	Insert “A” if Assigned. Insert “X” if Expired.	Assign Date (Month/Day/Year)	Expiration Date of Put Option Contract (MM/YY)		
/ /	\$		\$	\$		/ /	/		
/ /	\$		\$	\$		/ /	/		
/ /	\$		\$	\$		/ /	/		
/ /	\$		\$	\$		/ /	/		
3. RE-PURCHASES DURING THE CLASS PERIOD —Separately list each and every re-purchase of Fannie Mae put option contracts listed in #2 above from after the opening of trading on November 8, 2006 through and including the close of trading on September 5, 2008. (Must be documented.)									
Date of Re-Purchase (List Chronologically) (Month/Day/Year)	Strike Price of Fannie Mae Put Option Contract	Number of Put Option Contracts Purchased	Purchase Price Per Put Option Contract	Total Purchase Price (excluding taxes, commissions and fees)	Insert “E” if Exercised. Insert X if Expired.	Expiration Date of Put Option Contract (MM/YY)			
/ /	\$		\$	\$		/			
/ /	\$		\$	\$		/			
/ /	\$		\$	\$		/			
/ /	\$		\$	\$		/			
4. ENDING HOLDINGS—For each of the following , state the total number of Fannie Mae put option contracts held as of the close of trading on September 5, 2008. If none, write “0” or “Zero.” If you wrote any put options, thereby having a short position in the options, please state the total short position(s) as a negative number. (Must be documented.)									
Strike Price of Fannie Mae Put Option Contract	Number of Put Option Contracts Held	Expiration Date of Put Option Contract (MM/YY)	Strike Price of Fannie Mae Put Option Contract	Number of Put Option Contracts Held	Expiration Date of Put Option Contract (MM/YY)				
\$		/	\$		/				
\$		/	\$		/				

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX ☐

QUESTIONS? VISIT WWW.FANNIEMAE2008LITIGATION.COM OR CALL 800-949-0192 TOLL FREE

YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON PAGE 11 OF THIS CLAIM FORM.

I (we) hereby acknowledge that as of the Effective Date of the Settlement, pursuant to the terms set forth in the Stipulation, I (we), on behalf of myself (ourselves) and my (our) heirs, executors, administrators, predecessors, successors, trustees, and assigns, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, discharged, and dismissed each and every Released Class Claim (as defined in the Stipulation) against the Defendants and the other Released Defendant Parties (as defined in the Stipulation), and shall forever be enjoined from prosecuting any or all of the Released Class Claims against any of the Released Defendant Parties.

CERTIFICATION:

By signing and submitting this Claim Form, the Claimant(s) or the Person(s) who represent(s) the Claimant(s) certifies (certify), as follows:

1. that I (we) have read the contents of the Notice and this Claim Form, including the releases provided for in the Settlement and the terms of the Plan of Allocation;
 2. that the Claimant(s) is a (are) Member(s) of the Common Stock Class and/or the Preferred Stock Class, as defined in the Notice and in Paragraph 2 on Page 2 of this Claim Form, and is (are) not excluded by definition from the Settlement Classes as set forth in the Notice and in Paragraph 3 on Page 2 of this Claim Form;
 3. that the Claimant(s) has (have) not submitted a request for exclusion in connection with the Notice;
 4. that I (we) own(ed) the Fannie Mae securities identified in the Claim Form and have not assigned the claim against the Released Defendant Parties to another, or that, in signing and submitting this Claim Form, I (we) have the authority to act on behalf of the owner(s) thereof;
 5. that the Claimant(s) has (have) not submitted any other claim covering the same purchases/acquisitions, sales, or holdings of Fannie Mae securities and knows of no other Person having done so on the Claimant's (Claimants') behalf;
 6. that the Claimant(s) submit(s) to the jurisdiction of the Court with respect to Claimant's (Claimants') claim and for purposes of enforcing the releases set forth herein;
 7. that I (we) agree to furnish such additional information with respect to this Claim Form as Lead Counsel, the Claims Administrator, or the Court may require;
 8. that the Claimant(s) waive(s) the right to trial by jury, to the extent it exists, and agree(s) to the Court's summary disposition of the determination of the validity or amount of the claim made by this Claim Form;
 9. that I (we) acknowledge that the Claimant(s) will be bound by and subject to the terms of any judgment(s) that may be entered in the Action; and
 10. that the Claimant(s) is (are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (a) the Claimant(s) is (are) exempt from backup withholding or (b) the Claimant(s) has (have) not been notified by the IRS that he/she/it is subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified the Claimant(s) that he/she/it is no longer subject to backup withholding.
- If the IRS has notified the Claimant(s) that he, she, (they,) or it is (are) subject to backup withholding, please strike out the language in the preceding sentence indicating that the claim is not subject to backup withholding in the certification above.**

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS CLAIM FORM IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HERewith ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

Signature of Claimant	Print Name	Date
Signature of Joint Claimant, if any	Print Name	Date

If the Claimant is other than an individual, or is not the person completing this form, the following also must be provided:

Signature of person signing on behalf of Claimant	Print Name	Date

Capacity of person signing on behalf of Claimant, if other than an individual, e.g., executor, president, trustee, custodian, etc. (Must provide evidence of authority to act on behalf of Claimant—see Paragraph 13 on Page 3 of this Claim Form.)

THIS CLAIM FORM MUST BE POSTMARKED OR RECEIVED NO LATER THAN APRIL 3, 2015, OR FILED ONLINE NO LATER THAN APRIL 3, 2015. IF THE CLAIM FORM IS MAILED, IT MUST BE ADDRESSED AS FOLLOWS:

FANNIE MAE 2008 SECURITIES LITIGATION
c/o A.B. DATA, LTD.
PO BOX 173002
MILWAUKEE, WI 53217

IT WILL TAKE A SIGNIFICANT AMOUNT OF TIME TO FULLY PROCESS ALL OF THE CLAIM FORMS. PLEASE BE PATIENT.

REMINDER CHECKLIST:

1. Please sign the above release and certification. If this Claim Form is being made on behalf of joint claimants, then both must sign.
2. If you mail the Claim Form, please remember to attach only **copies** of supporting documentation as these documents will not be returned to you.
3. Please do not highlight any portion of the Claim Form or any supporting documents.
4. If you mail the Claim Form, please do not send original stock certificates or documentation. These items cannot be returned to you.
5. Please keep copies of the completed Claim Form and documentation for your own records.
6. The Claims Administrator will acknowledge receipt of your Claim Form by mail within 60 days. Your claim is not deemed filed until you receive an acknowledgement postcard. If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll free at **800-949-0192**.
7. You can also check the status of your claim by using the website www.FannieMae2008Litigation.com and following the instructions on the page called, "CHECK STATUS OF YOUR CLAIM." In order to do this, you must provide a phone number on your Claim Form.
8. If your address changes in the future, or if this Claim Form was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.

EXHIBIT B

LABATON SUCHAROW LLP, BERMAN DEVALERIO, AND KAPLAN FOX & KILSHEIMER LLP ANNOUNCE SUMMARY NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND REQUESTS FOR ATTORNEYS' FEES AND EXPENSES IN THE IN RE FANNIE MAE 2008 SECURITIES LITIGATION (S.D.N.Y. NO. 08-CV-7831 (PAC))



NEW YORK, Dec. 17, 2014 /PRNewswire/ -- **TO: ALL PERSONS AND ENTITIES THAT, DURING THE PERIOD BETWEEN NOVEMBER 8, 2006 AND SEPTEMBER 5, 2008, INCLUSIVE (THE "CLASS PERIOD"), EITHER ON THE SECONDARY MARKET OR THROUGH AN ORIGINAL OFFERING PURSUANT TO A REGISTRATION STATEMENT OR PROSPECTUS: (I) PURCHASED OR ACQUIRED FANNIE MAE COMMON STOCK AND/OR COMMON STOCK CALL OPTIONS, AND WERE THEREBY DAMAGED; AND/OR (II) SOLD FANNIE MAE COMMON STOCK PUT OPTIONS, AND WERE THEREBY DAMAGED (THE "COMMON STOCK CLASS"); AND/OR (III) PURCHASED OR ACQUIRED FANNIE MAE PREFERRED STOCK DURING THE CLASS PERIOD, AND WERE THEREBY DAMAGED (THE "PREFERRED STOCK CLASS") (TOGETHER, THE "SETTLEMENT CLASSES").**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an order of the Court, that the Settlement Classes in the above-captioned litigation (the "Action") have been preliminarily certified for the purposes of settlement only and that a Settlement between (i) the Massachusetts Pension Reserves Investment Management Board and State Boston Retirement Board, as Lead Plaintiffs for the Common Stock Class, and Tennessee Consolidated Retirement System, as Lead Plaintiff for the Preferred Stock Class (collectively, the "Lead Plaintiffs"); (ii) Federal National Mortgage Association ("Fannie Mae"); and (iii) the Federal Housing Finance Agency, as Conservator for Fannie Mae (together with Lead Plaintiffs and Fannie Mae, the "Settling Parties"), in the amount of \$170,000,000 in cash, has been proposed by the Settling Parties.

A hearing will be held before the Honorable Paul A. Crotty of the United States District Court for the Southern District of New York in the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 14C, New York, NY 10007-1312 at 3:00 p.m. on March 3, 2015 to, among other things: (i) determine whether the proposed Settlement should be approved by the Court as fair, reasonable, and adequate; (ii) determine whether, thereafter, this Action should be dismissed with prejudice as set forth in the Stipulation and Agreement of Settlement, dated as of October 24, 2014; (iii) determine whether the proposed Plan of Allocation for distribution of the Settlement proceeds should be approved as fair and reasonable; (iv) consider the application(s) of Lead Counsel for awards of attorneys' fees and payment of litigation expenses; and (v) determine such other matters as the Court may deem appropriate. The Court may change the date of the hearing without providing another notice.

IF YOU ARE A MEMBER OF THE COMMON STOCK CLASS AND/OR THE PREFERRED STOCK CLASS, YOUR RIGHTS WILL BE AFFECTED BY THE PROPOSED SETTLEMENT AND YOU MAY BE ENTITLED TO SHARE IN THE NET SETTLEMENT FUND. If you have not yet received the full printed Notice of (I) Proposed Class Action Settlement and Plan of Allocation; (II) Settlement Hearing; and (III) Requests for Awards of Attorneys' Fees and Litigation Expenses (the "Notice") and a Proof of Claim and Release form ("Proof of Claim"), you may obtain copies of these documents by contacting the Claims Administrator:

FANNIE MAE 2008 SECURITIES LITIGATION
c/o A.B. DATA, LTD., PO BOX 173002
MILWAUKEE, WI 53217

800-949-0192 www.FannieMae2008Litigation.com (<http://www.fanniemae2008litigation.com/>), info@FannieMae2008Litigation.com
(<mailto:info@FannieMae2008Litigation.com>)

Inquiries, other than requests for information about the status of a claim, may also be made to Lead Counsel:

LEAD COUNSEL FOR THE COMMON STOCK CLASS		LEAD COUNSEL FOR THE PREFERRED STOCK CLASS
LABATON SUCHAROW LLP Thomas A. Dubbs, Esq. Louis Gottlieb, Esq. 140 Broadway New York, NY 10005 Tel: 888-219-6877 www.labaton.com (http://www.labaton.com/)	BERMAN DEVALERIO Glen DeValerio, Esq. Daniel E. Barenbaum, Esq. One Liberty Square Boston, MA 02109 Tel: 800-516-9926 www.bermandevalerio.com (http://www.bermandevalerio.com/)	KAPLAN FOX & KILSHEIMER LLP Frederic S. Fox, Esq. Donald R. Hall, Esq. 850 Third Avenue, 14th Fl. New York, NY 10022 Tel: 800-290-1952 www.kaplanfox.com (http://www.kaplanfox.com/)

If you are a Member of the Settlement Classes, to be eligible to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim, **postmarked or received no later than April 3, 2015**. In addition to mailing your Proof of Claim, you can also visit www.FannieMae2008Litigation.com (<http://www.fanniemae2008litigation.com/>) to complete and file a Proof of Claim online.

To exclude yourself from the Settlement Classes, you must submit a written request for exclusion in accordance with the instructions set forth in the Notice so that it is **received no later than February 2, 2015**. If you are a Member of the Settlement Classes and do not exclude yourself, you will be bound by the Final Order and Judgment.

Any objections to the proposed Settlement, Plan of Allocation, and/or application(s) for attorneys' fees and payment of expenses must be filed with the Court and served on counsel for the Settling Parties in accordance with the instructions set forth in the Notice, so that they are **received no later than February 2, 2015**.

If you are a Member of the Settlement Classes and do not timely submit a valid Proof of Claim, you will not be eligible to share in the Net Settlement Fund, but you nevertheless will be bound by the Final Order and Judgment.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have any questions about the Settlement, you may contact Lead Counsel at the addresses listed above.

DATED: DECEMBER 17, 2014

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SOURCE Labaton Sucharow LLP, Berman DeValerio, and Kaplan Fox & Kilsheimer LLP

RELATED LINKS

<http://www.labaton.com> (<http://www.labaton.com/>)
<http://www.bermandevalerio.com> (<http://www.bermandevalerio.com/>)
<http://www.kaplanfox.com> (<http://www.kaplanfox.com/>)

EXHIBIT C

CREDIT MARKETS

WSJMarkets.com

Bonds | WSJ.com/bonds

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Country	Maturity, in years	Yield (%)	YTD (%)	2014 (%)	Previous	Month ago	Year ago	SPREAD OVER U.S. TREASURY, in basis points	YTD (%)	2014 (%)
U.S.	2	0.585 ▲			0.560	0.512	0.343			
U.S.	10	2.130 ▲			2.064	2.243	2.842			
Austria	2	0.028 ▲			-0.032	-0.013	0.250	-41.2	-6.9	-9.3
Austria	10	0.745 ▼			0.749	0.970	2.142	-138.4	-2.9	-70.0
France	2	-0.024 ▼			-0.001	0.012	0.342	-60.9	-4.7	-0.1
France	10	0.872 ▼			0.877	1.145	2.239	-125.8	-7.1	-60.3
Germany	2	-0.071 ▼			-0.067	-0.031	0.241	-65.6	-2.8	-10.2
Germany	10	0.993 ▼			0.993	0.763	1.832	-154.7	-6.6	-101.0
Greece	2	n.a.								
Greece	10	n.a.								
Italy	2	0.636 ▼			0.668	0.571	1.147	15.1	-5.6	80.5
Italy	10	1.971 ▼			1.988	2.302	4.046	-15.9	-8.3	120.4
Spain	2	0.933 ▼			0.938	0.652	1.376	-52.1	-2.9	101.3
Spain	10	1.781 ▼			1.796	2.099	4.097	-34.9	-8.1	125.5
U.K.	2	0.432 ▲			0.428	0.496	0.448	-15.3	-2.0	10.6
U.K.	10	1.773 ▼			1.774	2.123	2.873	-35.1	-6.7	3.1

Source: Tullett Prebon, except * marked countries from ICAP plc

Corporate Debt

Price moves by a company's debt in the credit markets sometimes mirror and sometimes anticipate moves in that same company's share price. Here's a look at how for two companies in the news.

Investment-Grade

FedEx Corp.: 5.1% notes due Jan. 15, 2044, yielding 4.220%



High Yield (junk-rated)

DISH Network: 5.875% notes due Jul. 15, 2022, yielding 5.693%



Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Maturity	Current	SPREAD*, in basis points	One-day change	Last week	STOCK PERFORMANCE
Transocean	RIG	6.375	Dec. 15, '21	659	▲6.3		628	18.21 8.52
Shawin-Williams	SHW	1.350	Dec. 15, '17	13	-42		n.a.	252.33 2.72
L Brands	LB	6.625	April 1, '21	236	-33		225	82.74 1.83
Sesi	SPM	7.125	Dec. 15, '21	709	-31		431	...
Tek Resources	TKRCN	3.750	Feb. 1, '23	344	-29		338	...
Oncor Electric Delivery	ONCRX	4.100	June 1, '22	74	-27		n.a.	...
Unitymedia Hessen & GmbH	IG	5.000	Jan. 15, '25	308	-26		303	...
ADT	ADT	4.125	June 15, '23	398	-23		370	32.06 1.97

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Maturity	Current	SPREAD*, in basis points	One-day change	Last week	STOCK PERFORMANCE
US&G	URS	1.375	Aug. 14, '17	59	▲5.8		58	17.37 0.87
Total Capital Canada	TOTAL	1.450	Jan. 15, '18	4	-		40	-5
Noble Holding International	NE	4.625	March 1, '21	473	-		29	n.a.
Citigroup	C	1.350	March 10, '17	48	-		24	44 52.45 2.50
Weatherford International	WFT	4.500	April 15, '22	395	-		21	n.a.
Talisman Energy	TLMCN	3.750	Feb. 1, '21	216	-		20	n.a.
Laboratory Corp. of America Holdings*	LH	2.500	Nov. 1, '18	96	-		16	98 103.56 1.63
Bear Stearns	JPM	6.400	Oct. 2, '17	95	-		14	78

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Maturity	Current	BOND PRICE as % of face value	One-day change	Last week	STOCK PERFORMANCE
Meg Energy	MEGCN	7.000	March 31, '24	89,000	102.5	0.2	85,250	...
Comstock Resources	COR	9.500	June 15, '20	64,250	101.5	9.25	n.a.	4.05 23.65
Sandridge Energy	SD	8.125	Oct. 15, '22	61,500	101.5	7.50	58,563	1.99 1.37
Alliance One International	AOI	9.875	July 15, '21	86,500	101.5	6.50	94,370	1.70 1.19
Samson Investment	SANVST	9.750	Feb. 15, '20	43,500	101.5	6.50	40,000	...
Seventy Seven Energy	SSE	6.500	July 15, '22	50,500	101.5	6.00	n.a.	6.06 18.82
Halcon Resources	HNRX	9.750	July 15, '20	73,000	101.5	5.75	69,500	...
Digicel	DLLTD	8.250	Sept. 30, '20	97,000	101.5	4.50	98,000	...

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Maturity	Current	BOND PRICE as % of face value	One-day change	Last week	STOCK PERFORMANCE
Sabine Oil & Gas	MFRGY	9.750	Feb. 15, '17	55,000	98.0	-6.00	49,000	...
Rex Energy	REX	8.875	Dec. 1, '20	84,000	98.0	-5.50	91,625	5.91 13.87
Forest Oil	FET	7.250	June 15, '19	46,500	98.0	-3.50	54,625	...
Leucadia National	LEU	6.625	Oct. 23, '43	102,000	98.0	-2.88	101	21.65 2.90
Cig Holdings	CENOLD	9.375	May 15, '20	64,125	98.0	-1.63	69,125	...
Ashtad Capital	ASHNL	5.625	Oct. 1, '24	100,000	98.0	-1.50	103,250	...
Genworth Holdings	GNW	7.200	Feb. 15, '21	98,000	98.0	-1.45	99,500	...
Air Canada	ACAN	6.875	April 1, '20	106,750	98.0	-1.25	108,500	...

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year half-run Treasury; 100 basis points=one percentage point; change in spread shown is for 2-spread. Note: Data are for the most active issue of bonds with maturities of two years or more. Source: MarketAxess Corporate BondTracker; WSJ Market Data Group

Borrowing Benchmarks

Money Rates

December 17, 2014

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	New index	CHG FROM (%)	150 days	Week	-52 WEEK-
Core	239.248	-0.54	1.3	0.28	0.28
Core	239.248	-0.57	1.3	0.28	0.28

U.S. consumer price index

All items	236.151	-0.54
Core	239.248	-0.57

International rates

	Week	-52 WEEK-
Prime rates		
U.S.	3.25	3.25
Canada	3.00	3.00
Europe zone	0.05	0.25
Switzerland	0.50	0.51
Britain	0.50	0.50
Australia	2.50	2.50

Overnight repurchase

	Week	-52 WEEK-
U.S. prime rate	0.28	0.25
Europe zone	-0.05	0.41

U.S. government rates

	Week	-52 WEEK-
Discount	0.75	0.75
Federal funds		
Effective rate	0.100	0.100
Low	0.070	0.070
High	0.100	0.100
Offer	0.130	0.130

Treasury bill auction

	Week	-52 WEEK-
4 weeks	0.020	0.020
13 weeks	0.020	0.020
26 weeks	0.110	0.110

Secondary market

	Week	-52 WEEK-
30-year mortgage yields		
30 days	n.a.	n.a.
90 days	n.a.	n.a.
Fannie Mae		
30-year mortgage yields		
30 days	3.394	3.466
90 days	3.436	3.504

Bankers acceptance

	Week	-52 WEEK-
30 days	0.15	0.15
60 days	0.19	0.19
90 days	0.23	0.23
120 days	0.25	0.25

Tracking Bond Benchmarks

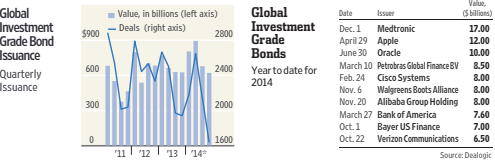
Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return	YTD total return	Index	Latest	Yield (%)	52-WEEK RANGE	Oct	Nov	Dec
1811.17	5.8	Broad market Barclays Aggregate	2,250	2,060				2,510
2475.13	7.0	U.S. Corporate Barclays Capital	3,140	2,810				3,280
2384.35	6.1	Intermediate	2,560	2,160				2,570
3271.93	4.1	Long term	4,490	4,350				5,220
5105.55	4.0	Double-A-rated	2,430	2,090				2,450
6246.61	7.3	Triple-B-rated	3,640	3,220				3,810
339.57	0.4	High Yield Constrained Merrill Lynch	7,095	4,847				7,259
322.84	-5.2	Triple-C-rated	11,670	7,299				11,803
2450.76	0.4	High Yield 100	6,295	4,166				6,577
304.78	0.7	Global High Yield Constrained	7,029	4,916				7,135
260.10	5.0	Europe High Yield Constrained	4,285	3,447				4,675
1563.23	3.6	U.S. Agency Barclays	1,350	1,150				1,450
140.64	2.1	10-20 years	1,160	940				1,230
301.437	20-plus years	2,970	2,910					4,210
1872.44	4.0	Mortgage-Backed Barclays	2,590	2,580				3,370
1855.07	5.7	Ginnie Mae (GNMA)	2,710	2,690				3,290
1093.29	6.1	Fannie Mae (FNMA)	2,540	2,540				3,310
1684.67	6.0	Freddie Mac (FHLMC)	2,550	2,550				2,670
485.24	7.9	Muni Master Merrill Lynch	1,722	1,554				2,614
337.21	7.7	7-12 year	1,760	1,564				3,829
371.64	11.0	12-22 year	2,189	2,004				4,919
349.93	22-plus year	2,914	2,800					2,740
2247.57	5.3	Yankee Barclays	2,720	2,360				2,210
513.73	8.2	Global Government J.P. Morgan	1,520	1,510				2,480
726.32	7.7	Canada	1,940	1,900				2,765
349.94	10.1	EMU	1,327	1,327				2,340
677.50	10.6	France	1,060	1,060				1,910
491.18	10.2	Germany	0,740	0,740				1,050
273.21	4.2	Japan	0,740	0,740				2,070
538.89	11.0	Netherlands	0,840	0,840				3,220
818.59	11.0	U.K.	2,140	2,140				6,761
647.02	3.1	Emerging Markets **	6,684	5,225				

*Constrained indexes limit individual issuer concentrations to 2% the High Yield 100 are the 100 largest bonds. **EMBI Global Index. Source: S&P Dow Jones Indices; Merrill Lynch; Barclays Capital; J.P. Morgan

Bond Snapshot/Global Investment Grade Bond Issuance

Global investment grade bond issuance. At right, top global IG bonds for 2014



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CLASS ACTIONS

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

IN RE FANNIE MAE 2008 SECURITIES LITIGATION

Master File No. 08 Civ. 7831 (PAC)

SUMMARY NOTICE

TO: ALL PERSONS AND ENTITIES THAT, DURING THE PERIOD BETWEEN NOVEMBER 8, 2006 AND SEPTEMBER 4, 2008, INCLUSIVE (THE "CLASS PERIOD"), EITHER ON THE SECONDARY MARKET OR THROUGH AN ORIGINAL OFFERING PURSUANT TO A REGISTRATION STATEMENT OR PROSPECTUS: (i) PURCHASED OR ACQUIRED FANNIE MAE COMMON STOCK AND/OR COMMON STOCK CALL OPTIONS, AND WERE THEREBY DAMAGED; AND/OR (ii) SOLD FANNIE MAE COMMON STOCK PUT OPTIONS, AND WERE THEREBY DAMAGED (THE "COMMON STOCK CLASS"); AND/OR (iii) PURCHASED OR ACQUIRED FANNIE MAE PREFERRED STOCK DURING THE CLASS PERIOD, AND WERE THEREBY DAMAGED (THE "PREFERRED STOCK CLASS") (TOGETHER, THE "SETTLEMENT CLASSES").

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an order of the Court, that the Settlements in the above-captioned litigation (the "Action") have been preliminarily certified for the purposes of settlement only and that a Settlement between the Massachusetts Pension Reserves Investment Management Board and State Boston Retirement Board, as Lead Plaintiffs for the Common Stock Class, and Tennessee Consolidated Retirement System, as Lead Plaintiff for the Preferred Stock Class (collectively, the "Lead Plaintiffs"), (ii) Federal National Mortgage Association ("Fannie Mae"); and (iii) the Federal Housing Finance Agency, as Conservator for Fannie Mae (together with Lead Plaintiffs and Fannie Mae, the "Settling Parties"), in the amount of \$170,000,000 in cash, has been proposed by the Settling Parties.

A hearing will be held before the Honorable Paul A. Crotty of the United States District Court for the Southern District of New York in the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 14C, New York, NY 10007-1312 at 3:00 p.m. on March 3, 2015, to among other things: (i) determine whether the proposed Settlement should be approved by the Court as fair, reasonable, and adequate; (ii) determine whether, thereafter, this Action should be dismissed with prejudice as set forth in the Stipulation and Agreement of Settlement, dated as of October 24, 2014; (iii) determine whether the proposed Plan of Allocation for distribution of the Settlement proceeds should be approved as fair and reasonable; (iv) consider the application(s) of Lead Counsel for awards of attorneys' fees and payment of litigation expenses; and (v) determine such other matters as the Court may deem appropriate. The Court may change the date of the hearing without providing another notice.

IF YOU ARE A MEMBER OF THE COMMON STOCK CLASS AND/OR THE PREFERRED STOCK CLASS, YOUR RIGHTS WILL BE AFFECTED BY THE PROPOSED SETTLEMENT AND YOU MAY BE ENTITLED TO SHARE IN THE NET SETTLEMENT FUND. If you have not yet received the full printed Notice of (i) Proposed Class Action Settlement and Plan of Allocation; (ii) Settlement Hearing; and (iii) Requests for Awards of Attorneys' Fees and Litigation Expenses (the "Notice") and a Proof of Claim and Release form ("Proof of Claim"), you may obtain copies of these documents by contacting the Claims Administrator: FANNIE MAE 2008 SECURITIES LITIGATION, c/o A.B. DATA, LTD., P.O. BOX 173002, MILWAUKEE, WI 53217.

800-949-0192, www.FannieMae2008Litigation.com, info@FannieMae2008Litigation.com. Inquiries, other than requests for information about the status of a claim, may also be made to Lead Counsel:

LEAD COUNSEL FOR THE COMMON STOCK CLASS	LEAD COUNSEL FOR THE PREFERRED STOCK CLASS
LABATON SUCHAROW LLP 110 South Street New York, NY 10005 www.labatonsucharow.com	BERMAN DEVALERIO 110 South Street New York, NY 10005 www.bermandevalerio.com

If you are a Member of the Settlement Classes, to be eligible to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim, postmarked or received no later than April 3, 2015. In addition to mailing your Proof of Claim, you can also visit www.FannieMae2008Litigation.com to complete and file a Proof of Claim online. To exclude yourself from the Settlement Classes, you must submit a written request for exclusion in accordance with the instructions set forth in the Notice, so that it is received no later than February 2, 2015. If you are a Member of the Settlement Classes and do not exclude yourself, you will be bound by the Final Order and Judgment.

Any objections to the proposed Settlement, Plan of Allocation, and/or application(s) for attorneys' fees and payment of expenses, must be filed with the Court and served on counsel for the Settling Parties in accordance with the instructions set forth in the Notice, so that they are received no later than February 2, 2015.

If you are a Member of the Settlement Classes and do not timely submit a valid Proof of Claim, you will not be eligible to share in the Net Settlement Fund, but you nevertheless will be bound by the Final Order and Judgment. PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have

EXHIBIT D

Henry A. Catherino

December 28, 2014

FANNIE MAE 2008 SECURITIES LITIGATION
EXCLUSIONS
c/o A.B. DATA, LTD.
3410 WEST HOPKINS STREET
MILWAUKEE, WI 53216

Dear Sir or Madam:

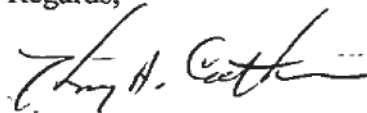
Subject: Request for Exclusion

I wish to be excluded from the common stock class in In re Fannie Mae 2008 Securities Litigation, No. 08 Civ. 7831 (PAC) (S.D.N.Y.).

My holdings of Fannie Mae stock are as follows:

Date	Cost per share	Number of shares
04-01-08	\$26.36/share	100 shares
07-15-08	\$8.54/share	100 shares

Regards,



Henry A. Catherino

Henry Catherino

METROPLEX MI-480

29 DEC 2014 PM 17 1



FANNIE MAE 2008 SECURITIES LITIGATION
EXCLUSIONS
c/o A.B. DATA, LTD.
3410 WEST HOPKINS STREET
MILWAUKEE, WI 53216

53216176510



Shirley Dowling

January 07, 2015

To Whom it may concern:

I am requesting to be "Excluded
From The Common Stock CLASS AND/OR
The Preferred Stock CLASS in

"In re FANNIE MAE 2008 SECURITIES
LITIGATION, NO. 08 CIV. 7831 (PAC) (S.D.N.Y.)"

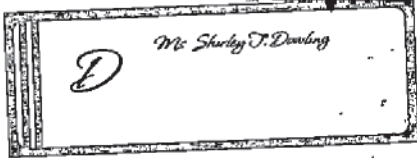
DATE OF SHARES: 05-19-08

PRICE OF SHARES: \$25.00 EA \$17,000.00 TOTAL
PREFERRED STOCK

NUMBER OF SHARES: 680

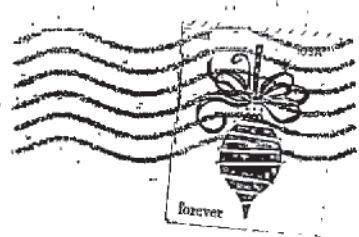
NAME: Shirley T. Dowling

Signed: Shirley T. Dowling



PITTSBURGH PA 150

07 JAN 2015 PM 9 L



FANNIE MAE 2008 SECURITIES LITIGATION
EXCLUSIONS
C/O A.B. DATA, LTD
3410 WEST HOPKINS STREET
MILWAUKEE WI 53216

53216176510



Carlton R. & Phyllis K, Chickering

Jan 4, 2015

FNMA 2008 Securities Litigation
Exclusions
c/o A.B. DATA, LTD.
3410 WEST HOPKINS STREET
MILWAUKEE, WI 53216

We request to be "excluded from the Common Stock Class in *In re Fannie Mae 2008 Securities Litigation*, No. 08 Civ. 7831 (PAC) (S.D.N.Y.)."

We own a total of 3,205.05 Common shares of FNMA in a joint account .

Date	# shares	Price	Total
Mar. 3, 1987	800	\$3.75	\$3,059.83
Apr. 13, 1987	2,400	\$3.33	\$8,165.61
May 25, 4007	5.05	\$63.37	\$320

NOTE: The 1987 purchases were prior to a 4 to 1 stock split. The number and prices are adjusted to reflect current numbers. The 4007 purchase was made through DRIP program which allowed us to direct our dividends to purchase shares of FNMA. We would have been much better off if we had sold all our FNMA at the time. Nevertheless, we never anticipated governmental hijacking and still hope that some politician or bureaucrat will recognize that the private owners of FNMA are entitled to a large portion of the dividends which the Treasury is absconding with.

Sincerely

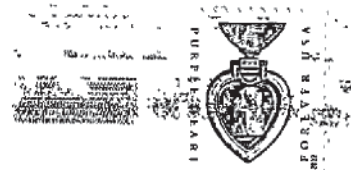
Carlton R. Chickering
Carlton R. Chickering
Phyllis K. Chickering
Phyllis K. Chickering

Carlton R. Chickering



Mr. Carlton Chickering

RECEIVED



FNMA 2008 Securities Litigation
Exclusions
c/o A.B. DATA, LTD.
3410 WEST HOPKINS STREET
MILWAUKEE, WI 532

53216176510

|||||

Exhibit 5

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

IN RE FANNIE MAE 2008 SECURITIES: Master File No. 08 Civ. 7831 (PAC)
LITIGATION: ECF Case
:
:
:
:
:

**DECLARATION OF CHRISTOPHER J. SUPPLE, DEPUTY EXECUTIVE
DIRECTOR AND GENERAL COUNSEL, MASSACHUSETTS PENSION
RESERVES INVESTMENT MANAGEMENT BOARD, IN SUPPORT OF
LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL
OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION AND
REIMBURSEMENT OF EXPENSES OF LEAD PLAINTIFF**

I, Christopher J. Supple, hereby declare under penalty of perjury as follows:

1. I am Deputy Executive Director and General Counsel to the Massachusetts Pension Reserves Investment Management Board ("PRIM"), a Court-appointed Lead Plaintiff and Settlement Class Representative in this securities class action (the "Action").¹

2. PRIM is charged with overseeing the Pension Reserves Investment Trust ("PRIT") Fund, a pooled investment fund established by the Massachusetts Legislature with a mandate to invest Massachusetts' pension assets and also to invest pension assets on behalf of local participating retirement systems. The assets of the PRIT Fund total approximately \$60 billion and include assets managed for the benefit of the members of the Massachusetts State Teachers' and State Employees' Retirement Systems and

¹ Unless otherwise noted, capitalized terms not defined herein are defined in the Stipulation and Agreement of Settlement ("Stipulation"), dated as of October 24, 2014. ECF No. 522-1.

participating county, authority, district, and municipal retirement systems. By statute, the Treasurer and Receiver General of the Commonwealth of Massachusetts (the “Treasurer”) is the Chair and an *ex officio* member of the PRIM Board.

3. The Action was already pending when I joined PRIM as General Counsel in 2011. Since then, I, along with the Treasurer’s legal staff and attorneys from the Massachusetts Office of the Attorney General (“OAG”), have been directly involved in monitoring and overseeing the prosecution of the Action and the negotiations leading to the proposed \$170 million settlement reached with Defendants in the Action (the “Settlement”). The matters testified to herein are based on my personal knowledge, and/or discussions with outside counsel Berman DeValerio, PRIM staff, the OAG, and the Treasurer’s staff.

4. I submit this Declaration in support of (a) Lead Plaintiffs’ motion for final approval of the Settlement and Plan of Allocation, and (b) PRIM’s request for reimbursement of some of its costs and expenses incurred in connection with its representation of the Common Stock Class in the Action.

I. Lead Plaintiff’s Oversight of the Litigation

5. It is my understanding that in seeking PRIM’s appointment as Lead Plaintiff and later as Class Representative in this Action, PRIM, the Treasurer’s Office, and the OAG understood PRIM’s responsibility to serve the best interests of the Common Stock Class by participating in the supervision of the effective prosecution of this litigation, and they actively sought to do so at all times.

6. Since PRIM was appointed as a Lead Plaintiff, it, the Treasurer’s Office, and/or the OAG have, among other things: (a) conferred regularly with outside counsel concerning issues of law and fact, litigation issues, and the overall strategies for the prosecution of the Action, including motion-practice strategy; (b) reviewed, and made

written suggested revisions to, significant pleadings filed in the Action; (c) communicated with the other Common Stock Lead Plaintiff, State-Boston Retirement Board; (d) reviewed and commented on discovery requests and responses, participated in the document collection for production in response to multiple sets of document requests, and otherwise communicated with outside counsel regarding the discovery process; (e) received periodic reports from outside counsel concerning the work being done; (f) reviewed lodestar reports regarding attorney-time being incurred; (g) communicated with outside counsel with respect to settlement and mediation and negotiation strategy; and (h) attended and participated in the mediation and the negotiations that ultimately led to the agreement in principle to settle the Action.

II. PRIM Endorses Approval of the Settlement

7. Based on my involvement in the prosecution and resolution of the Action, PRIM believes that the proposed \$170 million Settlement is a fair, reasonable, and adequate recovery, particularly in light of the substantial risks and uncertainties of a trial and continued litigation in this case. The proposed Settlement represents the best method for the Members of the Settlement Classes to achieve the goal of recovery balanced against the risks and uncertainties of a trial and continued litigation. Therefore, PRIM endorses approval of the Settlement by the Court.

8. The \$170 million Settlement Amount will be apportioned between the Common Stock Class and the Preferred Stock Class as follows: \$123.76 million or 72.8% of the Settlement Amount to the Common Stock Class and \$46.24 million or 27.2% of the Settlement Amount to the Preferred Stock Class. *See* Stipulation ¶ 1(uu). This apportionment was determined by Lead Plaintiffs for the Common Stock Class and the Preferred Stock Class and is based upon and fully consistent with the overall

estimated damages attributable to each class, as determined by a consulting damages expert for Lead Plaintiffs.

9. Further, PRIM believes the proposed Settlement meets the factors set out by the Second Circuit in determining whether a settlement merits final approval.² In particular, PRIM believes that the \$170,000,000 Settlement Amount merits approval in light of the serious risks of establishing liability and damages. In addition, it believes that the \$170,000,000 Settlement Amount represents a reasonable recovery in light of the attendant risks of litigation. PRIM believes that sufficient discovery has taken place to make this judgment and recognizes that this case has been complex and expensive to litigate and that a lengthy amount of time and expense would still be required to litigate through the completion of fact and expert discovery, class certification, summary judgment, trial, post-trial motions, and appeals.

III. Reimbursement of PRIM's Lost Wages and Expenses

10. PRIM also understands that reimbursement of a lead plaintiff's reasonable costs and expenses is authorized under Section 21D(a)(4) of the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(4). Accordingly, PRIM seeks reimbursement for some of the costs and expenses that it incurred in connection with its representation of the Class.³ Such costs and expenses total \$42,433.39, consisting of

² These factors include: “(1) the complexity, expense and likely duration of the litigation, (2) the reaction of the class to the settlement, (3) the stage of the proceedings and the amount of discovery completed, (4) the risks of establishing liability, (5) the risks of establishing damages, (6) the risks of maintaining the class action through the trial, (7) the ability of the defendants to withstand a greater judgment, (8) the range of reasonableness of the settlement fund in light of the best possible recovery, [and] (9) the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation.” *City of Detroit v. Grinnell Corp.*, 495 F.2d 448, 463 (2d Cir. 1974).

³ My understanding is that the OAG and Treasurer are not seeking reimbursement for their time spent in monitoring and overseeing the prosecution of the Action.

(a) the value of the time that PRIM employees (myself included) devoted to supervising and participating in the Action, in the amount of \$41,997.13; and (b) travel expenses incurred by PRIM in connection with the Action, in the amount of \$436.26.

11. The value of the time that PRIM is submitting for reimbursement for personnel devoted to participating in the Action is as follows:

NAME AND TITLE	HOURS	RATE ⁴	TOTAL AMOUNT
Ken Anadu, Investment Officer	2.00	30.80	\$61.60
Hannah Commoss, former Deputy Chief Investment Officer	0.50	119.46	\$59.73
Karen Gershman, former Chief Operating Officer and Chief Financial Officer	3.00	175.68	\$527.04
Peony Keve, Investment Officer	2.00	56.00	\$112.00
Stanley Mavromates, former Chief Investment Officer	2.00	183.16	\$366.32
Christopher J. Supple, Deputy Executive Director and General Counsel	274.75	147.47	\$40,517.38
Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer	1.50	175.89	\$263.84
Samantha Wong, Executive Assistant	3.00	29.74	\$89.22
TOTAL	288.75		\$41,997.13

//

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⁴ This rate is calculated by taking total compensation, and then dividing it by the number of hours worked, assuming a standard work week.

IV. Conclusion

12. PRIM respectfully requests that the Court approve (a) Lead Plaintiffs' motion for final approval of the proposed Settlement and the Plan of Allocation; and (b) reimbursement of PRIM's submitted costs and expenses.

I declare under penalty of perjury that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of PRIM.

Executed this 15th day of January, 2015 in Boston, Massachusetts.



Christopher J. Supple

Exhibit 6

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE FANNIE MAE 2008 SECURITIES: Master File No. 08 Civ. 7831 (PAC)
LITIGATION: ECF Case

**DECLARATION OF MATTHEW GENDRON, ASSISTANT
ATTORNEY GENERAL, OFFICE OF THE ATTORNEY GENERAL
OF THE COMMONWEALTH OF MASSACHUSETTS, IN SUPPORT OF
(A) LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT AND PLAN OF ALLOCATION AND (B) LEAD
COUNSEL'S REQUEST FOR ATTORNEYS' FEES AND PAYMENT OF EXPENSES**

I, Matthew Gendron, hereby declare under penalty of perjury as follows:

1. I am an Assistant Attorney General for the Commonwealth of Massachusetts. I submit this declaration on behalf of the Office of the Attorney General ("OAG") in my capacity as an Assistant Attorney General. The OAG is a constitutional officer and is statutorily authorized to provide legal counsel to the Commonwealth's departments, officers, and commissions. The Massachusetts Pension Reserves Investment Management Board ("PRIM") is charged with overseeing the Pension Reserves Investment Trust ("PRIT") Fund and was appointed as the Lead Plaintiff and then Settlement Class Representative for the Common Stock Class along with State-Boston Retirement Board in this securities class action (the "Action"). The Treasurer and Receiver General of the Commonwealth of Massachusetts (the "Treasurer") is a constitutional officer who is statutorily the Chair and an *ex officio* member of PRIM.¹

2. I submit this Declaration in support of (a) Lead Plaintiffs' motion for final approval of the proposed \$170 million settlement reached in the Action (the "Settlement") and

¹ Unless otherwise noted, capitalized terms not defined herein are defined in the Stipulation and Agreement of Settlement ("Stipulation"), dated as of October 24, 2014. ECF No. 522-1.

the Plan of Allocation and (b) Lead Counsel's Request for Attorneys' Fees and Payment of Expenses.

3. The Attorney General is the chief legal officer for the Commonwealth of Massachusetts, and by state law has the discretion to initiate or participate in litigation on behalf of the Commonwealth and its agencies. The OAG is authorized to enter into contracts with outside counsel to represent the Commonwealth in matters that are deemed necessary or advisable to have the assistance of counsel with particular experience and expertise. When outside counsel is retained, the Attorney General and/or her designee is responsible for monitoring the litigation and consulting with counsel. In this action, I have been so designated since October, 2010, and prior to that time, other Assistant Attorneys General were tasked with this duty. In connection with the prosecution of the Action, the OAG, the Office of the Treasurer, and PRIM retained Berman DeValerio Pease LLP (now known as Berman DeValerio) to represent PRIM, and several attorneys with the firm, including Glen DeValerio, were appointed as Special Assistant Attorneys General for the Commonwealth of Massachusetts. I, along with PRIM Board staff and the Treasurer's staff, have been directly involved in monitoring and overseeing the prosecution of the Action and the negotiations leading to the Settlement. The matters testified to herein are based on my personal knowledge, and/or discussions with other OAG attorneys and employees, outside counsel (*i.e.*, Berman DeValerio), PRIM Board staff, and the Treasurer's staff.

I. Lead Plaintiff's Oversight of the Litigation

4. In seeking the PRIM Board's appointment as Lead Plaintiff and later as Class Representative in this Action, the PRIM Board, the Treasurer's Office, and the OAG understood the PRIM Board's responsibility to serve the best interests of the Common Stock Class by participating in the supervision of the effective prosecution of this litigation, and they actively sought to do so at all times.

5. Since the appointment of PRIM as a Lead Plaintiff, the OAG, the Treasurer's Office, and/or PRIM have, among other things: (a) conferred regularly with outside counsel

concerning issues of law and fact, litigation issues, and the overall strategies for the prosecution of the Action, including motion-practice strategy; (b) reviewed, and made written suggested revisions to, significant pleadings filed in the Action; (c) communicated with the other Common Stock Lead Plaintiff, State-Boston Retirement Board, and with representatives of the Preferred Stock Lead Plaintiff, Tennessee Consolidated Retirement System; (d) reviewed and commented on discovery requests and responses, participated in the document collection for production in response to multiple sets of document requests, and otherwise communicated with outside counsel regarding the discovery process; (e) received periodic reports from outside counsel concerning the work being done; (f) reviewed lodestar reports regarding attorney-time being incurred; (g) communicated with outside counsel with respect to settlement and mediation and negotiation strategy; and (h) attended and participated in the mediation and the negotiations that ultimately led to the agreement in principle to settle the Action.

II. The Office of the Attorney General Endorses Approval of the Settlement

6. Based on the OAG's involvement throughout the prosecution and resolution of the Action, the OAG believes that the proposed \$170 million Settlement is a fair, reasonable, and adequate recovery, particularly in light of the substantial risks and uncertainties of a trial and continued litigation in this case. The proposed Settlement represents the best method for the Members of the Settlement Classes to achieve the goal of recovery balanced against the risks and uncertainties of a trial and continued litigation. Therefore, we endorse approval of the Settlement by the Court.

7. The \$170 million Settlement Amount will be apportioned between the Common Stock Class and the Preferred Stock Class as follows: \$123.76 million or 72.8% of the Settlement Amount to the Common Stock Class and \$46.24 million or 27.2% of the Settlement Amount to the Preferred Stock Class. *See* Stipulation ¶ 1(uu). This apportionment was determined by Lead Plaintiffs for the Common Stock Class and the Preferred Stock Class and is based upon and fully consistent with the overall estimated damages attributable to each class, as determined by a consulting damages expert for Lead Plaintiffs.

8. Further, the OAG believes the proposed Settlement meets the factors set out by the Second Circuit in determining whether a settlement merits final approval.² In particular, the OAG believes that the \$170,000,000 Settlement Amount merits approval in light of the serious risks of establishing liability and damages. In addition, the OAG believes that the \$170,000,000 Settlement Amount represents a reasonable recovery in light of the attendant risks of litigation. The OAG believes that sufficient discovery has taken place to make this judgment, and the OAG recognizes that this case has been complex and expensive to litigate and that a lengthy amount of time and expense would still be required to litigate through the completion of fact and expert discovery, class certification, summary judgment, trial, post-trial motions, and appeals.

III. The Office of the Attorney General Supports Lead Counsel's Motion for Attorneys' Fees and Payment of Expenses

9. In a case of this size and scope, and based on all the facts and circumstances of this particular case, the OAG believes a fee of 17.65% of the Settlement Fund is a reasonable attorneys' fee award. The OAG has authorized Lead Counsel to present this fee request to the Court for its ultimate determination on the application for attorneys' fees.

10. The OAG has evaluated Lead Counsel's fee request by considering, among other things: the quality of work performed; the amount of the recovery for the Class; the complexities of the case; and the customary fees in similar cases. The OAG further believes that the categories of litigation expenses being requested for reimbursement to Lead Counsel represent those costs and expenses necessary for the prosecution and resolution of this complex securities fraud action, which was nearing the end of the deposition discovery phase.

² These factors include: "(1) the complexity, expense and likely duration of the litigation, (2) the reaction of the class to the settlement, (3) the stage of the proceedings and the amount of discovery completed, (4) the risks of establishing liability, (5) the risks of establishing damages, (6) the risks of maintaining the class action through the trial, (7) the ability of the defendants to withstand a greater judgment, (8) the range of reasonableness of the settlement fund in light of the best possible recovery, [and] (9) the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation." *City of Detroit v. Grinnell Corp.*, 495 F.2d 448, 463 (2d Cir. 1974), *abrogated on other grounds by Goldberger v. Integrated Resources, Inc.*, 209 F.3d 43 (2d Cir. 2000).

11. Based on the foregoing, and consistent with its obligation to the Common Stock Class to obtain the best result at the most efficient cost, we support Lead Counsel's motion for an award of attorneys' fees and payment of litigation expenses.

IV. Conclusion

12. The Office of the Attorney General for the Commonwealth of Massachusetts was intimately involved throughout the prosecution and settlement of the Action and endorses the Settlement as a fair and adequate resolution of the litigation. The OAG further supports Lead Counsel's request for attorneys' fees and litigation expenses. Accordingly, we respectfully request that the Court approve (a) Lead Plaintiffs' motion for final approval of the proposed Settlement and the Plan of Allocation; and (b) Lead Counsel's motion for an award of attorneys' fees and payment of litigation expenses.

I declare under penalty of perjury that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of the OAG.

Executed this 16th day of January, 2015 in Boston, Massachusetts.

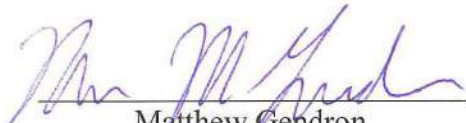

Matthew Gendron

Exhibit 7

**IN RE FANNIE MAE 2008 SECURITIES
LITIGATION**

**DECLARATION OF TIMOTHY J. SMYTH, EXECUTIVE OFFICER OF STATE
BOSTON RETIREMENT BOARD, IN SUPPORT OF (A) LEAD PLAINTIFFS'
MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND
(B) LEAD COUNSEL'S REQUEST FOR AN AWARD OF ATTORNEYS'
FEES AND PAYMENT OF EXPENSES**

1. I am the Executive Officer of the State Boston Retirement Board (“SBRB”), a Court-appointed Lead Plaintiff in this securities class action (the “Action”) on behalf of the Common Stock Class.¹ SBRB is an institutional investor that provides retirement benefits for more than 34,000 active and retired employees of the City of Boston, Massachusetts, and manages approximately \$5.4 billion in assets.

2. I submit this Declaration in support of (a) Lead Plaintiffs' motion for final approval of the proposed settlement reached in the Action (the "Settlement"); and (b) Lead Counsel's request for an award of attorneys' fees, payment of litigation expenses, and approval of SBRB's request for reimbursement of the costs and expenses it incurred in connection with its representation of the Common Stock Class in the Action.² I have

¹ Unless otherwise indicated herein, capitalized terms have the same meaning ascribed to them in the Stipulation and Agreement of Settlement, dated and filed with the Court on October 24, 2014.

² Our co-lead plaintiff, and fellow representative of the Common Stock Class, is the Massachusetts Pension Reserves Investment Management Board ("PRIM"). The
(continued ...)

personal knowledge of the matters set forth in this Declaration or, upon information and belief, believe them to be true and correct, as I, or my predecessors Daniel Greene or Kathleen Kiely-Becchetti, have been directly involved in monitoring and overseeing the prosecution and settlement of the Action, and I could and would testify competently thereto.

I. SBRB's Oversight of the Action

3. In fulfillment of its responsibilities as a Court-appointed Lead Plaintiff with respect to the Common Stock Class, and on behalf of all members of the Common Stock Class, SBRB diligently performed its role as a Lead Plaintiff in pursuit of a favorable result in this Action.

4. Since being appointed as a Lead Plaintiff, SBRB has, through the direct involvement of Mr. Greene, Ms. Kiely-Becchetti, or myself, among other things: (a) conferred regularly with counsel concerning issues of law and fact, evidentiary issues, and the overall strategies for the prosecution of the Action; (b) reviewed all significant pleadings filed in the Action; (c) worked cooperatively with the other two Lead Plaintiffs, as well as their counsel; (d) reviewed and responded to discovery requests, including producing documents and appearing for a deposition; (e) reviewed periodic reports from counsel concerning the work being done; and (f) conferred with counsel with respect to settlement and mediation efforts, including participating in certain negotiations and attending the 2014 mediation.

(... continued)

Preferred Stock Class has been represented by Lead Plaintiff the Tennessee Consolidated Retirement System ("TCRS"). Collectively, SBRB, PRIM, and TCRS are referred to herein as the Lead Plaintiffs.

5. As part of this oversight, SBRB has taken very seriously its fiduciary obligations to maximize the class's potential recovery from the Action.

II. SBRB Strongly Endorses Approval of the Settlement by the Court

6. Based on its involvement throughout the prosecution and resolution of the Action, SBRB believes that the proposed Settlement is fair, reasonable and adequate to the Settlement Classes. It also believes that the proposed Settlement represents an excellent recovery for the Settlement Classes, particularly in light of the significant risks of continued litigation in this case, including the challenges of establishing scienter and loss causation. Therefore, SBRB strongly endorses approval of the Settlement by the Court.

III. SBRB Supports Lead Counsel's Request for Attorneys' Fees and Payment of Expenses

7. SBRB believes that Lead Counsel's request for an award of attorneys' fees in the amount of 17.65% of the Settlement Fund is fair and reasonable. It has evaluated counsel's fee request by considering the significant amount of work they performed on behalf of Lead Plaintiffs and the Settlement Classes over the past six years, the risks they faced, and the substantial recovery obtained. SBRB further believes that the litigation expenses being requested are reasonable, and represent costs and expenses necessary for the prosecution and resolution of this complex securities fraud action. The request for fees and expenses also complies with the preexisting retainer agreement between Labaton Sucharow LLP and SBRB.

8. Based on the foregoing, and consistent with its obligation to the Common Stock Class to obtain the best result at the most efficient cost, SBRB fully supports Lead Counsel's request for attorneys' fees and payment of litigation expenses.

9. SBRB also understands that reimbursement of a lead plaintiff's reasonable costs and expenses is authorized under Section 21D(a)(4) of the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(4). For this reason, SBRB seeks reimbursement for the costs and expenses that it incurred in connection with its representation of the Common Stock Class. Such costs and expenses total \$13,410, consisting of the cost of the time that representatives of SBRB devoted to the supervising and participating in the Action (157 hours at \$80 to \$90 per hour).

10. The value of the time that SBRB personnel devoted to participating in the Action, time that otherwise would have been spent furthering the work of SBRB, is as follows:

NAME and TITLE	HRS x RATE ³	TOTAL
Timothy Smyth, Esq., Executive Officer	48 hrs x \$90 /hr	\$4,320
Daniel Greene, former Executive Officer	51 hrs x \$85 /hr	\$4,335
Kathleen Kiely-Becchetti, former Executive Officer	23 hrs x \$85 /hr	\$1,955
Padraic Lydon, Esq., General Counsel	35 hrs x \$80 /hr	\$2,800
Total.....		\$13,410

IV. Conclusion

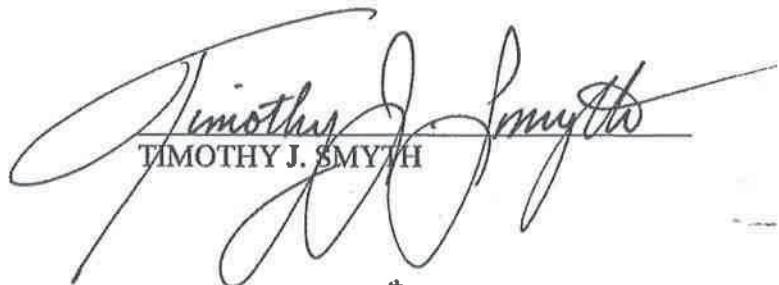
11. SBRB, a Court-appointed Lead Plaintiff that was closely involved throughout the prosecution and settlement of the Action, strongly endorses the Settlement as fair, reasonable and adequate, and believes it represents an excellent recovery for the

³ These rates are calculated by taking total compensation, and then dividing it by the number of hours worked, assuming a standard work week.

Settlement Classes. It further supports Lead Counsel's attorneys' fee and litigation expense request, and believes that it represents fair and reasonable compensation for counsel in light of the substantial work performed, the recovery obtained for the Common Stock Class and the Settlement Classes, and the risks faced by counsel. And finally, SBRB requests reimbursement for its expenses as set forth above.

Accordingly, SBRB respectfully requests that the Court approve (a) Lead Plaintiffs' motion for final approval of proposed Settlement; and (b) Lead Counsel's request for an award of attorneys' fees, payment of litigation expenses, and reimbursement of SBRB's expenses.

I declare under penalty of perjury that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of Boston Retirement Board.



TIMOTHY J. SMYTH

Executed this the 16th day of January, 2015

Exhibit 8

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

IN RE FANNIE MAE 2008 SECURITIES
LITIGATION

:
:
:
:
:
:

Master File No. 08 Civ. 7831 (PAC)
ECF Case

**DECLARATION OF CHRISTY ALLEN IN SUPPORT OF LEAD COUNSEL'S
MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN
OF ALLOCATION, LEAD COUNSEL'S FEE AND EXPENSE APPLICATION, AND
REIMBURSEMENT OF EXPENSES OF LEAD PLAINTIFF TENNESSEE
CONSOLIDATED RETIREMENT SYSTEM**

I, Christy Allen, hereby declare under penalty of perjury as follows:

1. I am the Assistant Treasurer, Legal, Compliance and Audit of the Tennessee Consolidated Retirement System ("TCRS"). I submit this declaration in support of (a) Lead Counsel's motion for final approval of the proposed Settlement and Plan of Allocation; (b) Lead Counsel's motion for an award of attorneys' fees and reimbursement of litigation expenses; and (c) approval of TCRS's request to recover reasonable costs and expenses incurred in connection with its role as Lead Plaintiff in the prosecution of this Action.¹

2. I am aware of and understand the requirements and responsibilities of serving as a lead plaintiff in a securities class action as set forth in the Private Securities Litigation Reform Act of 1995 ("PSLRA"). I have personal knowledge or have an understanding based upon

¹ Unless otherwise noted, capitalized terms have the meanings set forth in the Stipulation and Agreement of Settlement dated October 24, 2014 (ECF No. 522-1).

information and belief of the matters set forth in this Declaration, as I have been directly involved in monitoring and overseeing the prosecution of the Action and have been informed about the negotiations leading to the Settlement.

3. TCRS is a defined benefit pension plan that serves Tennessee state employees, higher education employees, K-12 public school teachers, and employees of political subdivisions who have elected to participate in the plan, with investment assets of \$44 billion as of December 31, 2014.

4. On behalf of TCRS, I along with others at the Treasury² and the Office of the Attorney General³ had regular communications throughout the litigation with Kaplan Fox & Kilsheimer LLP (“Kaplan Fox”), Court-appointed Lead Counsel and Class Counsel for the Preferred Stock Class. TCRS, through my active and continuous involvement, as well as the involvement of others, closely supervised, carefully monitored, and was actively involved in the prosecution of the Action. TCRS received monthly status reports from Kaplan Fox on case developments, and participated in regular discussions with attorneys from Kaplan Fox concerning the prosecution of the Action, the strengths of and risks to the claims, and potential settlement.

5. In particular, throughout the course of this Action, I along with others at the Treasury and the Office of the Attorney General:

a. participated in discussions with Kaplan Fox concerning significant developments in the litigation, including case strategy;

² The Treasury is primarily responsible for the administration and operation of TCRS.

³ The Office of the Attorney General serves as the legal advisor to TCRS’s Board of Trustees.

b. reviewed and commented on all significant pleadings and briefs filed in the Action, and discussed Court orders;

c. supervised the production of discovery by TCRS, including document productions and responses to written document requests and interrogatories;

d. participated in the preparation of TCRS witnesses for deposition in connection with its class certification motion;

e. consulted with Kaplan Fox concerning the settlement negotiations; and

f. evaluated and recommended approval to the board of TCRS of the proposed settlement for \$170 million in cash.

6. TCRS was informed of and updated on the lengthy negotiations in this Action, which led to the Settlement. I was briefed on the mediations, which were presided over by the Honorable Layn R. Philips. A representative of the Office of the Attorney General attended the parties' most recent mediation in May 2014. Prior to the mediations, I conferred with Kaplan Fox regarding the parties' respective positions.

7. Based on its involvement throughout the prosecution and resolution of the claims, TCRS endorses the Settlement and believes it provides an excellent recovery for the Settlement Classes, particularly in light of the substantial risks of continuing to prosecute the claims in the Action.

8. TCRS also supports approval of the proposed Plan of Allocation which is based on the analysis completed by the damages expert retained in this Action. TCRS has been informed that the Plan of Allocation represents a fair and reasonable method for allocating the net Settlement Fund to Class Members whose claims are approved for payment.

9. TCRS, the Treasury and the Office of the Attorney General endorse Lead Counsel's request for an award of attorneys' fees in the amount of 17.65% of the Settlement Fund, as long as such award is allocated between the Settlement Classes in the same proportions as the Settlement Fund, and believes that it is fair and reasonable in light of the work the firm performed in this Action. TCRS takes seriously its role as a Lead Plaintiff to ensure that the attorneys' fees are fair in light of the result achieved for the Settlement Classes and reasonably compensate plaintiffs' counsel for the work involved and the substantial risks they undertook in litigating the Action.

10. TCRS has been informed by the Treasury and the Office of the Attorney General that the litigation expenses being requested for reimbursement by Lead Counsel are reasonable, and represent costs and expenses necessary for the prosecution and resolution of the claims in the Action. Based on the foregoing, and consistent with its obligation as a Lead Plaintiff to obtain the best result at the most efficient cost, TCRS supports Lead Counsel's motion for an award of attorneys' fees and reimbursement of litigation expenses.

11. TCRS understands that reimbursement of a lead plaintiff's reasonable costs and expenses is authorized under Section 21D(a)(4) of the PSLRA. 15 U.S.C. §78u-4(a)(4). For this reason, in connection with Lead Counsel's request for reimbursement of litigation expenses, TCRS seeks reimbursement for the costs and expenses (including lost wages) that it incurred directly relating to its role as a Lead Plaintiff in the Action.

12. My primary responsibility at TCRS involves oversight of all legal functions of the retirement system. In working on this Action, I was assisted by employees of TCRS and personnel at the Treasury and the Office of the Attorney General.

13. TCRS personnel (along with others from the Treasury and the Office of Attorney General acting on behalf of TCRS) spent over 1,090 hours on the prosecution of this Action by performing the following tasks: (i) consulting and strategizing with Kaplan Fox via telephone, electronic mail and in-person meetings; (ii) reviewing pleadings, motion papers, and other court documents filed on behalf of TCRS (including drafts), and documents filed on behalf of Defendants; (iii) reviewing correspondence to the Court from Lead Counsel and counsel for Defendants; (iv) reviewing and responding to Defendants' discovery requests; and (v) preparing for and attending a deposition.

14. The time that employees of TCRS and those acting on TCRS's behalf at the Treasury and the Office of the Attorney General devoted to this Action was time that we otherwise would have spent on other work for TCRS, and thus, represented a cost to TCRS.

15. TCRS seeks reimbursement in the amount of \$58,110 for the time employees of TCRS, the Treasury and the Office of the Attorney General devoted to supervising and participating in this Action.

16. In conclusion, TCRS was closely involved throughout the prosecution and settlement of the claims in this Action, endorses the Settlement and Plan of Allocation as fair, reasonable and adequate, and believes that the Settlement represents a significant recovery for the Settlement Classes. Accordingly, TCRS respectfully requests that the Court approve Lead Counsel's motion for final approval of the proposed Settlement and Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and reimbursement of litigation expenses, and TCRS's request for reimbursement of its reasonable costs and expenses incurred in prosecuting the Action, as set forth above.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief, and that I have authority to execute this declaration on behalf of TCRS.

Executed this 16th day of January, 2015.

A handwritten signature in blue ink, appearing to read "Christy A. Allen", written over a horizontal line.

Christy Allen
Assistant Treasurer, Legal, Compliance and Audit
TENNESSEE CONSOLIDATED RETIREMENT SYTEM

Exhibit 9

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

IN RE FANNIE MAE 2008 SECURITIES
LITIGATION

:
: Master File No. 08 Civ. 7831 (PAC)
: ECF Case
:
:

**DECLARATION OF THOMAS A. DUBBS ON BEHALF OF
LABATON SUCHAROW LLP IN SUPPORT OF LEAD COUNSEL'S
MOTION FOR AN AWARD OF ATTORNEYS' FEES AND PAYMENT OF EXPENSES**

THOMAS A. DUBBS, ESQ., declares as follows pursuant to 28 U.S.C. § 1746:

1. I am a senior partner of the law firm of Labaton Sucharow LLP. I submit this declaration in support of Lead Counsel's motion for an award of attorneys' fees and payment of litigation expenses in the above-captioned action (the "Action")¹ from inception through January 9, 2015 (the "Time Period").

2. My firm, which served as Lead Counsel for the Common Stock Class, was involved in all aspects of the prosecution and settlement of the Action, as detailed in the Joint Declaration of Glen DeValerio, Thomas A. Dubbs, and Frederick S. Fox in Support of (A) Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation and (B) Lead Counsel's Motion for Attorneys' Fees and Payment of Expenses, submitted herewith.

3. The schedule attached hereto as Exhibit A is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in the prosecution of the Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and payment of expenses has not been included in this request.

¹ Unless otherwise noted, capitalized terms not defined herein are defined in the Stipulation and Agreement of Settlement, dated as of October 24, 2014 ("Stipulation"). ECF No. 522-1.

4. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit A are the same as the regular rates charged for their services in other securities or shareholder litigations.

5. The total number of hours expended on this litigation by my firm during the Time Period is 25,566.2 hours. The total lodestar for my firm for those hours is \$14,469,865.

6. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expenses items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

7. As detailed in Exhibit B, my firm has incurred a total of \$1,097,692.01 in expenses in connection with the prosecution and settlement of the Action. The expenses are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

8. With respect to the standing of my firm, attached hereto as Exhibit C is a brief biography of my firm as well as biographies of my firm's partners, of counsels, and senior counsel.

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 16, 2015.



THOMAS A. DUBBS

Exhibit A

IN RE FANNIE MAE 2008 SEC. LITIG., NO. 08-7831 (PAC) (S.D.N.Y.)

LODESTAR REPORT

FIRM: LABATON SUCHAROW LLP

REPORTING PERIOD: INCEPTION THROUGH JANUARY 9, 2015

PROFESSIONAL	STATUS	HOURLY RATE	TOTAL HOURS TO DATE	TOTAL LODESTAR TO DATE
Dubbs, T.	P	\$975.00	641.7	\$625,657.50
Plasse, J.	P	\$975.00	706.3	\$688,642.50
Gottlieb, L.	P	\$925.00	2,159.3	\$1,997,352.50
Keller, C.	P	\$925.00	360.2	\$333,185.00
Johnson, J.	P	\$925.00	23.0	\$21,275.00
Belfi, E.	P	\$850.00	26.1	\$22,185.00
Hoffman, T.	P	\$800.00	1,347.7	\$1,078,160.00
Fonti, J.	P	\$800.00	788.7	\$630,960.00
Zeiss, N.	P	\$800.00	326.6	\$261,280.00
Joffe, R.	SC	\$800.00	1,304.8	\$1,043,840.00
Mummert, L.	OC	\$525.00	633.4	\$332,535.00
Wierzbowski, E.	A	\$700.00	64.0	\$44,800.00
Erroll, D.	A	\$665.00	1,046.3	\$695,789.50
Ellman, A.	A	\$615.00	191.3	\$117,649.50
Martin, C.	A	\$590.00	28.0	\$16,520.00
Cividini, D.	A	\$560.00	1,007.2	\$564,032.00
Vasilchenko, I.	A	\$550.00	185.3	\$101,915.00
Crowell, J.	A	\$525.00	1,619.6	\$850,290.00
Sundel, S.	A	\$500.00	99.8	\$49,900.00
Rado, A.	A	\$500.00	58.0	\$29,000.00
Wood, P.	A	\$485.00	30.9	\$14,986.50
Chakrabarti, M.	A	\$465.00	112.8	\$52,452.00
Schramm, K.	A	\$460.00	2,869.6	\$1,320,016.00
Rump, E.	A	\$450.00	160.3	\$72,135.00
Oberdorfer, K.	A	\$440.00	36.0	\$15,840.00
Gottlieb, E.	A	\$425.00	32.5	\$13,812.50
Quiles, T.	SA	\$425.00	677.0	\$287,725.00
Fields, H.	SA	\$410.00	642.0	\$263,220.00
Allan, A.	SA	\$410.00	266.1	\$109,101.00
Alt, K.	SA	\$390.00	602.4	\$234,936.00
Segel, S.	SA	\$390.00	550.0	\$214,500.00
Page, K.	SA	\$360.00	1,402.3	\$504,828.00
Dennany, N.	SA	\$360.00	1,201.4	\$432,504.00
Perez, D.	SA	\$360.00	720.0	\$259,200.00
Mamorsky, J.	SA	\$335.00	427.4	\$143,179.00
Noyes, N.	SA	\$300.00	77.0	\$23,100.00
Schervish, W.	LA	\$550.00	22.6	\$12,430.00
Ching, N.	RA	\$405.00	36.5	\$14,782.50
Ahn, E.	RA	\$325.00	100.2	\$32,565.00
Capuozzo, C.	RA	\$315.00	24.3	\$7,654.50
Mann, J.	RA	\$305.00	9.0	\$2,745.00
Losoya, J.	RA	\$300.00	25.5	\$7,650.00
Yesilevich, A.	RA	\$275.00	21.5	\$5,912.50
Pontrelli, J.	I	\$495.00	12.1	\$5,989.50
Gumeny, A.	I	\$440.00	102.9	\$45,276.00
Polk, T.	I	\$430.00	246.4	\$105,952.00

Wroblewski, R.	I	\$425.00	36.0	\$15,300.00
Tsang, W.	LC	\$275.00	170.8	\$46,970.00
He, J.	LC	\$275.00	35.0	\$9,625.00
Penrhyn, M.	PL	\$310.00	737.1	\$228,501.00
Chan-Lee, E.	PL	\$310.00	733.5	\$227,385.00
Rogers, D.	PL	\$310.00	163.4	\$50,654.00
Boria, C.	PL	\$310.00	103.7	\$32,147.00
Mehring, L.	PL	\$310.00	19.9	\$6,169.00
Chiano, M.	PL	\$295.00	136.2	\$40,179.00
Kupersmith, R.	PL	\$295.00	8.0	\$2,360.00
Cordoba-Riera, D.	PL	\$280.00	9.7	\$2,716.00
Forbes, C.	PL	\$275.00	169.6	\$46,640.00
Chan, C.	PL	\$275.00	34.1	\$9,377.50
Chichilla, M.	PL	\$270.00	139.8	\$37,746.00
Mozeak, A.	PL	\$155.00	25.0	\$3,875.00
Johnson, K.	PL	\$150.00	18.4	\$2,760.00
TOTAL			25,566.2	\$14,469,865.00

Partner
Senior Counsel
Of Counsel
Associate
Staff Attorney
Legal Analyst

(P)
(SC)
(OC)
(A)
(SA)
(LA)

Research
Analyst
Investigator
Law Clerk
Paralegal

(RA)
(I)
(LC)
(PL)

Exhibit B

IN RE FANNIE MAE 2008 SEC. LITIG., NO. 08-7831 (PAC) (S.D.N.Y.)

EXPENSE REPORT

FIRM: LABATON SUCHAROW LLP

REPORTING PERIOD: INCEPTION THROUGH JANUARY 9, 2015

DISBURSEMENT	TOTAL AMOUNT TO DATE
Expert Fees	\$509,319.50
Contribution to Litigation Fund	\$192,100.00
Duplicating	\$116,302.14
Transportation / Meals / Lodging	\$87,026.20
Litigation Support	\$59,951.33
Court Reporter Service / Transcript Fees	\$43,218.70
Legal Research	\$47,325.51
PACER/Docutrieval	\$6,479.87
Factual Research	\$1,107.47
Mediation Fees	\$23,350.00
Federal Express	\$3,581.14
Telephone / Fax	\$3,359.35
Videotape Reproduction Fees	\$1,885.45
Research Material	\$920.45
Service Fees	\$841.00
Notice to Class	\$783.90
Messengers	\$140.00
TOTAL	\$1,097,692.01

Exhibit C

Firm Resume

InvestorProtectionLitigation

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Introduction

Founded in 1963, Labaton Sucharow LLP ("Labaton Sucharow") is an internationally respected law firm with offices in New York, New York and Wilmington, Delaware and has relationships throughout the United States, Europe and the world. The Firm consists of nearly 60 full-time attorneys and a professional support staff that includes paralegals, sophisticated financial analysts, e-discovery specialists, licensed private investigators, a certified public accountant, and forensic accountants with notable federal and state law enforcement experience. The Firm prosecutes major complex litigation in the United States, and has successfully conducted a wide array of representative actions (primarily class, mass and derivative) in the areas of: Securities; Antitrust & Competition; Financial Products & Services; Corporate Governance & Shareholder Rights; Mergers & Acquisitions; Derivative; REITs & Limited Partnerships; Consumer; and Whistleblower Representation.

For more than 50 years, Labaton Sucharow has cultivated a reputation as one of the finest litigation boutiques in the country, earning awards and recognitions by leading industry publications such as *Chambers & Partners USA*, *The Legal 500 U.S.*, and *Benchmark Litigation*. After nine years on the *National Law Journal's* Plaintiffs' Hot List, the Firm was named a Hall of Fame Honoree. Most recently, the *National Law Journal* recognized the Firm in its list of Top 50 Elite Trial Firms in the United States. The Firm's attorneys are skilled in every stage of business litigation and have successfully taken on corporations in virtually every industry. Our work has resulted in billions of dollars in recoveries for our clients, and in sweeping corporate reforms protecting consumers and shareholders alike.

On behalf of some of the most prominent institutional investors around the world, Labaton Sucharow prosecutes high-profile and high-stakes securities fraud. Our Securities Litigation Practice has recovered billions of dollars and achieved corporate governance reforms to ensure that the financial marketplace operates with greater transparency, fairness, and accountability.

Labaton Sucharow also brings its unparalleled securities litigation expertise to the practice of Whistleblower Representation, exclusively representing whistleblowers that have original information about violations of the federal securities laws. The Firm's Whistleblower Representation Practice plays a critical role in exposing securities fraud and creating necessary corporate reforms.

Labaton Sucharow's Corporate Governance & Shareholder Rights Practice successfully pursues derivative and other shareholder actions to advance shareholder interests. In addition to our deep knowledge of corporate law and the securities regulations that govern corporate conduct, our established office in Delaware where many of these matters are litigated, uniquely positions us to protect shareholder assets and enforce fiduciary obligations.

Visit our website at www.labaton.com for more information about our Firm.

Corporate Governance

Labaton Sucharow is committed to corporate governance reform. Through its leadership of membership organizations, Labaton Sucharow seeks to strengthen corporate governance and support legislative reforms to improve and preserve shareholder and consumer rights.

Through the aegis of the National Association of Shareholder and Consumer Attorneys (NASCAT), a membership organization of approximately 100 law firms that practice class action and complex civil litigation, the Firm continues to advocate against those who would legislatively seek to weaken shareholders' rights, including their right to obtain compensation through the legal system.

From 2009-2011 Partner Ira A. Schochet served as President of NASCAT, following in the footsteps of Chairman Lawrence A. Sucharow who held the position from 2003-2005.

Labaton Sucharow is also a patron of the John L. Weinberg Center for Corporate Governance of the University of Delaware ("The Center") and was instrumental in the task force of the Association of the Bar of the City of New York, which drafted recommendations on the roles of law firms and lawyers' in preventing corporate fraud through improved governance. One of Labaton Sucharow's partners, Edward Labaton, is a member of the Advisory Committee of The Center.

In early 2011, Partner Michael W. Stocker spoke before the Securities and Exchange Commission's Trading and Markets Division regarding liability for credit rating agencies under the Dodd-Frank Act. His articles on corporate governance issues have been published in a number of national trade publications.

On behalf of our institutional and individual investor clients, Labaton Sucharow has achieved some of the largest precedent-setting settlements since the enactment of the Private Securities Litigation Reform Act of 1995 ("PSLRA"), and has helped avert future instances of securities fraud by negotiating substantial corporate governance reforms as conditions of many of its largest settlements.

Some of the successful cases in which Labaton Sucharow has been able to affect significant corporate governance changes include:

In re Waste Management, Inc. Securities Litigation,
Civ. No. H-99-2183 (S.D. Tex.)

In the settlement of the *In re Waste Management, Inc. Securities Litigation* case, we earned critical corporate governance improvements resulting in:

- A stronger and more independent audit committee;
- A board structure with greater accountability; and
- Protection for whistleblowers.

In re Bristol-Myers Squibb Securities Litigation,

Civ. No. CV-98-W-1407-S (N.D. Ala.)

In *Bristol-Myers Squibb*, we won unprecedented corporate governance concessions, including:

- Required public disclosure of the design of all clinical drug trials; and
- Required public disclosure on the company's website of the results of all clinical studies on drugs marketed in any country throughout the world.

Cohen v. Gray, et al.,

Case No. 03 CH 15039 (C.C. Ill.)

In this case against the Boeing aircraft company, we achieved a landmark settlement establishing unique corporate governance standards relating to ethics compliance including:

- At least 75% of Boeing's Board must be independent under NYSE criteria;
- Board members will receive annual corporate governance training;
- Direct Board supervision of an improved ethics and compliance program;
- Improved Audit Committee oversight of ethics and compliance; and
- A \$29 million budget dedicated to the implementation and support of these governance reforms.

In re Vesta Insurance Group Securities Litigation,

Civ. No. CV-98-W-1407-S (N.D. Ala.)

In settling Vesta, the company adopted provisions that created:

- A Board with a majority of independent members;
- Increased independence of members of the company's audit, nominating and compensation committees;
- Increased expertise in corporate governance on these committees; and
- A more effective audit committee.

In re Orbital Sciences Corporation Securities Litigation,

Civ. No. 99-197-A (E.D. Va.)

In this case against Orbital Sciences Corporation, Labaton Sucharow was able to:

- Negotiate the implementation of measures concerning the company's quarterly review of its financial results;
- The composition, role and responsibilities of its Audit and Finance committee; and
- The adoption of a Board resolution providing guidelines regarding senior executives' exercise and sale of vested stock options.

In re Take-Two Interactive Securities Litigation,
Civ. No. 06-CV-803-RJS (S.D.N.Y.)

In settling *Take-Two Interactive*, we achieved significant corporate governance reforms which required the company to:

- Adopt a policy, commonly referred to as “clawback” provision, providing for the recovery of bonus or incentive compensation paid to senior executives in the event that such compensation was awarded based on financial results later determined to have been erroneously reported as a result of fraud or other knowing misconduct by the executive;
- Adopt a policy requiring that its Board of Directors submit any stockholder rights plan (also commonly known as ‘poison pill’) that is greater than 12 months in duration to a vote of stockholders; and
- Adopt a bylaw providing that no business may be properly brought before an annual meeting of stockholders by a person other than a stockholder unless such matter has been included in the proxy solicitation materials issued by the company.

Trial Experience

Few securities class action cases go to trial. But when it is in the best interests of its clients and the class, Labaton Sucharow repeatedly has demonstrated its willingness and ability to try these complex securities cases before a jury. More than half of the Firm’s securities litigation partners have trial experience.

Labaton Sucharow’s recognized willingness and ability to bring cases to trial significantly increases the ultimate settlement value for shareholders.

In *In re Real Estate Associates Limited Partnership Litigation*, when defendants were unwilling to settle for an amount Labaton Sucharow and its clients viewed as fair, we tried the case with co-counsel for six weeks and obtained a landmark \$184 million jury verdict in November 2002. The jury supported plaintiffs’ position that defendants knowingly violated the federal securities laws, and that the general partner had breached his fiduciary duties to plaintiffs. The \$184 million award was one of the largest jury verdicts returned in any PSLRA action and one in which the plaintiff class, consisting of 18,000 investors, recovered 100% of their damages.

Notable Lead Counsel Appointments

Labaton Sucharow’s institutional investor clients are regularly appointed by federal courts to serve as lead plaintiffs in prominent securities litigations brought under the PSLRA. Dozens of state, city and country public pension funds and union funds have selected Labaton Sucharow to represent them in federal securities class actions and advise them as securities litigation/investigation counsel. Listed below are several of our recent notable lead and co-lead counsel appointments:

In re Schering Plough/Enhance Securities Litigation,

No. 08-cv-00397-DMC-JAD (D.N.J.)

Represented the Pension Reserves Investment Management Board (Commonwealth of Massachusetts) as co-lead plaintiff

In re Goldman Sachs Group Inc. Securities Litigation,

No. 10-cv-03461 (S.D.N.Y.)

Representing the Arkansas Teacher Retirement System as co-lead plaintiff

In re 2008 Fannie Mae Securities Litigation,

No. 08-CV-1859 (E.D. Mo.)

Represented State-Boston Retirement System as co-lead plaintiff

City of Providence, Rhode Island v. BATS Global Markets, Inc.,

No. 14-cv-2811 (S.D.N.Y.)

Representing State-Boston Retirement System as co-lead plaintiff

In re Intuitive Surgical Securities Litigation,

No. 13-cv-01920 (N.D. Cal.)

Representing the Employees' Retirement System of the State of Hawaii as lead plaintiff

In re Massey Energy Co. Securities Litigation,

No. 10-cv-00689 (S.D. W. Va.)

Represented Commonwealth of Massachusetts Pension Reserves Investment Trust ("Massachusetts PRIT") as lead plaintiff

In re Computer Sciences Corporation Securities Litigation,

No. 11-cv-610 (E.D. Va.)

Represented Ontario Teachers' Pension Plan Board as lead plaintiff

Richard Gammel v. Hewlett-Packard Company, et al.,

No. 11-cv-01404-AG-RNB (C.D. Cal.)

Representing Arkansas Teacher Retirement System and the Labourers' Pension Fund of Central and Eastern Canada as co-lead plaintiff

In re MF Global Holdings Limited Securities Litigation,

No. 11-cv-7866 (S.D.N.Y.)

Represented the Province of Alberta as co-lead plaintiff

Notable Successes

Labaton Sucharow has achieved notable successes in major securities litigations on behalf of its clients and certified investor classes.

Docket Information	Results of the Case
<i>In re American International Group Inc. Securities Litigation</i> , No. 04-cv-8141 (S.D.N.Y.)	Negotiated settlements totaling more than \$1 billion
<i>In re HealthSouth Securities Litigation</i> , No. 03-cv-1500 (N.D. Ala.)	Settlement valued at \$671 million
<i>In re Schering-Plough Corp. Enhance Securities Litigation</i> , Civil Action No. 08 397 (DMC) (JAD)	Settled for \$473 million - the largest securities class action settlement ever against a pharmaceutical company
<i>In re Waste Management, Inc. Securities Litigation</i> , No. H-99-2183 (S.D. Tex.)	Settled for \$457 million
<i>In re Countrywide Financial Corp. Securities Litigation</i> , No. 07-cv-5295 (C.D. Cal.)	Settled for \$624 million – the largest credit crisis-related settlement at the time
<i>In re General Motors Corp. Securities & Derivative Litigation</i> , No. 06-md-1749 (E.D. Mich.)	Settled for \$303 million
<i>In re Bear Stearns Companies, Inc. Securities Litigation</i> , No. 08-md-1963 (S.D.N.Y.)	\$275 million settlement with Bear Stearns plus a \$19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditors
<i>In re El Paso Corporation Securities Litigation</i> , No. 02-cv-2717 (S.D. Tex.)	Settled for \$285 million
<i>In re PaineWebber Limited Partnerships Litigation</i> , No. 94-cv-832/7 (S.D.N.Y.)	Settled for \$200 million
<i>Eastwood Enterprises LLC v. Farha (WellCare Securities Litigation)</i> , No. 07-cv-1940 (M.D. Fla.)	Settled for \$200 million
<i>In re Bristol-Myers Squibb Securities Litigation</i> , No. 00-cv-1990 (D.N.J.)	Settled for \$185 million and significant corporate governance reforms
<i>In re 2008 Fannie Mae Securities Litigation</i> , No. 08-CV-1859 (E.D. Mo.)	Settled for \$170 million
<i>In re Broadcom Corp. Securities Litigation</i> , No. 06-cv-5036 (C.D. Cal.)	Settled for \$160.5 million – at the time, the second largest up-front cash settlement ever recovered from a company accused of options backdating; plus a \$13 million settlement with the auditor, Ernst & Young
<i>In re Satyam Computer Services, Ltd. Securities Litigation</i> , No. 09-md- 2027 (S.D.N.Y.)	Settled for \$125 million with Satyam and \$25.5 million with PwC Entities

Docket Information	Results of the Case
<i>In re Mercury Interactive Securities Litigation</i> , No. 05-cv- 3395 (N.D. Cal.)	Settled for \$117.5 million – the largest options backdating settlement at the time
<i>In re Prudential Securities Inc. Limited Partnership Litigation</i> , No. M-21-67 (S.D.N.Y.)	Negotiated \$110 million partial settlement
<i>In re Oppenheimer Champion Fund Securities Fraud Class Actions</i> , No. 09-cv-386 (D. Colo.) and <i>In re Core Bond Fund</i> , No. 09-cv-1186 (D. Colo.)	Settled for \$100 million
<i>In re Computer Sciences Corporation Securities Litigation</i> , Civ. No. 11-610-TSE-IDD (E.D. Va.)	Settled for \$97.5 million
<i>In re Vesta Insurance Group, Inc. Securities Litigation</i> , No. 98-cv-1407 (N.D. Ala.)	Settled for \$80 million in total and significant corporate governance reforms
<i>In re St. Paul Travelers Securities Litigation</i> , No. 04-CV-3801 (D. Minn.)	Settled for \$67.5 million
<i>In re St. Paul Travelers Securities Litigation II</i> , No. 04-cv-4697 (D. Minn.)	Settled for \$77 million
<i>In re Regions Morgan Keegan Closed-End Fund Litigation</i>	Settled for \$62 million
<i>In re Monster Worldwide, Inc. Securities Litigation</i> , No. 07-cv-2237 (S.D.N.Y.)	Settled for \$47.5 million – required Monster’s founder and former Chief Executive Officer Andrew McKelvey to personally pay \$550,000 toward the settlement
<i>Hughes v. Huron Consulting Group, Inc.</i> , No. 09-cv-4734 (N.D. Ill.)	Settled for \$38 million
<i>Abrams v. Van Kampen Funds, Inc.</i> , No. 01-cv-7538 (N.D. Ill.)	Settled for \$31.5 million
<i>In re Novagold Resources Inc. Securities Litigation</i> , No. 08-cv-7041 (S.D.N.Y.)	Settled for \$22 million
<i>Police & Fire Ret. System of Detroit v. SafeNet, Inc.</i> , No. 06-cv-5797 (S.D.N.Y.)	Settled for \$25 million
<i>Desert Orchid Partners, L.L.C. v. Transactions Systems Architects, Inc.</i> , No. 02-cv-533 (D. Neb.)	Settled for \$24.5 million
<i>In re Orbital Sciences Corp. Securities Litigation</i> , No. 99-cv-197 (E.D. Va.)	Settled for \$23.5 million and significant corporate governance reforms

Docket Information	Results of the Case
<i>In re Take Two Interactive Securities Litigation</i> , No. 06-cv-803 (S.D.N.Y.)	Settled for \$20.1 million and significant corporate governance reforms
<i>In re International Business Machines Corp. Securities Litigation</i> , No. 05-cv-6279 (S.D.N.Y.)	Settled for \$20 million
<i>In re Just for Feet Noteholder Litigation</i> , No. 00-cv-1404 (N.D. Ala.)	Settled for \$17.75 million
<i>In re American Tower Corporation Securities Litigation</i> , No. 06-cv-10933 (D. Mass.)	Settled for \$14 million
<i>In re CapRock Communications Corp. Securities Litigation</i> , No. 00-CV-1613 (N.D. Tex.)	Settled for \$11 million
<i>In re SupportSoft, Inc. Securities Litigation</i> , No. 04-cv-5222 (N.D. Cal.)	Settled for \$10.7 million
<i>In re InterMune Securities Litigation</i> , No. 03-cv-2954 (N.D. Cal.)	Settled for \$10.4 million
<i>In re HCC Insurance Holdings, Inc. Securities Litigation</i> , No. 07-cv-801 (S.D. Tex.)	Settled for \$10 million

***In re Regions Morgan Keegan Closed-End Fund Litigation*,**
No. 07-CV-02830 (W.D. Tenn)

Labaton Sucharow served as sole lead counsel, representing the Lion Fund, L.P., Dr. J. Sulieman, and Larry Lattimore, in this case against Regions Morgan Keegan ("RMK"), alleging that they fraudulently overstated the values of portfolio securities and reported false Net Asset Values ("NAVs"). RMK also falsely touted their professional portfolio management by "one of America's leading high-yield fund managers" when, in fact, portfolio securities frequently were purchased blindly without the exercise of basic due diligence. On April 13, 2011, defendants moved to dismiss. On March 30, 2012, the court issued an Opinion denying the motions to dismiss nearly in their entirety. The court upheld the Section 10(b) claims as against the Funds and defendant James R. Kelsoe, the Funds' Senior Portfolio Manager, and dismissed those claims as against three other individual defendants. The court upheld plaintiffs' Securities Act claims in their entirety. In April 2012 Labaton Sucharow achieved a \$62 million settlement.

***In re HealthSouth Securities Litigation*,**
Civ. No CV-03-BE-1500-S (N.D. Ala.)

Labaton Sucharow served as co-lead counsel in a case stemming from the largest fraud ever perpetrated in the healthcare industry. In early 2006, lead plaintiffs negotiated a

settlement of \$445 million with defendant HealthSouth. This partial settlement, comprised of cash and HealthSouth securities to be distributed to the class, is one of the largest in history. On June 12, 2009, the court also granted final approval to a \$109 million settlement with defendant Ernst & Young LLP ("E&Y"), which at the time was approximately the eighth largest securities fraud class action settlement with an auditor. In addition, on July 26, 2010, the court granted final approval to a \$117 million partial settlement with the remaining principal defendants in the case, UBS AG, UBS Warburg LLC, Howard Capek, Benjamin Lorello, and William McGahan (the "UBS Defendants"). The total value of the settlements for HealthSouth stockholders and HealthSouth bondholders, who were represented by separate counsel, is \$804.5 million.

In re NYSE Euronext Shareholders Litigation,
Consolidated C.A., 6220-VCS (Del. Ch. 2011)

Labaton Sucharow played a leadership role in landmark shareholder litigation arising from the acquisition of the New York Stock Exchange—a deal that had implications not only for NYSE shareholders, but for global financial markets. Following aggressive litigation spanning both sides of the Atlantic, the Firm secured a proposed settlement which would have provided a special dividend of nearly a billion dollars to NYSE shareholders if the transaction was completed. While European regulators ultimately rejected the merger in 2012 citing anticompetitive concerns, the Firm's work in the litigation cemented its reputation as a leader in the field.

In re American International Group, Inc. Securities Litigation,
No. 04 Civ. 8141 (JES) (AJP) (S.D.N.Y.)

In one of the most complex and challenging securities cases in history, Labaton Sucharow secured a landmark \$725 million settlement with American International Group ("AIG") regarding allegations of bid rigging and accounting fraud. This followed our \$97.5 million settlement with AIG's auditors and an additional \$115 million settlement with former AIG officers and related defendants which is still pending before the court. Further, a proposed \$72 million settlement with General Reinsurance Corporation, which was alleged to have been involved in one of the accounting frauds with AIG, was approved by the Second Circuit on September 11, 2013. In total, the four AIG settlements provided a recovery of more than \$1 billion for class members.

In re Countrywide Financial Corp. Securities Litigation,
No. CV 07-cv-05295-MRP-MAN (C.D. Cal.)

Labaton Sucharow served as sole lead counsel on behalf of the New York State Common Retirement Fund and the five New York City public pension funds. Plaintiffs alleged that defendants violated securities laws by making false and misleading statements concerning Countrywide's business as an issuer of residential mortgages, the creditworthiness of borrowers, underwriting and loan origination practices, loan loss and other accounting provisions, and misrepresenting high-risk low-documentation loans as being "prime." While the price of Countrywide stock was artificially inflated by defendants' false representations, insiders received millions of dollars from Countrywide stock sales. On February 25, 2011, the court granted final approval to a

settlement of \$624 million, which at the time was the 14th largest securities class action settlement in the history of the PSLRA.

In re Waste Management, Inc. Securities Litigation,
Civ. No. H-99-2183 (S.D. Tex.)

In 2002, Judge Melinda Harmon approved an extraordinary settlement that provided for recovery of \$457 million in cash, plus an array of far reaching corporate governance measures. At that time, this settlement was the largest common fund settlement of a securities action achieved in any court within the Fifth Circuit and the third largest achieved in any federal court in the nation. Judge Harmon noted, among other things, that Labaton Sucharow “*obtained an outstanding result by virtue of the quality of the work and vigorous representation of the class.*”

In re General Motors Corp. Securities Litigation,
No. 06-1749, (E.D. Mich.)

Labaton Sucharow was co-lead counsel for DekalInvestment GmbH. The complaint alleged that, over a period of six years, General Motors (“GM”), its officers and its outside auditor overstated GM’s income by billions of dollars, and GM’s operating cash flows by tens of billions of dollars, through a series of accounting manipulations that included, among other things, prematurely recognizing income from supplier rebates, misclassifying cash flow as operating rather than investing cash flow, and omitting to disclose the nature and amount of GM’s guarantee of pension benefits owing to workers at GM’s former parts division, now an independent corporation in Chapter 11 bankruptcy protection, Delphi Corporation. On July 21, 2008, a settlement was reached whereby GM made a cash payment of \$277 million and defendant Deloitte & Touche LLP, which served as GM’s outside auditor during the period covered by the action, agreed to contribute an additional \$26 million in cash.

In re El Paso Corporation Securities Litigation,
Civ. No. H-02-2717 (S.D. Tex.)

Labaton Sucharow secured a \$285 million class action settlement against the El Paso Corporation. The case involved a securities fraud stemming from the company’s inflated earnings statements, which cost shareholders hundreds of millions of dollars during a four-year span. The settlement was approved by the court on March 6, 2007.

In re PaineWebber Limited Partnerships Litigation,
No. 94 Civ. 832/7 (SHS) (S.D.N.Y.)

Judge Sidney H. Stein approved a settlement valued at \$200 million and found “*that class counsel’s representation of the class has been of high caliber in conferences, in oral arguments and in work product.*”

Eastwood Enterprises, LLC v. Farha et al. (WellCare Securities Litigation),
No. 8:07-cv-1940-T-33EAJ (M.D. Fla.)

On behalf of The New Mexico State Investment Council and the Public Employees Retirement Association of New Mexico, co-lead counsel for the class, Labaton Sucharow negotiated a \$200 million settlement over allegations that WellCare Health

Plans, Inc., a Florida-based managed healthcare service provider, disguised its profitability by overcharging state Medicaid programs. Under the terms of the settlement, which was approved by the court on May 4, 2011, WellCare agreed to pay an additional \$25 million in cash if, at any time in the next three years, WellCare is acquired or otherwise experiences a change in control at a share price of \$30 or more after adjustments for dilution or stock splits.

In re Bristol-Myers Squibb Securities Litigation,
Civ. No. 00-1990 (D.N.J.)

After prosecuting securities fraud claims against Bristol-Myers Squibb (“BMS”) for more than five years, Labaton Sucharow reached an agreement to settle the claims for \$185 million and significant corporate governance reforms.

In re 2008 Fannie Mae Securities Litigation,
No. 08-CV-1859 (E.D.Mo.)

As co-lead counsel, Labaton Sucharow secured a \$170 million settlement with Fannie Mae. This settlement is a significant feat, particularly following the unfavorable result for investors of Fannie Mae’s sibling company, Freddie Mac, in a similar case. Lead plaintiff successfully alleged that investors’ losses were caused by Fannie Mae’s misrepresentations and poor risk management, rather than by the financial crisis. The action involved Fannie Mae’s strategic shift toward acquiring and guaranteeing highly risky Alt-A and subprime mortgages. Lead plaintiffs alleged that Fannie Mae falsely assured investors that it could effectively manage the substantially higher level of credit, market, liquidity, and operational risks, but in fact, Fannie Mae’s risk management was inadequate. Such deficiencies rendered Fannie Mae vulnerable to the 2008 financial crisis, ultimately leading the Federal Housing Finance Agency to bring the company under conservatorship. Lead plaintiffs also alleged that Fannie Mae misclassified certain types of mortgages as prime when the company had information confirming those mortgages performed as bad or worse than subprime and Alt-A loans.

In re Broadcom Corp. Securities Litigation,
No. 06-cv-05036-R-CW (C.D. Cal.)

Labaton Sucharow served as lead counsel on behalf of lead plaintiff New Mexico State Investment Council in a case stemming from Broadcom Corp.’s \$2.2 billion restatement of its historic financial statements for 1998-2005. In August 2010, the court granted final approval of a \$160.5 million settlement with Broadcom and two individual defendants to resolve this matter, the second largest upfront cash settlement ever recovered from a company accused of options backdating. On April 14, 2011, the Court of Appeals for the Ninth Circuit issued an opinion in *New Mexico State Investment Council v. Ernst & Young LLP*—a matter related to Broadcom. In particular, the Ninth Circuit’s opinion held that the complaint contains three separate sets of allegations that adequately allege Ernst & Young’s (“E&Y”) scienter, and that there is “no doubt” that lead plaintiff carried its burden in alleging E&Y acted with actual knowledge or reckless disregard that their unqualified audit opinion was fraudulent. Importantly, the decision confirms that outside auditors are subject to the same pleading standards as all other defendants. In addition, the opinion confirms that a

defendant's pre-class-period knowledge is relevant to its fraudulent scienter, and must be considered holistically with the rest of the allegations. In August 2011, the District Court spread the Ninth Circuit's mandate made in April 2011, and denied Ernst & Young's motion to dismiss on the ground of loss causation. This ruling is a major victory for the class and a landmark decision by the court—the first of its kind in a case arising from stock-options backdating. The decision underscores the impact that institutional investors can have in enforcing the federal securities laws, above and beyond the role of prosecutors and regulators. On October 12, 2012, the court approved a \$13 million settlement with Ernst & Young.

In re Satyam Computer Services Ltd. Securities Litigation,
No. 09-md-2027-BSJ (S.D.N.Y.)

Satyam, referred to as “India’s Enron,” engaged in one of the most egregious frauds on record. In a case that rivals the Enron and Madoff scandals, lead plaintiffs allege that Satyam Computer Services Ltd., related entities, its auditors and certain directors and officers made materially false and misleading statements to the investing public about the company’s earnings and assets, which had the effect of artificially inflating the price of Satyam securities. On September 13, 2011, the court granted final approval to a settlement with Satyam of \$125 million. The court also granted final approval to a settlement with the company’s auditor, PricewaterhouseCoopers (PwC), in the amount of \$25.5 million.

In re Mercury Interactive Corp. Securities Litigation,
Civ. No. 5:05-CV- 3395 (N.D. Cal.)

Labaton Sucharow served as co-lead counsel on behalf of co-lead plaintiff Steamship Trade Association/International Longshoremen’s Association Pension Fund. The allegations in *Mercury* concern backdated option grants used to compensate employees and officers of the Company. Mercury’s former CEO, CFO, and General Counsel actively participated in and benefited from the options backdating scheme, which came at the expense of Mercury shareholders and the investing public. On September 25, 2008, the court granted final approval of the \$117.5 million settlement.

In re Prudential Securities Inc. Limited Partnership Litigation,
Civ. No. M-21-67 (S.D.N.Y.)

In this well-known securities litigation, the late Judge Milton Pollack cited the “Herculean” efforts of Labaton Sucharow and its co-lead counsel and, in approving a \$110 million partial settlement, stated that *“this case represents a unique recovery – a recovery that does honor to every one of the lawyers on your side of the case.”*

In re Oppenheimer Champion Fund Securities Fraud Class Actions,
No. 09-cv-525-JLK-KMT (D. Colo.)

and

In re Core Bond Fund,
No. 09-cv-1186-JLK-KMT (D. Colo.)

Labaton Sucharow served as lead counsel in two related securities class actions brought against OppenheimerFunds, Inc., among others, and certain officers and trustees of two funds – Oppenheimer Core Bond Fund and Oppenheimer Champion

Income Fund. The lawsuits alleged that the investment policies followed by the funds resulted in investor losses when the funds suffered drops in net asset value although the funds were presented as safe and conservative investments to consumers. In May 2011, the Firm achieved settlements amounting to \$100 million: \$52.5 million in *In re Oppenheimer Champion Fund Securities Fraud Class Actions* and a \$47.5 million settlement in *In re Core Bond Fund*.

In re Vesta Insurance Group, Inc. Securities Litigation,
Civ. No. CV-98-AR-1407 (N.D. Ala.)

After years of protracted litigation, Labaton Sucharow secured a settlement of \$78 million on the eve of trial.

In re St. Paul Traveler's II Securities Litigation,
Civ. No. 04-4697 (JRT/FLN) (D. Minn.)

In the second of two cases filed against St. Paul Travelers by Labaton Sucharow, arose from the industry-wide insurance scandal involving American International Group, Marsh McLennan, the St. Paul Companies, and numerous other insurance providers and brokers. On July 23, 2008, the court granted final approval of the \$77 million settlement and certified the settlement class.

In re St. Paul Travelers Securities Litigation,
No. 04-CV-3801 (D. Minn.)

Labaton Sucharow was able to successfully negotiate the creation of an all cash settlement fund to compensate investors in the amount of \$67.5 million in November 2005. This settlement is one of the largest securities class action settlements in the Eighth Circuit.

In re Monster Worldwide, Inc. Securities Litigation,
No. 07-CV-02237 (S.D.N.Y.)

Labaton Sucharow represented Middlesex County Retirement System in claims alleging that defendants engaged in a long-running scheme to backdate Monster's stock option grants to attract and retain employees without recording the resulting compensation expenses. On November 25, 2008, the court granted final approval of the \$47.5 million settlement.

Hughes v. Huron Consulting Group, Inc.,
09-CV-4734 (N.D. Ill.)

Labaton Sucharow acted as co-lead counsel for lead plaintiffs the Public School Teachers' Pension & Retirement Fund of Chicago, the Arkansas Public Employees Retirement System, State-Boston Retirement System, the Cambridge Retirement System and the Bristol County Retirement System in a suit alleging that Huron Consulting Group and certain individual defendants made materially false or misleading statements to the investing public, which had the effect of artificially inflating the price of Huron's common stock. On May 6, 2011, the court granted final approval to a settlement in the amount of \$27 million dollars plus 474,547 shares of Huron common stock (valued at approximately \$11 million as of November 24, 2010,

based on its closing price of \$23.18). This settlement represents a significant percentage of the alleged \$57 million in earnings that the company overstated.

Abrams v. VanKampen Funds, Inc.,

01 C 7538 (N.D. Ill.)

In January 2006, Labaton Sucharow obtained final approval of a \$31.5 million settlement in an innovative class action concerning VanKampen's senior loan mutual fund, alleging that the fund overpriced certain senior loan interests where market quotations were readily available. The gross settlement fund constitutes a recovery of about 70% of the class's damages as determined by plaintiffs' counsel.

In re NovaGold Resources Inc. Securities Litigation,

No. 1:08-cv-07041 (S.D.N.Y.)

Labaton Sucharow served as lead counsel in a securities class action over NovaGold's misleading representations regarding the economic feasibility of its Galore Creek mining project. Labaton Sucharow secured a global settlement of C\$28 million (approximately \$26 million U.S.), one of the largest cross-border securities class action settlements in 2010.

Police and Fire Retirement System of the City of Detroit, et al. v. SafeNet, Inc., et al.,

No. 06-Civ-5797 (PAC)

Labaton Sucharow served as co-lead counsel for lead plaintiffs the Police and Fire Retirement System of the City of Detroit, the Plymouth County Retirement System, and the State-Boston Retirement System in a suit alleging that SafeNet, Inc. ("SafeNet") and certain individual defendants misled investors by making misrepresentations and omissions to the investing public, which had the effect of artificially inflating SafeNet's stock price. On December 20, 2010, the court granted final approval to the \$25 million settlement.

Desert Orchid Partners, L.L.C. v. Transactions Systems Architects, Inc.,

Civ. No. 02 CV 533 (D. Neb.)

Labaton Sucharow represented the Genesee Employees' Retirement System as lead plaintiff in claims alleging violations of the federal securities laws. On March 2, 2007, the court granted final approval to the settlement of this action for \$24.5 million in cash.

In re Orbital Sciences Corp. Securities Litigation,

Civ. No. 99-197-A (E.D. Va.)

After cross-motions for summary judgment were fully briefed, defendants (and Orbital's auditor in a related proceeding) agreed to a \$23.5 million cash settlement, warrants, and substantial corporate governance measures.

In re International Business Machines Corp. Securities Litigation,

Civ. No. 1:05-cv-6279 (AKH) (S.D.N.Y.)

Labaton Sucharow served as lead counsel in this action alleging that that International Business Machines Corp. ("IBM"), and its CFO, Mark Loughridge, made material

misrepresentations and omissions concerning IBM's expected 2005 first quarter earnings, IBM's expected 2005 first quarter operational performance, and the financial impact of IBM's decision to begin expensing stock options on its 2005 first quarter financial statements. On September 9, 2008, the court granted final approval of the \$20 million settlement.

In re Take-Two Interactive Securities Litigation,

Civ. No. 06-CV-803-RJS (S.D.N.Y.)

Labaton Sucharow acted as lead counsel for lead plaintiffs New York City Employees' Retirement System, New York City Police Pension Fund and New York City Fire Department Pension Fund in a securities class action against Take-Two Interactive Software, Inc. ("Take-Two") and its officers and directors. Lead plaintiffs alleged that Take-Two, maker of the "Grand Theft Auto" video game series, improperly backdated stock options. On October 20, 2010, the court granted final approval of the \$20.1 million settlement and significant corporate governance reforms.

In re Just for Feet Noteholder Litigation,

Civ. No. CV-00-C-1404-S (N.D. Ala.)

Labaton Sucharow, as lead counsel, represented lead plaintiff Delaware Management and the Aid Association for Lutherans with respect to claims brought on behalf of noteholders. On October 21, 2005, Chief Judge Clemon of the U.S. District Court for the Northern District of Alabama preliminarily approved plaintiffs' settlement with Banc of America Securities LLC, the sole remaining defendant in the case, for \$17.75 million. During the course of the litigation, Labaton Sucharow obtained certification for a class of corporate bond purchasers in a ground-breaking decision, *AAL High Yield Bond Fund v. Ruttenberg*, 229 F.R.D. 676 (N.D. Ala. 2005), which is the first decision by a federal court to explicitly hold that the market for high-yield bonds such as those at issue in the action was efficient.

In re American Tower Corporation Securities Litigation,

Civ. No. 06 CV 10933 (MLW) (D. Mass.)

Labaton Sucharow represented the Steamship Trade Association-International Longshoreman's Association Pension Fund (STA-ILA) in claims alleging that certain of American Tower Corporation's current and former officers and directors improperly backdated the Company's stock option grants and made materially false and misleading statements to the public concerning the Company's financial results, option grant policies and accounting, causing damages to investors. On June 11, 2008, the court granted final approval of the \$14 million settlement.

In re CapRock Communications Corp. Securities Litigation,

Civ. No. 3-00-CV-1613-R (N.D. Tex.)

Labaton Sucharow represented a prominent Louisiana-based investment adviser in claims alleging violations of the federal securities laws. The case settled for \$11 million in 2003.

In re SupportSoft Securities Litigation,

Civ. No. C 04-5222 SI (N.D. Cal.)

Labaton Sucharow secured a \$10.7 million settlement on October 2, 2007 against SupportSoft, Inc. The action alleged that the defendants had artificially inflated the price of the Company's securities by re-working previously entered into license agreements for the company's software in order to accelerate the recognition of revenue from those contracts.

In re InterMune Securities Litigation,

No. 03-2454 SI (N.D. Cal. 2005)

Labaton Sucharow commenced an action on behalf of its client, a substantial investor, against InterMune, a biopharmaceutical firm, and certain of its officers, alleging securities fraud in connection with InterMune's sales and marketing of a drug for off-label purposes. Notwithstanding higher pleading and proof standards in the jurisdiction in which the action had been filed, Labaton Sucharow utilized its substantial investigative resources and creative alternative theories of liability to successfully obtain an early, pre-discovery settlement of \$10.4 million. The court complimented Labaton Sucharow on its ability to obtain a substantial benefit for the class in such an effective manner.

In re HCC Insurance Holdings, Inc. Securities Litigation,

Civ. No. 4:07-cv-801 (S.D. Tex.)

Labaton Sucharow served as lead counsel in this case alleging that certain of HCC's current and former officers and directors improperly backdated the Company's stock option grants and made materially false and misleading statements to the public concerning the Company's financial results, option grant policies and accounting, causing damages to investors. On June 17, 2008, the court granted final approval of the \$10 million settlement.

In re Adelphia Communications Corp. Securities & Derivative Litigation,

Civ. No. 03 MD 1529 (LMM) (S.D.N.Y.)

Labaton Sucharow represents the New York City Employees' Retirement System (and certain other New York City pension funds) and the Division of Investment of the New Jersey Department of the Treasury in separate individual actions against Adelphia's officers, auditors, underwriters, and lawyers. To date, Labaton Sucharow has fully resolved certain of the claims brought by New Jersey and New York City for amounts that significantly exceed the percentage of damages recovered by the class. New Jersey and New York City continue to prosecute their claims against the remaining defendants.

STI Classic Funds v. Bollinger Industries, Inc.,

No. 96-CV-0823-R (N.D. Tex.)

Labaton Sucharow commenced related suits in both state and federal courts in Texas on behalf of STI Classic Funds and STI Classic Sunbelt Equity Fund, affiliates of the SunTrust Bank. As a result of Labaton Sucharow's efforts, the class of Bollinger Industries, Inc. investors, on whose behalf the bank sued, obtained the maximum

recovery possible from the individual defendants and a substantial recovery from the underwriter defendants. Notwithstanding a strongly unfavorable trend in the law in the State of Texas, and strong opposition by the remaining accountant firm defendant, Labaton Sucharow has obtained class certification and continues to prosecute the case against that firm.

Among the institutional investor clients Labaton Sucharow represents and advises are:

- Arkansas Teacher Retirement System
- Baltimore County Retirement System
- Bristol County Retirement Board
- California Public Employees' Retirement System
- City of New Orleans Employees' Retirement System
- Connecticut Retirement Plans & Trust Funds
- Division of Investment of the New Jersey Department of the Treasury
- Genesee County Employees' Retirement System
- Illinois Municipal Retirement Fund
- Louisiana Municipal Police Employees' Retirement System
- Teachers' Retirement System of Louisiana
- Macomb County Employees Retirement System
- Metropolitan Atlanta Rapid Transit Authority
- Michigan Retirement Systems
- Middlesex Retirement Board
- Mississippi Public Employees' Retirement System
- New York City Pension Funds
- New York State Common Retirement Fund
- Norfolk County Retirement System
- Office of the Ohio Attorney General and several of its Retirement Systems
- Oklahoma Firefighters Pension and Retirement System
- Plymouth County Retirement System
- Office of the New Mexico Attorney General and several of its Retirement Systems
- Rhode Island State Investment Commission
- San Francisco Employees' Retirement System
- State of Oregon Public Employees' Retirement System
- State of Wisconsin Investment Board
- State-Boston Retirement System
- Steamship Trade Association/International Longshoremen's Association
- Virginia Retirement System

Comments About Our Firm By The Courts

Many federal judges have commented favorably on the Firm's expertise and results achieved in securities class action litigation. Judge John E. Sprizzo complimented the Firm's work in *In re Revlon Pension Plan Litigation*, Civ. No. 91-4996 (JES) (S.D.N.Y.). In granting final approval to the settlement, Judge Sprizzo stated that:

[t]he recovery is all they could have gotten if they had been successful. I have probably never seen a better result for the class than you have gotten here.

Labaton Sucharow was a member of the executive committee of plaintiffs' counsel in *In re PaineWebber Limited Partnerships Litigation*, Master File No. 94 Civ. 8547 (SHS). In approving a class-wide settlement valued at \$200 million, Judge Sidney H. Stein of the Southern District of New York stated:

The Court, having had the opportunity to observe first hand the quality of class counsel's representation during this litigation, finds that class counsel's representation of the class has been of high caliber in conferences, in oral arguments and in work product.

In *In re Prudential-Bache Energy Income Partnerships Securities Litigation*, MDL No. 888 (E.D. La.), an action in which Labaton Sucharow served on the executive committee of plaintiffs' counsel, Judge Marcel Livaudais, Jr., of the United States District Court for the Eastern District of Louisiana, observed that:

Counsel were all experienced, possessed high professional reputations and were known for their abilities. Their cooperative effort in efficiently bringing this litigation to a successful conclusion is the best indicator of their experience and ability The executive committee is comprised of law firms with national reputations in the prosecution of securities class action and derivative litigation. The biographical summaries submitted by each member of the executive committee attest to the accumulated experience and record of success these firms have compiled.

In *Rosengarten v. International Telephone & Telegraph Corp.*, Civ. No. 76-1249 (N.D.N.Y.), Judge Morris Lasker noted that the Firm:

served the corporation and its stockholders with professional competence as well as admirable intelligence, imagination and tenacity.

Judge Lechner, presiding over the \$15 million settlement in *In re Computron Software Inc. Securities Class Action Litigation*, Civ. No. 96-1911 (AJL) (D.N.J.), where Labaton Sucharow served as co-lead counsel, commented that:

I think it's a terrific effort in all of the parties involved . . . , and the co-lead firms . . . I think just did a terrific job. You [co-lead counsel and] Mr. Plasse, just did terrific work in the case, in putting it all together

In *Middlesex County Retirement System v. Monster Worldwide, Inc.*, No. 07-cv-2237 (S.D.N.Y.), Judge Rakoff appointed Labaton Sucharow as lead counsel, stating that “*the Labaton firm is very well known to courts for the excellence of its representation.*”

In addition, Judge Rakoff commented during a final approval hearing that “*the quality of the representation was superb*” and “[*this case is a*] good example of how [*the*] securities class action device serves laudatory public purposes.”

During a fairness hearing in the *In re American Tower Corporation Securities Litigation*, No. 06-CV-10933 (MLW) (D. Mass.), Chief Judge Mark L. Wolf stated:

[t]he attorneys have brought to this case considerable experience and skill as well as energy. Mr. Goldsmith has reminded me of that with his performance today and he maybe educated me to understand it better.

In *In re Satyam Computer Services Ltd. Securities Litigation*, No. 09-md- 2027 (S.D.N.Y.), Judge Jones commended lead counsel during the final approval hearing noting that the “. . . *quality of representation which I found to be very high*”

In *In re DG Fastchannel, Inc. Securities Litigation*, No. 10 Civ 6523 (RJS), Judge Sullivan remarked in the order granting attorneys' fees and litigation expenses that “*Lead counsel conducted the litigation and achieved the settlement with skillful and diligent advocacy.*”

During the final approval hearing in *Bruhl, et al. v. PricewaterhouseCoopers, et al.*, No. 03-23044 (S.D. Fla.), Judge Kenneth Marra stated:

I want to thank all of the lawyers for your professionalism. It's been a pleasure dealing with you. Same with my staff. You've been wonderful. The quality of the work was, you know, top notch magnificent lawyering. And I can't say that I'm sad to see the case go, but I certainly look forward to having all of you back in court with me again in some other matters. So thank you again for everything you've done in terms of the way you've handled the case, and I'm going to approve the settlement and the fees.

In and Around The Community

As a result of our deep commitment to the community, Labaton Sucharow stands out in areas such as pro bono legal work and public and community service.

Firm Commitments

The Lawyers' Committee for Civil Rights Under Law

Edward Labaton, Member, Board of Directors

The Firm is a long-time supporter of The Lawyers' Committee for Civil rights Under Law, a nonpartisan, nonprofit organization formed in 1963 at the request of President John F. Kennedy. The Lawyer's Committee involves the private bar in providing legal services to address racial discrimination.

Labaton Sucharow attorneys have contributed on the federal level to United States Supreme Court nominee analyses (analyzing nominees for their views on such topics as ethnic equality, corporate diversity and gender discrimination) and national voters' rights initiatives.

Volunteer Lawyers For The Arts (VLA)

Labaton Sucharow also supports Volunteer Lawyers for the Arts, working as part of VLA's pro bono team representing low-income artists and nonprofit arts organizations. VLA is the leading provider of educational and legal services, advocacy and mediation to the arts community.

Change For Kids

Labaton Sucharow supports Change for Kids and became its Lead School Partner as a Patron of P.S. 73 in the South Bronx.

Individual Attorney Commitments

Labaton Sucharow attorneys serve in a variety of pro bono and community service capacities:

- Pro bono representation of mentally ill tenants facing eviction, appointed as Guardian ad litem in several housing court actions.
- Recipient of a Volunteer and Leadership Award from a tenants' advocacy organization for work defending the rights of city residents and preserving their fundamental sense of public safety and home.
- Board Member of the Ovarian Cancer Research Fund – the largest private funding agency of its kind supporting research into a method of early detection and, ultimately, a cure for ovarian cancer.

Our attorneys also participate in many charitable organizations, including:

- Big Brothers/Big Sisters of New York City
- Boys and Girls Club of America
- City Harvest
- City Meals-on-Wheels
- Cycle for Survival
- Cystic Fibrosis Foundation
- Dana Farber Cancer Institute

- Food Bank for New York City
- Fresh Air Fund
- Habitat for Humanity
- Lawyers Committee for Civil Rights
- Legal Aid Society
- The National Lung Cancer Partnership
- National MS Society
- National Parkinson Foundation
- New York Cares
- Peggy Browning Fund
- Sanctuary for Families
- Sandy Hook School Support Fund
- Save the Children
- The Sidney Hillman Foundation
- Special Olympics
- Williams Syndrome Association

Women's Initiative and Minority Scholarship

Recognizing that opportunities for advancement and collaboration have not always been equitable to women in business, Labaton Sucharow launched its Women's Networking and Mentoring Initiative in 2007. The Firm founded a Women's Initiative to reflect our commitment to the advancement of women professionals. The goal of the Initiative is to bring professional women together to collectively advance women's influence in business. Each event showcases a successful woman role model as a guest speaker. We actively discuss our respective business initiatives and hear the guest speaker's strategies for success. Labaton Sucharow mentors and promotes the professional achievements of the young women in our ranks and others who join us for events. The Firm also is a member of the National Association of Women Lawyers (NAWL). For more information regarding Labaton Sucharow's Women's Initiative, please visit <http://www.labaton.com/en/about/women/Womens-Initiative.cfm>

Further, demonstrating our commitment to diversity in law and to introduce minority students to Labaton Sucharow, in 2006, we established the Labaton Sucharow Minority Scholarship and Internship. The annual award – a grant and a summer associate position – is presented to a first-year minority student from a metropolitan New York law school who has demonstrated academic excellence, community commitment and personal integrity.

The Firm has also instituted a diversity internship in which we invite two students from Hunter College to join us each summer. These interns are rotated through our various departments, shadowing Firm partners and getting a feel for the inner workings of Labaton Sucharow.

Attorneys

Among the attorneys at Labaton Sucharow who are involved in the prosecution of securities actions are partners Lawrence A. Sucharow, Martis Alex, Mark S. Arisohn, Christine S. Azar, Eric J. Belfi, Joel H. Bernstein, Thomas A. Dubbs, Jonathan Gardner, David J. Goldsmith, Louis Gottlieb, Serena Hallowell, Thomas G. Hoffman, Jr., James W. Johnson, Christopher J. Keller, Edward Labaton, Christopher J. McDonald, Jonathan M. Plasse, Michael H. Rogers, Ira A. Schochet, Michael W. Stocker, Jordan A. Thomas and Nicole M. Zeiss; senior counsel Richard T. Joffe; and of counsel attorneys Angelina Nguyen, Barry M. Okun, Ralph Sianni and Carol C. Villegas. A short description of the qualifications and accomplishments of each follows.

Lawrence A. Sucharow, Chairman

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With nearly four decades of specialized experience, the Firm's Chairman, Lawrence Sucharow is an internationally recognized trial lawyer and a leader of the class action bar. Under his guidance, the Firm has earned its position as one of the top plaintiffs securities and antitrust class action litigation boutiques in the world. As Chairman, Larry focuses on counseling the Firm's large institutional clients, developing creative and compelling strategies to advance and protect clients' interests, and assist in the prosecution and resolution of many of the Firm's leading cases.

Over the course of his career, Larry has prosecuted hundreds of cases and the Firm has recovered more than \$8 billion in groundbreaking securities, antitrust, business transaction, product liability, and other class actions. In fact, a landmark case tried in 2002 – *In re Real Estate Associates Limited Partnership Litigation* – was the very first securities action successfully tried to a jury verdict following the enactment of the Private Securities Litigation Reform Act (PSLRA). Experience such as this has made Larry uniquely qualified to evaluate and successfully prosecute class actions.

Other representative matters include: *In re CNL Resorts, Inc. Securities Litigation* (\$225 million settlement); *In re Paine Webber Incorporated Limited Partnerships Litigation* (\$200 million settlement); *In re Prudential Securities Incorporated Limited Partnerships Litigation* (\$110 million partial settlement); *In re Prudential Bache Energy Income Partnerships Securities Litigation* (\$91 million settlement); and *Shea v. New York Life Insurance Company* (over \$92 million settlement).

In recognition of his career accomplishments and standing at the Bar, Larry was selected by *Law360* as one the 10 Most Admired Securities Attorneys in the United States. Further, he is one of a small handful of plaintiffs' securities lawyers in the United States independently selected by each of *Chambers and Partners USA*, *The Legal 500*, *Benchmark Litigation* and *Lawdragon 500* for their respective highest rankings. Referred to as a "legend" by his peers in *Benchmark Litigation*, *Chambers* describes him as "an immensely respected plaintiff advocate" and "renowned figure in the securities plaintiff world...[that] has handled some of the most high-profile litigation in this field." According to *The Legal 500*, clients characterize Larry as a "a strong and passionate advocate with a desire to win." In addition, Brooklyn Law School honored Larry with the 2012 Alumni of the Year Award for his notable achievements in the field.

Larry has served a two-year term as President of the National Association of Shareholder and Consumer Attorneys, a membership organization of approximately 100 law firms that practice complex civil litigation including class actions. A longtime supporter of the Federal Bar Council, Larry serves as a trustee of the Federal Bar Council Foundation. He is a member of the Federal Bar Council's Committee on Second Circuit Courts, and the Federal Courts Committee of the New York County Lawyers' Association. He is also a member of the Securities Law Committee of the New Jersey State Bar Association and was the Founding Chairman of the Class Action Committee of the Commercial and Federal Litigation Section of the New York State Bar Association, a position he held from 1988-1994. In addition, Larry serves on the Advocacy Committee of the World Federation of Investors Corporation, a worldwide umbrella organization of national shareholder associations. In May 2013, Larry was elected Vice Chair of the International Financial Litigation Network, a network of law firms from 15 countries seeking international solutions to cross-border financial problems.

Larry is admitted to practice in the States of New York, New Jersey and Arizona, as well as before the Supreme Court of the United States, the United States Court of Appeals for the Second Circuit, and the United States District Courts for the Southern and Eastern Districts of New York, the District of New Jersey, and the District of Arizona.

Martis Alex, Partner

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Martis Alex prosecutes complex litigation on behalf of consumers as well as domestic and international institutional investors. She has extensive experience litigating mass tort and class action cases nationwide, specifically in the areas of consumer fraud, product liability, and securities fraud. She has successfully represented consumers and investors in cases that achieved cumulative recoveries of hundreds of millions of dollars for plaintiffs.

Named one of *Benchmark Litigation's* 2015 Top 250 Women in Litigation, Martis is an elected member of the Firm's Executive Committee and chairs the Firm's Consumer Protection Practice as well as the Women's Initiative. Martis is also an Executive Council member of Ellevest, a global professional network dedicated advancing women's leadership across industries.

Martis currently leads the team litigating the first nationwide consumer class action concerning defective Takata-made airbags. Previously, Martis acted as lead trial counsel and Co-Chair of the Plaintiffs' Steering Committee in the *Napp Technologies Explosion Litigation*, where she won substantial recoveries for families and firefighters injured in a chemical plant explosion.

Martis was a member of the Plaintiffs' Legal Committees in national product liability actions against the manufacturers of orthopedic bone screws (*In re Orthopedic Bone Screw Products Liability Litigation*), atrial pacemakers (*In re Telectronics Pacing Systems, Inc. Accufix Atrial "J" Leads Product Liability Litigation*), and latex gloves (*In re Latex Gloves Products Liability Litigation*), as well as in the national litigation against the tobacco companies (*Castano v. American Tobacco Co.*). She also participated in the prosecution of the breast implant litigation (*In re Silicone Gel Breast Implant Products Liability Litigation*).

In her securities practice, Martis represents several foreign financial institutions, seeking recoveries of more than a billion dollars in losses in their RMBS investments.

Martis played a key role in litigating *In re American International Group, Inc. Securities Litigation*, recovering more than \$1 billion in settlements for investors. She was an integral part of the team that successfully litigated *In re Bristol-Myers Squibb Securities Litigation*, which resulted in a \$185 million settlement for investors and secured meaningful corporate governance reforms that will affect future consumers and investors alike.

Martis acted as lead trial counsel and Chair of the Executive Committee in the Zenith Laboratories Securities Litigation, a federal securities fraud class action which settled during trial and achieved a significant recovery for investors. In addition, she served as co-lead counsel in several securities class actions that attained substantial awards for investors, including *Cadence Design Securities Litigation*, *Halsey Drug Securities Litigation*, *Slavin v. Morgan Stanley*, *Lubliner v. Maxtor Corp.*, and *Baden v. Northwestern Steel and Wire*.

Prior to entering private practice, Martis was a trial lawyer with the Sacramento, California District Attorney's Office. She frequently speaks on various legal topics at national conferences and is a recipient of the American College of Trial Lawyers' Award for Excellence in Advocacy.

Martis is admitted to practice in the States of California and New York as well as before the Supreme Court of the United States, the United States Court of Appeals for the Second Circuit and the United States District Courts for the Western District of Washington, the Southern, Eastern and Western Districts of New York, and the Central District of California.

Mark S. Arisohn, Partner

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Mark S. Arisohn concentrates his practice on prosecuting complex securities fraud cases on behalf of institutional investors. Mark is an accomplished litigator, with nearly 40 years of extensive trial experience in jury and non-jury matters in the state and federal courts nationwide. He has also argued in the New York Court of Appeals, the United States Court of Appeals for the Second Circuit and appeared before the United States Supreme Court in the landmark insider trading case of *Chiarella v. United States*.

Mark's wide-ranging practice has included prosecuting and defending individuals and corporations in cases involving securities fraud, mail and wire fraud, bank fraud and RICO violations. He has represented public officials, individuals and companies in the construction and securities industries as well as professionals accused of regulatory offenses and professional misconduct. He also has appeared as trial counsel for both plaintiffs and defendants in civil fraud matters and corporate and commercial matters, including shareholder litigation, business torts, unfair competition and misappropriation of trade secrets.

Mark is one of the few litigators in the plaintiffs' bar to have tried two securities fraud class action cases to a jury verdict.

Mark is an active member of the Association of the Bar of the City of New York and has served on its Judiciary Committee, the Committee on Criminal Courts, Law and Procedure, the Committee on Superior Courts and the Committee on Professional Discipline. He serves as a mediator for the Complaint Mediation Panel of the Association of the Bar of the City of New York where he mediates attorney client disputes and as a hearing officer for the New York

State Commission on Judicial Conduct where he presides over misconduct cases brought against judges.

Mark also co-leads Labaton Sucharow's Securities Arbitration pro bono project in conjunction with Brooklyn Law School where he serves as an adjunct professor. Mark, together with Labaton Sucharow associates and Brooklyn Law School students, represents aggrieved and defrauded individual investors who cannot otherwise afford to pay for legal counsel in financial industry arbitration matters against investment advisors and stockbrokers.

Recently, Mark was named to the recommended list in the field of Securities Litigation by *The Legal 500* and recognized by Benchmark Litigation as a Securities Litigation Star. He has also received a rating of AV Preeminent from publishers of the Martindale-Hubbell directory.

Mark is admitted to practice in the State of New York and the District of Columbia as well as before the Supreme Court of the United States, the United States Court of Appeals for the Second Circuit, and the United States District Courts for the Southern, Eastern and Northern Districts of New York, the Northern District of Texas, and the Northern District of California.

Christine S. Azar, Partner

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Christine S. Azar is the Partner in Charge of Labaton Sucharow's Wilmington, Delaware Office. A longtime advocate of shareholders' rights, Christine concentrates her practice on prosecuting complex merger and derivative litigation in the Delaware Court of Chancery and throughout the United States.

In recognition of her accomplishments, *Chambers & Partners USA* ranked her as a leading lawyer in Delaware noting she is an "A-team lawyer on the plaintiff's side." She was also featured on *The National Law Journal's* Plaintiffs' Hot List, recommended by *The Legal 500* and named a Securities Litigation Star in Delaware by *Benchmark Litigation* as well as one of *Benchmark's* Top 250 Women in Litigation.

Christine's caseload represents some of the most sophisticated litigation in her field. Currently, she is representing California State Teachers' Retirement System as co-lead counsel in *In re Wal-Mart Derivative Litigation*. The suit alleges that Wal-Mart's board of directors and management breached their fiduciary duties owed to shareholders and the company as well as violated the company's own corporate governance guidelines, anti-corruption policy and statement of ethics. In *In re Freeport-McMoRan Copper & Gold Inc. Derivative Litigation*, Christine represents shareholders in a suit against the current board of directors of Freeport-McMoRan Copper & Gold Inc. in connection with two acquisitions made by Freeport totaling approximately \$20 billion. The suit alleges the transactions were tainted because the directors approving them were not independent nor disinterested: half of the Freeport board of directors comprise a majority of the board of directors of the one company (McMoRan Exploration Co.) and a third of McMoRan is owned or controlled by Plains Exploration & Production Co., the other company Freeport plans to acquire.

In recent years, Christine has worked on some of the most groundbreaking cases in the field of merger and derivative litigation. Acting as co-lead counsel in *In re El Paso Corporation Shareholder Litigation*, in the Delaware Court of Chancery in which shareholders alleged that

acquisition of El Paso by Kinder Morgan, Inc. was improperly influenced by conflicted financial advisors and management, Christine helped secure an unprecedented \$110 million settlement for her clients. In *In re TPC Group Inc. Shareholders Litigation*, Christine served as co-lead counsel for plaintiffs in a shareholder class action that alleged breaches of fiduciary duties by the TPC Group, Inc.'s ("TPC") board of directors and management in connection with the buyout of TPC by two private equity firms. During the course of the litigation shareholders received over \$79 million in increased merger consideration. Acting as co-lead counsel in *In re J.Crew Shareholder Litigation*, Christine helped secure a settlement that increased the payment to J.Crew's shareholders by \$16 million following an allegedly flawed going-private transaction. Christine also assisted in obtaining \$29 million in settlements on behalf of Barnes & Noble investors in *In re Barnes & Noble Stockholders Derivative Litigation* which alleged breaches of fiduciary duties by the Barnes & Noble management and board of directors.

Acting as co-lead counsel in *In re RehabCare Group, Inc. Shareholders Litigation*, Christine was part of the team that structured a settlement that included a cash payment to shareholders as well as key deal reforms such as enhanced disclosures and an amended merger agreement. Representing shareholders in *In re Compellent Technologies, Inc. Shareholder Litigation*, regarding the proposed acquisition of Compellent Technologies Inc. by Dell, Inc., Christine was integral in negotiating a settlement that included key deal improvements including elimination of the "poison pill" and standstill agreement with potential future bidders as well as a reduction of the termination fee amount. In *In re The Student Loan Corporation*, Christine was part of the team that successfully protected the minority shareholders in connection with a complex web of proposed transactions that ran contrary to shareholders' interest by securing a recovery of almost \$10 million for shareholders.

Christine received her J.D. and graduated *cum laude* from University of Notre Dame Law School and received a B.A. from James Madison University.

In addition to her active legal practice, Christine serves as a Volunteer Guardian Ad Litem in the Office of the Child Advocate. In this capacity, she has represented children in foster care in the state of Delaware to ensure the protection of their legal rights.

Christine is admitted to practice in the States of Delaware, New Jersey and Pennsylvania as well as before the United States Court of Appeals for the Third Circuit and the United States District Courts for the District of Delaware, the District of New Jersey, and the Eastern District of Pennsylvania.

Eric J. Belfi, Partner

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Representing many of the world's leading pension funds and other institutional investors, Eric J. Belfi concentrates his practice on securities and shareholder litigation. Eric is an accomplished litigator with a wealth of experience in a broad range of commercial matters. He also serves on the Firm's Executive Committee.

Eric is an integral member of numerous high-profile securities cases that have risen from the credit crisis, including the prosecution against Goldman Sachs. In *In re Goldman Sachs Group, Inc Securities Litigation*, he played a significant role in the investigation and drafting of the operative complaint.

Eric has had pivotal roles in securing settlements in international cases that serve as models for the application of U.S. securities law to international entities. In a case involving one of the most egregious frauds on record, *In re Satyam Computer Securities Services Ltd. Securities Litigation*, Eric was a key member of the team that represented the UK-based Mineworkers' Pension Scheme. He helped to successfully secure \$150.5 million in collective settlements and established that Satyam misrepresented the company's earnings and assets. Representing two of Europe's leading pension funds, Deka Investment GmbH and Deka International S.A., Luxembourg, in *In re General Motors Corp. Securities Litigation*, Eric was integral in securing a \$303 million settlement in a case regarding multiple accounting manipulations and overstatements by General Motors. Eric was also actively involved in securing a \$10.5 million partial settlement in *In re Colonial BancGroup, Inc. Securities Litigation*, regarding material misstatements and omissions in SEC filings by Colonial BancGroup and certain underwriters. Currently, Eric is representing pension funds in a European litigation against Vivendi.

Eric's leadership in the Financial Products & Services Litigation Practice allows Labaton Sucharow to uncover and prosecute malfeasant investment bankers in cutting-edge securities litigations. He has litigated two cases which arose out of deceptive practices by custodial banks relating to certain foreign currency transactions; he currently serves as lead counsel to Arkansas Teacher Retirement System in a class action against the State Street Corporation and certain affiliated entities and he also represented the Commonwealth of Virginia in its False Claims Act case against Bank of New York Mellon, Inc.

Eric's M&A and derivative experience includes noteworthy cases such as *In re NYSE Euronext Shareholder Litigation* and *In re Medco Health Solutions Inc. Shareholders Litigation*. In the NYSE Euronext shareholder case, Eric was a key member of the team that secured a proposed settlement which would have provided a special dividend of nearly a billion dollars to NYSE shareholders if the transaction was completed. In the Medco/Express Script merger, Eric was integrally involved in the negotiation of the settlement which included a significant reduction in the Termination Fee.

Eric's prior experience included serving as an Assistant Attorney General for the State of New York and as an Assistant District Attorney for the County of Westchester. As a prosecutor, Eric investigated and prosecuted white-collar criminal cases, including many securities law violations. He presented hundreds of cases to the grand jury and obtained numerous felony convictions after jury trials.

Eric is a frequent speaker on the topic of shareholder litigation and U.S. class actions in European countries. He also participated in a panel discussion on socially responsible investments for public pension funds during the New England Public Employees' Retirement Systems Forum.

Eric is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York, the Eastern District of Michigan, the District of Colorado, the District of Nebraska, and the Eastern District of Wisconsin.

With more than 35 years of experience with complex litigation, Joel H. Bernstein concentrates his practice on the protection of investors who have been victimized by securities fraud and breach of fiduciary duty. His significant expertise in the area of shareholder litigation has resulted in the recovery of more than a billion dollars in damages to wronged investors. He is also the lead partner in *Freedman v. Weatherford International, Ltd.*, a securities class action related to Weatherford's accounting restatements and its alleged failure to comply with Generally Accepted Accounting Principles, which resulted in overstated earnings of more than \$900 million.

As a recognized leader in his field, Joel advises large public pension funds, banks, mutual funds, insurance companies, hedge funds, other institutional and individual investors with respect to securities-related litigation in the federal and state courts as well as in arbitration proceedings before the NYSE, FINRA and other self-regulatory organizations. Joel has been recommended by *The Legal 500* in the field of Securities Litigation, where he was described by sources as a "formidable adversary," and by *Benchmark Litigation* as a Securities Litigation Star. He was also featured in *The AmLaw Litigation Daily* as Litigator of the Week on May 13, 2010 for his work on *In re Countrywide Financial Corporation Securities Litigation*. Joel has received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory.

Joel heads up the Firm's RMBS (Residential Mortgage-Backed Securities) team, representing large domestic and foreign institutional investors that invested more than \$5 billion in failed investments, which were at the heart of the current global economic crisis. The RMBS team is comprised of more than 20 attorneys and is currently prosecuting over 50 separate matters. Joel has developed significant experience with RMBS-related matters and served as lead counsel for one of the most prototypical cases arising from the financial crisis, *In re Countrywide Corporation Securities Litigation*. In this matter, he obtained a settlement of \$624 million for co-lead plaintiffs, New York State Common Retirement Fund and the New York City Pension Funds.

Joel was lead counsel to a class of investors in Massey Energy Corporation stemming from the horrific 2010 mining disaster at the Company's Upper Big Branch coal mine, which resulted in the Firm obtaining a \$265 million all-cash settlement with Alpha Natural Resources, Massey's parent company. He also has litigated cases which arose out of deceptive practices by custodial banks relating to certain foreign currency transactions; Joel currently serves as lead counsel to Arkansas Teacher Retirement System in a class action against the State Street Corporation and certain affiliated entities and he also represented the Commonwealth of Virginia in its False Claims Act case against Bank of New York Mellon, Inc.

In the past, Joel has played a central role in numerous high profile cases, including *In re Paine Webber Incorporated Limited Partnerships Litigation* (\$200 million settlement); *In re Prudential Securities Incorporated Limited Partnerships Litigation* (\$130 million settlement); *In re Prudential Bache Energy Income Partnerships Securities Litigation* (\$91 million settlement); *Shea v. New York Life Insurance Company* (\$92 million settlement); and *Saunders et al. v. Gardner* (\$10 million—the largest punitive damage award in the history of the NASD at that time). In addition, Joel was instrumental in securing a \$117.5 million settlement in *In re*

Mercury Interactive Securities Litigation, the largest settlement at the time in a securities fraud litigation based upon options backdating.

Joel also co-leads Labaton Sucharow's Securities Arbitration pro bono project in conjunction with Brooklyn Law School where he serves as an adjunct professor. Joel, together with Labaton Sucharow associates and Brooklyn Law School students, represents aggrieved and defrauded individual investors who cannot otherwise afford to pay for legal counsel in financial industry arbitration matters against investment advisors and stockbrokers.

Given his depth of experience, Joel is frequently sought out by the press to comment on securities law and has also authored numerous articles on related issues, including "Stand Up to Your Stockbroker, Your Rights As An Investor." He is a member of the American Bar Association and the New York County Lawyers' Association.

He is admitted to practice in the State of New York as well as before the United States Courts of Appeals for the First, Second, Third and Ninth Circuits and the United States District Courts for the Southern and Eastern Districts of New York. He is a member of the American Bar Association and the New York County Lawyers' Association.

Thomas A. Dubbs, Partner

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A recognized leader in securities-related litigation, Thomas A. Dubbs concentrates his practice on the representation of institutional investors in securities cases.

Tom has served as lead or co-lead counsel in some of the most important federal securities class actions in recent years, including those against American International Group, Goldman Sachs, the Bear Stearns Companies, Facebook, Fannie Mae, Broadcom, and WellCare. Tom has also played an integral role in securing significant settlements in several high-profile cases including: *In re American International Group, Inc. Securities Litigation* (settlements totaling more than \$1 billion); *In re Bear Stearns Companies, Inc. Securities Litigation* (\$275 million settlement with Bear Stearns Companies, plus a \$19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor); *In re HealthSouth Securities Litigation* (\$671 million settlement); *Eastwood Enterprises LLC v. Farha et al. (WellCare Securities Litigation)* (over \$200 million settlement); *In re 2008 Fannie Mae Securities Litigation* (\$170 million settlement pending final court approval); *In re Broadcom Corp. Securities Litigation* (\$160.5 million settlement with Broadcom, plus \$13 million settlement with Ernst & Young LLP, Broadcom's outside auditor); *In re St. Paul Travelers Securities Litigation* (\$144.5 million settlement); and *In re Vesta Insurance Group, Inc. Securities Litigation* (\$79 million settlement).

Representing an affiliate of the Amalgamated Bank, the largest labor-owned bank in the United States, a team led by Tom successfully litigated a class action against Bristol-Myers Squibb, which resulted in a settlement of \$185 million as well as major corporate governance reforms. He has argued before the United States Supreme Court and has argued 10 appeals dealing with securities or commodities issues before the United States Courts of Appeals.

Due to his well-known expertise in securities law, Tom frequently lectures to institutional investors and other groups such as the Government Finance Officers Association, the National Conference on Public Employee Retirement Systems and the Council of Institutional Investors.

He is also a prolific author of articles related to his field. His publications include: "Shortsighted?," *Investment Dealers' Digest*, May 29, 2009; "A Scotch Verdict on 'Circularity' and Other Issues," *2009 Wis. L. Rev.* 455 (2009); and "Textualism and Transnational Securities Law: A Reappraisal of Justice Scalia's Analysis in *Morrison v. National Australia Bank*," *Southwestern Journal of International Law* (2014). He has also written several columns in UK-wide publications regarding securities class action and corporate governance. He is the co-author of the following articles: "In Debt Crisis, An Arbitration Alternative," *The National Law Journal*, March 16, 2009; "The Impact of the LaPerriere Decision: Parent Companies Face Liability," *Directors Monthly*, February 1, 2009; "Auditor Liability in the Wake of the Subprime Meltdown," *BNA's Accounting Policy & Practice Report*, November 14, 2009; and "U.S. Focus: Time for Action," *Legal Week*, April 17, 2008.

Prior to joining Labaton Sucharow, Tom was Senior Vice President & Senior Litigation Counsel for Kidder, Peabody & Co. Incorporated where he represented the company in many class actions, including the First Executive and Orange County litigations and was first chair in many securities trials. Before joining Kidder, Tom was head of the litigation department at Hall, McNicol, Hamilton & Clark, where he was the principal partner representing Thomson McKinnon Securities Inc. in many matters including the Petro Lewis and Baldwin-United class actions.

Tom has been recognized as a leading securities class action attorney, receiving the highest ranking from *Chambers and Partners*—an honor he shares with only three other plaintiffs' securities lawyers in the country—and being one of eight U.S. plaintiffs' securities attorneys to be named a Leading Lawyer by *The Legal 500*. In 2012, *Law360* named him "MVP of the Year" for distinction in class action litigation. He has also been recognized by *The National Law Journal*, *Lawdragon 500* and *Benchmark Litigation* as a Securities Litigation Star. Tom has received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory.

He is a member of the New York State Bar Association, the Association of the Bar of the City of New York, and is a Patron of the American Society of International Law. He also is a member of the American Law Institute and was a member of the Members Consultative Group for the Principles of the Law of Aggregate Litigation and the Department of State Advisory Committee on Private International Law.

Tom is admitted to practice in the State of New York as well as before the Supreme Court of the United States, the United States Courts of Appeals for the Second, Ninth and Eleventh Circuits, and the United States District Court for the Southern District of New York.

Jonathan Gardner, Partner

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Jonathan Gardner's practice focuses on prosecuting complex securities fraud cases on behalf of institutional investors. An experienced litigator, he has played an integral role in securing some of the largest class action recoveries against corporate offenders since the onset of the global financial crisis.

Jonathan has led the Firm's representation of investors in many recent high-profile cases including *Rubin v. MF Global Ltd., et al.*, which involved allegations of material misstatements and omissions in a Registration Statement and Prospectus issued in connection with MF

Global's IPO in 2007. In November 2011, the case resulted in a recovery of \$90 million for investors. Jonathan also represented lead plaintiff City of Edinburgh Council as Administering Authority of the Lothian Pension Fund in *In re Lehman Brothers Equity/Debt Securities Litigation*, which resulted in settlements totaling exceeding \$600 million against Lehman Brothers' former officers and directors, Lehman's former public accounting firm as well as the banks that underwrote Lehman Brothers' offerings. In representing lead plaintiff Massachusetts Bricklayers and Masons Trust Funds in an action against Deutsche Bank, Jonathan secured a \$32.5 million dollar recovery for a class of investors injured by the Bank's conduct in connection with certain residential mortgage-backed securities.

Most recently, Jonathan was the lead attorney in several matters that resulted in significant recoveries for injured class members, including: *In re Hewlett-Packard Company Securities Litigation*, resulting in a \$57 million recovery; *In re Carter's Inc. Securities Litigation* resulting in a \$23.3 million recovery against Carter's and certain of its officers as well as PricewaterhouseCoopers, its auditing firm; *In re Lender Processing Services Inc.*, involving claims of fraudulent mortgage processing which resulted in a \$13.1 million recovery; *In re Aeropostale Inc. Securities Litigation*, resulting in a \$15 million recovery; and *In re K-12, Inc. Securities Litigation*, resulting in a \$6.75 million recovery.

Jonathan has also been responsible for prosecuting several of the Firm's options backdating cases, including *In re Monster Worldwide, Inc. Securities Litigation* (\$47.5 million settlement); *In re SafeNet, Inc. Securities Litigation* (\$25 million settlement); *In re Semtech Securities Litigation* (\$20 million settlement); and *In re MRV Communications, Inc. Securities Litigation* (\$10 million settlement). He also was instrumental in *In re Mercury Interactive Corp. Securities Litigation*, which settled for \$117.5 million, one of the largest settlements or judgments in a securities fraud litigation based upon options backdating.

Jonathan also represented the Successor Liquidating Trustee of Lipper Convertibles, a convertible bond hedge fund, in actions against the Fund's former independent auditor and a member of the Fund's general partner as well as numerous former limited partners who received excess distributions. He successfully recovered over \$5.2 million for the Successor Liquidating Trustee from the limited partners and \$29.9 million from the former auditor.

He is a member of the New York State Bar Association and the Association of the Bar of the City of New York.

Jonathan is admitted to practice in the State of New York as well as before the United States Court of Appeals for the Ninth and Eleventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York, and the Eastern District of Wisconsin.

David J. Goldsmith, Partner

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David J. Goldsmith has 15 years of experience representing public and private institutional investors in a wide variety of securities and class action litigations. In recent years, David's work has directly led to record recoveries against corporate offenders in some of the most complex and high profile securities class actions.

In June 2013, David was one of a select number of partners individually “recommended” by *The Legal 500* as part of the Firm's recognition as one of the three top-tier plaintiffs' firms in securities class action litigation.

David was an integral member of the team representing the New York State Common Retirement Fund and New York City pension funds as lead plaintiffs in *In re Countrywide Financial Corporation Securities Litigation*, which settled for \$624 million. David successfully represented these clients in an appeal brought by Countrywide's 401(k) plan in the Ninth Circuit concerning complex settlement allocation issues.

Current assignments include representations of a large German banking institution and a major Irish special-purpose vehicle in multiple actions alleging fraud in connection with residential mortgage-backed securities issued by Barclays, Credit Suisse, Goldman Sachs, Royal Bank of Scotland and others; representation of a state pension fund in a notable action alleging deceptive acts and practices by State Street Bank in connection with foreign currency exchange trades executed for its custodial clients; and representation of a hedge fund and other investors with allegations of harm by the well-publicized collapse of four Regions Morgan Keegan closed-end investment companies.

David has regularly represented the Genesee County (Michigan) Employees' Retirement System in securities and shareholder matters, including settled actions against CBeyond, Inc., Compellent Technologies, Inc., Spectranetics Corporation, and Transaction Systems Architects, Inc.

During law school, David was Managing Editor of the *Cardozo Arts & Entertainment Law Journal* and served as a judicial intern to the Honorable Michael B. Mukasey, then a United States District Judge for the Southern District of New York.

For many years, David has been a member of the AmorArtis Chamber Choir, a renowned choral organization with a repertoire ranging from Palestrina to Bach, Mozart to Bruckner, and Stravinsky to Bernstein.

He is admitted to practice in the States of New York and New Jersey as well as before the United States Courts of Appeals for the First, Second, Fifth, Eighth and Ninth Circuits and the United States District Courts for the Southern and Eastern Districts of New York, the District of New Jersey, the District of Colorado, and the Western District of Michigan.

Louis Gottlieb, Partner

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Louis Gottlieb concentrates his practice on representing institutional and individual investors in complex securities and consumer class action cases. He has played a key role in some of the most high-profile securities class actions in recent history, securing significant recoveries for plaintiffs and ensuring essential corporate governance reforms to protect future investors, consumers and the general public.

Lou was integral in prosecuting *In re American International Group, Inc. Securities Litigation* (settlements totaling more than \$1 billion) and *In re 2008 Fannie Mae Securities Litigation* (\$170 million settlement pending final approval). He also helped lead major class action cases

against the company and related defendants in *In re Satyam Computer Services, Ltd. Securities Litigation* (\$150.5 million settlement). He has led successful litigation teams in securities fraud class action litigations against Metromedia Fiber Networks and Pricesmart, as well as consumer class actions against various life insurance companies on behalf of the insureds.

In the Firm's representation of the Connecticut Retirement Plans and Trust Funds in *In re Waste Management, Inc. Securities Litigation*, Lou's efforts were essential in securing a \$457 million settlement. The settlement also included important corporate governance enhancements, including an agreement by management to support a campaign to obtain shareholder approval of a resolution to declassify its board of directors, and a resolution to encourage and safeguard whistleblowers among the company's employees. Acting on behalf of New York City pension funds in *In re Orbital Sciences Corporation Securities Litigation*, Lou helped negotiate the implementation of measures concerning the review of financial results, the composition, role and responsibilities of the Company's Audit and Finance committee, and the adoption of a Board resolution providing guidelines regarding senior executives' exercise and sale of vested stock options.

Lou was a leading member of the team in the *Napp Technologies Litigation* that won substantial recoveries for families and firefighters injured in a chemical plant explosion. Lou has had a major role in national product liability actions against the manufacturers of orthopedic bone screws and atrial pacemakers, and in consumer fraud actions in the national litigation against tobacco companies.

A well-respected litigator, Lou has made presentations on punitive damages at Federal Bar Association meetings and has spoken on securities class actions for institutional investors.

Lou brings a depth of experience to his practice from both within and outside of the legal sphere. He graduated first in his class from St. John's School of Law. Prior to joining Labaton Sucharow, he clerked for the Honorable Leonard B. Wexler of the Eastern District of New York.

Lou is admitted to practice in the States of New York and Connecticut as well as before the United States Courts of Appeals for the Fifth and Seventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York.

Serena Hallowell, Partner

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Serena Hallowell concentrates her practice on prosecuting complex securities fraud cases on behalf of institutional investors. Currently, she is prosecuting *In re CVS Securities Litigation* ("CVS") and *In re Intuitive Surgical Securities Litigation*.

Recently, Serena played a principal role in prosecuting *In re Computer Sciences Corporation Securities Litigation* ("CSC"). After actively litigating the CSC matter in a "rocket docket" jurisdiction, she participated in securing a settlement of \$97.5 million on behalf of lead plaintiff Ontario Teachers' Pension Plan Board, which is the third largest all cash settlement in the Fourth Circuit.

Serena also has broad appellate and trial experience. Most recently, Serena participated in the successful appeal of the CVS matter before the U.S. Court of Appeals for the First Circuit and she is currently participating in an appeal pending before the U.S. Court of Appeals for the Tenth Circuit. In addition, she has previously played a key role in securing a favorable jury verdict in one of the few securities fraud class action suits to proceed to trial.

Prior to joining Labaton Sucharow, Serena was an attorney at Ohrenstein & Brown LLP, where she participated in various federal and state commercial litigation matters. During her time there, she also defended financial companies in regulatory proceedings and assisted in high profile coverage litigation matters in connection with mutual funds trading investigations.

Serena received a J.D. from Boston University School of Law, where she served as the Note Editor for the *Journal of Science & Technology Law*. She earned a B.A. in Political Science from Occidental College.

Serena is a member of the Association of the Bar of the City of New York, the Federal Bar Council, and the National Association of Women Lawyers.

She is conversational in Urdu/Hindi.

She is admitted to practice in the State of New York as well as before the United States Court of Appeals for the First and Eleventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York.

Thomas G. Hoffman, Jr., Partner

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Thomas G. Hoffman, Jr. concentrates his practice on prosecuting complex securities fraud cases on behalf of institutional investors.

Currently, Thomas is actively involved in prosecuting *In re BP plc Securities Litigation* and *In re Facebook, Inc. IPO Securities and Derivative Litigation*. Most recently, he was part of the Labaton Sucharow team that recovered more than \$1 billion in the eight-year litigation against American International Group, Inc. and related defendants, as well as the \$170 million settlement for investors in *In re 2008 Fannie Mae Securities Litigation*.

Prior to joining Labaton Sucharow, Thomas served as a litigation associate at Latham & Watkins.

Thomas received a J.D. from UCLA School of Law, where he was Editor-in-Chief of the UCLA Entertainment Law Review, and served as a Moot Court Executive Board Member. In addition, he was a judicial extern to the Honorable William J. Rea, United States District Court for the Central District of California. Thomas earned a B.F.A., with honors, from New York University.

Thomas is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York.

James W. Johnson, Partner

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James W. Johnson's practice focuses on complex securities fraud cases. In representing investors who have been victimized by securities fraud and breaches of fiduciary responsibility, Jim's advocacy has resulted in record recoveries for wronged investors. Currently, he is prosecuting high-profile cases against financial industry leader Goldman Sachs in *In re Goldman Sachs Group, Inc., Securities Litigation* and Facebook, the world's most popular social network, in *In re Facebook, Inc., IPO Securities and Derivative Litigation*. In addition to his active caseload, Jim holds a variety of leadership positions within the Firm, including serving on the Firm's Executive Committee and acting as the Firm's Hiring Partner.

A recognized leader in his field, Jim has successfully litigated a number of complex securities and RICO class actions including: *In re Bear Stearns Companies, Inc. Securities Litigation* (\$275 million settlement with Bear Stearns Companies, plus a \$19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor); *In re HealthSouth Corp. Securities Litigation* (\$671 million settlement); *Eastwood Enterprises LLC v. Farha et al. (WellCare Securities Litigation)* (\$200 million settlement); *In re Vesta Insurance Group, Inc. Securities Litigation* (\$79 million settlement); *In re Bristol Myers Squibb Co. Securities Litigation* (\$185 million settlement), in which the court also approved significant corporate governance reforms and recognized plaintiff's counsel as "extremely skilled and efficient"; and *In re National Health Laboratories, Inc., Securities Litigation*, which resulted in a recovery of \$80 million in the federal action and a related state court derivative action.

In *County of Suffolk v. Long Island Lighting Co.*, Jim represented the plaintiff in a RICO class action, securing a jury verdict after a two-month trial that resulted in a \$400 million settlement. The Second Circuit, in awarding attorneys' fees to the plaintiff, quoted the trial judge, Honorable Jack B. Weinstein, as stating "counsel [has] done a superb job [and] tried this case as well as I have ever seen any case tried." On behalf of the Chugach Native Americans, he also assisted in prosecuting environmental damage claims resulting from the Exxon Valdez oil spill.

Jim is a member of the American Bar Association and the Association of the Bar of the City of New York, where he served on the Federal Courts Committee.

Jim has received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory. He is a Fellow in the Litigation Council of America.

He is admitted to practice in the States of New York and Illinois as well as before the Supreme Court of the United States, the United States Courts of Appeals for the Second, Third, Fourth, Fifth, Seventh and Eleventh Circuits, and the United States District Courts for the Southern, Eastern and Northern Districts of New York, and the Northern District of Illinois.

Christopher J. Keller, Partner

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Christopher J. Keller concentrates his practice in complex securities litigation. His clients are institutional investors, including some of the world's largest public and private pension funds with tens of billions of dollars under management.

Described by *The Legal 500* as a “sharp and tenacious advocate” who “has his pulse on the trends,” Chris has been instrumental in the Firm’s appointments as lead counsel in some of the largest securities matters arising out of the financial crisis, such as actions against Goldman Sachs, Fannie Mae (\$170 million settlement pending final approval), Countrywide (\$624 million settlement) and Bear Stearns (\$275 million settlement with Bear Stearns Companies, plus a \$19.9 million settlement with Deloitte & Touche LLP, Bear Stearns’ outside auditor).

Chris has also been integral in the prosecution of traditional fraud cases such as *In re Schering-Plough Corporation / ENHANCE Securities Litigation*; *In re Massey Energy Co. Securities Litigation*, where the Firm obtained a \$265 million all-cash settlement with Alpha Natural Resources, Massey’s parent company; as well as *In re Satyam Computer Services, Ltd. Securities Litigation*, where the Firm obtained a settlement of more than \$150 million. Chris was also a principal litigator on the trial team of *In re Real Estate Associates Limited Partnership Litigation*. The six-week jury trial resulted in a \$184 million plaintiffs’ verdict, one of the largest jury verdicts since the passage of the Private Securities Litigation Reform Act.

In addition to his active caseload, Chris holds a variety of leadership positions within the Firm, including serving on the Firm’s Executive Committee. In response to the evolving needs of our clients, Chris also established, and currently leads, the Case Evaluation Group, which is comprised of attorneys, in-house investigators, financial analysts and forensic accountants. The Group is responsible for evaluating clients’ financial losses and analyzing their potential legal claims both in and outside of the U.S. and track trends that are of potential concern to investors.

Educating institutional investors is a significant element of Chris’ advocacy efforts for shareholder rights. He is regularly called upon for presentations on developing trends in the law and new case theories at annual meetings and seminars for institutional investors.

He is a member of several professional groups, including the New York State Bar Association and the New York County Lawyers’ Association.

He is admitted to practice in the State of New York as well as before the Supreme Court of the United States and the United States District Courts for the Southern and Eastern Districts of New York, the Eastern District of Wisconsin, and the District of Colorado.

Edward Labaton, Partner

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An accomplished trial lawyer and partner with the Firm, Edward Labaton has devoted 50 years of practice to representing a full range of clients in class action and complex litigation matters in state and federal court. Ed has played a leading role as plaintiffs’ class counsel in a number of successfully prosecuted, high-profile cases, involving companies such as PepsiCo, Dun & Bradstreet, Financial Corporation of America, ZZZZ Best, Revlon, GAF Co., American Brands, Petro Lewis and Jim Walter, as well as several Big Eight (now Four) accounting firms. He has also argued appeals in state and federal courts, achieving results with important precedential value.

Ed has been President of the Institute for Law and Economic Policy (ILEP) since its founding in 1996. Each year, the Institute co-sponsors at least one symposium with a major law school

dealing with issues relating to the civil justice system. In 2010, he was appointed to the newly formed Advisory Board of George Washington University's Center for Law, Economics, & Finance (C-LEAF), a think tank within the Law School, for the study and debate of major issues in economic and financial law confronting the United States and the globe. Ed is also a member of the Advisory Committee of the Weinberg Center for Corporate Governance of the University of Delaware, an Honorary Lifetime Member of the Lawyers' Committee for Civil Rights under Law, a member of the American Law Institute, and a life member of the ABA Foundation. In addition, he has served on the Executive Committee and has been an officer of the Ovarian Cancer Research Fund since its inception in 1996.

Ed is the past Chairman of the Federal Courts Committee of the New York County Lawyers Association, and was a member of the Board of Directors of that organization. He is an active member of the Association of the Bar of the City of New York, where he was Chair of the Senior Lawyers' Committee and served on its Task Force on the Role of Lawyers in Corporate Governance. He has also served on its Federal Courts, Federal Legislation, Securities Regulation, International Human Rights and Corporation Law Committees. He also served as Chair of the Legal Referral Service Committee, a joint committee of the New York County Lawyers' Association and the Association of the Bar of the City of New York. He has been an active member of the American Bar Association, the Federal Bar Council and the New York State Bar Association, where he has served as a member of the House of Delegates.

For more than 30 years, he has lectured on many topics including federal civil litigation, securities litigation and corporate governance.

Ed has received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the State of New York as well as before the Supreme Court of the United States, the United States Courts of Appeals for the Second, Fifth, Sixth, Seventh, Ninth, Tenth and Eleventh Circuits, and the United States District Courts for the Southern and Eastern Districts of New York, and the Central District of Illinois.

Christopher J. McDonald, Partner

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Christopher J. McDonald concentrates his practice on prosecuting complex securities fraud cases. Chris also works with the Firm's Antitrust & Competition Litigation Practice, representing businesses, associations and individuals injured by anticompetitive activities and unfair business practices.

In the securities field, Chris is currently lead counsel in *In re Amgen Inc. Securities Litigation*. Most recently, he was co-lead counsel in *In re Schering-Plough Corporation / ENHANCE Securities Litigation*, which resulted in a \$473 million settlement, one of the largest securities class action settlement ever against a pharmaceutical company and among the ten largest recoveries ever in a securities class action that did not involve a financial reinstatement. He was also an integral part of the team that successfully litigated *In re Bristol-Myers Squibb Securities Litigation*, where Labaton Sucharow secured a \$185 million settlement, as well as significant corporate governance reforms, on behalf of Bristol-Myers shareholders.

In the antitrust field, Chris was most recently co-lead counsel in *In re TriCor Indirect Purchaser Antitrust Litigation*, obtaining a \$65.7 million settlement on behalf of the class.

Chris began his legal career at Patterson, Belknap, Webb & Tyler LLP, where he gained extensive trial experience in areas ranging from employment contract disputes to false advertising claims. Later, as a senior attorney with a telecommunications company, Chris advocated before government regulatory agencies on a variety of complex legal, economic, and public policy issues. Since joining Labaton Sucharow, Chris' practice has developed a focus on life sciences industries; his cases often involve pharmaceutical, biotechnology or medical device companies accused of wrongdoing.

During his time at Fordham University School of Law, Chris was a member of the *Law Review*. He is currently a member of the New York State Bar Association and the Association of the Bar of the City of New York.

Chris is admitted to practice in the State of New York as well as before the United States Courts of Appeals for the Second, Third, Ninth, and Federal Circuits and the United States District Courts for the Southern and Eastern Districts of New York, and the Western District of Michigan.

Jonathan M. Plasse, Partner

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An accomplished litigator, Jonathan M. Plasse has more than 30 years of experience in the prosecution of complex cases involving securities class action, derivative, transactional and consumer litigation. He has played a key role in litigating many of the most high-profile securities class actions ever filed including architecting significant settlements and aggressive corporate governance reforms to protect the public and investors alike. Currently, he is prosecuting securities class actions against Amgen.

Most recently, Jon served as lead counsel in two related securities class actions brought against Oppenheimer Funds, Inc., and obtained a \$100 million global settlement. Jon was also an integral member of the team representing the New York State Common Retirement Fund and the New York City pension funds as lead plaintiffs in *In re Countrywide Financial Corporation Securities Litigation*. The \$624 million settlement was the largest securities fraud settlement at the time. His other recent successes include serving as co-lead counsel in *In re General Motors Corp. Securities Litigation* (\$303 million settlement) and *In re El Paso Corporation Securities Litigation* (\$285 million settlement). Jon also acted as lead counsel in *In re Waste Management Inc. Securities Litigation*, where he represented the Connecticut Retirement Plans and Trusts Funds, and obtained a settlement of \$457 million.

Jon has previously served as the Chair of the Securities Litigation Committee of the Association of the Bar of the City of New York. In addition, he also regularly chairs and is a frequent speaker at programs, classes and continuing legal education seminars relating to securities class action litigation.

During his time at Brooklyn Law School, Jon served as a member of the *Brooklyn Journal of International Law*. An avid photographer, Jon has published three books, including *The*

Stadium, a collection of black-and-white photographs of the original Yankee Stadium, released by SUNY Press in September 2011.

Jon has received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the State of New York as well as before the United States Court of Appeals for the Second, Sixth, and Ninth Circuits and the United States District Courts for the Southern and Eastern Districts of New York, and the District of Colorado.

Michael H. Rogers, Partner

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Michael H. Rogers concentrates his practice on prosecuting complex securities fraud cases on behalf of institutional investors. Currently, Mike is actively involved in prosecuting *In re Goldman Sachs, Inc. Securities Litigation* and *Arkansas Teacher Retirement System v. State Street Corp.*

Since joining Labaton Sucharow, Mike has been a member of the lead or co-lead counsel teams in federal securities class actions against Countrywide Financial Corp. (\$624 million settlement), HealthSouth Corp. (\$671 million settlement), Mercury Interactive Corp. (\$117.5 million settlement) and Computer Sciences Corp. (\$97.5 million settlement).

Prior to joining Labaton Sucharow, Mike was an attorney at Kasowitz, Benson, Torres & Friedman LLP, where he practiced securities and antitrust litigation, representing international banking institutions bringing federal securities and other claims against major banks, auditing firms, ratings agencies and individuals in complex multidistrict litigation. He also represented an international chemical shipping firm in arbitration of antitrust and other claims against conspirator ship owners.

Mike began his career as an attorney at Sullivan & Cromwell, where he was part of Microsoft's defense team in the remedies phase of the Department of Justice antitrust action against the company.

Mike received a J.D., *magna cum laude*, from the Benjamin N. Cardozo School of Law, Yeshiva University, where he was a member of the *Cardozo Law Review*. He earned a B.A., *magna cum laude*, in Literature-Writing from Columbia University.

Mike is proficient in Spanish.

He is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York.

Ira A. Schochet, Partner

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A seasoned litigator with three decades of experience, Ira A. Schochet concentrates his practice on class actions involving securities fraud. Ira has played a lead role in securing multimillion dollar recoveries and major corporate governance reforms in high-profile cases

such as those against Countrywide Financial, Boeing, Massey Energy, Caterpillar, Spectrum Information Technologies, InterMune and Amkor Technology. Currently, Ira plays a key role in *Freedman v. Weatherford International, Ltd.*, a securities class action related to Weatherford's accounting restatements and its alleged failure to comply with Generally Accepted Accounting Principles, which resulted in overstated earnings of more than \$900 million.

A longtime leader in the securities class action bar, Ira represented one of the first institutional investors acting as a lead plaintiff in a post-Private Securities Litigation Reform Act case and ultimately obtained one of the first rulings interpreting the statute's intent provision in a manner favorable to investors. His efforts are regularly recognized by the courts, including in *Kamarasy v. Coopers & Lybrand*, where the court remarked on "the superior quality of the representation provided to the class." Further, in approving the settlement he achieved in the *InterMune* litigation, the court complimented Ira's ability to secure a significant recovery for the class in a very efficient manner, shielding the class from prolonged litigation and substantial risk.

From 2009-2011, Ira served as President of the National Association of Shareholder and Consumer Attorneys (NASCAT), a membership organization of approximately 100 law firms that practice class action and complex civil litigation. During this time, he represented the plaintiffs' securities bar in meetings with members of Congress, the Administration and the SEC.

From 1996 through 2012, Ira served as Chairman of the Class Action Committee of the Commercial and Federal Litigation Section of the New York State Bar Association. During his tenure, he has served on the Executive Committee of the Section and authored important papers on issues relating to class action procedure including revisions proposed by both houses of Congress and the Advisory Committee on Civil Procedure of the United States Judicial Conference. Examples include: "Proposed Changes in Federal Class Action Procedure"; "Opting Out On Opting In" and "The Interstate Class Action Jurisdiction Act of 1999." He also has lectured extensively on securities litigation at continuing legal education seminars.

Ira was featured in *The AmLaw Litigation Daily* as Litigator of the Week on September 13, 2012 for his work in *In re El Paso Corporation Shareholder Litigation*, an action alleging breach of fiduciary duties in connection with a merger transaction, resulting in a settlement providing a \$110 million recovery for a class of shareholders. He has also been awarded an AV Preeminent rating, the highest distinction, from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the State of New York as well as before the United States Court of Appeals for the Second Circuit and the United States District Courts for the Southern and Eastern Districts of New York, the Central District of Illinois, and the Northern District of Texas.

Michael W. Stocker, Partner

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As a lead strategist on Labaton Sucharow's Case Evaluation Team, Michael W. Stocker is integral to the Firm's investigating and prosecuting securities class actions. Mike represents

institutional investors in a broad range of class action litigation, corporate governance and securities matters.

In one of the most significant securities class actions of the decade, Mike played an instrumental part of the team that took on American International Group, Inc. and 21 other defendants. The Firm negotiated a recovery of more than \$1 billion. He was also key in litigating *In re Bear Stearns Companies, Inc. Securities Litigation*, where the Firm secured a \$275 million settlement with Bear Stearns, plus a \$19.9 million settlement with the company's outside auditor, Deloitte & Touche LLP.

In a case against one of the world's largest pharmaceutical companies, *In re Abbott Laboratories Norvir Antitrust Litigation*, Mike played a leadership role in litigating a landmark action arising at the intersection of antitrust and intellectual property law. The novel settlement in the case created a multimillion dollar fund to benefit nonprofit organizations serving individuals with HIV. In recognition of his work on *Norvir*, *The National Law Journal* named the Firm to the prestigious Plaintiffs' Hot List, and he received the 2010 Courage Award from the AIDS Resource Center of Wisconsin. Mike has also been recognized by *The Legal 500* in the field of securities litigation and *Benchmark Litigation* as a Securities Litigation Star.

Earlier in his career, Mike served as a senior staff attorney with the United States Court of Appeals for the Ninth Circuit and completed a legal externship with federal Judge Phyllis J. Hamilton, currently sitting in the U.S. District Court for the Northern District of California. He earned a B.A. from the University of California, Berkeley, a Master of Criminology from the University of Sydney, and a J.D. from University of California's Hastings College of the Law.

He is an active member of the National Association of Public Pension Plan Attorneys (NAPPA), the New York State Bar Association and the Association of the Bar of the City of New York. Since 2013, Mike has been appointed by Law360 to the publication's Securities Editorial Advisory Board, advising on timely and interesting topics warranting media coverage.

In addition to his litigation practice, Mike mentors youth through participation in Mentoring USA. The program seeks to empower young people with the guidance, skills and resources necessary to maximize their full potential.

He is admitted to practice in the States of California and New York as well as before the United States Courts of Appeals for the Second, Eighth and Ninth Circuits and the United States District Courts for the Northern and Central Districts of California and the Southern and Eastern Districts of New York.

Jordan A. Thomas, Partner

jthomas@labaton.com

Jordan A. Thomas concentrates his practice on investigating and prosecuting securities fraud on behalf of whistleblowers and institutional clients. As Chair of the Firm's Whistleblower Representation practice, Jordan protects and advocates for whistleblowers throughout the world who have information about possible violations of the federal securities laws. He created, and serves as the editor for, www.secwhistlebloweradvocate.com, a website dedicated to helping responsible organizations establish a culture of integrity and courageous

whistleblowers to report possible securities violations—without personal or professional regrets.

A longtime public servant and seasoned trial lawyer, Jordan joined Labaton Sucharow from the Securities and Exchange Commission where he served as an Assistant Director and, previously, as an Assistant Chief Litigation Counsel in the Division of Enforcement. He had a leadership role in the development of the SEC Whistleblower Program, including leading fact-finding visits to other federal agencies with whistleblower programs, drafting the proposed legislation and implementing rules and briefing House and Senate staffs on the proposed legislation. He is also the principal architect and first National Coordinator of the Commission's Cooperation Program, an initiative designed to facilitate and incentivize individuals and companies to self-report securities violations and participate in its investigations and related enforcement actions. In recognition of his important contributions to these national initiatives, while at the SEC, Jordan was a recipient of the Arthur Mathews Award, which recognizes "sustained demonstrated creativity in applying the federal securities laws for the benefit of investors," and, on two occasions, the Law and Policy Award.

Throughout his tenure at the SEC, Jordan was assigned to many of its highest-profile matters such as those involving Enron, Fannie Mae, UBS, and Citigroup. He successfully investigated, litigated and supervised a wide variety of enforcement matters involving violations of the Foreign Corrupt Practices Act, issuer accounting fraud and other disclosure violations, audit failures, insider trading, market manipulations, offering frauds, and broker-dealer, investment adviser and investment company violations. His cases resulted in monetary relief for harmed investors in excess of \$35 billion.

Prior to joining the Commission, Jordan was a Trial Attorney at the Department of Justice, where he specialized in complex financial services litigation involving the FDIC and Office of Thrift Supervision. He began his legal career as a Navy Judge Advocate on active duty and continues to serve as a senior officer in its Reserve Law Program. Earlier, Jordan worked as a stockbroker.

Jordan is a board member of the City Bar Fund, which oversees the City Bar Justice Center, the pro bono affiliate of the New York City Bar Association. He also serves as the Chair of the Investor Rights Committee, District of Columbia Bar.

Throughout his career, Jordan has received numerous awards and honors. In 2012, he was named a Legal Rebel by the *American Bar Association Journal* in recognition of his trailblazing efforts in the legal field. Ethisphere Institute, an internationally recognized think tank, selected Jordan as a Rising Star in its listing of 2012 Attorneys Who Matter, which recognizes leading practitioners in the world of corporate ethics and compliance. While at the SEC, Jordan received four Chairman's Awards, four Division Director's Awards and a Letter of Commendation from the United States Attorney for the District of Columbia. He is also a decorated military officer, who has twice been awarded the Rear Admiral Hugh H. Howell Award of Excellence—the highest award the Navy can bestow upon a reserve judge advocate. Jordan has received an AV Preeminent rating, the highest attorney rating available, from the publishers of the Martindale-Hubbell legal directory.

Jordan is a nationally sought after writer, speaker and media commentator on securities enforcement, corporate ethics, and whistleblower issues.

Jordan is admitted to practice in the States of New York and New Mexico as well as the District of Columbia.

Nicole M. Zeiss, Partner

nzeiss@labaton.com

A litigator with nearly two decades of experience, Nicole M. Zeiss leads the Settlement Group at Labaton Sucharow, analyzing the fairness and adequacy of the procedures used in class action settlements. Her practice includes negotiating and documenting complex class action settlements and obtaining the required court approval of the settlements, notice procedures, and payments of attorneys' fees.

Nicole was part of the Labaton Sucharow team that successfully litigated the \$185 million settlement in *In re Bristol-Myers Squibb Securities Litigation*. She also played a significant role in *In re Monster Worldwide, Inc. Securities Litigation* (\$47.5 million settlement). She also litigated on behalf of investors who have been damaged by fraud in the telecommunications, hedge fund, and banking industries.

Prior to joining Labaton Sucharow, Nicole practiced in the area of poverty law at MFY Legal Services. She also worked at Gaynor & Bass practicing general complex civil litigation, particularly representing the rights of freelance writers seeking copyright enforcement.

Nicole maintains a commitment to pro bono legal services by continuing to assist mentally ill clients in a variety of matters—from eviction proceedings to trust administration.

She received a J.D. from the Benjamin N. Cardozo School of Law, Yeshiva University, and earned a B.A. in Philosophy from Barnard College.

Nicole is a member of the Association of the Bar of the City of New York.

She is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York.

Richard T. Joffe, Senior Counsel

rjoffe@labaton.com

Richard Joffe's practice focuses on class action litigation, including securities fraud, antitrust and consumer fraud cases. Since joining the Firm, Rich has represented such varied clients as institutional purchasers of corporate bonds, Wisconsin dairy farmers, and consumers who alleged they were defrauded when they purchased annuities. He played a key role in shareholders obtaining a \$303 million settlement of securities claims against General Motors and its outside auditor.

Prior to joining Labaton Sucharow, Rich was an associate at Gibson, Dunn & Crutcher LLP, where he played a key role in obtaining a dismissal of claims against Merrill Lynch & Co. and a dozen other of America's largest investment banks and brokerage firms, who, in *Friedman v. Salomon/Smith Barney, Inc.*, were alleged to have conspired to fix the prices of initial public offerings.

Rich also worked as an associate at Fried, Frank, Harris, Shriver & Jacobson where, among other things, in a case handled pro bono, he obtained a successful settlement for several older women who alleged they were victims of age and sex discrimination when they were selected for termination by New York City's Health and Hospitals Corporation during a city-wide reduction in force.

Long before becoming a lawyer, Rich was a founding member of the internationally famous rock and roll group, Sha Na Na.

He is admitted to practice in the State of New York as well as before the United States Courts of Appeals for the Second, Third, Ninth and Eleventh Circuits, and the United States District Courts for the Southern and Eastern Districts of New York.

Angelina Nguyen, Of Counsel

anguyen@labaton.com

Angelina Nguyen concentrates her practice on prosecuting complex securities fraud cases on behalf of institutional investors. Angelina was a key member of the team that prosecuted *In re Hewlett-Packard Company Securities Litigation*, which resulted in a \$57 million recovery. Currently, she is litigating *In re: Spectrum Pharmaceuticals Securities Litigation*, *Reinschmidt v. Zillow* and *Noppen v. Innerworkings, Inc.*

Prior to joining Labaton Sucharow, Angelina was an associate at Quinn, Emanuel, Urquhart, Oliver & Hedges LLP. She began her career as an associate at Skadden, Arps, Slate, Meagher & Flom LLP, where she worked on the *Worldcom Securities Litigation*.

Angelina received a J.D. from Harvard Law School. She earned a B.S. in Chemistry and Mathematics with first class honors from the University of London, Queen Mary and Westfield College.

Angelina is a member of the American Bar Association.

Angelina is admitted to practice in the State of New York as well as before the United States Court of Appeals for the Second Circuit.

Barry M. Okun, Of Counsel

bokun@labaton.com

Barry M. Okun is a seasoned trial and appellate lawyer with more than 30 years of experience in a broad range of commercial litigation. Currently, Barry is actively involved in prosecuting *In re Goldman Sachs Group, Inc. Securities Litigation*. Most recently, he was part of the Labaton Sucharow team that recovered more than \$1 billion in the eight-year litigation against American International Group, Inc. Barry also played a key role representing the Successor Liquidating Trustee of Lipper Convertibles, L.P. and Lipper Fixed Income Fund, L.P., failed hedge funds, in actions against the Fund's former auditors, overdrawn limited partners and management team. He helped recover \$5.2 million from overdrawn limited partners and \$30 million from the Fund's former auditors.

Barry has litigated several leading commercial law cases, including the first case in which the United States Supreme Court ruled on issues relating to products liability. He has argued appeals before the United States Court of Appeals for the Second and Seventh Circuits and the Appellate Divisions of three out of the four judicial departments in New York State. Barry has appeared in numerous trial courts throughout the country.

He received a J.D., *cum laude*, from Boston University School of Law, where he was the Articles Editor of the *Law Review*. Barry earned a B.A., with a citation for academic distinction, in History from the State University of New York at Binghamton.

Barry has been awarded an AV Preeminent rating, the highest distinction, from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the State of New York as well as before the Supreme Court of the United States, the United States Courts of Appeals for the First, Second, Seventh and Eleventh Circuits, and the United States District Courts for the Southern and Eastern Districts of New York.

Ralph Sianni, Of Counsel

rsianni@labaton.com

Ralph N. Sianni focuses on representing investors in shareholder litigation, including class actions, corporate governance matters and derivative litigation. He is experienced in all phases of litigation including discovery, depositions, injunction motions, settlement negotiations, mediation and court hearings.

Prior to joining Labaton Sucharow, Ralph was the managing partner for the U.S. offices of a large London-based litigation firm. He also previously served as Senior Counsel at a national litigation firm focusing on class action litigation involving securities, mergers and acquisitions, general corporate law, antitrust and breach of fiduciary duties.

Ralph received his J.D. from the Boston University School of Law where he was a Note Editor of the *Boston University Public Interest Law Journal*. He earned his M.A. from Yale University and his B.A. from the University of Pennsylvania.

Ralph is admitted to practice in the States of Pennsylvania, Delaware, District of Columbia and New York, as well as before the Supreme Court of the United States, the United States Court of Appeals for the Third Circuit and the United States District Courts for the District of Delaware, Eastern District of Pennsylvania and the Southern District of New York.

Carol C. Villegas, Of Counsel

cvillegas@labaton.com

Carol C. Villegas concentrates her practice on prosecuting complex securities fraud cases on behalf of institutional investors.

Prior to joining Labaton Sucharow, Carol served as the Assistant District Attorney in the Supreme Court Bureau for the Richmond County District Attorney's Office. During her tenure

at the District Attorney's Office, Carol took several cases to trial. She began her career at King & Spalding LLP where she worked as an associate in the Intellectual Property practice group.

Carol received a J.D. from New York University School of Law. She was the recipient of The Irving H. Jurow Achievement Award for the Study of Law, and was awarded the Association of the Bar of the City of New York Minority Fellowship. Carol served as the Staff Editor, and later the Notes Editor, of the *Environmental Law Journal*. She earned a B.A., with honors, in English and Politics from New York University.

Carol is a member of the Association of the Bar of the City of New York and a member of the Executive Council for the New York State Bar Association's Committee on Women in the Law.

She is fluent in Spanish.

Carol is admitted to practice in the States of New York and New Jersey as well as before the United States Courts of Appeals for the Tenth and Eleventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York, the District of New Jersey, the District of Colorado, and the Eastern District of Wisconsin.

Exhibit 10

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

IN RE FANNIE MAE 2008 SECURITIES
LITIGATION

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Master File No. 08 Civ. 7831 (PAC)
ECF Case

**DECLARATION OF GLEN DEVALERIO IN SUPPORT OF
LEAD COUNSEL'S MOTION FOR
ATTORNEYS' FEES AND PAYMENT OF EXPENSES**

1. I, Glen DeValerio, am a Partner in the Boston office of the law firm Berman DeValerio, counsel for Common Stock Lead Plaintiff and Common Stock Class Representative Massachusetts Pension Reserves Investment Management Board (“PRIM”) and court-appointed Lead Counsel and Class Counsel for the Common Stock Class in the above-captioned matter. Unless otherwise stated herein, I have personal knowledge of the matters set forth herein based on my active participation in the prosecution and settlement of the claims in this consolidated securities class action lawsuit (the “Action”).¹

2. I respectfully submit this Declaration in Support of Lead Counsel’s Motion for an Award of Attorneys’ Fees and Payment of Expenses (the “DeValerio Declaration” or “DeValerio Decl.”).

3. Berman DeValerio is a national law firm with offices in Boston, Massachusetts; San Francisco, California; and Palm Beach Gardens, Florida. The firm has litigated class actions in the Southern District of New York and in courts around the country. Berman DeValerio is one of the country’s premier class action law firms—highly experienced in prosecuting complex litigation, particularly securities class actions, and has worked diligently and efficiently in prosecuting this Action. As demonstrated by the firm resume attached hereto as Exhibit C, Berman DeValerio is among the most experienced and skilled firms in the securities litigation field, and the firm has a long and successful track record in securities cases throughout the country.

4. Since the passage of the PSLRA, Berman DeValerio has held leadership positions in more than 100 federal securities class actions and negotiated settlements in more than two-thirds of them, including *Carlson v. Xerox Corp., et al.*, No. 3:00-CV-1621 (AWT) (D. Conn.) (representing the Louisiana State Employees’ Retirement System and achieving a \$750 million settlement); *In re Bristol-Myers Squibb Sec. Litig.*, No. 02-cv-2251 (S.D.N.Y.) (Preska, J.) (representing the Louisiana State Employees’ Retirement System and the Fresno County

¹ Unless otherwise noted, capitalized terms not defined herein are defined in the Stipulation and Agreement of Settlement, dated as of October 24, 2014 (the “Stipulation”). ECF No. 522-1.

Employees' Retirement Association and securing a settlement worth \$300 million); *In re Bear Stearns Cos., Inc. Sec., Deriv., & ERISA Litig.*, No. 08 MDL 1963 (S.D.N.Y.) (Sweet, J.) (representing the State of Michigan Retirement Systems and attaining settlements totaling \$294.9 million); *Wyatt v. El Paso Corp., et al.*, No. H-02-2717 (S.D. Tex.) (representing Oklahoma Firefighters Pension and Retirement System and reaching settlements worth \$285 million); and *In re IndyMac Mortgage-Backed Sec. Litig.*, No. 09-cv-4583 (LAK) (S.D.N.Y.) (Kaplan, J.) (representing the Wyoming Retirement System and Wyoming State Treasurer and attaining settlements totaling \$346 million, subject to final approval).

5. I personally rendered legal services and was responsible for coordinating and supervising the activities carried out by attorneys and professional staff at Berman DeValerio in this Action. In its capacity as co-Lead Counsel for the Common Stock Class, Berman DeValerio was involved in all aspects of this litigation, including the division of labor in the Action with the other two firms serving as Lead Counsel in order to prosecute this Action efficiently.

6. Based on my work performed in this Action as well as my receipt and review of the billing records reflecting work performed by attorneys and paraprofessionals at Berman DeValerio in this Action as reported by those timekeepers, I directed the preparation of the chart set forth as Exhibit A hereto. This chart (i) identifies the names and positions (*i.e.*, title) of the firm's timekeepers who undertook litigation activities in connection with the Action and who expended ten (10) hours or more on the case; (ii) provides the total number of hours each such timekeeper reported expending in connection with work on the Action from the investigation of the potential claims to January 9, 2015; (iii) provides each such timekeeper's current hourly rate; and (iv) provides the total billable amount, in dollars, of the work by each timekeeper and the entire firm.² For timekeepers who are no longer employed by the firm, the hourly rate used is the billing rate for such personnel in his or her final year of employment by the firm. The firm's

² As indicated above, the information concerning each timekeeper's hours and hourly rate are not based upon personal knowledge, but on the information reported by each such timekeeper and/or the files and records of Berman DeValerio, as well as my familiarity with the work undertaken by Berman DeValerio in the Action.

billing records, which are regularly prepared from the contemporaneous daily time records, are available at the request of the Court. Time expended in preparing any papers for this motion for fees and reimbursement of expenses has not been included in this request.

7. The hourly rates charged by timekeepers are the firm's regular rates for contingent cases and those regularly charged to clients for their services in non-contingent/hourly matters, or lower as capped.³ Based on my knowledge and experience, these rates are also within the range of rates normally and customarily charged in their respective cities by attorneys and paraprofessionals of similar qualifications and experience in cases similar to the Action and have been approved in connection with other class action settlements.

8. The hourly billing rates of Berman DeValerio range from \$550 to \$835 for partners, \$500 to \$605 for Of Counsel attorneys, and \$310 to \$480 for associates. *See* Ex. A. It is respectfully submitted that the hourly rates for attorneys and professional support staff included in these schedules are reasonable and customary. As summarized in Exhibit A, Berman DeValerio has expended 23,104.90 hours over the past six years—from pre-filing investigation through January 9, 2015—in the investigation, prosecution, and resolution of the Action against Defendants, for a lodestar value of \$11,052,392.50.⁴ *See* Ex. A. The total lodestar—\$11,052,392.50—consists of \$10,056,912.25 for attorney time and \$995,480.25 for professional support staff time. *See id.* These figures do not include the time required to prepare this Fee and Expense Application. *See id.*

9. In my judgment, the number of hours expended and the services performed by the attorneys and paraprofessionals at Berman DeValerio were reasonable and necessary and expended for the benefit of the Settlement Classes in this Action.

³ On occasion and for a specific type of representation, the firm may offer a discount on its hourly rates or alternative billing arrangements to long-standing clients for non-contingent matters.

⁴ Lead Counsel will continue to perform legal work on behalf of the Settlement Classes should the Court approve the proposed Settlement. Additional resources will be expended assisting class members with their Proof of Claim and Release Forms and related inquiries and working with the Claims Administrator, A.B. Data, Ltd., to ensure the smooth progression of claims processing.

10. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

11. Berman DeValerio also seeks payment from the Settlement Fund in the total aggregate amount of \$442,197.00 for litigation expenses that were reasonably incurred by Berman DeValerio in connection with commencing, prosecuting, and resolving the claims asserted in the Action against Defendants.

12. From the beginning of the case, Berman DeValerio was aware that it might not recover any of its expenses, and, at the very least, would not recover any of its out-of-pocket expenses until the Action was successfully resolved. Thus, Berman DeValerio was motivated to, and did, take significant steps to minimize expenses whenever practicable without jeopardizing the vigorous and efficient prosecution of the case.

13. As set forth in Exhibit B, Berman DeValerio has incurred a total of \$442,197.00 in litigation expenses. As attested to, these expenses are reflected on the books and records maintained by Berman DeValerio. These books and records are prepared from expense vouchers, check records, credit card records, and other source materials, and are an accurate record of the expenses incurred. Based on my oversight of the Action and my review of these records, I believe them to be an accurate record of the expenses actually incurred by the firm in connection with this Action.

14. Exhibit B identifies the specific category of expense, *e.g.*, experts' fees, out-of-town travel costs, the costs of document management and litigation support, photocopying, and other costs actually incurred for which Berman DeValerio seeks payment. These expense items are billed separately and such charges are not duplicated in Berman DeValerio's billing rates; thus, no amount for general overhead is included in the expense amounts.

15. Berman DeValerio maintained strict control over its litigation expenses. My firm also contributed to a litigation fund maintained by Lead Counsel for the Preferred Stock Class, Kaplan Fox & Kilsheimer LLP, on behalf of all three Lead Counsel firms (the "Litigation

Fund”), to fund the prosecution of the Action. As of January 9, 2015, the Litigation Fund had received \$538,300.00 from Lead Counsel, including \$147,100.00 from Berman DeValerio, and had paid \$537,963.02 in litigation expenses. A copy of the litigation fund accounting is attached to the Joint Declaration of Glen DeValerio, Thomas A. Dubbs, And Frederic S. Fox in Support of (A) Lead Plaintiffs’ Motion for Final Approval of Class Action Settlement and Plan of Allocation and (B) Lead Counsel’s Motion For Attorneys’ Fees and Payment of Expenses (“Joint Declaration or “Joint Decl.”).

16. The firm’s request includes a small amount of projected near-future expenses to be incurred in relation to final approval. These expenses include (i) any expenses related to preparing the reply brief in support of final approval; (ii) additional electronic database and discovery vendor charges; and (iii) some travel expenses for the Final Approval Hearing. The firm will provide updated totals for these expenses in the reply papers to be filed with Court.

17. Berman DeValerio seeks reimbursement of Lead Plaintiff PRIM’s reasonable costs and expenses, including lost wages, incurred directly in connection with its involvement in this Action in the amount of \$42,433.39, pursuant to Section 21D of the PSLRA, 15 U.S.C. § 78u-4(a)(4). Declaration of Christopher J. Supple, Deputy Executive Director and General Counsel, Massachusetts Pension Reserves Investment Management Board, in Support of Lead Plaintiffs’ Motion for Final Approval of Class Action Settlement and Plan of Allocation and Reimbursement of Expenses of Lead Plaintiff (“Supple Declaration” or “Supple Decl.”) (Joint Decl. Ex. 5), ¶ 10. The amount of time and effort devoted to this Action by Lead Plaintiff PRIM is detailed in the accompanying Supple Declaration. Supple Decl. ¶¶ 6, 11. Berman DeValerio respectfully submits that these requested amounts are fully consistent with Congress’s intent, as expressed in the PSLRA, of encouraging institutional and other highly experienced plaintiffs to take an active role in bringing and supervising actions of this type.

18. PRIM manages public pension funds established for the benefit of current and retired Massachusetts employees and public school teachers. Supple Decl. ¶ 2. PRIM’s investment assets total approximately \$60 billion as of November 30, 2014. *Id.* In addition to its

responsibilities as Court-appointed lead plaintiff and certified class representative (*id.* ¶ 5), as a public pension fund, Lead Plaintiff PRIM has independent duties and obligations to its constituents to ensure that it is acting in their best interests.

19. As set forth in Lead Counsel’s Memorandum of Law in Support of Motion for Attorneys’ Fees and Payment of Expenses (“Fee Memorandum”) and in the Supple Declaration submitted on behalf of Lead Plaintiff PRIM, PRIM has been fully committed to pursuing the claims against the Defendants for more than six years. This large institution has actively and effectively fulfilled its obligations as a lead plaintiff and class representative, complying with all of the many demands placed upon it during the litigation and settlement of this Action, providing valuable assistance to Lead Counsel, and working in the best interest of the class.

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20. Here, Lead Plaintiff PRIM has devoted at least 288.75 hours to the litigation, which included time spent: (i) reviewing pleadings and case materials; (ii) corresponding with Lead Counsel about the status and strategy of the case; (iii) responding to document requests and producing approximately 28,000 pages of documents; and (iv) preparing for, and attending and participating in, mediation sessions and other settlement negotiations. Supple Decl. ¶¶ 6, 11. The efforts expended by PRIM's representatives during the course of this Action are precisely the types of activities Courts have found to support reimbursement to class representatives, and fully support Lead Plaintiff's request for reimbursement of costs and expenses.

21. All of the litigation expenses incurred by Berman DeValerio, which total \$442,197.00, were reasonable and necessary to the successful investigation, prosecution, and resolution of the claims asserted in the Action, on behalf of the Settlement Classes, against Defendants.

I declare, under penalty of perjury, that the foregoing facts are true and correct.
Executed on this 16th day of January, 2015 in Boston, Massachusetts.


Glen DeValerio

EXHIBIT A

IN RE FANNIE MAE 2008 LITIGATION
TIME REPORT

FIRM NAME: Berman DeValerio
REPORTING PERIOD: Inception through January 9, 2015

TIMEKEEPER	STATUS	HOURLY RATE	TOTAL HOURS THIS PERIOD	TOTAL LODESTAR THIS PERIOD
Barenbaum, Daniel	Partner	\$655.00	4,174.95	\$2,734,592.25
Block, Jeffrey	Partner	\$705.00	70.30	\$49,561.50
DeValerio, Glen	Partner	\$835.00	1,545.70	\$1,290,659.50
Pearson, Matthew	Partner	\$550.00	81.70	\$44,935.00
Stern, Leslie	Partner	\$710.00	12.90	\$9,159.00
Wood, Bryan	Partner	\$655.00	155.50	\$101,852.50
Zoberman, Wendy	Partner	\$790.00	55.00	\$43,450.00
Buttacavoli, Steven	Associate	\$480.00	72.20	\$34,656.00
Cohen, Emily	Associate	\$445.00	13.70	\$6,096.50
Crowell, Autumn	Associate	\$310.00	664.70	\$206,057.00
Elias, Victor	Associate	\$370.00	1,446.80	\$535,316.00
Keswani, Natasha	Associate	\$330.00	1.20	\$396.00
Orenstein, Nathaniel	Associate	\$445.00	30.20	\$13,439.00
Phillips, Anthony	Associate	\$370.00	34.30	\$12,691.00
Ryan, Bing	Associate	\$420.00	19.00	\$7,980.00
Saif, Justin	Associate	\$445.00	5,293.80	\$2,355,741.00
Tremble, Kristen	Associate	\$330.00	40.50	\$13,365.00
Falardeau, Laura	Project Attorney	\$350.00	1,001.00	\$350,350.00
Reinstein, Ezra	Project Attorney	\$360.00	1,122.30	\$404,028.00
Wong, David	Project Attorney	\$360.00	32.50	\$11,700.00
Dooley, Justin	Contract Attorney	\$300.00	71.00	\$21,300.00
Ramsdell, Craig	Contract Attorney	\$350.00	332.50	\$116,375.00
Rearden, John	Contract Attorney	\$350.00	871.25	\$304,937.50
Ryan, Erin	Contract Attorney	\$330.00	235.00	\$77,550.00
Schaerf, Jonathan	Contract Attorney	\$350.00	886.20	\$310,170.00
Eng, Jay	Of Counsel	\$510.00	96.00	\$48,960.00
O'Berry, Anne	Of Counsel	\$605.00	520.90	\$315,144.50
Sutter, John	Of Counsel	\$500.00	1,272.90	\$636,450.00
Dowds, Nathan	Law Clerk	\$150.00	40.50	\$6,075.00
Khang, Van	Forensic Accountant	\$610.00	432.20	\$263,642.00
Keating, Ronald	Investigator	\$510.00	145.50	\$74,205.00
Murray, Anne	Investigator	\$350.00	153.25	\$53,637.50
Donegan, Sean	IT Professional	\$245.00	23.05	\$5,647.25
Murray, Darren	IT Professional	\$300.00	7.50	\$2,250.00
Lopez, Jenniffer	Financial Analyst	\$290.00	34.55	\$10,019.50
Scarsciotti, Jeannine	Financial Analyst	\$345.00	52.00	\$17,940.00
Becker, Kathy	Paralegal	\$305.00	364.10	\$111,050.50
Eklof, Amber	Paralegal	\$230.00	143.40	\$32,982.00

IN RE FANNIE MAE 2008 LITIGATION
TIME REPORT

FIRM NAME: Berman DeValerio
REPORTING PERIOD: Inception through January 9, 2015

TIMEKEEPER	STATUS	HOURLY RATE	TOTAL HOURS THIS PERIOD	TOTAL LODESTAR THIS PERIOD
Gerner, Laurie	Paralegal	\$200.00	54.50	\$10,900.00
Hill, Sonny	Paralegal	\$240.00	63.00	\$15,120.00
Keefe, Ryan	Paralegal	\$240.00	52.00	\$12,480.00
Levashov, Kirill	Paralegal	\$220.00	21.50	\$4,730.00
Lugo, William	Paralegal	\$250.00	10.75	\$2,687.50
Raney, Stephanie	Paralegal	\$285.00	611.30	\$174,220.50
Umpierre, Katie	Paralegal	\$270.00	625.30	\$168,831.00
Vanore, Deborah	Paralegal	\$240.00	23.20	\$5,568.00
Walsham, Katharine	Paralegal	\$210.00	6.60	\$1,386.00
Wright, Stephen	Paralegal	\$255.00	86.70	\$22,108.50
TOTALS			23,104.90	\$11,052,392.50

EXHIBIT B

**IN RE FANNIE MAE 2008 LITIGATION
EXPENSE REPORT**

FIRM NAME: Berman DeValerio
REPORTING PERIOD: Inception through January 9, 2015

DESCRIPTION	TOTAL EXPENSES THIS PERIOD
Computer Research	\$41,602.19
Court Reporter Service/ Transcript Fees	\$4,242.05
Expert Fees	\$67,878.75
Federal Express	\$8,393.22
Filing Fees	\$465.00
Hosting and Document Collection	\$41,837.50
Litigation Fund	\$147,100.00
Mediation	\$4,750.00
Messenger/Delivery	\$1,251.21
Photocopying (In-House)	\$48,570.08
Photocopying (Outside)	\$402.45
Postage	\$104.17
Service/Witness Fees	\$1,275.00
Telephone/Telecopier	\$4,761.28
Travel, Meals, Lodging	\$69,564.10
TOTAL:	\$442,197.00

EXHIBIT C



BERMAN DEVALERIO

The Firm

Berman DeValerio is a national law firm with 33 attorneys located in offices in Boston, San Francisco and South Florida. Since its founding in 1982, the firm has devoted its practice to complex litigation, primarily representing plaintiffs seeking redress under U.S. federal and state securities and antitrust laws.

Over the past three decades, Berman DeValerio's attorneys have prosecuted hundreds of class actions, recovering billions of dollars on behalf of the firm's clients and the classes they represented. In addition to financial recoveries, the firm has achieved significant changes in corporate governance and business practices of defendant companies. It currently holds leadership positions in securities and antitrust cases around the country.

Berman DeValerio is rated AV Preeminent by Martindale-Hubbell. Benchmark Litigation ranked the firm as a Highly Recommended Plaintiff's Firm for Massachusetts in 2013, stating that Berman DeValerio "maintains an especially strong reputation for taking on high-profile matters against some of the world's largest companies" and that the firm's attorneys "are also known for utilizing unconventional approaches in their resolution process."¹ Berman DeValerio's lawyers are frequently singled out for favorable comments by our clients, presiding judges and opposing counsel. For examples, please see:

<http://www.bermandevalerio.com/about-the-firm/what-our-clients-say;>
and <http://www.bermandevalerio.com/about-the-firm/reviews-from-the-bench.>

RESULTS

SECURITIES SETTLEMENTS

Berman DeValerio has more than 30 years of experience in securities litigation and has represented public pension funds and other institutional investors in this area since 1998. The firm has successfully prosecuted some of the most significant shareholder class action lawsuits in history.²

Specifically, the firm has been appointed lead or co-lead counsel in more than 100 actions, recovering more than \$3.5 billion on behalf of defrauded investors, under the Private Securities Litigation Reform Act of 1995 ("PSLRA"). The firm has an extremely rigorous case evaluation process and highly experienced litigation attorneys. Its dismissal rate for cases brought under

¹ <http://www.benchmarklitigation.com/states/43-massachusetts/firms.>

² Cornerstone Research, *Securities Class Action Filings: 2011 Year in Review*, p. 18.



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the PSLRA is only 20% – less than half the latest available average for all securities class actions prosecuted under the PSLRA.³

Berman DeValerio serves as monitoring, evaluation and/or litigation counsel to approximately 100 institutional investors, including statewide public employee retirement systems in more than 20 states, 15 public funds with more than \$50 billion in assets, eight of the 10 largest public pension plans in the country, and 25 of the top 50.⁴ For many institutional investors, the Firm's services include electronically monitoring the client's portfolio for losses due to securities fraud in U.S. securities cases.

The firm provides portfolio monitoring, case evaluation and litigation services to its institutional clients, including the litigation of class and individual claims pursuant to U.S. federal and state securities laws, as well as derivative cases pursuant to state law. The firm also offers institutional investors legal services in other areas, including (a) representing institutional investors in general commercial litigation; (b) representing institutional investors in their capacity as defendants in constructive fraudulent transfer cases; (c) negotiating resolution of disputes with money managers and custodians; (d) pursuing shareholder rights, such as books and records demands and merger and acquisition cases; and (e) offering advice on legislative efforts, such as assistance in drafting legislation and preparation of client testimony before Congress.

Cases in which the firm has negotiated substantial recoveries include:

Carlson v. Xerox Corp., et al., 00cv1621 (D. Conn.). Representing the Louisiana State Employees' Retirement System as co-lead counsel, Berman DeValerio negotiated a \$750 million settlement to resolve claims of securities fraud against Xerox, certain top officers and its auditor KPMG LLP. When it received final court approval in January 2009, the recovery was the 10th largest securities class action settlement of all time.

In re Bristol-Myers Squibb Sec. Litig., 02cv2251 (S.D.N.Y.). Berman DeValerio represented the Fresno County Employees' Retirement Association and Louisiana State Employees' Retirement System as co-lead plaintiffs and negotiated a settlement of \$300 million in July 2004. At that time, the settlement was the largest by a drug company in a U.S. securities fraud case.

In re The Bear Stearns Cos. Inc. Sec., Derivative and ERISA Litig., Master File No. 08-MDL No. 1963 / 08 Civ. 2793 (S.D.N.Y). Berman DeValerio acted as co-lead counsel for court-appointed lead plaintiff the State of Michigan Retirement Systems in this case arising from investment

³ Cornerstone Research, *Securities Class Action Filings: 2010 Year in Review*, Jan. 20, 2011, p. 14.

⁴ Based on a January 13, 2015 query of the Standard & Poor's Money Market Directories, www.mmdwebaccess.com, whereby public pension funds were ranked according to defined benefit assets under management. Actual valuation dates vary.



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losses suffered in the Bear Stearns Companies' 2008 collapse. The firm negotiated \$294.9 million in settlements, comprised of \$275 million from Bear Stearns and \$19.9 million from auditor Deloitte & Touche LLP. The settlement received final approval November 9, 2012.

In re WorldCom, Inc. Sec. Litig., 02cv3288 (S.D.N.Y.). As counsel to court-appointed bondholder representatives, the County of Fresno, Calif. and the Fresno County Employees' Retirement Association, Berman DeValerio helped a team of lawyers representing the lead plaintiff, the New York State Common Retirement Fund, obtain settlements worth more than \$6.13 billion.

In re El Paso Sec. Litig., H-02-2717 (S.D. Tex.). Representing the Oklahoma Firefighters Pension and Retirement System as co-lead plaintiff, Berman DeValerio helped negotiate a settlement totaling \$285 million, including \$12 million from auditors PricewaterhouseCoopers. The court granted final approval of the settlement in March 2007.

In re Digital Lightwave Sec. Litig., 98-152cvT-24C (M.D. Fla.). As co-lead counsel, Berman DeValerio negotiated a settlement that included changing company management and strengthening the company's internal financial controls. The class received 1.8 million shares of freely tradable common stock that traded at just below \$4 per share when the court approved the settlement. At the time the shares were distributed to the members of the class, the stock traded at approximately \$100 per share, and class members received more than 200% of their losses after the payment of attorneys' fees and expenses. The total value of the settlement, at the time of distribution, was almost \$200 million.

In re Symbol Technologies, Inc. Sec. Litig., 2:02cv01383 (E.D.N.Y.). Berman DeValerio represented the Louisiana Municipal Police Employees' Retirement System as co-lead plaintiff, obtaining a \$139 million partial settlement in June 2004. Subsequently, Symbol's former auditor, Deloitte & Touche LLP, agreed to pay \$24 million. The court granted final approval in September 2006.

In re Lernout & Hauspie Sec. Litig., 00-11589 (D. Mass.), and *Quaak v. Dexia, S.A.*, 03-11566 (D. Mass.). As co-lead counsel, Berman DeValerio negotiated in December 2004 what was then the third-largest settlement ever paid by accounting firms in a securities class action – a \$115 million agreement with the U.S. and Belgian affiliates of KPMG International. The case stemmed from KPMG's work for Lernout & Hauspie Speech Products, a software company driven into bankruptcy by a massive fraud. In March 2005, the firm reached an additional settlement worth \$5.27 million with certain of Lernout & Hauspie's former top officers and directors. In the related Quaak case, the Firm negotiated a \$60 million settlement with Dexia Bank Belgium to settle claims stemming from the bank's alleged role in the fraudulent scheme at Lernout & Hauspie. The court granted final approval of the Dexia settlement in June 2007, bringing the total settlement value to more than \$180 million.



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In re Prison Realty Sec. Litig., 3:99cv0452 (M.D. Tenn.), (*In re Old CCA Sec. Litig.*, 3:99cv0458). The firm represented the former shareholders of Corrections Corporation of America, which merged with another company to form Prison Realty Trust, Inc. The action charged that the registration statement issued in connection with the merger contained untrue statements. Overcoming arguments that the class' claims of securities fraud were released in prior litigation involving the merger, the firm successfully defeated the motions to dismiss. It subsequently negotiated a global settlement of approximately \$120 million in cash and stock for this case and other related litigation.

Oracle Cases, Coordination Proceeding, Special Title (Rule 1550(b)) No. 4180 (Cal. Sup. Ct., SM Cty.). In this coordinated derivative action, Oracle Corporation shareholders alleged that the company's Chief Executive Officer, Lawrence J. Ellison, profited from illegal insider trading. Acting as co-lead counsel, the firm reached a settlement, pursuant to which Mr. Ellison would personally make charitable donations of \$100 million over five years in Oracle's name to an institution or charity approved by the company and pay \$22 million in attorneys' fees and expenses associated with the prosecution of the case. The innovative agreement, approved by a judge in December 2005, benefited Oracle through increased goodwill and brand recognition, while minimizing concerns that would have been raised by a payment from Mr. Ellison to the company, given his significant ownership stake. The lawsuit resulted in important changes to Oracle's internal trading policies that decrease the chances that an insider will be able to trade in possession of material, non-public information.

In re International Rectifier Sec. Litig., 07cv2544 (C.D. Cal.). As co-lead counsel representing the Massachusetts Laborers' Pension Fund, the firm negotiated a \$90 million settlement with International Rectifier Corporation and certain top officers and directors. The case alleged that the company engaged in numerous accounting improprieties to inflate its financial results. The court granted final approval of the settlement in February 2010.

In re State Street Bank & Trust Co. ERISA Litig., 07cv8488 (S.D.N.Y.). The firm acted as co-lead counsel in this consolidated class action case, which alleged that defendant State Street Bank and Trust Company and its affiliate, State Street Global Advisors, Inc., (collectively, "State Street") breached their fiduciary duties under the Employee Retirement Income Security Act of 1974 ("ERISA") by failing to prudently manage the assets of ERISA plans invested in State Street fixed income funds during 2007. After well over a year of litigation, during which Berman DeValerio and its co-counsel reviewed approximately 13 million pages of documents and took more than 30 depositions, the parties negotiated an all-cash \$89.75 million settlement, which received final approval in 2010.

In re Philip Services Corp. Sec. Litig., 98cv0835 (S.D.N.Y.). As co-lead counsel, Berman DeValerio negotiated settlements totaling \$79.75 million with the bankrupt company's former auditors, top officers, directors and underwriters. The case alleged that Philip Services and its top officers and directors made false and misleading statements regarding the company's publicly



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reported revenues, earnings, assets and liabilities. The district court initially dismissed the claims on grounds of *forum non conveniens*, but the firm successfully obtained a reversal by the Second U.S. Circuit Court of Appeals. The court granted final approval of the settlements in March 2007.

In re Reliant Sec. Litig., 02cv1810 (S.D. Tex.). As lead counsel representing the Louisiana Municipal Police Employees' Retirement System, the firm negotiated a \$75 million cash settlement from the company and Deloitte & Touche LLP. The settlement received final approval in January 2006.

In re KLA-Tencor Corp. Sec. Litig., 06cv04065 (N.D. Cal.). Representing co-lead plaintiff Louisiana Municipal Police Employees' Retirement System, Berman DeValerio negotiated a \$65 million agreement to settle claims that KLA-Tencor illegally backdated stock option grants, issued false and misleading statements regarding grants to key executives and inflated the company's financial results by understating expenses associated with the backdated options. The court granted final approval of the settlement in 2008.

Ehrenreich v. Witter, 95cv6637 (S.D. Fla.). The firm was co-lead counsel in this case involving Sensormatic Electronics Corp., which resulted in a settlement of \$53.5 million. When it was approved in 1998, the settlement was one of the largest class action settlements in the state of Florida.

In re Thomas & Betts Sec. Litig., 2:00cv2127 (W.D. Tenn.). The firm served as co-lead counsel in this class action, which settled for more than \$51 million in 2004. Plaintiffs had accused the company and other defendants of issuing false and misleading financial statements for 1996, 1997, 1998, 1999 and the first two quarters of 2000.

In re Enterasys Networks, Inc. Sec. Litig., C-02-071-M (D.N.H.). Berman DeValerio acted as sole lead counsel in a case against Enterasys Networks, Inc., in which the Los Angeles County Employees Retirement Association was lead plaintiff. The company settled in October 2003 for \$17 million in cash, stock valued at \$33 million and major corporate governance improvements that opened the computer networking company to greater public scrutiny. Changes included requiring the company to back a proposal to eliminate its staggered board of directors, allowing certain large shareholders to propose candidates to the board and expanding the company's annual proxy disclosures. The settlement received final court approval in December 2003.

Giarraputo v. UNUMProvident Corp., 2:99cv00301 (D. Me.). As a member of the executive committee representing plaintiffs, Berman DeValerio secured a \$45 million settlement in a lawsuit stemming from the 1999 merger that created UNUMProvident. Shareholders of both predecessor companies accused the insurer of misleading the public about its business condition before the merger. The settlement received final approval in June 2002.



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In re General Electric Co. Securities Litigation, 09 Civ. 1951 (S.D.N.Y.). The firm serves as Lead Counsel on behalf of the State Universities Retirement System of Illinois in a lawsuit against General Electric Company and certain of its officers. A settlement in the amount of \$40 million was reached with all the parties. The Court approved the Settlement on September 6, 2013. A proposed class member has taken an appeal, which is pending in the Second Circuit Court of Appeals. The Appellant's brief is due to be filed with the Court in March 2014.

In re UCAR International, Inc. Sec. Litig., 98cv0600 (D. Conn.). The firm represented the Florida State Board of Administration as the lead plaintiff in a securities claim arising from an accounting restatement. The case settled for \$40 million cash and the requirement that UCAR appoint an independent director to its board of directors. The settlement was approved in 2000.

In re American Home Mortgage Sec. Litig., 07-MD-1898 (E.D.N.Y.). As co-lead counsel representing the Oklahoma Police Pension & Retirement System, the firm negotiated a \$37.25 million settlement – including \$4.75 million from auditors Deloitte & Touche and \$8.5 million from underwriters – despite the difficulties American Home's bankruptcy posed to asset recovery. The plaintiffs contended that American Home had failed to write down the value of certain loans in its portfolio, which declined substantially in value as the credit markets unraveled. The settlement received final approval in 2010 and was distributed in 2011.

In re Par Pharmaceutical Sec. Litig., 06cv03226 (D.N.J.). As counsel for court-appointed plaintiff, the Louisiana Municipal Police Employees' Retirement System, Berman DeValerio obtained an \$8.1 million settlement from the company and its former CEO and CFO, which the court approved in January 2013. The case alleged that the company had misled investors about its accounting practices, including overstatement of revenues.

In re SmartForce PLC d/b/a SkillSoft Sec. Litig., 02cv544 (D.N.H.). Representing the Teachers' Retirement System of Louisiana as co-lead plaintiff, Berman DeValerio negotiated a \$30.5 million partial settlement with SkillSoft. Subsequently, the firm also negotiated an \$8 million cash settlement with Ernst & Young Chartered Accountants and Ernst & Young LLP, SkillSoft's auditors at the time. The settlements received final approval in September 2004 and November 2005, respectively.

In re Centennial Technologies Sec. Litig., 97cv10304 (D. Mass.). Berman DeValerio served as sole lead counsel in a class action involving a massive accounting scandal that shot down the company's high-flying stock. Berman DeValerio negotiated a settlement that permitted a turnaround of the company and provided a substantial recovery for class members. The firm negotiated changes in corporate practice, including strengthening internal financial controls and obtaining 37% of the company's stock for the class. The firm also recovered \$20 million from Coopers & Lybrand, Centennial's auditor at the time. In addition, the firm recovered \$2.1



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million from defendants Jay Alix & Associates and Lawrence J. Ramaekers for a total recovery of more than \$35 million for the class.

In re Avant, Sec. Litig., 96cv20132 (N.D. Cal.). Avant!, a software company, was charged with securities fraud in connection with its alleged theft of a competitor's software code, which Avant! incorporated into its flagship software product. Serving as lead counsel, the firm recovered \$35 million for the class. The recovery resulted in eligible class claimants receiving almost 50% of their losses after attorneys' fees and expenses.

In re Sykes Enterprises, Inc. Sec. Litig., 8:00cv212-T-26F (M.D. Fla.). The firm represented the Florida State Board of Administration as co-lead plaintiff. Sykes Enterprises was accused of using improper means to match the company's earnings with Wall Street's expectations. The firm negotiated a \$30 million settlement, which received final approval in March 2003.

In re Valence Sec. Litig., 95cv20459 (N.D. Cal.). Berman DeValerio served as co-lead counsel in this action against a Silicon Valley-based company for overstating its performance and the development of an allegedly revolutionary battery technology. After the Ninth Circuit reversed the District Court's decision to grant summary judgment in favor of defendants, the case settled for \$30 million in Valence common stock.

In re Sybase II, Sec. Litig., 98cv0252-CAL (N.D. Cal.). Sybase was charged with inflating its quarterly financial results by improperly recognizing revenue at its wholly owned subsidiary in Japan. Acting as co-lead counsel, the firm obtained a \$28.5 million settlement.

In re Force Protection Inc. Sec. Litig., 08-cv-845 (D.S.C.). As co-lead counsel representing the Laborers' Annuity and Benefit System of Chicago, the firm negotiated a \$24 million settlement in a securities class action against armored vehicle manufacturer Force Protection, Inc. The settlement addressed the claims of shareholders who accused the company and its top officers of making false and misleading statements regarding financial results, failing to maintain effective internal controls over financial reporting, and failing to comply with government contracting standards.

In re ICG Communications Inc. Sec. Litig., 00cv1864 (D. Colo.). As co-lead counsel representing the Strategic Marketing Analysis Fund, the firm negotiated an \$18 million settlement with ICG Communications Inc. The case alleged that ICG executives misled investors and misrepresented growth, revenues and network capabilities. The court granted final approval of the settlement in January 2007.

In re Critical Path, Inc. Sec. Litig., 01cv0551 (N.D. Cal.). The firm negotiated a \$17.5 million recovery to settle claims of accounting improprieties at a California software development company. Representing the Florida State Board of Administration, the firm was able to obtain



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this recovery despite difficulties arising from the fact that Critical Path teetered on the edge of bankruptcy. The settlement was approved in June 2002.

In re Sunrise Senior Living, Inc. Sec. Litig., 07cv00102 (D.D.C.). A federal judge granted final approval of a \$13.5 million settlement between Oklahoma Firefighters Pension and Retirement System, represented by Berman DeValerio, and Sunrise Senior Living Inc.

Hallet v. Li & Fung, Ltd., et al., 95cv08917 (S.D.N.Y.). Cyrk Inc. was charged with misrepresenting its financial results and failing to disclose that its largest customer was ending its relationship with the company. In 1998, Berman DeValerio successfully recovered more than \$13 million for defrauded investors.

In re Warnaco Group, Inc. Sec. Litig., 00cv6266 (S.D.N.Y.). Representing the Fresno County Employees' Retirement Association as co-lead plaintiff, the firm negotiated a \$12.85 million settlement with several current and former top officers of the company.

Gelfer v. Pegasystems, Inc., et al., 98cv12527 (D. Mass.). As co-lead counsel, Berman DeValerio negotiated a settlement valued at \$12.5 million, \$4.5 million in cash and \$7.5 million in shares of the company's stock or cash, at the company's option.

Sand Point Partners, L.P. v. Pediatrix Medical Group, Inc., 99cv6181 (S.D. Fla.). Berman DeValerio represented the Florida State Board of Administration, which was appointed co-lead plaintiff along with several other public pension funds. The complaint accused Pediatrix of Medicaid billing fraud, claiming that the company illegally increased revenue and profit margins by improperly coding treatment rendered. The case settled for \$12 million on the eve of trial in 2002.

In re Molten Metal Technology Inc. Sec. Litig., 1:97cv10325 (D. Mass.), and *Axler v. Scientific Ecology Group, Inc., et al.*, 1:98cv10161 (D. Mass.). As co-lead counsel, Berman DeValerio played a key role in settling the actions after Molten Metal and several affiliates filed a petition for bankruptcy reorganization in Massachusetts. The individual defendants and the insurance carriers in Molten Metal agreed to settle for \$11.91 million. After the bankruptcy, a trustee objected to the use of insurance proceeds for the settlement. The parties agreed to pay the trustee \$1.325 million of the Molten Metal settlement. The parties also agreed to settle claims against Scientific Ecology Group for \$1.25 million, giving Molten Metal's investors \$11.835 million.

In re CHS Electronics, Inc. Sec. Litig., 99-8186-CIV (S.D. Fla.). The firm helped obtain an \$11.5 million settlement for co-lead plaintiff Warburg, Dillon, Read, LLC (now UBS Warburg).

In re Summit Technology Sec. Litig., 96cv11589 (D. Mass.). Berman DeValerio, as co-lead counsel, negotiated a \$10 million settlement for the benefit of the class.



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In re Exide Corp. Sec. Litig., 98cv60061 (E.D. Mich.). Exide was charged with having altered its inventory accounting system to artificially inflate profits by reselling used, outdated or unsuitable batteries as new ones. As co-lead counsel for the class, Berman DeValerio recovered more than \$10 million in cash for class members.

In re Fidelity/Micron Sec. Litig., 95cv12676 (D. Mass.). The firm recovered \$10 million in cash for Micron investors after a Fidelity Fund manager touted Micron while secretly selling the stock.

In re Interspeed, Inc. Sec. Litig., 00cv12090-EFH (D. Mass.). Berman DeValerio served as co-lead counsel and negotiated a \$7.5 million settlement on behalf of the class. The settlement was reached in an early stage of the proceedings, largely as a result of the financial condition of Interspeed and the need to salvage a recovery from its available assets and insurance.

In re Abercrombie & Fitch Co. Sec. Litig., M21-83 (S.D.N.Y). As a member of the executive committee in this case, the firm recovered more than \$6 million on behalf of investors. The case alleged that the clothing company misled investors with respect to declining sales, which affected the company's financial condition. The court granted final approval of the settlement in January 2007.

ANTITRUST SETTLEMENTS

Over the past two decades, Berman DeValerio has held leadership roles in scores of complex antitrust cases, negotiating substantial settlements for its clients. These include:

In re Reformulated Gasoline (RFG) Antitrust and Patent Litigation, MDL 05-1671 (C.D. Cal.). Berman DeValerio, as one of four co-lead counsels in the case, negotiated a \$48 million settlement with Union Oil Company and Unocal. The agreement settled claims that the defendants manipulated the California gas market for summertime reformulated gasoline and increased prices for consumers. The settlement is noteworthy because it delivers to consumers a combination of clean air benefits and the prospect of funding for alternative fuel research. The settlement received final court approval in November 2008.

Sullivan et. al. v. DB Investments, Inc. et. al., Case No. 04-02819 (D.N.J.). Berman DeValerio represents a class of diamond resellers, such as diamond jewelry stores, in this case alleging that the De Beers group of companies unlawfully monopolized the worldwide supply of diamonds in a scheme to overcharge resellers and consumers. In May 2008, a federal judge approved the settlement, which included a cash payment to class members of \$295 million, an agreement by De Beers to submit to the jurisdiction of the United States court to enforce the terms of the settlement, and a comprehensive injunction limiting De Beers' ability to restrict the worldwide supply of diamonds in the future. This case is significant not only because of the



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large cash recovery but also because previous efforts to obtain jurisdiction over De Beers in both private and government actions had failed. On Aug. 27, 2010, the Third U.S. Circuit Court of Appeals agreed to hear arguments over whether to uphold the district court's certification of the settlement class. By agreeing to schedule an en banc appeal before the full Court, the Third Circuit vacated a July 13, 2010 ruling by a three-judge panel of the appeals court that, in a 2-to-1 decision, had ordered a remand of the case back to the district court, which may have required substantial adjustments to the original settlement. On February 23, 2011, the Third Circuit, sitting en banc, again heard oral argument from the parties. On December 20, 2011, the en banc Third Circuit handed down its decision affirming the district court in all respects. The settlement is now final, and checks have been distributed to class members.

In re Sorbates Direct Purchaser Antitrust Litig., C 98-4886 CAL (N.D. Cal.). The firm served as lead counsel alleging that six manufacturers of Sorbates, a food preservative, violated antitrust laws through participation in a worldwide conspiracy to fix prices and allocations to customers in the United States. The firm negotiated a partial settlement of \$82 million with four of the defendants in 2000. Following intensive pretrial litigation, the firm achieved a further \$14.5 million settlement with the two remaining defendants, Japanese manufacturers, in 2002. The total settlement achieved for the class was \$96.5 million.

In re Disposable Contact Lens Antitrust Litig., MDL 1030 (M.D. Fla.). Attorneys in the Florida office acted as co-lead counsel and chief trial counsel. Representing both a national class and the State of Florida, the firm helped secure settlements from defendants Bausch & Lomb and the American Optometric Association before trial and from Johnson & Johnson after five weeks of trial. The settlements were valued at more than \$92 million and also included significant injunctive relief to make disposable contact lenses available at more discount outlets and more competitive prices.

In re Cardizem CD Antitrust Litig., 99-01278 (E.D. Mich.). In another case involving generic drug competition, Berman DeValerio, as co-lead counsel, helped secure an \$80 million settlement from French-German drug maker Aventis Pharmaceuticals and the Andrx Corporation of Florida. The payment to consumers, state agencies and insurance companies settled claims that the companies conspired to prevent the marketing of a less expensive generic version of the blood pressure medication Cardizem CD. The state attorneys general of New York and Michigan joined the case in support of the class.

In re Toys "R" Us Antitrust Litig., MDL 1211 (E.D.N.Y.). The California office negotiated a \$62 million settlement to answer claims that the retailer violated laws by colluding to cut off or limit supplies of popular toys to stores that sold the products at lower prices. The case developed the antitrust laws with respect to a "hub and spoke" conspiracy, where a downstream power seller coerces upstream manufacturers to the detriment of consumers. One component of the settlement required Toys "R" Us to donate \$40 million worth of toys to needy children throughout the United States over a three-year period.



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In re New Motor Vehicles Canadian Export Antitrust Litigation, 03-md-1532 (D. Me). Berman DeValerio is lead counsel in one of the largest federal multidistrict antitrust class actions in history, representing a class of over 70 million new car consumers in a lawsuit that accused major automakers of a conspiracy to keep out cheaper Canadian exports, thereby reducing competition and hurting U.S. consumers. The case against the car manufacturers (Chrysler, Ford, GM, Honda, Nissan and Toyota) alleged that the auto companies unlawfully conspired to stop the export of cheaper Canadian new vehicles to the United States for sale or resale. By keeping out this cheaper supply of vehicles, the lawsuit alleged, the illegal scheme artificially inflated the prices paid by U.S. car buyers. Filed in 2003, the cases proceeded in federal court and several state courts. Plaintiffs reached settlements with Toyota Motor Sales, U.S.A., Inc. and the Canadian Automobile Dealers' Association totaling \$35.7 million. The settlement classes include people or businesses that purchased or leased a new vehicle, manufactured by a number of automakers, from a U.S. dealer during January 2001 through December 2006. Those who purchased vehicles in certain states between January 1, 2001, and April 30, 2003 were eligible for payment from the settlement proceeds. As part of the proposed settlement, Toyota and CADA have also agreed to refrain from engaging in anticompetitive conduct with other automakers and trade associations concerning new vehicle exports from Canada. The settlements were finalized and payments have been sent to authorized claimants. Claims against the other automaker defendants were dismissed in federal court. Related lawsuits against several of the automakers continued in state courts in California, Florida, New Mexico, Tennessee and Wisconsin. In September 2011, plaintiffs in California, Florida, New Mexico and Wisconsin reached a settlement with General Motors of Canada, Ltd. ("GMCL") worth \$20.15 million. The settlement, in general, covers those who bought cars in those states from January 1, 2001 to April 30, 2003. The settlement with GMCL was finalized and payments have been sent to authorized claimants. The state cases continue against other defendants. Most notably, plaintiffs in California have appealed the trial court's order granting summary judgment in favor of Ford. That appeal has not yet been resolved.

In re NASDAQ Market-Makers Antitrust Litig., 94cv3996 (S.D.N.Y). The firm played a significant role in one of the largest antitrust settlements on record in a case that involved alleged price-fixing by more than 30 NASDAQ Market-Makers on about 6,000 NASDAQ-listed stocks over a four-year period. The settlement was valued at nearly \$1 billion.

In re Buspirone Antitrust Litig., MDL 1413 (S.D.N.Y). Berman DeValerio attorneys played a key role in obtaining a \$535 million agreement from Bristol-Myers Squibb Co. to partially settle claims that the drug company illegally blocked generic competition for its anxiety medication, BuSpar.

In re DRAM Antitrust Litig., M:02cv01486 (N.D. Cal). As liaison counsel, the firm actively participated in this Multi-District Litigation, which ultimately resulted in significant settlements with some of the world's leading manufacturers of Dynamic Random Access Memory ("DRAM") chips. The defendant chip-makers allegedly conspired to fix prices of the DRAM memory chips



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sold in the United States during the class period. The negotiated settlements totaled nearly \$326 million.

In re Foreign Currency Conversion Fee Antitrust Litig., MDL 1409 (S.D.N.Y.). Berman DeValerio, as head of discovery against defendant Citigroup Inc., played a key role in reaching a \$336 million settlement. The agreement settled claims that the defendants, which include the VISA, MasterCard and Diners Club networks and other leading bank members of the VISA and MasterCard networks, violated federal and state antitrust laws in connection with fees charged to U.S. cardholders for transactions effected in foreign currencies.

In re Abbott Laboratories Norvir Antitrust Litig., 04-1511, 04-4203, (N.D. Cal.). Berman DeValerio acted as co-lead counsel in a case on behalf of indirect purchasers alleging that the defendant pharmaceutical company engaged in an illegal leveraged monopoly in the sale of its AIDS boosting drug known as Norvir (or Ritanovir). Plaintiffs were successful through summary judgment, including the invalidation of two key patents based on prior art, but were reversed on appeal in the Ninth Circuit as to the leveraged monopoly theory. The case settled for \$10 million, which was distributed net of fees and costs on a *cy pres* basis to 10 different AIDS research and charity organizations throughout the United States.

Automotive Refinishing Paint Antitrust, J.C.C.P. No. 4199 (Sup. Cal.). In this class action, indirect purchaser-plaintiffs brought suit in California State Court against five manufacturers of automotive refinishing coatings and chemicals alleging that they violated California law by unlawfully conspiring to fix paint prices. Settlements were reached with all defendants totaling \$9.4 million, 55% of which was allocated among an End-User Class consisting of consumers and distributed on a *cy pres*, or charitable, basis to thirty-nine court-approved organizations throughout California, and the remaining 45% of which was distributed directly to a Refinishing Class consisting principally of auto-body shops located throughout California.



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LEADERSHIP ROLES

The firm currently acts as lead or co-lead counsel in high-profile securities and antitrust class actions and also represents investors in individual actions, ERISA cases and derivative cases.

SECURITIES CLASS ACTIONS

The following is a representative list of active securities class action cases in which the firm serves as lead or co-lead counsel or as executive committee member.

- *In re BP, PLC Sec. Litig.*, 10-md-2185 (S.D. Tex.) – Co-lead Counsel.
- *In re IndyMac Mortgage-Backed Litig.*, 09-cv-4583 (S.D.N.Y.) – Lead Counsel. (Lead plaintiffs have reached proposed settlements totaling \$346 million, including a \$340 million preliminarily approved settlement with investment banks that underwrote IndyMac MBS offerings. A final approval hearing is scheduled for February 3, 2015.)
- *In re Fannie Mae 2008 Sec. Litig.*, 08-cv-7831 (S.D.N.Y.) – Co-lead Counsel. (Lead plaintiffs have reached a \$170 million preliminarily approved settlement with Fannie Mae. The settlement requires final approval by the Court.)
- *City of Brockton Retirement System v. Avon Products, Inc., et al.*, 11 Civ. 4665 (PGG) (S.D.N.Y.) – Lead Plaintiff's Executive Committee.
- *In re Zynga Inc. Securities Litigation*, No. 12-cv-04007 (N.D. Cal.) – Co-lead Counsel.
- *In re Abiomed, Inc. Securities Litigation*, 2-Civ.-12137 (D. Mass.) – Lead Counsel.
- *In re Digital Domain Media Group, Inc. Securities Litigation*, 12-14333-CIV (S.D. Fla.) – Co-lead Counsel.

INDIVIDUAL SECURITIES AND CONSUMER CASES

The following are individual securities cases in which the firm acts as plaintiffs' counsel for major institutional investors.

- *California Public Employees' Retirement System v. Moody's Corp.*, CGC-09-490241 (Cal. Super. Ct., SF Cty.) – Plaintiff's Counsel.
- *Trabakoolas v. Watts Water Technologies, Inc.*, Case No. 4:12-cv-01172-YGR (N.D. Cal.) – Liaison Counsel and member of Plaintiffs' Steering Committee.



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ANTITRUST CLASS ACTIONS

The following is a list of active antitrust/unfair competition class action cases in which the firm serves as lead or co-lead counsel or as an executive committee member.

- *In re Lithium Ion Batteries Antitrust Litigation*, No. 13-md-2420-YGR (N.D. Cal.) – Co-Lead Counsel.
- *In re Optical Disk Drive Antitrust Litigation*, 3:10-MD-02143-RS (N.D. Cal.) – Co-lead Counsel.
- *Carlin v. DairyAmerica, Inc.*, 09-CV-00430 (E.D. Cal.) – Member of the Interim Executive Committee and Liaison Counsel.
- *In re Online DVD Rental Antitrust Litig.*, 09-MD-2029 (N.D. Cal.) – Co-lead Counsel.
- *Wallach v. Eaton Corporation, et al*, 10-cv-00260 (U.S.D.C., Del.) – Co-lead Counsel.

TRIAL EXPERIENCE

The firm has significant experience taking class actions to trial. Over the years, Berman DeValerio's attorneys have tried cases against pharmaceutical companies in courtrooms in New York and Boston, a railroad conglomerate in Delaware, one of the nation's largest trustee banks in Philadelphia, a major food retailer in St. Louis and the top officers of a failed New England bank.

The firm has been involved in more trials than most of the firms in the plaintiffs' class action bar. Our partners' trial experience includes:

- *In re MetLife Demutualization Litig.*, 00-Civ-2258 (E.D.N.Y.). This case settled for \$50 million after the jury was empanelled.
- *White v. Heartland High-Yield Municipal Bond Fund*, 00-C-1388 (E.D. Wis.). Firm attorneys conducted three weeks of a jury trial against final defendant, PwC, before a settlement was reached for \$8.25 million. The total settlement amount was \$23.25 million.
- *In re Disposable Contact Lens Antitrust Litig.*, MDL 1030 (M.D. Fla.). Settled for \$60 million with defendant Johnson & Johnson after five weeks of trial.



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- *Gutman v. Howard Savings Bank*, 2:90cv02397 (D.N.J.). Jury verdict for plaintiffs after three weeks of trial in individual action. The firm also obtained a landmark opinion allowing investors to pursue common law fraud claims arising out of their decision to retain securities as opposed to purchasing new shares. *See Gutman v. Howard Savings Bank*, 748 F. Supp. 254 (D.N.J. 1990).
- *Hurley v. Federal Deposit Insurance Corp.*, 88cv940 (D. Mass.). Bench verdict for plaintiffs.
- *Levine v. Fenster*, 2cv895131 (D.N.J.). Plaintiffs' verdict of \$3 million following four-week trial.
- *In re Equitec Sec. Litig.*, 90cv2064 (N.D. Cal.). Parties reached a \$35 million settlement at the close of evidence following five-month trial.
- *In re ICN/Viratek Sec. Litig.*, 87cv4296 (S.D.N.Y.). Hung jury with 8-1 vote in favor of plaintiffs; the case eventually settled for over \$14.5 million.
- *In re Biogen Sec. Litig.*, 94cv12177 (D. Mass.). Verdict for defendants.
- *Upp v. Mellon*, 91-5219 (E.D. Pa.). In this bench trial, tried through verdict in 1992, the court found for a class of trust beneficiaries in a suit against the trustee bank and ordered disgorgement of fees. The Third Circuit later reversed based on lack of jurisdiction.



BERMAN DEVALERIO

OUR ATTORNEYS

Partners

DANIEL E. BARENBAUM

A partner in the firm's San Francisco office, Daniel Barenbaum focuses his practice on securities litigation. His current cases include a landmark lawsuit brought by the California Public Employees' Retirement System against the major credit rating agencies in connection with the marketing of one of the largest, most complex structured-finance securities ever devised, and a case against Fannie Mae and certain executives relating to misrepresentations regarding the amount of subprime and Alt-A on the company's books and the lack of adequate risk controls used and disclosed to manage those types of loans.

Mr. Barenbaum was formerly a partner at a San Francisco law firm where he represented clients in securities and antitrust litigation, as well as in mass tort and employment class actions and in multidistrict litigation. With a business degree in finance in addition to his law degree, Mr. Barenbaum has also worked for a financial-services company, where he assisted clients with investment planning and risk mitigation.

Mr. Barenbaum earned his J.D. and M.B.A. degrees from Emory University in 2000, where he received the business school award for *Most Outstanding Academic Accomplishment*. He obtained his B.A. in English from Tufts University in 1994. Mr. Barenbaum was Notes and Comments Editor for 1999-2000 for the Emory Bankruptcy Developments Journal. He is the author of "Delineating Covered Class Actions Under SLUSA," *Securities Litigation Report* (December-January 2005), and Contributing Author to *California Class Actions Practice and Procedures* (Elizabeth J. Cabraser, Editor-in-Chief, 2003). Having successfully obtained his Series 7 and 66 licenses, he was previously registered with the Securities and Exchange Commission as both a broker-dealer representative and an investment advisor.

Mr. Barenbaum is admitted to practice law in the State of California.



BERMAN DEVALERIO

NORMAN BERMAN

In 1982, Norman Berman co-founded Berman DeValerio & Pease LLP, a predecessor to Berman DeValerio. He focuses his practice principally on complex securities and antitrust litigation.

During the course of his career, Mr. Berman has litigated numerous cases to successful resolution, recovering many millions of dollars on behalf of defrauded investors. He was among the lead attorneys in the *Philip Services, Corp.*, *Force Protection, Inc.* and *ICG Communications, Inc.* class actions. In the case against Philip Services, Mr. Berman assisted in recovering a \$79.75 million settlement. To date, that settlement includes the largest recovery ever obtained from a Canadian auditor. In the class action against Force Protection, he assisted in securing a \$24 million settlement. In ICG Communications, he helped to successfully secure an \$18 million settlement. Co-lead plaintiffs in the case alleged that ICG executives misled investors and misrepresented ICG's growth, revenues and network capabilities throughout the class period.

Mr. Berman was also part of the team that achieved a \$750 million recovery in *Carlson v. Xerox Corp.*, in which the firm represented the Louisiana State Employees' Retirement System as co-lead counsel. Mr. Berman coordinated and conducted discovery, including a massive document review, in that international fraud class action. At the time, the recovery was the 10th largest securities class action settlement in history.

Mr. Berman has acted as trial counsel in a number of successful cases, including *Hurley et al v. Federal Deposit Insurance Corp.*, where the court entered an \$18 million judgment against the failed First Service Bank for Savings, and *ICN Securities Litigation*, which settled after trial for more than \$14.5 million in 1996. The trial team's work in *ICN* prompted positive judicial comment. Mr. Berman also acted as a senior member of the trial team in the case of *In re Biogen Securities Litigation*, and as a member of the trial team in *In re Zila Inc. Securities Litigation*, which settled during trial preparation, *Poughkeepsie Savings Bank v. Morash et al.*, and other matters.

Prior to co-founding Berman DeValerio & Pease, LLP in 1982, Mr. Berman was associated with the Boston-based general practice firms Barron & Stadfeld, P.C. and Harold Brown & Associates.

Mr. Berman graduated from Boston University in 1970 and from Suffolk University Law School in 1974. While in law school, he was a member of the Public Defenders Group and, following law school, was an intern with the Massachusetts Defenders Committee.

Mr. Berman is co-author of a chapter on expert testimony in a handbook on Massachusetts Evidence published by Massachusetts Continuing Legal Education. He is AV Preeminent rated by Martindale-Hubbell and is designated a Local Litigation Star by Benchmark Litigation in 2013.



BERMAN DEVALERIO

He is admitted to practice law in the Commonwealth of Massachusetts, the State of Connecticut and before the U.S. Supreme Court, as well as the District Courts of Arizona, Colorado, Connecticut, the Eastern District of Wisconsin and the Northern District of California.

GLEN DEVALERIO

Glen DeValerio was a co-founder in 1982 of Berman DeValerio & Pease, LLP, one of the law firms that formed Berman DeValerio in 2001. He is also the managing partner of the firm's Boston office and oversees some of the firm's most important cases. As one of the lead attorneys in *Carlson v. Xerox Corp.*, he helped negotiate a \$750 million settlement, which ranked as the 10th largest securities class action settlement of all time when it received court approval in January 2009.

Mr. DeValerio is a primary point of contact for many of the firm's public fund clients, including the Massachusetts Pension Reserves Investment Management Board, the Louisiana State Employees' Retirement System, the Ohio Attorney General's Office, the Oklahoma Firefighters Pension & Retirement System, and the Pennsylvania State Employees' Retirement System. He has extensive trial experience, serving as trial counsel in *In re Katy Indus. Sec. Litig.*, 85-CV-459 (D. Del.); *Hurley et al. v. Federal Deposit Insurance Corp.*, 88-cv-1940 (D. Mass.); *Poughkeepsie Savings Bank, F.S.B. v. Morash et al.*, 89-cv-1778 (S.D.N.Y.); *Advisors Bancorp., et al. v. Painewebber, Inc.*, 90-cv-11301 (D. Mass.); and *Schofield et al. v. First Commodity Corp. of Boston*, 83-4137-Z (D. Mass.), among others.

Mr. DeValerio has prosecuted federal securities law violations, chiefly class and derivative actions, since the early 1970s. A 1969 graduate of the University of Rhode Island, he received his law degree in 1973 from the Catholic University Law School and served on the *Catholic University Law Review's* editorial board for two years. In 1973 and 1974, he worked as a law clerk to the Honorable June L. Green, U.S. District Court for the District of Columbia.

A frequent lecturer on complex securities litigation issues, Mr. DeValerio speaks at continuing legal education seminars sponsored by groups such as PLI, ALI-ABA and the Boston Bar Association. He is vice president of the International Network for Financial Litigation, a newly formed association of law firms seeking to create a global litigation framework to promote legal security, transparency and market confidence. Mr. DeValerio served as the President of the National Association of Securities and Commercial Law Attorneys from 1996 through 1998.

Mr. DeValerio has been admitted to practice law in the Commonwealth of Massachusetts as well as the U.S. Districts Courts for the District of Columbia, Massachusetts, Delaware, New Hampshire and Connecticut. He has also been admitted to practice in the First and Fourth Circuit Courts of Appeals. He is AV Preeminent rated by Martindale-Hubbell and is designated a Local Litigation Star by Benchmark Litigation in 2013.



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KYLE G. DEVALERIO

A Partner in the firm's Florida office, Kyle G. DeValerio is a member of the antitrust practice's new case development team, which investigates potential antitrust violations to determine the merits of potential cases.

In addition to serving as a member of the new case development team, Mr. DeValerio works on antitrust and securities litigation. He was part of the team in *Carlson v. Xerox Corp.*, which settled for \$750 million. He was also member of the litigation team in the *In re The Bear Stearns Companies, Inc. Securities, Derivative, and ERISA Litigation* resulting in settlements with defendants totaling \$294.9 million. He was also part of the firm's team that litigated the *In re TFT-LCD Direct Purchaser Antitrust Litigation*, which resulted in settlements totaling more than \$400 million.

Prior to joining the firm as an associate in 2004, Mr. DeValerio worked as a legal intern in the Civil Division of the U.S. Attorney's Office in Boston.

Mr. DeValerio is a 1999 graduate of Colby College, where he earned a B.A. in Government. He also studied European Politics at the London School of Economics and Political Science. He received his J.D. in 2004 from the Suffolk University School of Law. In 2010, *Florida Super Lawyers* magazine named him a "Rising Star."

Mr. DeValerio is admitted to practice law in the Commonwealth of Massachusetts, the State of Florida and the U.S. District Courts of Massachusetts, Southern District of Florida and the Northern District of Illinois. He is also a member of the Palm Beach County Bar Association.



BERMAN DEVALERIO

KATHLEEN M. DONOVAN-MAHER

Kathleen M. Donovan-Maher is a member of the firm's Executive Committee and co-manages the Boston office. She became a partner at Berman DeValerio in 1999 and focuses her work in the firm's securities and whistleblower practices.

Ms. Donovan Maher is currently representing investors in a number of complex cases, including *In re General Electric Co. Securities Litigation*, and *In re BankUnited Securities Litigation*.

Ms. Donovan-Maher was a principal attorney in a securities class action involving American Home Mortgage, in which Berman DeValerio acted as co-lead counsel on behalf of the Oklahoma Police Pension and Retirement System. The firm negotiated a \$37.25 million settlement in that case, despite the complications posed by bankruptcy. The settlement received final approval in 2010.

During her career, Ms. Donovan-Maher has successfully helped to prosecute numerous class actions. She has led the day-to-day prosecution of the litigation against General Electric Company, which settled for \$40 million in 2013. Pending final judicial approval. Ms. Donovan-Maher also served as discovery captain in the *NASDAQ Antitrust Litigation* and was a member of the trial team in the *ICN/Viratek Sec. Litig.*, which settled for \$14.5 million when the jury deadlocked at the conclusion of the 1996 trial. Other cases in which Ms. Donovan-Maher has played a chief role include, but are not limited to, *Enterasys Networks* and *SkillSoft*. In all cases, Ms. Donovan-Maher's efforts helped achieve significant financial recoveries for representing public retirement systems, the State Universities Retirement System of Illinois, the Los Angeles County Employees Retirement Association and the Teachers' Retirement System of Louisiana, respectively.

In addition to a monetary award, the *Enterasys Networks* settlement also included corporate governance improvements, requiring the company to back a proposal to eliminate its staggered board of directors, allow certain large shareholders to propose candidates to the board and expand the company's annual proxy disclosures.

Ms. Donovan-Maher graduated from Suffolk University *magna cum laude* in 1988, receiving a B.S. degree in Business Administration and earning an award for maintaining the highest grade point average among students with concentrations in Finance. She graduated from Suffolk University Law School three years later after serving two years on the *Transnational Law Review*.

A member in good standing of the state bar of Massachusetts, Ms. Donovan-Maher is admitted to practice law in the U.S. District Court of Massachusetts and the U.S. Court of Appeals, First Circuit, Second Circuit and Third Circuit. Martindale-Hubbell has rated her AV Preeminent and selected her for the 2013 Bar Register of Preeminent Women Lawyers. She is also designated a



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Local Litigation Star by Benchmark Litigation in 2013. Ms. Donovan-Maher is a frequent author on continuing legal education issues for such groups as ALI-ABA and PLI. She is also a member of Phi Delta Phi, Delta Mu Delta National Honor Society in Business Administration, Omicron Delta Epsilon International Honor Society of Economics, the American Bar Association and the Boston Bar Association.

PATRICK T. EGAN

A partner in Boston, Patrick T. Egan focuses his practice on securities litigation. Mr. Egan has litigated numerous cases to successful resolution, recovering hundreds of millions of dollars on behalf of defrauded investors.

Mr. Egan was one of the firm's lead attorneys representing the Michigan State Retirement Systems in the *Bear Stearns Companies* litigation stemming from the 2008 collapse of the company. Plaintiffs successfully recovered \$294.9 million for former Bear Stearns shareholders.

Mr. Egan has worked on a number of important cases, including *Lernout & Hauspie* and the related case, *Quaak v. Dexia, S.A.* Those cases stem from a massive accounting fraud scheme at Lernout & Hauspie Speech Products, N.V., a bankrupt Belgian software company. As co-lead counsel, the firm recovered more than \$180 million on behalf of former Lernout & Hauspie shareholders.

Prior to joining the firm in 1999 and being named partner in 2006, Mr. Egan worked at the U.S. Department of Labor, where he served as an attorney advisor for the Office of Administrative Law Judges.

Mr. Egan received a B.A. in Political Science *cum laude* from Providence College in 1993. In 1997, he graduated *cum laude* from Suffolk University Law School.

While at Suffolk, Mr. Egan served on the editorial board of the *Suffolk University Law Review* and authored a note entitled, "Virtual Community Standards: Should Obscenity Law Recognize the Contemporary Community Standard of Cyberspace" 30 Suffolk University L. Rev. 117 (1996).

Mr. Egan is admitted to practice law in the states of Massachusetts, Connecticut and New York, as well as the U.S. District Courts of Massachusetts and the U.S. District Court for the Southern District of New York. He is also admitted to practice before the U.S. Supreme Court and U.S. Courts of Appeals in the First, Second and Fourth Circuits. Mr. Egan was designated a Local Litigation Star by Benchmark Litigation in 2013.



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CHRISTOPHER T. HEFFELFINGER

Christopher T. Heffelfinger focuses on antitrust and securities cases and has litigated class actions in the high-tech, real estate, pharmaceutical, gasoline and manufacturing industries. Prior to joining the firm, Mr. Heffelfinger practiced securities and bankruptcy/commercial litigation for nine years with law firms in San Francisco and in Marin County, California. Mr.

Heffelfinger is a 1984 graduate of the University of the San Francisco School of Law, where he was a member of the *University of San Francisco Law Review*. He graduated from Claremont McKenna College in 1977 with a B.A. in Economics. Mr. Heffelfinger served on active duty as an infantry officer in the U.S. Marine Corps, 1977-80, for nine months, 1990 – 1991, as a Captain with a rifle company in support of Operations Desert Shield/Storm. He has lectured periodically on discovery matters, including electronically stored information, deposition practice, and evidentiary foundations in commercial litigation. For 2009-2013, Mr. Heffelfinger was named a Super Lawyer by *Northern California Super Lawyers Magazine*. He has an AV® Preeminent rating from Martindale-Hubbell.

Significant cases in which Mr. Heffelfinger has had a leadership or active role, include the following: *In re Reformulated Gasoline & Patent Litigation* (C.D. Cal.), alleging that Unocal violated the Cartwright Act by entering into unlawful combinations with standard setting organizations (\$48 million settlement); *In re LDK Solar Company Securities Litigation* (N.D. Cal.), alleging an inventory accounting fraud involving the accounting treatment of different grades of poly silicon used in the production of solar panels (\$16 million settlement); *In re Broadcom Securities Litigation* (C.D. Cal.), alleging the improper accounting treatment of warrants used by Broadcom to make acquisitions of other companies (\$150 million settlement); *In re Norvir Antitrust Litigation* (N.D. Cal.), alleging that the defendant pharmaceutical company had engaged in an illegal leveraged monopoly in the sale of its AIDS boosting drug known as Norvir (or Ritanovir) (\$10 million settlement); *In re Dynamic Random Access Memory (DRAM) Antitrust Litigation* (N.D. Cal.), alleging a conspiracy by major manufacturers of DRAM to fix prices over a four-year period (\$320 million settlements); *In re Warnaco Securities Litigation* (S.D.N.Y.), alleging that defendants had issued materially false and misleading financial statements by vastly overstating the value of inventory (\$12 million settlement); *In re Toys 'R' Us Antitrust Litigation* (E.D.N.Y.), alleging that Toys 'R' Us had conspired with certain toy manufacturers not to sell certain popularly promoted toys, advertised on television, to deep discount retailers such as Costco (\$56 million settlement consisting of (a) a cash component of \$20 million, and (b) a toy component of \$36 million of toys delivered to charitable organizations and needy children in each of the fifty states by the Marine Corps Toys for Tots Foundation). In addition Mr. Heffelfinger has acted as court-appointed lead reseller allocation counsel in both *In re Static Random Access Memory (SRAM) Antitrust Litigation* (N.D. Cal.), and *In re Dynamic Random Access Memory (DRAM) Indirect Antitrust Litigation* (N.D. Cal.), in settlement fund allocation proceedings, from 2011-2013.



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NICOLE LAVALLEE

Nicole Lavallee, the Managing Partner in the San Francisco office, focuses her practice on securities and derivative litigation and is an integral member of the firm's New Case Investigations Team for institutional clients. The team investigates potential securities law violations to determine whether a case meets the firm's exacting standards. Ms. Lavallee is also a member of the Firm's executive committee.

Ms. Lavallee is also the primary contact for a number of the firm's institutional clients, including the Los Angeles County Employees Retirement Association, the Arizona State Retirement System, the Arizona Public Safety Personnel Retirement System, the San Mateo County Employees' Retirement System, the Wyoming Retirement System and the Wyoming State Treasurer.

She is currently one of the lead attorneys prosecuting *In re IndyMac Mortgage-Backed Securities Litigation* and *In re Zynga Inc. Securities Litigation*. Over the past two decades, she has prosecuted a number of the firm's high-profile securities fraud cases. For example, she was a lead attorney representing the Massachusetts Laborers' Pension Fund as co-lead plaintiff in a class action alleging that International Rectifier Corp. and certain of its former officers and directors manipulated the company's financial results. The case settled for \$90 million in 2009 and was granted final court approval in February 2010. Ms. Lavallee was also the lead attorney representing the Louisiana Municipal Police Employees' Retirement System as co-lead plaintiff in the *KLA-Tencor Corp.* options-backdating class action, which recently settled for \$65 million. At the conclusion of the case, Judge Charles R. Breyer praised plaintiffs' counsel for "working very hard" in exchange for an "extraordinarily reasonable" fee. "I appreciate the fact that you've done an outstanding job, and you've been entirely reasonable in what you've done," he said. Ms. Lavallee was also the partner responsible for the day-to-day prosecution of a derivative insider trading action against Lawrence J. Ellison, the Chief Executive Officer of Oracle Corporation, which led to changes to the company's insider trading policies. As part of the 2005 settlement negotiated by plaintiffs' counsel, Mr. Ellison agreed to make \$100 million in charitable donations in Oracle's name and pay plaintiffs' attorneys' fees and expenses. At the hearing on summary judgment, the judge praised Ms. Lavallee's work, stating: "Ms. Lavallee, I just wanted to tell you I thought your brief was excellent."

Ms. Lavallee also prosecuted individual and opt-out actions on behalf of several public pension fund clients. Though the details of these settlements are confidential, clients obtained results that far exceed their pro-rata share of the corresponding class action.

Ms. Lavallee is a 1989 graduate of the French Civil Law School at Université de Montréal in Montreal and obtained her Common Law degree from Osgoode Hall Law School in Toronto. She is a member of the State Bar of California and admitted to practice in all the district courts



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of California, the district court of Colorado and the Ninth Circuit. She is AV Preeminent rated by Martindale-Hubbell.

KRISTIN J. MOODY

Kristin J. Moody is a Partner in the firm's Boston office, where she focuses her practice on securities litigation. She has successfully litigated numerous class actions that have resulted in substantial settlements for defrauded investors.

Ms. Moody represents lead and named plaintiffs in *In re Zynga, Inc. Securities Litigation*, where she investigated and drafted the complaint and the opposition to the motions to dismiss, which are currently pending. Further, Ms. Moody investigated and drafted the consolidated amended complaint in a class action against General Electric Co., certain of its officers and directors and underwriters of its public offering, drafted lead plaintiff's opposition to defendants' motions to dismiss and subsequent briefing with the court, and conducted discovery in this matter. The case settled for \$40 million. Further, Ms. Moody is a member of the litigation team representing co-lead plaintiff in *In re BP p.l.c. Securities Litigation*, where she helped draft the amended complaint and the opposition to defendants' motion to dismiss. She also represents four Ohio pension funds in connection with a separate, individual action filed against BP in connection with the funds' purchase of BP ordinary shares on the London Stock Exchange. She participated in the investigation and drafting of the complaint in that action.

Ms. Moody also managed litigation, coordinated and conducted discovery, counseled clients and participated in mediation in *In re Force Protection Securities Litigation*, which settled for \$24 million. Ms. Moody also coordinated and conducted discovery, counseled the client and participated in mediation in litigation against International Rectifier Corp. and several of its former officers and directors, which settled for \$90 million. In addition, Ms. Moody participated in the motion to dismiss briefing and mediation in *In re American Home Mortgage Securities Litigation*, which settled for \$37.25 million, despite the difficulties American Home's bankruptcy posed to asset recovery.

Prior to joining Berman DeValerio, Ms. Moody practiced at Holland & Knight, LLP in Boston and Morrison & Foerster, LLP in San Francisco. While at Morrison & Foerster, Ms. Moody represented clients in complex commercial litigation matters with a focus on securities litigation. At Holland & Knight, she represented clients in a range of white-collar criminal matters, government and regulatory investigations and complex civil litigation, including securities litigation. Ms. Moody has also represented clients in a number of *pro bono* matters, including discrimination and political asylum cases.

Ms. Moody has published several articles in the areas of accounting fraud, securities class actions and derivative suits. She has also taught business law courses at Fisher College and sits



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on the Fisher College Advisory Board. Ms. Moody is also a member of the non-profit Generation Citizen's Advisory Board.

Ms. Moody earned an LL.M. from New York University School of Law in 2003, a J.D. *cum laude* from Boston College Law School in 1999, and a B.A. in English and Legal Studies *cum laude* from Bucknell University in 1995. While in law school, she was Notes and Comments Editor of the *Boston College International and Comparative Law Review* and was active in the Women's Law Center.

Ms. Moody is a member in good standing of the state bars of Massachusetts and California and is also admitted to practice in U.S. District Court of Massachusetts and the U.S. Courts of Appeals for the First Circuit, the Federal Circuit and the Third Circuit.

MATTHEW D. PEARSON

A Partner in the San Francisco office, Matthew D. Pearson focuses his practice on securities and antitrust litigation.

Mr. Pearson is currently working on several antitrust cases, including the *In re New Motor Vehicles Canadian Export Antitrust Litigation*, an action alleging that major auto manufacturers unlawfully conspired to stop the export of cheaper new Canadian vehicles into the United States for use or resale. The case has partially settled with Toyota Motor Sales, U.S.A., Inc. for \$35 million. The settlement requires court approval.

Prior to joining Berman DeValerio in 2005, Mr. Pearson earned a B.A. in Political Science in 1999 from the University of California, Los Angeles, and a J.D. from the University of California, Davis, School of Law in 2004.

While in law school, Mr. Pearson completed the King Hall Public Service Law Program and worked as a legal intern assigned to a felony trial team at the Sacramento County District Attorney's Office.

Mr. Pearson has been admitted to practice law in the State of California, as well as the United States District Courts for the Northern, Central and Southern Districts of California.



BERMAN DEVALERIO

TODD A. SEAVER

A partner in the San Francisco office, Todd A. Seaver litigates both antitrust and securities matters, with a primary focus on antitrust litigation.

Mr. Seaver is currently working in a leading role in several cases, including *In re Lithium Ion Batteries Antitrust Litigation*, where he is co-lead counsel for direct purchasers, and *In re Optical Disk Drive Antitrust Litigation*. In addition, Mr. Seaver leads plaintiffs' efforts in *In re New Motor Vehicles Canadian Export Antitrust Litigation*, in which Berman DeValerio is lead counsel. The case alleges that major auto manufacturers unlawfully conspired to stop the export of cheaper new Canadian vehicles into the United States for use or resale. The case has partially settled with Toyota Motor Sales U.S.A. for \$35 million and with General Motors of Canada for \$20.15 million. . Mr. Seaver is one of the lead counsel in *Online DVD Rental Antitrust Litigation* and also worked on a number of the firm's high-profile cases including *Cardizem CD*, still the leading generic drug competition case, which settled in 2003 for \$80 million.

Mr. Seaver is also extensively involved in a case against major credit rating agencies, *CalPERS v. Moody's Corp.* The case, filed on behalf of the nation's largest state pension fund, the California Public Employees' Retirement System, is landmark litigation that seeks to hold the rating agencies financially responsible for alleged negligent misrepresentations in rating structured investment vehicles.

Mr. Seaver was previously associated with the law firm Devine, Millimet & Branch, P.A., where he practiced commercial litigation. He was also an adjunct Professor of Law with the New England School of Law in 2003, teaching Appellate Advocacy.

Mr. Seaver graduated *magna cum laude* from Boston University in 1994 with a B.A. in International Relations. He earned a M.Sc. from the London School of Economics in 1995 and graduated *cum laude* from the American University Washington College of Law in 1999.

While in law school, Mr. Seaver served as a law clerk at the Federal Trade Commission's Bureau of Competition and as a judicial extern for the Honorable Ricardo M. Urbina, U.S. District Court for the District of Columbia.

Mr. Seaver has been admitted to practice law in the states of California, Massachusetts and New Hampshire. He is also a member of the American Bar Association's Antitrust Section, and is serving a two-year term as a Director for the San Francisco Bar Association's Antitrust Committee in 2012-13.



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LESLIE R. STERN

A partner in Boston, Leslie R. Stern heads the New Case Investigations Team for institutional clients. The team investigates possible securities law violations, gauging clients' damages and evaluating the merits of cases to determine the best course of legal action.

In her role with the New Case Investigations Team, Ms. Stern oversees a portfolio monitoring program that combines the power of an online loss calculation system with the hands-on work of a dedicated group of attorneys, investigators and financial analysts. Her case development duties include preparing detailed case analyses and recommendations, and advising clients on their legal options.

Ms. Stern is also the primary contact for several public and union funds, including the Brockton Contributory Retirement System, the Massachusetts Laborers' Pension Fund, the Employees Retirement System of the City of St. Louis and the Louisiana School Employees' Retirement System. She is a seasoned litigator with more than a decade of experience on cases such as *Carlson v. Xerox Corp.*, in which Berman DeValerio represented the Louisiana State Employees' Retirement System as co-lead counsel. Upon approval in January 2009, the \$750 million Xerox settlement ranked as the 10th largest securities class action recovery of all time. Ms. Stern also worked on *In re Bristol Myers-Squibb Sec. Litig.*, which settled for \$300 million, and *In re Zila Inc. Sec. Litig.*, which settled for \$5.75 million.

Prior to joining Berman DeValerio in 1998 and being named partner in 2003, Ms. Stern practiced general civil litigation. She earned a B.S. degree in Finance from American University in 1991 and graduated *cum laude* from Suffolk University Law School in 1995.

While at Suffolk, Ms. Stern served on the Suffolk University Law Review's editorial board and authored three publications.

Ms. Stern has been admitted to practice law in the Commonwealth of Massachusetts and the U.S. District Court of Massachusetts. She has also been admitted to practice in the First and Fourth Circuits of the U.S. Courts of Appeals. Ms. Stern is a founding member of the International Financial Litigation Network and a member of the National Association of Public Pension Attorneys. She was also designated a Local Litigation Star by Benchmark Litigation 2013.



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JOSEPH J. TABACCO, JR.

Joseph J. Tabacco, Jr., the founding member of Berman DeValerio's San Francisco office, actively litigates antitrust, securities fraud, commercial high tech and intellectual property matters.

Mr. Tabacco is a primary point of contact for many of Berman DeValerio's institutional clients, including the California Public Employees' Retirement System, the California State Teachers' Retirement System, the Offices of the Attorneys General of Alaska, Michigan and other states.

Prior to 1981, Mr. Tabacco served as senior trial attorney for the U.S. Department of Justice, Antitrust Division in both the Central District of California and the Southern District of New York. In that capacity, he had major responsibility for several criminal and civil matters, including the antitrust trial of *U.S. v. IBM*. Since entering private practice in the early 1980s, Mr. Tabacco has served as trial or lead counsel in numerous antitrust and securities cases and has been involved in all aspects of state and federal litigation. In private practice, Mr. Tabacco has also tried a number of securities cases, each of which resolved successfully at various points during or after trial, including *In re MetLife Demutualization Litigation* (settled after jury empanelled), *Gutman v. Howard Savings Bank* (plaintiffs' verdict after six-week trial), *In re Equitec Sec. Litigation* (settled after six months of trial) and *In re Ramtek Sec. Litigation*.

Mr. Tabacco is currently overseeing a number of cases, including: *CalPERS v. Moody's Corp.*, No. CGC-09-490241 (Super. Ct. San Francisco), a pioneering attempt to hold credit rating agencies financially responsible for their alleged negligence in rating structured investment vehicles; *In re Lithium Ion Batteries Antitrust Litigation*, No. 13-md-2420-YGR (N.D. Cal.), a case alleging a conspiracy to fix the prices of lithium ion rechargeable batteries, which affected the prices paid for the batteries and certain products in which the batteries are used and which the defendants sell; and *In re General Electric Co. Securities Litigation*, 09 Civ. 1951 (S.D.N.Y.), a case stemming from GE's alleged misrepresentations regarding substantial credit risks with its financial services unit, GE Capital.

Since 2008, Mr. Tabacco has served as an independent member of the Board of Directors of Overstock.com, a publicly traded company internet retailer. He is Chair of the Board's Corporate Governance Committee and also serves as a member of the Board's Audit and Compensation Committees. He also frequently lectures and authors articles on securities and antitrust law issues and is a member of the Advisory Board of the Institute for Consumer Antitrust Studies at Loyola University Chicago School of Law and the Advisory Board of the Center for Law, Economics & Finance at the George Washington School of Law. Mr. Tabacco is also a former teaching fellow of the Attorney General's Advocacy Institute in Washington, D.C., and has served on the faculty of ALI-ABA on programs about U.S.-Canadian business litigation and trial of complex securities cases.



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Mr. Tabacco was most recently named to two committees of the United States District Court for the Northern District of California by the Court's Chief Judge: (1) the Magistrate Judge Merit Selection Panel for the Northern District of California; and (2) the Northern District of California Model Protective Order Revision Committee.

For the sixth year in a row, he has been among the top U.S. securities litigators ranked by *Chambers USA 2007-2012* and is also AV rated by Martindale-Hubbell. Mr. Tabacco has been featured by the *Daily Journal* as one of California's top 30 securities litigators, a group chosen from both the plaintiff and defense bars. He was also recognized by *Who's Who Legal* and *Global Competition Review* in their 2014 edition of *The International Who's Who of Competition Lawyers & Economists*. Additionally, for 10 consecutive years, Mr. Tabacco has been named a Super Lawyer by *Northern California Super Lawyer Magazine*, which features the top 5% of attorneys in the region. Recently, Mr. Tabacco was singled out by a top defense attorney for exemplifying "the finest tradition of the trial bar."

Mr. Tabacco has been admitted to practice law in the states of California, Massachusetts, New York and the District of Columbia (currently inactive).

BRYAN A. WOOD

A partner in Boston, Bryan A. Wood focuses his practice on securities and consumer litigation and is a member of the firm's New Case Investigations Team for institutional clients.

Mr. Wood is currently overseeing a number of securities cases, including *In re BP, plc Securities Litigation* Case No. 10-md-2185 (S.D. Tex.), in which Berman DeValerio is co-lead counsel in the class action representing the Ohio Public Employees Retirement System. The case alleges BP violated federal securities laws, specifically that the Defendants made false and misleading statements regarding BP's purported improvements in process safety, the scope and implementation of BP's Operating Management System process-safety initiative, BP's ability to respond to a major oil spill, and the scope of the oil spill in the Gulf. In addition, Mr. Wood leads plaintiffs' efforts in *City of Brockton Retirement System v. Avon Products, Par Pharmaceutical, Dunst v. Hyundai Motor America*, and *Sanderson v. Verdasys, Inc.*

He also worked extensively on the *Carlson v. Xerox Corp.* litigation. In this case, representing the Louisiana State Employees' Retirement System, Berman DeValerio received final court approval for a \$750 million settlement in January 2009. Mr. Wood was responsible for managing and supervising the firm's discovery process in the *Xerox* case.

Mr. Wood joined Berman DeValerio as an associate in 2002 and became a partner in 2009.

Prior to joining the firm, Mr. Wood was a litigation associate at both Montgomery, McCracken, Walker & Rhoads, LLP in Philadelphia and Schnader Harrison Segal & Lewis in Boston. As an



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associate at those firms, he represented corporations and directors in shareholder and other class action lawsuits. He also represented businesses and municipalities in general contract and employment discrimination cases.

Mr. Wood graduated *cum laude* from the University of Massachusetts in 1991 with a B.A. in Sociology. In 1995, he earned an M.S. *summa cum laude* in Public Policy from the Eagleton Institute of Politics at Rutgers University and graduated *cum laude* from the Temple University Beasley School of Law in 1998. While in law school, he was the Managing Editor of the *Temple Law Review* and a board member of the Temple Law Moot Court Honor Society. In addition, Mr. Wood completed a one-year internship for the Honorable Edward R. Becker, then Chief Judge for the U.S. Court of Appeals for the Third Circuit. Mr. Wood was designated a 2013 Local Litigation Star by Benchmark Litigation, and in 2007, *Massachusetts Super Lawyers* magazine named him a “Rising Star” in recognition of his expertise and work in securities litigation.

Mr. Wood is admitted to practice law in the Commonwealths of Massachusetts and Pennsylvania.

He is also admitted to the U.S. District Courts for the Districts of Massachusetts, Colorado and Eastern Pennsylvania, as well as the U.S. Court of Appeals for the First Circuit. Additionally, Mr. Wood is a member of the Boston Bar Association and the American Bar Association.



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Associates

DARYL DEVALERIO ANDREWS

Daryl DeValerio Andrews, an associate in the Boston office, focuses her practice on securities litigation. Her work is currently focused on the firm's cases against *Atlantic Power Corp.*, *Abiomed, Inc.*, *General Electric Co.* and *Verdasys, Inc.* She is also involved in a case against major credit rating agencies, *CalPERS v. Moody's Corp.* The case, filed on behalf of the nation's largest state pension fund, the California Public Employees' Retirement System, is landmark litigation that seeks to hold the rating agencies financially responsible for alleged negligent misrepresentations in rating structured investment vehicles.

Prior to joining the firm as an associate in 2009, Ms. Andrews was a litigation associate at Sherin and Lodgen LLP, where she practiced civil litigation with an emphasis on bankruptcy and real estate litigation, and employment law.

After graduating from Boston University School of Law in 2003, Ms. Andrews clerked for Judge Michael A. Ponsor, U.S. District Court, District of Massachusetts. During law school, she served on the Public Interest Law Journal and was a legal intern for the U.S. Attorney's Office, Civil Division, where she drafted dispositive motions for a variety of cases and researched legal issues for briefs and motions. She also interned for two years at Shelter Legal Services, assisting low-income clients on legal matters such as housing, credit, employment and family law issues.

Ms. Andrews earned a B.A. in Education from Smith College in 1997. She was named a "Rising Star" in 2007, 2008, and 2013 by *Massachusetts Super Lawyers Magazine*.

Ms. Andrews is admitted to practice law in the Commonwealth of Massachusetts and the U.S. District Court of Massachusetts.



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STEVEN J. BUTTACAVOLI

An associate in the firm's Boston office, Steven J. Buttacavoli focuses his practice on securities litigation.

At Berman DeValerio, Mr. Buttacavoli has helped coordinate lead plaintiff's investigation and analysis of securities fraud claims against the General Electric Co., drafted the consolidated amended complaint in a class action against the company, drafted lead plaintiff's opposition to defendants' motions to dismiss and subsequent briefing with the court, and conduct discovery in this matter. The parties have reached a tentative settlement, which is before the court for preliminary approval. Mr. Buttacavoli is also an integral member of the litigation team representing co-lead plaintiff in *In re BP p.l.c. Securities Litigation*, where he has assisted in drafting the amended complaint, drafting the opposition to defendants' motion to dismiss, and analyzing discovery obtained in this matter. He also represents four Ohio pension funds in connection with a separate, individual action filed against BP in connection with the funds' purchase of BP ordinary shares on the London Stock Exchange. Mr. Buttacavoli also helped coordinate lead plaintiff's investigation and analysis of securities fraud claims against the former top executives of BankUnited, draft the consolidated amended complaint and opposition to defendants' motions to dismiss, and draft materials prepared in connection with the mediation and proposed settlement of the *BankUnited* matter. In addition, Mr. Buttacavoli has advised numerous clients in connection with potential claims involving custodian banks' foreign currency exchange pricing practices.

Prior to joining Berman DeValerio in 2009, Mr. Buttacavoli worked as an associate at Foley Hoag LLP in Boston, where he defended securities class actions and Securities and Exchange Commission enforcement actions, conducted internal investigations, responded to criminal investigations by the United States Attorney's Office and advised clients in connection with litigation risk analysis and mitigation strategies.

Mr. Buttacavoli earned an A.B. in International Relations from the College of William & Mary and a Master of Public Policy degree from Georgetown University. In 2001, he earned his J.D., *magna cum laude*, from the Georgetown University Law Center, where he was a member of the Order of the Coif. Mr. Buttacavoli was also a Senior Articles and Notes Editor for the *American Criminal Law Review*.

Mr. Buttacavoli is admitted to practice in the state and federal courts of the Commonwealth of Massachusetts and the United States Courts of Appeals for the First and Third Circuits.



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VICTOR S. ELIAS

An associate in the firm's San Francisco office, Victor S. Elias focuses his practice on securities fraud litigation. Prior to joining Berman DeValerio in 2012, Mr. Elias worked as an associate at a San Francisco Bay Area-based law firm where he represented plaintiffs in multidistrict antitrust and securities fraud class actions and also represented clients in matters involving complex business, consumer protection, personal injury, False Claims Act, unfair competition and civil rights litigation. Mr. Elias previously served for two years as a judicial law clerk for the Honorable Micaela Alvarez at the United States District Court for the Southern District of Texas.

While in law school, Mr. Elias served as an extern for the Honorable Anthony W. Ishii at the U.S. District Court for the Eastern District of California, and as an extern for the late Honorable Paul Boland at the California Court of Appeal, Second District. Before attending law school, Mr. Elias worked as a law clerk for Disability Rights Advocates, a California-based class action litigation firm.

Mr. Elias earned a J.D. from University of Southern California Gould School of Law in 2008 and a B.A. from University of California, Los Angeles in 2004.

Mr. Elias is admitted to practice law in the state of California.

SARAH KHORASANEE MCGRATH

An associate in the firm's San Francisco office, Sarah Khorasanee McGrath focuses her practice on antitrust litigation. Ms. McGrath joined Berman DeValerio in 2010 after working as a contract attorney for the Department of Justice, Antitrust Division. Prior to that, she was an attorney volunteer with the City and County of San Francisco Office of the Public Defender and the Eviction Defense Center.

Ms. McGrath earned a B.A. in Communications from the University of California at San Diego in 2002 and a J.D. from the New England School of Law in 2008.

While in law school, Ms. McGrath worked as a judicial extern to the Honorable Eric Taylor, Superior Court of California, County of Los Angeles.

Northern California Super Lawyers Magazine named Ms. McGrath a "Rising Star", and she was included in *San Francisco* magazine's *Top Women Attorneys in Northern California* for 2013 and 2014.

She is admitted to practice in the State of California.



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JESSICA MOY

Jessica Moy focuses her practice on antitrust and securities litigation. Prior to joining Berman DeValerio in 2013, Ms. Moy worked as an associate at a San Francisco law firm, where she represented plaintiffs in state and federal matters with an emphasis in antitrust, unfair competition and complex commercial litigation.

Prior to attending law school, Ms. Moy spent seven months studying Chinese language at Beijing Normal University in Beijing, China as a Zeidman Fellowship recipient. Thereafter, she worked for the United States Department of Justice's Antitrust Division, Litigation II Section in Washington, DC as part of the Department's Honors Paralegal Program. While at the Antitrust Division, she assisted with the investigation and litigation of vertical and horizontal mergers, appraised divestiture options, and assessed potential purchasers of international assets.

Ms. Moy earned her Juris Doctor degree from the University of California, Hastings College of the Law. During law school, she was an oral advocate finalist and awarded "Best Brief" in the Philip C. Jessup International Law Moot Court competition, acted as an Articles Editor for Hastings Constitutional Law Quarterly, and served as an Executive Board Member of Hastings's Asian/Pacific-American Law Students Association. In addition, Ms. Moy externed for the Honorable Maria-Elena James in the Northern District of California, San Francisco Division and was recognized with the CALI Excellence for the Future Award and the Witkin Award for Academic Excellence in Trial Advocacy.

Ms. Moy is admitted to practice in California and before the U.S. Court of Appeals for the Ninth Circuit and the U.S. District Court for the Northern District of California.

NATHANIEL L. ORENSTEIN

An associate in the firm's Boston office, Nathaniel L. Orenstein focuses his practice on securities and antitrust litigation. He is currently engaged in a number of matters to ensure that corporate directors' meet their fiduciary obligations to their shareholders.

In addition to Mr. Orenstein's legal practice at Berman DeValerio, he is on the Board of Directors for the Center for Insurance Research.

Prior to joining Berman DeValerio, Mr. Orenstein was a staff attorney for the Securities Division of the Office of the Secretary of the Commonwealth of Massachusetts. While there, he monitored companies, investigated matters and pursued enforcement actions to detect and prevent fraud at hedge funds and related companies. Mr. Orenstein was also the lead attorney on many investigations and actions against broker-dealers, investment advisors and others.

Prior to obtaining his J.D. from the New York University School of Law in 2005, Mr. Orenstein served as a member of the mutual fund and insurance brokerage investigation teams for the



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Office of the New York State Attorney General's Investment Protection Bureau. As a legal intern, he assisted with the Bureau's investigation work including, case planning, discovery and settlement negotiation.

In addition to his work for the Commonwealth and for New York State, Mr. Orenstein was a policy analyst, and was subsequently promoted to associate director, for the Center for Insurance Research, a consumer advocacy organization. In these roles, he participated in complex litigation matters. He also testified in regulatory and legislative proceedings on behalf of policyholders concerning market conduct and insurance rate setting.

Mr. Orenstein is admitted to practice law in the Commonwealth of Massachusetts.

ANTHONY D. PHILLIPS

An associate in the firm's San Francisco office since 2008, Anthony D. Phillips focuses his practice on securities and consumer protection litigation.

Mr. Phillips currently works on several securities and consumer protection cases, including *In re IndyMac MBS Litigation*, *In re Apple In-App. Purchase Litigation*, and *Carlin v. DairyAmerica, Inc.*

Mr. Phillips received a combined honors B.A. in History and Politics from the University of York in the United Kingdom. In 2008, he graduated cum laude from the University of San Francisco School of Law. During law school, Mr. Phillips served as a judicial extern for the Honorable Joanne C. Parrilli at the California Court of Appeal. Prior to attending law school, Mr. Phillips spent eight years working in the logistics and software industries.

In 2011, 2012, 2013, and again in 2014, Northern California Super Lawyers Magazine named Mr. Phillips a "Rising Star."

Mr. Phillips is admitted to practice in the State of California, in the United States District Courts for the Northern, Central, and Eastern Districts of California, and in the United States Court of Appeals for the Ninth Circuit.



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JUSTIN N. SAIF

An associate in the firm's Boston office, Justin N. Saif focuses his practice on securities litigation. He currently represents the Massachusetts Pension Reserves Investment Management Board in *In re Fannie Mae 2008 Securities Litigation*, which alleges that Fannie Mae and two individual defendants made material misrepresentations regarding and failed to disclose (a) that an enormous volume of mortgages on its books were "subprime" and "Alt-A" as defined internally by the company and throughout the industry, and (b) that defendants had inadequate internal controls to manage the significant risks created by the company's purchases of those types of loans. Mr. Saif has made crucial contributions to the case, including in the drafting of the Second Amended Joint Consolidated Class Action Complaint and the opposition to defendants' motions to dismiss.

Mr. Saif played a key role in drafting the consolidated class action complaint and opposition to motion to dismiss in the litigation against The Bear Stearns Companies, Inc. and its auditor, Deloitte & Touche LLP, representing the State of Michigan Retirement Systems. He also oversaw the initial document review team. That case recently settled for \$294.9 million. Mr. Saif was an integral member of the litigation team in *In re Force Protection Securities Litigation*, representing the Laborers' Annuity and Benefit Fund of Chicago. He drafted discovery requests and responses, coordinated electronic document review and analysis, and prepared for mediation. The *Force Protection* matter settled for \$24 million. Mr. Saif also played a vital part in *In re Par Pharms. Sec. Litig.*, representing the Louisiana Municipal Employees Retirement System, including preparing for and participating in a mediation that led to a recently-approved \$8.1 million settlement.

Prior to joining Berman DeValerio in 2008, Mr. Saif worked as an associate at Foley Hoag LLP in Boston, where he focused on complex civil litigation including securities litigation, SEC enforcement matters, and professional liability matters involving lawyers and accountants.

Mr. Saif earned an A.B. in Psychology from Harvard University in 1999, graduating *cum laude*. In 2004 he earned a J.D. from the University of Chicago. While in law school, he worked at the MacArthur Justice Center, an impact litigation firm and legal clinic focused on reforming the criminal justice system.

Mr. Saif is admitted to practice law in state and federal courts in Massachusetts and the U.S. Court of Appeals, First Circuit. He is a member of the Boston Bar Association.



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MARIE FOLEY WATSON

Marie Foley Watson, who focuses her practice on antitrust and securities litigation, joined Berman DeValerio in September 2010 after developing a broad range of legal expertise as a contract attorney at several prominent Boston firms. Prior to that, she was a senior associate handling civil and banking litigation at a general practice law firm and a corporate consultant for a national rental company.

Ms. Watson received a B.A. in Politics *magna cum laude* from Saint Anselm College in 1995. In 1998, she graduated from Boston University School of Law, where she also earned a Certificate in Litigation and Dispute Resolution.

Ms. Watson is admitted to practice law in the Commonwealth of Massachusetts and the U.S. District Court of Massachusetts.



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Special Counsel

KEVIN SHELLEY

Kevin Shelley, special counsel to the firm, is a former California Secretary of State and State Assembly leader recognized as an advocate for working people, consumers and investors.

Mr. Shelley's political involvement began in 1978 as a staff member to U.S. Representatives Phil and Sala Burton. He then played a key role in electing their successor, former Speaker of the U.S. House of Representatives Nancy Pelosi, in 1987. His own political career began in 1990, when he won a seat on the San Francisco Board of Supervisors.

Elected to the California State Assembly in 1996, he championed the rights of workers and fought to protect civil rights. Among his accomplishments, he improved conditions at nursing homes, drafted new corporate accountability requirements and created a restitution fund for victims of corporate fraud.

Mr. Shelley, who spent five of his six years in the State Assembly as Majority Leader, won election for Secretary of State in November 2002. As the state's Chief Election Officer, he is credited with improving voter participation, calmly overseeing the historic recall election, and decertifying problematic electronic voting machines.

Since 2005, Mr. Shelley has been representing consumers and plaintiffs in civil litigation.

He began working with Berman DeValerio in 2006. He earned a B.A. in Political Science from the University of California, Davis in 1978 and a law degree from the University of California Hastings College of the Law in 1983. A member of the California Bar, he is the son of Jack Shelley, a former San Francisco mayor, U.S. congressman and California state senator.



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Of Counsel

C. OLIVER BURT, III

For decades, C. Oliver Burt has worked to defend the interests of investors and fight against corporate fraud.

During the course of his extensive career, Mr. Burt has taken a number of cases to trial and appeal to obtain recoveries for defrauded investors.

In *White v. Heartland High-Yield Municipal Bond Fund*, for example, following three weeks of trial against the funds' auditors, PricewaterhouseCoopers, Mr. Burt and the case team obtained an \$8.25 million settlement – an aggregate settlement of \$23.25 million for the class. Mr. Burt was also trial co-counsel for plaintiffs in *Peil v. Speiser*, a securities class action tried to verdict in 1986, and argued the appeal. In its landmark opinion, the Third Circuit Court of Appeals adopted the "fraud-on-the-market" presumption of reliance as the law of the Circuit. He was plaintiffs' lead trial counsel in *Kumpis v. Wetterau* and in *Upp v. Mellon Bank*. In addition, *Upp v. Mellon Bank*, a class action which involved an alleged breach of trust by a bank trustee, was tried to verdict in August 1992.

He has argued appeals in class action cases in the Third, Eighth, Ninth and Eleventh Circuits and the Delaware Supreme Court.

Prior to co-founding his firm in West Palm Beach in January 1994, Mr. Burt was a partner at a Philadelphia law firm and in private practice from 1977 to 1993. During that period of time, he tried many cases and was engaged in commercial litigation including antitrust, securities litigation, unfair competition, white-collar criminal cases and general business litigation, as well as plaintiffs' class actions.

Mr. Burt's tried cases included *Callan, et al. v. State Chemical Manufacturing Company*, *The Mader Group, Inc. v. Gekoski*, *Beta Consultants & Administrators v. Centennial Life Ins. Co.* and *U.S. v. Natale*, a criminal RICO case, among others.

From 1971 to 1977, Mr. Burt was an Assistant U.S. Attorney for the Eastern District of Pennsylvania. He was appointed Chief of the Civil Division of that office in 1973. In that role, he managed and tried many matters including the Grand Jury investigation concerning the bankruptcy of the Penn Central Railroad, *U.S. v. Rosenbaum*. That case was tried by Mr. Burt for approximately six weeks in a United States District Court in Philadelphia in the winter of 1977. Before being promoted to Chief, Mr. Burt was an Assistant U.S. Attorney for several years, during which he prosecuted white-collar and other criminal cases involving securities fraud, mail fraud, wire fraud, "check-kiting," embezzlement of bank funds, interstate transportation of stolen motor vehicles, income tax evasion, bank robbery, drug trafficking and



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other offenses. During that time period, among other cases, he also prosecuted *U.S. v. Bertram Lazar*, a Ponzi scheme.

In addition to his case work, Mr. Burt has been actively involved in a number of associations, authored materials and lectured on a variety of legal topics. From 1972 through 1985, he was Chairman of the Criminal Law Committee of the Philadelphia Bar Association Young Lawyers' Section Basic Legal Practice Course. He was an author and lecturer on various legal topics including co-authoring materials on Punitive Damages in the Class Action context and lecturing on that subject at the seminar "Litigating Punitive Damages" presented by the American Conference Institute in New York in May 1995.

Mr. Burt graduated from Swarthmore College with a B.A. in History and earned his J.D. from the University of Pennsylvania Law School.

He is a member of the Florida and Pennsylvania Bars, and is admitted to practice before the U.S. Supreme Court, the Third, Eighth, Ninth and Eleventh Circuit Court of Appeals and various U.S District Courts. He is AV rated by Martindale-Hubbell.

Mr. Burt co-founded Burt & Pucillo LLP, one of the firms that merged to form Berman DeValerio in 2001. After serving as a partner in the firm's Florida office, he became Of Counsel to the firm in January 2009.

JAY ENG

Jay Eng is of counsel in the firm's Florida office, where he focuses his practice on securities litigation and arbitration. Mr. Eng rejoined the firm in 2012 after litigating matters concerning professional liability including FINRA arbitration matters dealing with customer-broker disputes against registered representative and broker-dealers for another Florida firm. He had previously worked at the firm from 2002 until 2008. He has worked on numerous securities class action matters, including *White v. Heartland High-Yield Municipal Bond Fund*, *Sunrise Senior Living, Inc. Securities Litigation*, *Buca, Inc. Securities Litigation*, *Wyatt v. El Paso Corp., Florida East Coast Industries, Inc. Shareholder Litigation*, *In re Reliant Securities Litigation*, *IndyMac Mortgage-Backed Securities Litigation* and *Digital Domain Media Group, Inc. Securities Litigation*.

Before joining the firm in 2002, Mr. Eng practiced at a large law firm in Florida where he represented corporate clients in a variety of business and commercial litigation matters. Prior to that, he served as a law clerk to United States Magistrate Judge, Ann Vitunac, managing the court's civil docket. He also worked as a trial court law clerk at the Fifteenth Judicial Circuit, advising circuit court judges in the civil and criminal divisions of the court.



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Mr. Eng received a J.D. from Tulane Law School in 1998 and earned a B.S. in Economics from Florida State University in 1994. Mr. Eng is a member of the State Bar of Florida, the U.S. District Court for the Southern, Middle, and Northern Districts of Florida, the U.S. District Court for the Eastern District of Wisconsin, the U.S. Court of Appeals for the Eighth Circuit, the U.S. Court of Appeals for the Eleventh Circuit, and the United States Supreme Court. He was recognized as a Rising Star in the 2010 and 2011 editions of Florida Super Lawyers® and has been awarded a rating of AV® Preeminent™ by Martindale-Hubbell®.

MARC J. GREENSPON

Marc J. Greenspon became Of Counsel to the firm in 2009 and concentrates his practice in the area of antitrust litigation.

Mr. Greenspon, formerly an associate with the firm from 2003 to 2007, worked on significant antitrust, consumer and securities class actions before starting an independent law practice counseling corporate clients. He maintains his independent law practice, which is not affiliated with the firm.

Mr. Greenspon earned an LL.M. in Securities and Financial Regulation from the Georgetown University Law Center in 2003, a J.D. from Nova Southeastern University in 2002, and a B.A. from the State University of New York at Buffalo in 1999. He co-authored "Securities Arbitration: Bankrupt, Bothered & Bewildered," 7 *Stan. J.L. Bus. & Fin.* 131 (2002).

Mr. Greenspon is admitted to practice law in the State of Florida, as well as in the U.S. District Courts for the Southern District of Florida, Middle District of Florida and Northern District of Florida. Mr. Greenspon is a member of the American Bar Association Section of Antitrust Law and the American Bar Association Committee on Derivatives and Futures Law.

ANNE F. O'BERRY

Since joining the firm in 2000, Anne F. O'Berry has specialized primarily in securities class action litigation, helping to achieve substantial recoveries for institutional investors in cases such as *El Paso*, *Lernout & Hauspie*, *Reliant*, *International Rectifier Corp.*, *Sykes* and *WorldCom*.

She has also assisted in several of the firm's antitrust, and consumer protection cases, including *Canadian Motor Vehicles*, *Citrus Canker*, *LCD Flat Panel*, *Marine Hose*, *State Street Bank and Trust Co.*, and *Bear Stearns* which received final approval in 2012 for a settlement of \$294.9 million.

Ms. O'Berry began her legal career as a commercial litigation associate at the New York firm of Debevoise & Plimpton and thereafter worked as a staff attorney for a federally funded agency representing indigent death row inmates in state and federal post-conviction litigation, as co-



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director of a non-profit agency representing incarcerated battered women seeking executive clemency, as a central staff attorney at Florida's Fourth District Court of Appeal, and as an adjunct professor at St. Thomas University Law School.

Ms. O'Berry has also served on several law-related committees, including serving as Secretary of the Civil Rights Committee of the Association of the Bar of the City of New York, and as Vice President of the National Lawyers Guild's Southern Region. She is presently a member of the Guild's South Florida chapter, Animal Rights Activism Committee, and Environmental Human Rights Committee, and is also a member of the Animal Legal Defense Fund.

Ms. O'Berry obtained her B.A. from the University of Pennsylvania in 1983, graduating *summa cum laude* and *Phi Beta Kappa*, and earned her J.D. from New York University School of Law in 1986, where she was the director of the Women in Prison Project at Riker's Island, a member of the Civil Rights Litigation Clinic, and an Articles Editor on the *Annual Survey of American Law*, where she published the article, "Prisoners' Rights: Judicial Deference to Prison Administrators," 1985 *Annual Survey of American Law* 325.

While in law school, Ms. O'Berry interned for Judge Abraham D. Sofaer, U.S. District Court for the Southern District of New York and for Judge A. Leon Higginbotham, Jr., U.S. Court of Appeals for the Third Circuit.

Following law school, Ms. O'Berry served as a law clerk to Judge Dickinson R. Debevoise, U.S. District Court for the District of New Jersey, and then as a research and teaching associate to Judge Higginbotham, with whom she co-authored: "The 'Law Only As An Enemy': The Legitimization of Racial Powerlessness Through the Colonial and Antebellum Criminal Laws of Virginia," 70 N.C. L. Rev. 969 (1992).

Ms. O'Berry is admitted to practice before the New York and Florida Bars, the U.S. Supreme Court and the U.S. District Courts for the Southern and Eastern Districts of New York and the Southern District of Florida.



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MICHAEL J. PUCILLO

Michael J. Pucillo was a founding partner of Burt & Pucillo, one of the law firms that formed Berman DeValerio in 2001. Mr. Pucillo now advises as Of Counsel to a number of institutional and individual clients on securities law matters.

Mr. Pucillo has been a member of the Florida Bar since 1978, and is admitted to practice before the United States Courts of Appeal for the Fifth and Eleventh Circuits and the United States District Courts for the Southern and Middle Districts of Florida.

Mr. Pucillo is a member of the Southern District of Florida Trial Bar. During 1989-1990, he served as President of the Gold Coast Chapter of the Federal Bar Association.

He has served from 1994 to 1997 as Chairman of the Palm Beach County Bar Association Federal Court Practice Committee.

He is a graduate of Williams College (1975) and Georgetown University Law School (1978).

Mr. Pucillo has lectured frequently on class actions and litigation. In 1994, Mr. Pucillo became a member of the faculty of the College of Advanced Judicial Studies, where he taught "Managing the Complex Civil Case" to Florida Circuit Court judges, in 1994, 1996 and 2002. He has been an educational sustainer of the Council of Institutional Investors since 1999 and has lectured at several Council meetings on securities litigation issues.

He also appeared on the PBS Nightly Business Report on issues relating to investor fraud.

From 1978 to 1979, Mr. Pucillo served as law clerk to the Honorable Charles B. Fulton, United States District Judge for the Southern District of Florida. From 1979 to 1981, Mr. Pucillo served as law clerk to the Honorable William J. Campbell, Senior United States District Judge for the Northern District of Illinois. In 1983 and 1984 he was an attorney in the Division of Enforcement of the SEC in Washington, D.C.

Mr. Pucillo, as counsel to court-appointed bond purchaser class representatives, was one of the attorneys who prosecuted bond purchaser claims in the *WorldCom Securities Litigation* in the Southern District of New York. That litigation resulted in a \$6.13 billion settlement.

Mr. Pucillo also represented the Florida State Board of Administration in its lead plaintiff application in the *Enron Securities Litigation*.

As part of a settlement of the *UCAR International Securities Litigation* in 1999, on behalf of lead plaintiff the Florida State Board of Administration, Mr. Pucillo negotiated significant corporate



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governance changes that included the appointment of an outside director by the lead plaintiff, in addition to a significant monetary recovery.

Mr. Pucillo has prosecuted several securities cases arising out of energy trading. He served as co-lead and lead counsel in the *El Paso Securities Litigation* and the *Reliant Securities Litigation*, both in the Southern District of Texas. Those cases settled for \$285 million and \$75 million, respectively.

JOHN H. SUTTER

John H. Sutter focuses on securities litigation and is a member of the Firm's whistleblower practice group. He joined Berman DeValerio as Of Counsel in early 2010 after working with the firm for several years as a contract attorney.

Mr. Sutter has participated in a number of the firm's important cases. He was lead associate on the securities litigation against The Bear Stearns Companies, Inc. and their auditors Deloitte and Touche arising out of Bear Stearns's collapse which resulted in a \$294.9 million recovery. Mr. Sutter is currently involved in several active whistleblower actions filed with the Securities and Exchange Commission. He also drafted investigative memoranda and mediation statements in the *Xerox* litigation, which resulted in a \$750 million recovery for plaintiffs from the company and its auditor, KPMG. He also participated in extensive document review and discovery preparation in the *State Street Bank ERISA* litigation and the *Nortel II* litigation, each of which resulted in a substantial recovery for plaintiffs. He is currently engaged in work on the General Electric securities litigation, which has recently reached a tentative settlement and is before the court on preliminary approval of the settlement.

Before working with Berman DeValerio, Mr. Sutter was both a corporate and litigation associate for two prominent Boston law firms. He also served as an in-house assistant general counsel with Biogen, Inc., focusing in particular on securities and compliance issues.

Mr. Sutter graduated second in a class of nearly 400 from Boston University School of Law, *summa cum laude*, in 1995. He served on the *Boston University Law Review* and was a charter member of the *Phi Delta Phi* Legal Fraternity. He also was a distinguished scholar for all three years and was the recipient of the William L. and Lillian Berger Award for Distinguished Academic Achievement. He graduated from Suffolk University in 1992 with a B.A. in English Literature.

He is admitted to practice law in the Commonwealth of Massachusetts, the U.S. District Court of Massachusetts and the United States Court of Appeals for the First Circuit.



BERMAN DEVALERIO

WENDY H. ZOBERMAN

Wendy Zoberman focuses her practice on securities litigation and since 1990 has prosecuted numerous securities class actions and derivative actions throughout Florida and in other jurisdictions. After being Managing Partner of the firm's Palm Beach Gardens office, she now advises as Of Counsel.

Ms. Zoberman participated in all aspects of the litigation (including discovery, motion practice, mediation and a two-day evidentiary hearing on class certification) as Plaintiffs' Counsel and Class Counsel in *Barner v. KPMG Peat Marwick* (Thirteenth Judicial Cir., Fla.), originally filed in 1998 and settled in 2009 for \$3.9 million, after class certification was appealed three times, the latest certification being *per curiam* affirmed by the Second District Court of Appeals. Ms. Zoberman also participated as Co-Lead Counsel representing the Oklahoma Firefighters Pension and Retirement System in *Oscar Wyatt v. El Paso Corp. et al.* (S.D. Tex), which resulted in a \$285 million settlement, at that time, one of the 25 largest securities class action settlements achieved since passage of the Private Securities Litigation Reform Act of 1995, and where she was involved in the preparation of the second consolidated class action complaint and helped draft the opposition to defendants' motion to dismiss as well as the settlement documents and briefs in support thereof.

Ms. Zoberman also assisted in lead plaintiff's investigation and analysis of securities fraud claims brought in *In re BankUnited Securities Litigation*, helped draft the consolidated amended complaint and opposition to defendants' motions to dismiss, and helped draft materials prepared in connection with the mediation and settlement of the matter. In the *BankUnited* case, Ms. Zoberman also drafted pleadings in connection with additional litigation in the Bankruptcy Court. Ms. Zoberman also served on the litigation team in *In re Worldcom Securities Litigation*, drafting the firm's client's discovery responses and objections and drafting motions *in limine*. Ms. Zoberman participated as Lead Counsel representing the Florida State Board of Administration in *In re UCAR International, Inc., Securities Litigation* (D. Conn.), one of the first times significant corporate governance relief (the right to appoint a new member to UCAR's Board of Directors) was achieved as part of a securities class action settlement. In addition Ms. Zoberman has represented an institutional client named as a defendant in litigation brought by creditors who sustained losses and/or bankruptcy trustees seeking to recover monies from former shareholders of companies that went bankrupt shortly after transactions in which public shareholders were bought out in mergers or tender offers.

Ms. Zoberman is a 1981 graduate of Wellesley College, where she was a Durant Scholar and elected to the Phi Beta Kappa Society. She received her law degree from Columbia University in 1984. At Columbia, she served as an Articles Editor of the Columbia University-Volunteer Lawyers for the Arts Journal of Art and the Law.



BERMAN DEVALERIO

Ms. Zoberman is admitted to practice in the state courts of Florida as well as the United States District Courts for the Middle and Southern Districts of Florida and the United States Courts of Appeals for the Eighth and Eleventh Circuits.

Project Attorneys

KRISTIN A. MATTISKE-NICHOLLS

Kristin A. Mattiske-Nicholls is currently working as part of the firm's legal team that represents Aetna Life Insurance Company in the matter *Aetna Life Ins. Co. v. Bay Area Surgical Management et al.* Ms. Mattiske-Nicholls joined the firm in 2013 after working as a contract attorney for another San Francisco law firm.

From 2006 through 2011, Ms. Mattiske-Nicholls served as Counsel and Officer at the Federal Reserve Bank of New York, where she investigated, prepared and prosecuted enforcement actions on behalf of the Board of Governors of the Federal Reserve System. As Counsel, she also represented the Federal Reserve Bank of New York in litigation brought by and against the Bank, and coordinated responses to subpoenas and document requests from government auditors relating to the 2008 financial crisis. Prior to that, Ms. Mattiske-Nicholls served as Law Clerk to the Honorable Kiyo A. Matsumoto, United States Magistrate Judge, in the Eastern District of New York. From 2003-2005, she was a Court Attorney for the New York Court of Appeals.

Ms. Mattiske-Nicholls was awarded a J.D. from Brooklyn Law School in 2003. While in law school, she worked as a judicial intern for the Honorable Marilyn D. Go, United States Magistrate Judge, in Brooklyn, New York, and was Managing Editor of the *Brooklyn Journal of International Law*.

Ms. Mattiske-Nicholls is admitted to practice in New York and California.

LUKE PANAZAR

A project attorney in the firm's San Francisco office, Luke Panzar is a member of the firm's litigation team representing Aetna Life Insurance Company in the matter *Aetna Life Insurance Company v. Bay Area Surgical Management, LLC et al.* Before working at Berman DeValerio, Mr. Panzar was an associate at other San Francisco firms where he focused on complex litigation including class actions, consumer fraud and insurance coverage litigation.

Mr. Panzar earned a J.D. from the University of California, Hastings College of the Law in 2009 and a M.A. in Business Economics from the University of California, Santa Barbara in 2003. He also completed his undergraduate studies at the University of California, Santa Barbara, earning a B.A. in Business Economics in 2002.



Mr. Panzar is admitted to practice law in the state of California, and the U.S. District Courts for the Northern and Central Districts of California.

Other Key Personnel

RONALD J. KEATING, DIRECTOR OF INVESTIGATIONS

Based in the firm's Boston office, Ronald J. Keating is a fraud investigator and forensic accountant with nearly three decades of field experience, including 21 years as a Special Agent for the Federal Bureau of Investigation.

A Certified Public Accountant and licensed Private Investigator, Mr. Keating joined the firm in 2008. He devotes his skills and energies to uncovering evidence of fraud, often non-public information obtained through interviews with former employees at suspect companies.

Mr. Keating served as a Special Agent in the FBI's Boston office from 1979-1988 and again from 1995-2007. While with the Bureau, he directed all aspects of complex financial fraud investigations, including securities fraud, Ponzi schemes, financial institution fraud, financial statement fraud and economic crimes. Cases that Mr. Keating investigated in conjunction with federal and state regulators – including the Securities Exchange Commission and the Financial Industry Regulatory Authority (formerly the National Association of Securities Dealers) – resulted in criminal penalties, multi-million-dollar settlements and asset forfeiture.

From 1993 to 1995, Mr. Keating served as Senior Special Investigator for the Board of Governors of the Federal Reserve System in Washington D.C., where he directed investigations related to violations of federal money laundering, bank fraud and bank secrecy laws.

Mr. Keating became a CPA in 1979. He is a Massachusetts-licensed Private Investigator and a Certified Anti-Money Laundering Specialist. He earned a Master of Science in Taxation from Bentley College in 1988 and a B.S. in Accounting from Northeastern University in 1976.



BERMAN DEVALERIO

RICHARD LORANT, DIRECTOR OF MARKETING AND CLIENT RELATIONS

The firm's Director of Marketing and Client Relations, Richard Lorant helps implement Berman DeValerio's business development plan and works with the firm's lawyers to deliver outstanding client service through its portfolio monitoring program.

A former journalist and public relations professional, Mr. Lorant joined Berman DeValerio in 2000. He has been a key player in increasing the firm's representation of institutional investors and raising its public profile.

Mr. Lorant works directly with a number of clients, including the City of Austin Police Retirement System, the Fire and Police Pension Association of Colorado, the Jacksonville Police and Fire Pension Fund, the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Fire and Police Pension Fund, San Antonio, the Wyoming State Retirement System and the Wyoming State Treasurer's Office.

Mr. Lorant has assisted public fund clients in establishing settlement claim filing programs after custodial changes left potential gaps in coverage. He also developed the firm's client communications program and is responsible for its content. Mr. Lorant managed the transition to a state-of-the-art portfolio monitoring system in 2005. He handles media relations and has placed op-ed articles in *Pensions & Investments*, *The Boston Globe* and other publications. In addition, Mr. Lorant has overseen multiple redesigns of firm website and print materials.

Before joining Berman DeValerio, Mr. Lorant was an account manager for a Boston-area public relations firm. His clients included Fidelity Investments, Phoenix Investment Partners and Fleet Bank. Prior to that, he spent 15 years as a journalist in the United States and Spain, most of it with The Associated Press, where he worked as a reporter, a correspondent and a desk supervisor.

Mr. Lorant is the firm's representative to numerous organizations, including the Council of Institutional Investors, the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems and the National Council on Teacher Retirement. He is a founding member of the International Financial Litigation Network and served as a member of the National Association of State Treasurers' Corporate Affiliate Advisory Board from 2009 through 2011.

Mr. Lorant graduated from Oberlin College with a B.A. in Communications Studies and a minor in European History in 1982.



BERMAN DEVALERIO

JEANNINE M. SCARSCIOTTI, SENIOR PORTFOLIO ANALYST

Jeannine M. Scarsciotti is Berman DeValerio's senior portfolio analyst and oversees portfolio monitoring, data analysis, and loss calculations for the firm's institutional clients.

She is also the firm's senior paralegal and, as such, oversees and coordinates paralegal projects. She joined the firm in 1995. Ms. Scarsciotti attended Bentley College, graduating *summa cum laude* in 1995. She earned a B.S. in Professional Studies and an ABA-Accredited Certificate of Paralegal Studies.

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Fax: (415) 433-6382

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Exhibit 11

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

IN RE FANNIE MAE 2008 SECURITIES
LITIGATION

:
: Master File No. 08 Civ. 7831 (PAC)
: ECF Case
:
:
:

**DECLARATION OF FREDERIC S. FOX ON BEHALF OF
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM IN SUPPORT OF
KAPLAN FOX & KILSHEIMER LLP'S MOTION FOR AN AWARD OF ATTORNEYS'
FEES AND PAYMENT OF EXPENSES**

Frederic S. Fox, Esq., declares as follows pursuant to 28 U.S.C. § 1746:

1. I am a Partner at the law firm of Kaplan Fox & Kilsheimer LLP ("Kaplan Fox").

I submit this declaration in support of Lead Counsel's motion for an award of attorneys' fees and payment of litigation expenses on behalf of all plaintiffs' counsel who contributed to the prosecution of the claims in the Action from inception through January 9, 2015 (the "Time Period").¹

2. My firm, which served as Court-appointed Lead Counsel and Class Counsel for the Preferred Stock Class in the Action, was involved in all aspects of the litigation and settlement of the Action as set forth in the Joint Declaration submitted by Lead Counsel in support of Lead Plaintiffs' motion for final approval of the Settlement and Plan of Allocation and motion for an award of attorneys' fees and payment of litigation expenses.

3. The principal tasks undertaken by my firm (along with other Lead Counsel firms) included: conducting an extensive investigation into the Settlement Classes' claims; researching

¹ Unless otherwise noted, capitalized terms have the meanings set forth in the Stipulation and Agreement of Settlement dated October 24, 2014 (ECF No. 522-1).

and preparing two detailed amended complaints; opposing Defendants' multiple motions to dismiss; researching and preparing motions for class certification (which were subsequently withdrawn); consulting extensively with experts and consultants; obtaining, organizing and/or reviewing more than 75 million pages of documents produced by Defendants and non-parties; taking and defending depositions; and engaging in a hard-fought and protracted settlement process with experienced defense counsel.

4. The schedule attached hereto as Exhibit A is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in the prosecution of the Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and payment of expenses has not been included in this request.

5. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit A are the same as the regular rates charged for their services in non-contingent matters and/or which have been accepted in other securities or shareholder litigations.

6. The total number of hours expended on this litigation by my firm during the Time Period is 20,095.25 hours. The total lodestar for my firm for those hours is \$10,025,747.

7. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

8. As detailed in Exhibit B, my firm has incurred a total of \$517,432 in expenses in connection with the prosecution of the Action. The expenses are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

9. Kaplan Fox also maintained the Litigation Fund which was funded by Lead Counsel, and did not charge for its office manager's time spent on these duties. Kaplan Fox contributed \$199,100 to the Litigation Fund.

10. With respect to the standing of my firm, attached hereto as Exhibit C is a brief biography of my firm as well as biographies of the firm's partners and of counsels.

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 16, 2015.



Frederic S. Fox
KAPLAN FOX & KILSHEIMER LLP
850 Third Avenue, 14th Fl.
New York, NY 10022
Telephone: (212) 687-1980
Facsimile: (212) 687-7714

*Counsel for Tennessee Consolidated
Retirement System and Lead Plaintiff Class
Counsel for the Preferred Stock Class*

Exhibit A



EXHIBIT A

TIME REPORT*

Kaplan Fox & Kilsheimer LLP
In re Fannie Mae 2008 Securities Litigation, 08 Civ. 7831 (S.D.N.Y.)

NAME	TOTAL HOURS	HOURLY RATE	CURRENT LODESTAR
RN Kaplan (P)	1.25	\$ 940	\$ 1,175.00
RJ Kilsheimer (P)	0.75	\$ 865	\$ 648.75
FS Fox (P)	1,344.50	\$ 865	\$ 1,162,992.50
JB Strauss (P)	0.50	\$ 775	\$ 387.50
DR Hall (P)	3,092.00	\$ 720	\$ 2,226,240.00
HS Nam (P)	1,088.00	\$ 720	\$ 783,360.00
JP Campisi (P)	2,486.50	\$ 625	\$ 1,554,062.50
MD Campbell (P)	1,626.75	\$ 625	\$ 1,016,718.75
PA Mayer (A)	0.50	\$ 590	\$ 295.00
MP McCahill (A)	7.00	\$ 585	\$ 4,095.00
MM Choi (A)	68.75	\$ 510	\$ 35,062.50
GN Cutini (A)	15.00	\$ 380	\$ 5,700.00
I Kobylovsky (A)	1,611.25	\$ 380	\$ 612,275.00
E Dixon (A)	444.50	\$ 325	\$ 144,462.50
JL Charniga (A)	779.00	\$ 325	\$ 253,175.00
J Greenberg (A)	675.50	\$ 325	\$ 219,537.50
CB Martin (A)	666.00	\$ 325	\$ 216,450.00
S Jones (A)	821.00	\$ 325	\$ 266,825.00
DH Weinstein (A)	998.50	\$ 355	\$ 354,467.50
I Evans (A)	15.75	\$ 300	\$ 4,725.00
J Uris (A)	39.25	\$ 250	\$ 9,812.50
K Tucker (LC)	7.25	\$ 230	\$ 1,667.50
S Hussain (LC)	15.00	\$ 230	\$ 3,450.00
TY Hong (LC)	43.00	\$ 230	\$ 9,890.00
DB Kaplan (LC)	100.50	\$ 230	\$ 23,115.00
M Guippone (LC)	56.75	\$ 230	\$ 13,052.50
KM Cosgrove (I)	7.50	\$ 305	\$ 2,287.50
H Sargent (I)	635.75	\$ 305	\$ 193,903.75
M Moonsammy (PL)	217.50	\$ 305	\$ 66,337.50
W Gomes (PL)	2,567.75	\$ 265	\$ 680,453.75
TN Harvey (PL)	467.50	\$ 255	\$ 119,212.50
MM Ng (PL)	23.00	\$ 235	\$ 5,405.00
M Hukill (PL)	133.50	\$ 230	\$ 30,705.00
T McKenzie (PL)	6.00	\$ 100	\$ 600.00
L Rodriguez (PL)	32.00	\$ 100	\$ 3,200.00
TOTALS	20,095.25		\$ 10,025,747.50

*REPORTING PERIOD: Inception through January 9, 2015

Exhibit B



EXHIBIT B

EXPENSE REPORT*

Kaplan Fox & Kilsheimer LLP
In re Fannie Mae 2008 Securities Litigation, 08 Civ. 7831 (S.D.N.Y.)

CATEGORY		CUMULATIVE EXPENSES
Telephone	\$	23.40
Air Express/Postage/Messengers	\$	3,767.89
Photocopies - In-House	\$	15,937.80
Photocopies - Outside	\$	34,830.35
Transcripts	\$	14,972.03
Process Services	\$	1,857.40
Mediation - Irell	\$	4,750.00
Experts:		
Rossi LLP	\$	10,877.50
Global Economics	\$	54,973.75
Lexis-Nexis - Core Seats	\$	1,186.74
On-Line Research	\$	110,074.57
Netapps Database Install/support	\$	5,160.00
Travel/Meals	\$	60,257.58
Litigation Fund	\$	198,763.02
TOTALS	\$	517,432.03

*REPORTING PERIOD: Inception through January 9, 2015

Exhibit C



EXHIBIT C

KAPLAN FOX & KILSHEIMER LLP FIRM AND ATTORNEY BIOGRAPHIES

Kaplan Fox & Kilsheimer LLP is a firm engaged in the general practice of law with an emphasis on complex and class action securities litigation, as well as antitrust, consumer protection and product liability litigation. The firm has actively participated in numerous complex class actions throughout the country for over twenty years. It is presently active in major litigations pending in federal and state courts throughout the country.

The firm and its members have served as lead or co-lead counsel, as executive committee members or as liaison counsel, and have made significant contributions in many complex class and other multi-party actions in which substantial recoveries were obtained as detailed in the attached list of recoveries.

The following are the attorneys of the firm who regularly engage in complex litigation:

PARTNERS

ROBERT N. KAPLAN has been with Kaplan Fox for more than 40 years, joining in 1971. Mr. Kaplan is widely recognized as a leading securities litigator and has led the prosecution of numerous securities fraud class actions and shareholder derivative actions, recovering billions of dollars for the victims of corporate wrongdoing. Recently, he was listed by defense and corporate counsel as one of the top 75 plaintiffs' attorneys in the United States for all disciplines. Mr. Kaplan was listed as one of the top five attorneys for securities litigation. He was also recognized by Legal 500 as one of the top six securities litigators in the United States for 2011, 2012 and 2013. He also has earned a reputation as a leading litigator in the antitrust arena. Mr. Kaplan has a peer review rating of 5 in Martindale-Hubbell.

Mr. Kaplan has played a significant role in most of the firm's major cases, both securities and antitrust matters, including: *In re Bank of America Corp. Sec., ERISA & Der. Litig.*, No. 09-MDL-2058 (S.D.N.Y.); *In re Merrill Lynch & Co., Inc. Sec., Deriv. & ERISA Litig.*, No. 07-cv-9633 (S.D.N.Y.); *In re High Fructose Corn Syrup Antitrust Litigation*, MDL 1087 (C.D. Ill.); *In re 3Com Securities Litigation* No. C-97-21083 (N.D. Ca.); *AOL Time Warner Cases I & II*; *In re Informix Securities Litigation*, C-97-129 (N.D. Ca.); and *In re Flat Glass Antitrust Litigation*, MDL 120 (W.D.P.), among others. Recently, he was appointed as one of two co-lead counsel in the Sandridge Energy Inc. Shareholder Derivative Litigation pending in the United States District Court for the Western District of Oklahoma.

Mr. Kaplan honed his litigation skills as a trial attorney with the U.S. Department of Justice. There, he gained significant experience litigating both civil and criminal actions. He also served

as law clerk to the Hon. Sylvester J. Ryan, then Chief Judge of the U.S. District Court for the Southern District of New York.

Mr. Kaplan's published articles include: "Complaint and Discovery In Securities Cases," *Trial*, April 1987; "Franchise Statutes and Rules," *Westchester Bar Topics*, Winter 1983; "Roots Under Attack: *Alexander v. Haley* and *Courlander v. Haley*," *Communications and the Law*, July 1979; and "Israeli Antitrust Policy and Practice," *Record of the Association of the Bar*, May 1971.

In addition, Mr. Kaplan served as an acting judge of the City Court for the City of Rye, N.Y., from 1990 to 1993.

Mr. Kaplan sits on the boards of several community organizations, including the Board of Directors of the Carver Center in Port Chester, N.Y., the Board of Directors of the Rye Free Reading Room in Rye, N.Y. and the Board of Directors of the Carver Center Member Visiting Committee for Thoracic Oncology at the Dana Farber Cancer Center in Boston, Massachusetts.

Education:

- B.A., Williams College (1961)
- J.D., Columbia University Law School (1964)

Bar affiliations and court admissions:

- Bar of the State of New York (1964)
- Bar of the District of Columbia (2013)
- U.S. Supreme Court
- U.S. Courts of Appeals for the First, Second, Third, Seventh, Ninth, and Eleventh Circuits
- U.S. District Courts for the Southern, Eastern, and Northern Districts of New York, the Central District of Illinois, and the District of Arizona

Professional affiliations:

- National Association of Securities and Commercial Law Attorneys (past President)
- Committee to Support the Antitrust Laws (past President)
- Member of the Advisory Group Committee of the U.S. District Court for the Eastern District of New York
- American Bar Association
- American Association for Justice (Chairman, Commercial Litigation Section, 1985-86)
- Association of the Bar of the City of New York (served on the Trade Regulation Committee; Committee on Federal Courts)

Mr. Kaplan can be reached by email at: rkaplan@kaplanfox.com

FREDERIC S. FOX first associated with Kaplan Fox in 1984, and became a partner of the firm in 1991. He has concentrated his work for 30 years in the area of class action litigation and individual securities litigation. Mr. Fox has played important roles in many major securities

class action cases, including as a senior member of the litigation and trial team in *In re Bank of America Corp. Sec., ERISA & Der. Litig.*, No. 09-MDL-2058 (S.D.N.Y.) (“*In re Bank of America*”) arising out of Bank of America’s acquisition of Merrill Lynch, which recently settled for \$2.425 billion. Mr. Fox was also a member of the litigation and trial team for one of the first cases tried to verdict under the Private Securities Litigation Reform Act of 1995.

Mr. Fox is actively involved in maintaining and establishing the firm’s relationships with institutional investors and oversees the Portfolio Monitoring and Case Evaluation Program for the firm’s numerous public pension funds and other institutional investors. Mr. Fox currently represents many institutional investors including governmental entities in both class actions and individual litigation, including serving as lead or co-lead counsel on behalf of major public pension funds in pending securities litigation involving Bank of America, Fannie Mae, SunPower Corporation and Gentiva Health Services Inc. Mr. Fox is also Lead Counsel to a large public pension fund system in a derivative action against the directors of Wal-Mart Stores Inc. (“Wal-Mart”) involving alleged bribery and fraud at Wal-Mart’s Mexican subsidiary. In the past, Mr. Fox has served as the lead attorney in *In re Merrill Lynch & Co., Inc. Securities, Derivative & ERISA Litigation*, which was settled for \$475 million, *In re Merrill Lynch Research Reports Securities Litigation* (S.D.N.Y.) (arising from false and misleading analyst reports issued by Henry Blodget); *In re Salomon Analyst Williams Litigation* (S.D.N.Y.) and *In re Salomon Focal Litigation* (S.D.N.Y.) (both actions stemming from false and misleading analyst reports issued by Jack Grubman). Mr. Fox is a frequent speaker and panelist in both the U.S. and abroad on a variety of topics including securities litigation and corporate governance.

In the consumer protection area, he served on the Plaintiffs’ Steering Committee in the *Baycol Products Litigation* where there have been more than \$350 million in settlements. Additionally, he served as one of the Co-lead Counsel in *In re RC2 Corp. Toy Lead Paint Products Liability Litigation* in the Northern District of Illinois.

Mr. Fox is listed in the current editions of *New York Super Lawyers* and was recognized in Benchmark Litigation 2010 as a New York “Litigation Star.”

Mr. Fox is the author of “Current Issues and Strategies in Discovery in Securities Litigation,” ATLA, 1989 Reference Material; “Securities Litigation: Updates and Strategies,” ATLA, 1990 Reference Material; and “Contributory Trademark Infringement: The Legal Standard after *Inwood Laboratories, Inc. v. Ives Laboratories*,” *University of Bridgeport Law Review*, Vol. 4, No. 2.

During law school, Mr. Fox was the notes and comments editor of the *University of Bridgeport Law Review*.

Education:

- B.A., Queens College (1981)
- J.D., Bridgeport School of Law (1984)

Bar affiliations and court admissions:

- Bar of the State of New York (1985)
- Bar of the District of Columbia (2013)
- U.S. Courts of Appeals for the First, Second, Fourth, Fifth, Sixth and Eleventh Circuits
- U.S. District Courts for the Southern and Eastern Districts of New York and for the District of Columbia.

Professional affiliations:

- American Bar Association
- Association of the Bar of the City of New York
- American Association for Justice (Chairman, Commercial Law Section, 1991-92)

Mr. Fox can be reached by email at: ffox@kaplanfox.com

RICHARD J. KILSHEIMER first associated with Kaplan Fox in 1976 and became a partner of the firm in 1983. His practice is concentrated in the area of antitrust litigation. During his career, Mr. Kilsheimer has played significant roles in a number of the largest successful antitrust class actions in the country, and he is serving as co-lead counsel for plaintiffs in several currently pending cases. He also practices in the areas of securities fraud and commercial litigation.

In December 2007, Mr. Kilsheimer was a featured speaker on the subject “Elevated Standards of Proof and Pleading: Implications of *Twombly* and *Daubert*” at the American Antitrust Institute Symposium on the Future of Private Antitrust Enforcement held in Washington, D.C. Mr. Kilsheimer has also served on the Antitrust and Trade Regulation Committee of the Association of the Bar of the City of New York (2004-2007).

Prior to joining the firm, Mr. Kilsheimer served as law clerk to the Hon. Lloyd F. MacMahon (1975-76), formerly Chief Judge of the U.S. District Court for the Southern District of New York.

Mr. Kilsheimer is co-author of “Secondary Liability Developments,” ABA Litigation Section, Subcommittee on Secondary Liability, 1991-1994.

Education:

- A.B., University of Notre Dame (1972)
- J.D., *cum laude*, St. John's University (1975)

Bar affiliations and court admissions:

- State of New York (1976)
- U.S. Court of Appeals for the Second Third, Sixth and D.C. Circuits
- U.S. District Courts for the Southern and Eastern Districts of New York and the Northern District of Indiana

Professional affiliations:

- Association of the Bar of the City of New York
- Federal Bar Council
- Committee to Support the Antitrust Laws
- American Association for Justice

Mr. Kilsheimer can be reached by email at: rkilsheimer@kaplanfox.com

LAURENCE D. KING first joined Kaplan Fox as an associate in 1994. He became a partner of the firm in 1998. While Mr. King initially joined the firm in New York, in 2000 he relocated to San Francisco to open the firm's first West Coast office. He is now partner-in-charge of the firm's San Francisco and Los Angeles offices.

Mr. King practices primarily in the areas of securities litigation, with an emphasis on institutional investor representation and consumer protection litigation. He has also practiced in the area of employment litigation. Mr. King has played a substantial role in cases that have resulted in some of the largest recoveries ever obtained by Kaplan Fox, including *In re 3Com Securities Litigation* (N.D. Ca.), *In re Informix Securities Litigation* (N.D. Ca.), and *AOL Time Warner Cases*. In addition, Mr. King was a member of the trial team for two securities class actions tried to verdict, as well as numerous other cases where a favorable settlement was achieved for our clients on or near the eve of trial.

An experienced trial lawyer, prior to joining Kaplan Fox Mr. King served as an assistant district attorney under the legendary Robert Morgenthau in the Manhattan (New York County) District Attorney's Office, where he tried numerous felony prosecutions to jury verdict.

Education:

- B.S., Wharton School of the University of Pennsylvania (1985)
- J.D., Fordham University School of Law (1988)

Bar affiliations and court admissions:

- Bar of the State of New York (1989)
- Bar of the State of California (2000)
- U.S. District Courts for the District of New Jersey, the Eastern District of Pennsylvania, the Southern and Eastern Districts of New York, and the Northern, Central, and Southern Districts of California

Professional affiliations:

- New York State Bar Association
- New Jersey State Bar Association
- San Francisco Bar Association
- American Bar Association
- American Association for Justice

- San Francisco Trial Lawyers' Association

Mr. King can be reached by email at: lking@kaplanfox.com

JOEL B. STRAUSS first associated with Kaplan Fox in 1992, and became a partner in the firm in 1999. He practices in the area of securities and consumer fraud class action litigation, with a special emphasis on accounting and auditing issues. He has been repeatedly selected for inclusion to the New York *Super Lawyers* list (Securities Litigation) (2007-2010, 2014).

Prior to joining Kaplan Fox, Mr. Strauss served as a senior auditor at the international accounting firm of Coopers & Lybrand (n/k/a PricewaterhouseCoopers). Combining his accounting background and legal skills, he has played a critical role in successfully prosecuting numerous securities class actions across the country on behalf of shareholders. Mr. Strauss was one of the lead trial lawyers for the plaintiffs in the first case to go to trial and verdict under the Private Securities Litigation Reform Act of 1995.

More recently, Mr. Strauss has been involved in representing the firm's institutional clients in the following securities class actions, among others: *In re Merrill Lynch & Co., Inc. Securities, Derivative and ERISA Litigation* (S.D.N.Y.) (\$475 million settlement); *In re Prestige Brands Holdings Inc. Securities Litigation* (S.D.N.Y.) (\$11 million settlement); *In re Gentiva Securities Litigation* (E.D.N.Y.); and *In Re SunPower Securities Litigation* (N.D.Cal) (\$19.7 million settlement). He has also served as lead counsel for lead plaintiffs in *In re OCA, Inc. Securities Litigation* (E.D. La.) (\$6.5 million settlement) and *In re Proquest Company Securities Litigation* (E.D. Mich.) (\$20 million settlement). Mr. Strauss also played an active role for plaintiff investors in *In Re Countrywide Financial Corporation Securities Litigation* (C.D.Cal), which settled for more than \$600 million.

Although currently practicing exclusively in the area of law, Mr. Strauss is a licensed Certified Public Accountant in the State of New York.

Mr. Strauss has also been a guest lecturer on the topics of securities litigation, auditors' liability and class actions for seminars sponsored by the Practicing Law Institute and the Association of the Bar of the City of New York and is an adjunct instructor in the Political Science department at Yeshiva University.

In June 2014 Mr. Strauss was appointed to serve as a member of the New York State Bar Association's Committee on Legal Education and Admission to the Bar.

Among his various communal activities, Mr. Strauss currently serves on the Board of Directors of Yavneh Academy in Paramus, NJ, is a member of Yeshiva University's General Counsel's Council, and serves as Chair of the Career Guidance and Placement Committee of Yeshiva University's Undergraduate Alumni Council.

In March 2001 the New Jersey State Assembly issued a resolution recognizing and commending Mr. Strauss for his extensive community service and leadership.

Education:

- B.A., Yeshiva University (1986)
- J.D., Benjamin N. Cardozo School of Law (1992)

Bar Affiliations and Court Admissions

- Bar of the State of New Jersey
- Bar of the State of New York
- U.S. District Courts for the Southern and Eastern Districts of New York and the District of New Jersey
- U.S. Court of Appeals for the First, Second and Third Circuits

Professional Affiliations:

- Association of the Bar of the City of New York
- New York State Bar Association
- American Institute of Certified Public Accountants

Mr. Strauss can be reached by email at: jstrauss@kaplanfox.com

DONALD R. HALL has been associated with Kaplan Fox since 1998, and became a partner of the firm in 2005. He practices in the areas of securities, antitrust and consumer protection litigation. Mr. Hall is actively involved in maintaining and establishing the firm's relationships with institutional investors and oversees the Portfolio Monitoring and Case Evaluation Program for the firm's numerous institutional investors.

Mr. Hall currently represents a number of the firm's institutional investor clients in securities litigation actions including *In re Bank of America Corp. Litigation*, which recently settled for \$2.425 billion, *In re Fannie Mae 2008 Securities Litigation* and *In Re Credit Suisse – AOL Securities Litigation*. Recently, Mr. Hall successfully represented institutional clients in *In re Merrill Lynch & Co., Inc. Securities, Derivative & ERISA Litigation*, which settled for \$475 million; *In re Majesco Securities Litigation*; *In re Escala Securities Litigation*; and *In re Ambac Financial Group, Inc. Securities Litigation*. Additionally, he was a member of the litigation team in *AOL Time Warner Cases I & II* (Ca. Sup. Ct., L.A. Cty.), an opt-out action brought by institutional investors that settled just weeks before trial. This action, stemming from the 2001 merger of America Online and Time Warner, resulted in a recovery of multiples of what would have been obtained if those investors had remained members of the class action.

Mr. Hall has played a key role in many of the firm's securities and antitrust class actions resulting in substantial recoveries for the firm's clients, including *In re Merrill Lynch Research Reports Securities Litigation* (arising from false and misleading analyst reports issued by Henry Blodget); *In re Salomon Analyst Williams Litigation* and *In re Salomon Focal Litigation* (both actions stemming from false and misleading analyst reports issued by Jack Grubman); *In re Flat Glass Antitrust Litigation*; and *In re Compact Disc Antitrust Litigation*.

Mr. Hall graduated from the College of William and Mary in 1995 with a B.A. in Philosophy and obtained his law degree from Fordham University School of Law in 1998. During law school, Mr. Hall was a member of the Fordham Urban Law Journal and a member of the Fordham Moot Court Board. He also participated in the Criminal Defense Clinic, representing criminal defendants in federal and New York State courts on a pro-bono basis.

Education:

- B.A., College of William and Mary (1995)
- J.D., Fordham University School of Law (1998)

Bar affiliations and court admissions:

- Bar of the State of Connecticut (2001)
- Bar of the State of New York (2001)
- U.S. Supreme Court
- U.S. Court of Appeals for the Second and Eleventh Circuits
- U.S. District Courts for the Southern and Eastern Districts of New York

Professional affiliations:

- Executive Committee of the National Association of Securities and Commercial Law
- American Bar Association
- American Association for Justice
- New York State Bar Association

Mr. Hall can be reached by email at: dhall@kaplanfox.com

HAE SUNG NAM first associated with Kaplan Fox in 1999 and became a partner of the firm in 2005. She practices in the areas of securities and antitrust litigation, mainly focusing in the firm's securities practice.

Since joining the firm, Ms. Nam has been involved in all aspects of securities practice, including case analysis for the firm's institutional investor clients. She is also a key member of the litigation teams prosecuting the firm's highest profile cases, including securities and derivative actions against Bank of America that recently settled for \$2.425 billion, Wal-Mart, and Fannie Mae, among others. She also has a focus in prosecuting opt-out actions on behalf of the firm's clients and has played a significant role in *AOL Time Warner Cases I & II* (Ca. Sup. Ct., L.A. Cty.) and *State Treasurer of the State of Michigan v. Tyco International, Ltd., et al.* The recoveries for the firm's institutional clients in both of these cases were multiples of what they would have received had they remained members of the class action.

Prior to joining the firm, Ms. Nam was an associate with Kronish Lieb Weiner & Hellman LLP, where she trained as transactional attorney in general corporate securities law and mergers and acquisitions.

Ms. Nam graduated, *magna cum laude*, with a dual degree in political science and public relations from Syracuse University's Maxwell School and S.I. Newhouse School of Public Communications. Ms. Nam obtained her law degree, with honors, from George Washington University Law School. During law school, Ms. Nam was a member of the George Washington University Law Review. She is the author of a case note, "Radio – Inconsistent Application Rule," 64 Geo. Wash. L. Rev. (1996). In addition, she also served as an intern for the U.S. Department of Justice, Antitrust Division.

Education:

- B.A., *magna cum laude*, Syracuse University (1994)
- J.D., with honors, George Washington University Law School (1997)

Bar affiliations and court admissions:

- Bar of the State of New York (1998)
- U.S. Court of Appeals for the Eleventh Circuit
- U.S. District Courts for the Southern and Eastern Districts of New York and the Eastern District of Wisconsin

Professional affiliations:

- New York State Bar Association
- Asian American Bar Association of New York
- National Association of Women Lawyers

Ms. Nam can be reached by email at: hnam@kaplanfox.com

JEFFREY P. CAMPISI joined Kaplan Fox in 2004 and became partner of the firm in 2012. He practices in the area of securities litigation. Mr. Campisi has been involved in all aspects of securities practice, including case analysis for the firm's numerous public pension fund and institutional investor clients.

Mr. Campisi currently represents public pension funds in *In re 2008 Fannie Mae Securities Litigation* (08cv7831) (S.D.N.Y.) and *In re 2008 Gentiva Securities Litigation*, No. 10-cv-5064 (E.D.N.Y.). Mr. Campisi recently represented institutional investors in the following securities class actions: *In re Merrill Lynch & Co., Inc. Securities, Derivative and ERISA Litigation* (07cv9633) (S.D.N.Y.) (\$475 million settlement) and *In re Sequenom, Inc. Securities Litigation* (S.D. Cal.) (09cv921) (more than \$60 million in cash and stock recovered).

Mr. Campisi served as law clerk for Herbert J. Hutton, United States District Court Judge for the Eastern District of Pennsylvania.

Education:

- B.A., *cum laude*, Georgetown University (1996)
- J.D., *summa cum laude*, Villanova University School of Law (2000), Member of Law Review and Order of the Coif

Bar affiliations and court admissions:

- Bar of the State of New York (2001)
- U.S. District Court for the Southern and Eastern Districts of New York

Professional affiliations:

- American Bar Association
- New York State Bar Association
- American Association for Justice
- Nassau County Bar Association

Mr. Campisi can be reached by email at: jcampisi@kaplanfox.com

MELINDA CAMPBELL has been associated with Kaplan Fox since September 2004 and became a partner of the firm in 2012. She represents investors and institutions in securities fraud class action litigation.

Ms. Campbell's current noteworthy cases include: *In re Bank of America Corp. Securities Litigation*, No. 09-md-2058(DC) (S.D.N.Y.); *In re Ambac Financial Group, Inc. Securities Litigation*, No. 08-cv-411(NRB) (S.D.N.Y.); *In re Fannie Mae 2008 Securities Litigation*, No. 08-cv-7831(PAC) (S.D.N.Y.), and *In re Credit Suisse-AOL Securities Litigation*, No. 02-cv-12146(NG) (D. Mass.).

Ms. Campbell obtained her J.D. from the University of Pennsylvania Law School. While attending law school, she successfully represented clients of the Civil Practice Clinic of the University of Pennsylvania Law School, and provided pro bono legal services through organizations including the Southern Poverty Law Center. Ms. Campbell obtained her undergraduate degree from the University of Missouri (*cum laude*).

Ms. Campbell is an active member in the Federal Courts Committee of the New York County Lawyers Association and served as a panelist in a continuing legal education course offered by the Committee concerning waiver of attorney-client privilege under Federal Rule of Evidence 501. Additionally, Ms. Campbell is a member of the New York State Bar Association, the National Association of Women Lawyers, and the New York Women's Bar Association.

Education:

- B.A., University of Missouri (2000)
- J.D., University of Pennsylvania Law School (2004)

Bar affiliations and court admissions:

- Bar of the State of New York (2005)
- U.S. Court of Appeals for the First and Eleventh Circuits
- U.S. District Courts for the Southern and Eastern Districts of New York and Massachusetts

Professional affiliations:

- American Bar Association
- New York State Bar Association
- New York County Lawyers Association
- New York Women's Bar Association
- National Association of Women Lawyers

Ms. Campbell can be reached by email at: mcampbell@kaplanfox.com

GREGORY K. ARENSON is a seasoned business litigator with experience representing clients in a variety of areas, including antitrust, securities, and employee termination. His economics background has provided a foundation for his recognized expertise in handling complex economic issues in antitrust cases, both as to class certification and on the merits.

Prior to joining Kaplan Fox, Mr. Arenson was a partner with Proskauer Rose. Earlier in his career, he was a partner with Schwartz Klink & Schreiber, and an associate with Rudnick & Wolfe (now Piper Marbury).

Mr. Arenson writes frequently on discovery issues and the use of experts. Recently published articles include: "Who Should Bear the Burden of Producing Electronic Information?" 7 *Federal Discovery News*, No. 5, at 3 (April 2001); "Work Product vs. Expert Disclosure – No One Wins," 6 *Federal Discovery News*, No. 9, at 3 (August 2000); "Practice Tip: Reviewing Deposition Transcripts," 6 *Federal Discovery News*, No. 5, at 13 (April 2000); and "The Civil Procedure Rules: No More Fishing Expeditions," 5 *Federal Discovery News*, No. 9, at 3 (August 1999). He was also co-author of "The Good, the Bad and the Unnecessary: Comments on the Proposed Changes to the Federal Civil Discovery Rules," 4 *NYLitigator* 30 (December 1998); co-author of "The Search for Reliable Expertise: Comments on Proposed Amendments to the Federal Rules of Evidence," 4 *NYLitigator* 24 (December 1998); co-editor of *Federal Rules of Civil Procedure, 1993 Amendments, A Practical Guide*, published by the New York State Bar Association; and a co-author of "Report on the Application of Statutes of Limitation in Federal Litigation," 53 *Albany Law Review* 3 (1988).

Mr. Arenson's pro bono activities include being a co-chair of the New York State Bar Association Task Force on the State of Our Courthouses, whose report was approved June 20, 2009, and a member of the New York State Bar Association Special Committee on Standards for Pleadings in Federal Litigation. He also serves as a mediator in the U.S. District Court for the Southern District of New York. In addition, he is an active alumnus of the Massachusetts Institute of Technology, having served as a member of the Corporation, a member of the Corporation Development Committee, vice president of the Association of Alumni/ae, and member of the Alumni/ae Fund Board (of which he was a past chair).

Education:

- S.B., Massachusetts Institute of Technology (1971)

- J.D., University of Chicago (1975)

Bar affiliations and court admissions:

- Bar of the State of Illinois (1975)
- Bar of the State of New York (1978)
- U.S. Supreme Court
- U.S. Courts of Appeals for the Second, Third and Seventh Circuits
- U.S. District Courts for the Northern and Central Districts of Illinois, and the Southern and Eastern Districts of New York
- U.S. Tax Court

Professional affiliations:

- New York State Bar Association, Task Force on the State of Our Courthouses, Co-chair
- New York State Bar Association, Federal Litigation Section, Committee on Federal Procedure (Chairman since 1997)
- Association of the Bar of the City of New York
- American Bar Association
- Member, advisory board, Federal Discovery News (1999 – present)

Mr. Arenson can be reached by email at: garenson@kaplanfox.com

ASSOCIATES

ELANA KATCHER has been associated with Kaplan Fox since July 2007. She practices in the area of complex commercial litigation.

Education:

- B.A. Oberlin College (1994)
- J.D., New York University (2003)

Bar Affiliations and Court Admissions:

- Bar of the State of New York (2004)
- U.S. District Courts for the Southern and Eastern Districts of New York

Professional Affiliations:

- New York State Bar Association
- New York City Bar Association

Ms. Katcher can be reached by email at: ekatcher@kaplanfox.com

MATTHEW P. McCAHILL was associated with Kaplan Fox from 2003 – 2005 and rejoined the firm in 2013 after working at a prominent plaintiffs' firm in Philadelphia. He practices primarily in antitrust, securities and complex commercial litigation. Mr. McCahill's *pro bono* work includes representing Army and Marine Corps veterans in benefits proceedings before the U.S. Department of Veterans' Affairs. During law school, Mr. McCahill was a member of the *Fordham Urban Law Journal*.

Education:

- B.A., History, *summa cum laude*, Rutgers College (2000)
- J.D., Fordham Law School (2003)

Bar Affiliations and Court Admissions:

- Bars of the State of New York and the Commonwealth of Pennsylvania
- U.S. District Courts for the Southern and Eastern Districts of New York and the Eastern District of Pennsylvania

Professional Affiliations:

- New York State Bar Association
- American Bar Association
- Association of the Bar of the City of New York

Mr. McCahill can be reached by email at: mmccahill@kaplanfox.com

MARIO M. CHOI is a resident of the San Francisco office of Kaplan Fox and practices in the area of complex civil litigation. Prior to joining the firm in February 2009, Mr. Choi was a litigation associate at Pryor Cashman LLP and a law clerk to the Hon. Richard B. Lowe, III, Justice of the New York Supreme Court, Commercial Division.

Education:

- B.A., Boston University (2000)
- M.A., Columbia University (2001)
- J.D., Northeastern University (2005)

Bar Affiliations and Court Admissions:

- Bar of the State of New York (2006)
- Bar of the State of California (2006)
- U.S. Courts of Appeals for the Ninth Circuits
- U.S. District Courts for the Northern, Southern and Central Districts of California and the Southern District of New York

Professional Affiliations:

- American Bar Association
- New York State Bar Association
- Asian American Bar Association – Bay Area, New York

Mr. Choi can be reached by email at: mchoi@kaplanfox.com

PAMELA MAYER has been associated with Kaplan Fox since February 2009. She practices in the area of securities litigation.

Prior to joining Kaplan Fox, Ms. Mayer was a securities investigation and litigation attorney for a multinational investment bank. Utilizing her combined legal and business background, including her M.B.A., Ms. Mayer focuses on the research and analysis of securities claims on behalf of our firm's individual and institutional clients and is dedicated full-time to the firm's Portfolio Monitoring and Case Evaluation Program. Ms. Mayer also has substantial litigation experience in the area of intellectual property.

Education:

- B.S., The University of Rochester
- J.D., The George Washington University
- M.B.A., Finance, The University of Michigan

Bar Affiliations and Court Admissions:

- Bar of the State of New York
- U.S. District Courts for the Southern and Eastern Districts of New York

Professional Affiliations:

- New York State Bar Association

Ms. Mayer can be reached by email at: pmayer@kaplanfox.com

LAUREN I. DUBICK joined Kaplan Fox in 2013. She practices in the areas of antitrust and securities litigation, as well as complex commercial litigation. Prior to joining Kaplan Fox, Ms. Dubick served as a trial attorney with the Antitrust Division of the United States Department

of Justice where she investigated and prosecuted violations of civil and criminal antitrust laws. During her tenure at the Justice Department, Ms. Dubick played significant roles on some of the Division's largest investigations and litigations and led two software merger investigations.

Ms. Dubick also served as a Special Assistant U.S. Attorney in the Eastern District of Virginia where she gained substantial trial experience prosecuting white collar crimes and other offenses. During that time, she first-chaired two trials, both of which led to verdicts for the government. Earlier in Ms. Dubick's career, she clerked for the late Hon. Ann Aldrich of the U.S. District Court for the Northern District of Ohio.

Ms. Dubick has been a guest lecturer on judicial discretion and co-authored an article on consumer protection, "*Perspective on Marketing, Self-Regulation and Childhood Obesity: FTC and HHS Call on Industry to Market More Responsibly*," 13.2 *American Bar Association Consumer Protection Update* 19 (2006). She is admitted to practice in the state courts of New York and Ohio as well as the Fourth Circuit Court of Appeals. Prior to law school, Ms. Dubick spent several years working in software and new media.

Education:

- B.A., *cum laude*, Harvard College (2000)
- J.D., *magna cum laude*, The Ohio State University Moritz College of Law (2007),
Editor of *The Ohio State Law Review* and Member of the Order of the Coif

Bar Affiliations and Court Admissions:

- Bar of the State of Ohio (2007)
- Bar of the State of New York (2013)
- U.S. Court of Appeals for the Fourth Circuit
- U.S. District Courts for the Southern and Eastern Districts of New York

Ms. Dubick can be reached by email at: ldubick@kaplanfox.com

DAMIEN H. WEINSTEIN has been associated with Kaplan Fox since September 2011. He practices in the areas of securities, antitrust, and other areas of civil litigation. During law school, Mr. Weinstein was an Associate Editor on both the *Fordham Law Review* and Moot Court programs.

Education:

- B.A., *summa cum laude*, University of Massachusetts Amherst (2007)
- J.D., *cum laude*, Fordham University School of Law (2011)

Bar Affiliations and Court Admissions:

- Bar of the State of New Jersey (2011)
- Bar of the State of New York (2012)
- U.S. District Courts for the Southern and Eastern Districts of New York

Mr. Weinstein can be reached by email at: dweinstein@kaplanfox.com

OF COUNSEL

W. MARK MCNAIR has been associated with Kaplan Fox since 2003. He practices in the area of securities litigation. Mr. McNair is actively involved in maintaining and establishing the Firm's relationship with institutional investors and is active in the Firm's Portfolio Monitoring and Case Evaluation Program for the Firm's numerous institutional investors.

Mr. McNair is a frequent speaker at various institutional events, including the National Conference of Public Employee Retirement Systems and the Government Finance Office Association.

Prior to entering private practice, Mr. McNair was Assistant General Counsel to the Municipal Securities Rulemaking Board where he dealt in a wide range of issues related to the trading and regulation of municipal securities. Previously, he was an attorney in the Division of Market Regulation at the Securities and Exchange Commission. At the Commission his work focused on the regulation of the options markets and derivative products.

Education:

- B.A. with honors, University of Texas at Austin (1972)
- J.D. University of Texas at Austin (1975)
- L.L.M. (Securities) Georgetown University (1989)

Bar Affiliations and Court Admissions:

- Bar of the States of Texas
- Bar of the State of Maryland
- Bar of the State of Pennsylvania
- Bar of the District of Columbia

Mr. McNair can be reached at mmcnair@kaplanfox.com

JUSTIN B. FARAR practices in the area of securities litigation and antitrust litigation with a special emphasis on institutional investor involvement. He is located in the Los Angeles office. Prior to working at Kaplan Fox, Mr. Farar was a litigation associate at O'Melveny & Myers, LLP and clerked for the honorable Kim McLane Wardlaw on the Ninth Circuit Court of Appeals. Mr. Farar also currently serves as a Commissioner to the Los Angeles Convention and Exhibition Authority.

Education:

- J.D., order of the coif, University of Southern California Law School (2000)
- B.A., with honors, University of California, San Diego

Bar Affiliations and Court Admissions:

- Bar of the State of California (2000)
- U.S. Supreme Court

- U.S. Court of Appeals for the Ninth Circuit
- U.S. District Court for the Central of California

Awards:

- The American Society of Composers, Authors and Publishers' Nathan Burkan Award Winner, 2000 for article titled "Is the Fair Use Defense Outdated?"

Mr. Farar can be reached by email at: jfarar@kaplanfox.com

LINDA FONG practices in the areas of general business and consumer protection class action litigation. She joined Kaplan Fox in 2001, and is resident in the firm's San Francisco office. Ms. Fong served on the Board of the San Francisco Trial Lawyers Association from 2000 to 2011. She was selected for inclusion to the California *Super Lawyers* list for 2011.

Education:

- J.D., University of San Francisco School of Law
- B.S., with honors, University of California, Davis
- Elementary Teaching Credential, University of California, Berkeley

Bar Affiliations and Court Admissions:

- Bar of the State of California
- U.S. Court of Appeals for the Ninth Circuit
- U.S. District Courts for the Northern, Central, Eastern and Southern Districts of California

Professional Affiliations:

- San Francisco Trial Lawyers Association
- Asian American Bar Association
- American Association for Justice

Awards:

- Presidential Award of Merit, Consumer Attorneys of California, 2000

Ms. Fong can be reached by email at: LFong@kaplanfox.com

GARY L. SPECKS practices primarily in the area of complex antitrust litigation. He has represented plaintiffs and class representatives at all levels of litigation, including appeals to the U.S. Courts of Appeals and the U.S. Supreme Court. In addition, Mr. Specks has represented clients in complex federal securities litigation, fraud litigation, civil RICO litigation, and a variety of commercial litigation matters. Mr. Specks is resident in the firm's Chicago office.

During 1983, Mr. Specks served as special assistant attorney general on antitrust matters to Hon. Neil F. Hartigan, then Attorney General of the State of Illinois.

Education:

- B.A., Northwestern University (1972)

- J.D., DePaul University College of Law (1975)

Bar affiliations and court admissions:

- Bar of the State of Illinois (1975)
- U.S. Courts of Appeals for the Third, Fifth, Seventh, Ninth and Tenth Circuits
- U.S. District Court for the Northern District of Illinois, including Trial Bar

Professional affiliations:

- Illinois Bar Association
- Chicago Bar Association

Mr. Specks can be reached by email at: gspecks@kaplanfox.com

WILLIAM J. PINILIS practices in the areas of commercial, consumer and securities class action litigation. He has been associated with Kaplan Fox since 1999, and is resident in the firm's New Jersey office.

In addition to his work at the firm, Mr. Pinilis has served as an adjunct professor at Seton Hall School of Law since 1995, and is a lecturer for the New Jersey Institute for Continuing Legal Education. He has lectured on consumer fraud litigation and regularly teaches the mandatory continuing legal education course Civil Trial Preparation.

Mr. Pinilis is the author of "Work-Product Privilege Doctrine Clarified," *New Jersey Lawyer*, Aug. 2, 1999; "Consumer Fraud Act Permits Private Enforcement," *New Jersey Law Journal*, Aug. 23, 1993; "Lawyer-Politicians Should Be Sanctioned for Jeering Judges," *New Jersey Law Journal*, July 1, 1996; "No Complaint, No Memo – No Whistle-Blower Suit," *New Jersey Law Journal*, Sept. 16, 1996; and "The *Lampf* Decision: An Appropriate Period of Limitations?" *New Jersey Trial Lawyer*, May 1992.

Education:

- B.A., Hobart College (1989)
- J.D., Benjamin Cardozo School of Law (1992)

Bar affiliations and court admissions:

- Bar of the State of New Jersey (1992)
- Bar of the State of New York (1993)
- U.S. District Courts for the District of New Jersey, and the Southern and Eastern Districts of New York

Professional affiliations:

- Morris County Bar Association
- New Jersey Bar Association
- Graduate, Brennan Inn of Court

Mr. Pinilis can be reached by email at: wpinilis@kaplanfox.com

DAVID STRAITE joined Kaplan Fox in 2013. He focuses on securities, corporate governance, hedge fund, antitrust and digital privacy litigation and is resident in the firm's New York office. Prior to joining the Firm, Mr. Straite helped launch the US offices of London-based Stewarts Law LLP, where he was the global head of investor protection litigation, the partner in residence in New York, and a member of the US executive committee. He also worked in the Delaware office of Grant & Eisenhofer and the New York office Skadden Arps.

Mr. Straite is a frequent speaker and panelist in the U.S. and abroad. Most recently, he spoke on the hedge fund panel at the February 6, 2013 meeting of the National Association of Public Pension Attorneys in Washington, D.C. ("Structuring Investments – Do I Get to Go to the Cayman Islands?"); debated the General Counsel of Meetup, Inc. during 2013 Social Media Week ("David vs. Goliath: the Global Fight for Digital Privacy"); and gave a guest lecture on the Legal Talk Network's "Digital Detectives" podcast. He has also given interviews to Channel 10 (Tel Aviv), BBC World News (London) and SkyNews (London).

Mr. Straite's recent work includes representing investors in the Harbinger Capital hedge fund litigation and the Citigroup CSO hedge fund litigation in New York federal court; pursuing digital privacy claims as court-appointed co-lead counsel in *In re: Facebook Internet Tracking Litigation* in California and *In re: Google Inc. Cookie Placement Consumer Privacy Litigation* in Delaware; pursuing corporate governance claims in Delaware Chancery Court in *In re: MolyCorp Derivative Litigation*; and helping to develop the first multi-claimant test of the UK's new prospectus liability statute in a case against the Royal Bank of Scotland in the English courts. Mr. Straite has also authored *Netherlands: Amsterdam Court of Appeal Approves Groundbreaking Global Settlements Under the Dutch Act on the Collective Settlement of Mass Claims*, in The International Lawyer's annual "International Legal Developments in Review" (2009), and was a contributing author for Maher M. Dabbah & K.P.E. Lasok, QC, *Merger Control Worldwide* (2005).

Education:

- B.A., Tulane University, Murphy Institute of Political Economy (1993)
- J.D., *magna cum laude*, Villanova University School of Law (1996), Managing Editor, Law Review and Order of the Coif

Bar affiliations and court admissions:

- Bar of the State of New York (2000)
- Bar of the State of Delaware (2009)
- Bar of the State of Pennsylvania (1996)
- Bar of the State of New Jersey (1996)
- Bar of the District of Columbia (2008)
- U.S. District Courts for the Southern and Eastern Districts of New York; Eastern District of Pennsylvania; and the District of Delaware

- U.S. Court of Appeals for the Third Circuit

Professional affiliations:

- American Bar Association (Section of Litigation and Section of International Law)
- Delaware Bar Association
- New York American Inn of Court (Master of the Bench)
- Royal Society of St. George (Delaware Chapter)
- Internet Society

Mr. Straite can be reached by email at: dstraite@kaplanfox.com

DEIRDRE A. RONEY joined the San Francisco office of Kaplan Fox as Of Counsel in 2013. Deirdre's focus is in the area of institutional investor participation in securities litigation.

Prior to joining Kaplan Fox, Deirdre represented governmental entities in public finance and public-private partnership transactions as an associate at Hawkins, Delafield & Wood in New York. Before that, she served as a Law Clerk in the U.S. Court of International Trade and a trial attorney for the U.S. Federal Maritime Commission.

Education:

- J.D., George Washington University School of Law (2003)

Bar affiliations and court admissions:

- Bar of the State of New York
- Bar of the State of California

Ms. Roney can be reached by email at: droney@kaplanfox.com

GEORGE F. HRITZ joined Kaplan Fox in 2014. He has extensive experience in both New York and Washington D.C. handling sophisticated litigation, arbitration and other disputes for well-known corporate clients and providing crisis management and business-oriented legal and strategic advice to a broad range of U.S. and international clients, including those with small or no U.S. legal departments, often acting as de facto U.S. general counsel. Mr. Hritz has tried, managed and otherwise resolved large-scale matters for major financial and high-tech institutions and others in numerous venues throughout the U.S. and overseas. While he never hesitates to take matters to trial, he regularly looks for solutions that go beyond expensive victories. He has had great success in resolving disputes creatively by effectively achieving consensus among all of the parties involved, often with considerable savings for his clients.

Mr. Hritz clerked for a federal district judge in New York and spent his associate years at Cravath, Swaine & Moore, one of the leading business litigation firms in the world. In 1980, Mr. Hritz became one of the seven original partners in Davis, Markel, Dwyer & Edwards, which ultimately grew to over 50 lawyers and became the New York litigation group of Hogan & Hartson, then Washington, D.C.'s oldest major law firm. Since 2011, Mr. Hritz has represented

both defendants and plaintiffs in resolving international disputes and provided strategic advice and assisted clients on managing of other counsel, including monitoring law firm and consultant performance and billing.

Education:

- A.B., Princeton University, History (1969)
- J.D., Columbia University School of Law (1973) (Harlan Fiske Stone Scholar)

Bar affiliations and court admissions:

- Bars of the State of New York (1974) and District of Columbia (1978)
- U.S. Supreme Court
- U.S. Courts of Appeals for the Second, Third, Fourth, Eleventh and D.C. Circuits
- U.S. District Courts for the Southern and Eastern Districts of New York, the District of Columbia and others

Professional affiliations:

- D.C. Bar Association
- Federal Bar Council (2d Circuit)
- Advisory Group of the U.S. District Court for the Eastern District of New York

Mr. Hritz can be reached by email at: hritz@kaplanfox.com

LIST OF RECOVERIES

In re Bank of America Corp. Securities, Derivative, and ERISA Litigation

MDL 2058 (S.D.N.Y.) (\$2.425 billion recovered)

In re High Fructose Corn Syrup Antitrust Litigation,

MDL 1087 (C.D. Ill.) (\$531 million recovered)

In re Brand Name Prescription Drugs Antitrust Litigation,

MDL 997 (N.D. Ill.) (\$720 plus million recovered)

In re Merrill Lynch & Co., Inc. Securities Litigation,

Master File No. 07-CV-9633 (JSR) (S.D.N.Y.) (\$475 million recovered)

In re Baycol Products Litigation,

MDL 1431-MJD/JGL (D. Minn.) (\$350 million recovered to date)

In re 3Com Securities Litigation,

No. C-97-21083-EAI (N.D. Ca) (\$259 million recovered)

In re MicroStrategy Securities Litigation,

No. CV-00-473-A (E.D. Va) (\$155 million recovered)

AOL Time Warner Cases I & II (Opt-out)

Nos. 4322 & 4325 (Cal. State Court, LA County) (\$140 million recovered)

In re Informix Securities Litigation,

C-97-129-CRB (N.D. Ca) (\$136.5 million recovered)

In re Infant Formula Antitrust Litigation,

MDL 878 (N.D. Fla) (\$126 million recovered)

In re Flat Glass Antitrust Litigation,

MDL 1200 (W.D. Pa.) (\$121 million recovered)

In re Providian Financial Corp. Credit Card Terms Litigation,

MDL No. 1301-WY (E.D. Pa.) (\$105 million recovered)

In re Xcel Energy, Inc. Securities Litigation,

Master File No. 02-CV-2677-DSD (D. Minn.) (\$80 million recovered)

In re Elan Corporation Securities Litigation,

No. 02-CV-0865-RMB (S.D.N.Y.) (\$75 million recovered)

Barry Van Roden, et al. v. Genzyme Corp., et al.
No. 03-CV-4014-LLS (S.D.N.Y.) (\$64 million recovered)

In re Sequenom, Inc. Securities Litigation
No. 09-cv-921 (S.D. Ca.) (\$57 million recovered)

In re L.A. Gear Securities Litigations,
CV-90-2832-KN (Bx), *et al.* (C.D. Ca.) (\$50 million plus recovered)

Rosen, et al. v. Macromedia, Inc., et al.,
Case No. 988526 (Sup. Ct., SF County Ca.) (\$48 million recovered)

In re Ames Department Stores Securities Litigation,
MDL No. 924 (S.D.N.Y.) (\$46 million recovered)

In re Salomon Analyst Metromedia Litigation,
02-cv-7966 (S.D.N.Y.) (\$35 million recovered)

In re Ambac Financial Group, Inc. Securities Litigation
08-cv-411 (S.D.N.Y.) (\$33 million recovered)

In re Genentech, Inc. Securities Litigation,
C-88-4038-DLJ (N.D. Ca.) (\$29 million recovered)

In re Tele-Communications, Inc. Securities Litigation,
C-97-421(C.D. Ca.) (\$26.5 million recovered)

Michigan Department of Treasury v. Tyco International, Ltd., et al. (Opt-out)
08-cv-1340 (E.D. Mich) (\$25.5 million recovered)

In re Sun Healthcare Group, Inc. Litigation,
C-95-7005-JC/WWD (D.N.M.) (\$24 million recovered)

In re Centennial Technologies Litigation,
97-10304-REK (D. Mass.) (\$21.5 million recovered and other consideration)

In re PepsiCo Securities Litigation,
82 Civ. 8288 (S.D.N.Y.) (\$21 million recovered)

In re Proquest Company Securities Litigation,
06-cv-10619 (E.D. Mich.) (\$20 million recovered)

**In re Merrill Lynch & Co., Inc. Research Reports Securities Litigation –
Excite@Home Corporation,**
02-cv-3042 (S.D.N.Y.) (\$19 million recovered)

Scheatzle, et al. v. Eubanks, et al.,
C-92-20785-JW (EAI) (N.D.Ca.) (\$18.6 million recovered)

In re Escala Group, Inc. Securities Litigation,
06-cv-3518 (S.D.N.Y.) (\$18 million recovered)

Kensington Capital Management v. Oakley, Inc., et. al.,
No. SACV97-808 GLT (Eex) (C.D. Ca.) (\$17.5 million recovered)

In re Computer Memories Securities Litigation,
No. C-85-2335 (A)-EFL (N.D. Ca.) (\$15.5 million recovered)

In re Wyse Technology Securities Litigation,
C-89-1818-WHO (N.D. Ca.) (\$15.5 million recovered)

Provenz v. Miller, et al.,
C-92-20159-RMW (N.D.Ca.) (\$15 million recovered)

In re Gupta Corporation Securities Litigation,
C-94-1517-FMS (N.D. Ca.) (\$14.25 million recovered)

In re MicroPro Securities Litigation,
C-85-7428-EFL (N.D. Ca.) (\$14 million recovered)

In re Immunex Securities Litigation,
C-92-48 WD (W.D. Wa.) (\$14 million recovered)

Barry Hallet, Jr. v. Li & Fung, Ltd., et al.,
95 Civ. 8917 (S.D.N.Y.) (\$13.65 million recovered)

LACERA v. Citigroup, Inc., et al. (Salomon Analyst – Focal Communications, Inc.),
04-cv-5854 (S.D.N.Y.) (\$13 million recovered)

In re Salomon Analyst Williams Securities Litigation,
02-cv-8156 (S.D.N.Y.) (\$12.5 million recovered)

Stuart Markus v. The North Face, Inc., et al.,
No. 97-Z-473 (D. Co) (\$12.5 million recovered)

Mel Klein v. Laura L. King, et al.,
C-88-3141-FMS (N.D.Ca.) (\$11.65 million recovered)

In re Prestige Brands Holdings, Inc. Securities Litigation
05-cv-6924 (S.D.N.Y.) (\$11 million recovered)

Igor Cheredrichenko, et al. v. Quarterdeck Corp., et al.,
Case No. 97-4320 (GHK) (C.D. Ca.) (\$11 million recovered)

In re Cheyenne Software, Inc. Securities Litigation,
94 Civ. 2771 (E.D.N.Y.) (\$10.25 million recovered)

Exhibit 12

In re Fannie Mae 2008 Sec. Litig.
(S.D.N.Y. No. 08-7831)

SUMMARY TABLE OF LODESTARS AND LITIGATION EXPENSES

FIRM	HOURS	LODESTAR	EXPENSES
Labaton Sucharow LLP	25,566.20	\$14,469,865.00	\$1,097,692.01
Berman DeValerio	23,104.90	\$11,052,392.50	\$442,197.00
Kaplan Fox & Kilsheimer LLP	20,095.25	\$10,025,747.00	\$517,432.03
TOTALS	68,766.35	\$35,548,004.50	\$2,057,321.04

Exhibit 13

	Count	Low	25th Percentile	Median	75th Percentile	High
		Rate (%Diff.)	Rate (%Diff.)	Rate (%Diff.)	Rate (%Diff.)	Rate (%Diff.)
All Partners						
All Firms Sampled	185	\$575 (-23%)	\$840 (+6%)	\$950 (+7%)	\$1,095 (+22%)	\$1,225 (+26%)
Labaton Sucharow LLP	22	\$750	\$793	\$890	\$900	\$975
Senior Partners						
All Firms Sampled	139	\$575 (-24%)	\$893 (+12%)	\$995 (+12%)	\$1,125 (+20%)	\$1,225 (+26%)
Labaton Sucharow LLP	19	\$760	\$800	\$890	\$938	\$975
Mid-Level Partners						
All Firms Sampled	25	\$640 (-15%)	\$810 (+7%)	\$840 (+10%)	\$895 (+16%)	\$1,075 (+39%)
Labaton Sucharow LLP	2	\$750	\$756	\$763	\$769	\$775
Junior Partners						
All Firms Sampled	14	\$750 (+0%)	\$775 (+3%)	\$785 (+5%)	\$819 (+9%)	\$975 (+30%)
Labaton Sucharow LLP	1	\$750	\$750	\$750	\$750	\$750
Of Counsel						
All Firms Sampled	53	\$550 (+0%)	\$650 (+4%)	\$775 (+11%)	\$885 (+20%)	\$1,025 (+32%)
Labaton Sucharow LLP	6	\$550	\$625	\$700	\$738	\$775

	Count	Low	25th Percentile	Median	75th Percentile	High
		Rate (%Diff.)	Rate (%Diff.)	Rate (%Diff.)	Rate (%Diff.)	Rate (%Diff.)
All Associates						
All Firms Sampled	322	\$205 (-47%)	\$485 (+4%)	\$610 (+20%)	\$720 (+18%)	\$900 (+30%)
Labaton Sucharow LLP	22	\$390	\$466	\$510	\$610	\$690
Senior Associates						
All Firms Sampled	69	\$300 (-41%)	\$600 (+7%)	\$745 (+22%)	\$780 (+23%)	\$900 (+30%)
Labaton Sucharow LLP	12	\$510	\$560	\$610	\$635	\$690
Mid-Level Associates						
All Firms Sampled	134	\$310 (-30%)	\$584 (+27%)	\$665 (+45%)	\$720 (+48%)	\$810 (+59%)
Labaton Sucharow LLP	9	\$445	\$460	\$460	\$485	\$510
Junior Associates						
All Firms Sampled	88	\$235 (-40%)	\$444 (+14%)	\$458 (+17%)	\$525 (+35%)	\$760 (+95%)
Labaton Sucharow LLP	1	\$390	\$390	\$390	\$390	\$390

Exhibit 14

**FANNIE MAE 2008 SECURITIES FUND
FINANCIAL STATEMENT
1/9/2015**

Assessments Paid In:

537,963.02

EXPENSES PAID:

Experts:

Winnemac/Global Economic Group \$ 468,614.64

Mediation - Irell & Manella \$ 31,150.00

FYI Core Seats - Matthew Bender \$ 5,498.20

ASI - NetApp Storage Media \$ 32,462.68

Process Service - Civil Action Group \$ 237.50

TOTAL EXPENSES \$ 537,963.02 \$ 537,963.02

BALANCE IN ACCOUNT

-

**FANNIE MAE 2008 SECURITIES FUND
ASSESSMENTS THRU 1/9/15**

LAW FIRM	PAID	DUE	NOTES
Berman DeValerio	\$ 147,100.00		
Kaplan Fox	\$ 198,763.02	\$ -	
Labaton Sucharow LLP	\$ 192,100.00	\$ -	
TOTALS	\$ 537,963.02	\$ -	

Exhibit 15

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

ALASKA ELECTRICAL PENSION
FUND, et al., On Behalf of Themselves
and All Others Similarly Situated,

Plaintiffs,

vs.

PHARMACIA CORPORATION, et al.,

Defendants.

No. 03-1519 (AET)
(Consolidated)

CLASS ACTION

ORDER AWARDING PLAINTIFFS'
COUNSEL'S ATTORNEYS' FEES
AND EXPENSES

DATE: January 30, 2013

TIME: 10:00 a.m.

CTRM: The Honorable
Anne E. Thompson

RECEIVED

JAN 30 2013

AT 8:30 _____ M
WILLIAM T. WALSH CLERK

THIS MATTER having come before the Court on January 30, 2013, on the motion of Lead Counsel for an award of attorneys' fees and expenses; the Court, having considered all papers filed and proceedings conducted herein, having found the settlement of the Litigation to be fair, reasonable and adequate, and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. All of the capitalized terms used herein shall have the same meanings as set forth in the Stipulation of Settlement dated as of October 5, 2012 (the "Stipulation").

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all Members of the Class who have not timely and validly requested exclusion.

3. Class Counsel are entitled to a fee paid out of the common fund created for the benefit of the Class. *See Boeing Co. v. Van Gemert*, 444 U.S. 472, 478-79 (1980). In class action suits when a fund is recovered and fees are awarded therefrom by the court, the Supreme Court has indicated that computing fees as a percentage of the common fund recovered is proper. *See Blum v. Stenson*, 465 U.S. 886, 900 n.16 (1984). The Third Circuit expressly recognizes that a percentage-of-the-fund is the preferred method of determining fees in a common fund case. *In re GMC Pick-Up Truck Fuel Tank Prods. Liab. Litig.*, 55 F.3d 768, 820 n.39 (3d. Cir. 1995). Moreover, the Private Securities Litigation Reform Act of 1995 ("PSLRA") embodies a clear

policy preference for awarding fees through the percentage-of-the-fund method. *See In re Cendant Sec. Litig.*, 404 F.3d 178, 188 n.7 (3d Cir. 2005).

4. Lead Counsel have moved for an award of attorneys' fees of 27.5% of the Settlement Amount, plus interest.

5. This Court adopts the percentage-of-recovery method of awarding fees in this case.

6. The Court hereby awards attorneys' fees of 27.5% of the Settlement Amount, plus expenses of \$3,439,536.90, plus any interest on said amounts at the same rate as earned on the Settlement Amount. The Court finds the amount of the fees and expenses to be fair and reasonable. The Court further finds that a fee award of 27.5% of the Settlement Amount is consistent with awards made in similar cases and in accordance with guidance provided by the Third Circuit.

7. The Court further finds that the amount of fees awarded is fair and reasonable when cross checked under the lodestar/multiplier method, given the substantial risks of non-recovery, the time and effort involved, and the result obtained for the Class.

8. The awarded fees and expenses shall be allocated among Plaintiffs' counsel by Lead Counsel in a manner which, in their good faith judgment, reflects each counsel's contribution to the institution, prosecution and resolution of the Litigation.

9. In making this award of attorneys' fees and expenses to be paid from the Settlement Fund, the Court has considered each of the applicable factors set forth in *Gunter v. Ridgewood Energy Corp.*, 223 F.3d 190, 195 n.1 (3d Cir. 2000). In evaluating the *Gunter* factors, the Court finds that:

(a) Class Counsel expended considerable effort and resources over the course of the Litigation researching, investigating, and prosecuting Lead Plaintiffs' claims. The services provided by Class Counsel were efficient and highly successful, resulting in an outstanding recovery for the Class without the substantial expense, risk, and delay of continued litigation. Such efficiency and effectiveness supports the requested fee percentage.

(b) Cases brought under the federal securities laws are notably difficult and notoriously uncertain. *See, e.g., In re AOL Time Warner, Inc. Sec. & ERISA Litig.*, No. MDL 1500, 2006 U.S. Dist. LEXIS 17588, at *31 (S.D.N.Y. Apr. 6, 2006). "[S]ecurities actions have become more difficult from a plaintiff's perspective in the wake of the PSLRA." *In re Ikon Office Solutions, Inc., Sec. Litig.*, 194 F.R.D. 166, 194 (E.D. Pa. 2000). This case was not aided by any governmental investigation. Despite the novelty and difficulty of the issues raised, Class Counsel secured a very good result for the Class.

(c) The recovery obtained and the backgrounds of the lawyers involved in the lawsuit are the best evidence that the quality of Class Counsel's representation of the Class supports the requested fee. Class Counsel demonstrated

that notwithstanding the barriers erected by the PSLRA, they would develop evidence to support a convincing case. Based upon Class Counsel's diligent efforts on behalf of the Class, as well as their skill and reputations, Class Counsel were able to negotiate a very favorable result for the Class. Class Counsel are among the most experienced and skilled practitioners in the securities litigation field, and have unparalleled experience and capabilities as preeminent class action specialists. Their efforts in efficiently bringing the Litigation to a successful conclusion are a significant indicator of the experience and ability of the attorneys involved. In addition, Defendants were represented by highly experienced lawyers. The standing of opposing counsel should be weighed in determining the fee, because such standing reflects the challenge faced by Lead Plaintiffs' attorneys. The ability of Class Counsel to obtain such a favorable settlement for the Class in the face of such formidable opposition confirms the superior quality of their representation and the reasonableness of the fee request.

(d) The requested fee of 27.5% of the Settlement Amount is within the range normally awarded in cases of this nature.

(e) Plaintiffs' counsel's total lodestar is \$27,071,101.50. A 27.5% fee represents a multiplier of 1.67 to their aggregate lodestar.

10. The awarded attorneys' fees and expenses, and any interest earned thereon, shall be paid to Lead Counsel from the Settlement Fund pursuant to the

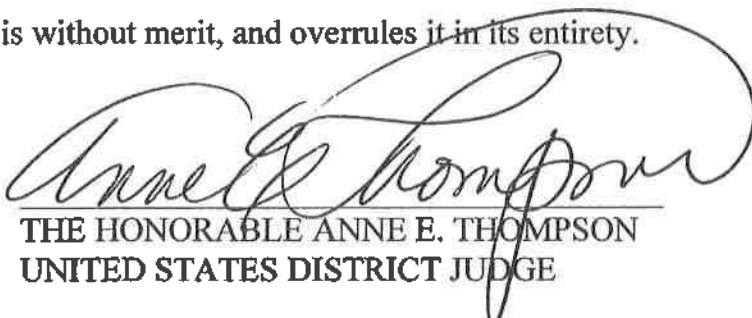
terms, conditions and obligations of the Stipulation, and in particular ¶6.2 thereof, which terms, conditions, and obligations are incorporated herein.

11. The Court finds that, pursuant to 15 U.S.C. §78u-4(a)(4), an award of reasonable costs and expenses (including lost wages) to Lead Plaintiffs in connection with their representation of the Class is appropriate. Lead Plaintiffs Alaska Electrical Pension Fund, PACE Industry Union-Management Pension Fund and New England Health Care Employees Pension Fund, are hereby awarded \$6,608.92, \$15,941.98 and \$10,500.00, respectively.

12. The Court has considered the objection to the fee award submitted by William T. Zorn, and finds that it is without merit, and overrules it in its entirety.

IT IS SO ORDERED.

DATED: 1/30/13


THE HONORABLE ANNE E. THOMPSON
UNITED STATES DISTRICT JUDGE

Closed
10/20/06

ENC # *82*



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
-----X

In re

00 Civ. 8754 (MGC)

AT&T WIRELESS TRACKING STOCK
SECURITIES LITIGATION
-----X

ORDER

Cedarbaum, J.

I approved the settlement of this class action on October 19, 2006. At that time, I reserved decision on class counsel's application for attorney's fees and reimbursement of expenses.

After carefully examining class counsel's time records and expense reports, I hereby award class counsel attorney's fees in the amount of \$22,500,000, which I find to be fair and reasonable, and \$2,360,113.60 as reimbursement for expenses. The total amount of \$24,860,113.60 shall be paid to class counsel from the Settlement Fund with interest from the date such Settlement Fund was funded to the date of payment at the same net rate that the Settlement Fund earned.

SO ORDERED.

Dated: New York, New York
January 29, 2007

Miriam Goldman Cedarbaum
MIRIAM GOLDMAN CEDARBAUM
United States District Judge

Copies to counsel
D- 1/29/07

MICROFILM
JAN 30 2007 12:00 PM

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

IN RE BRISTOL-MYERS SQUIBB SECURITIES
LITIGATION

RECEIVED

Civil Action No. 00-1990 (SRC)

MAY 11 2006

AT 8:30 M

WILLIAM T. WALSH

ORDER APPROVING ATTORNEYS' FEES AND EXPENSES
AND LEAD PLAINTIFF'S COSTS DIRECTLY RELATED
TO ITS REPRESENTATION OF THE CLASS

WHEREAS, the Court, having considered the Stipulation And Agreement Of Settlement by and among Lead Plaintiff, Amalgamated Bank as trustee of the LongView Collective Investment Fund ("LongView" or "Lead Plaintiff"), and Defendants Bristol-Myers Squibb Company, Peter Dolan, Charles Heimbold and Peter Ringrose, and plaintiffs' counsel's application for attorneys' fees and reimbursement of their expenses, and LongView's application for reimbursement of its costs; and

WHEREAS, the Court, having conducted a Settlement Hearing concerning the fairness of the proposed Settlement, and plaintiffs' counsel's application for attorneys' fees and reimbursement of their expenses, and LongView's application for reimbursement of its costs; and

WHEREAS, the Court, having reviewed the entire record of the action, including the declarations submitted on behalf of Lead Plaintiff detailing the cost of its lost working time directly resulting from its representation of the Class,

THE COURT FINDS that:

Based on such factors as the successful result obtained for the Class, the percentage fee awarded in similar cases, the fact that the fee has been entirely contingent, the time, labor and

skill that has been required on the part of plaintiffs' counsel and the considerable experience, reputation and ability of Lead Counsel, Labaton Sucharow & Rudoff LLP, and of Liaison Counsel, Lite DePalma Greenberg & Rivas, LLC, plaintiffs' counsel should be awarded attorneys' fees of 19.77% of the gross Settlement Fund, or \$36,587,824, plus interest earned thereon until disbursed, at the same rate as that earned on the Settlement Fund; and

Plaintiffs' counsel's litigation expenses, in the total amount of \$3,607,925.92, are reasonable expenses of the kind customarily charged to clients, and were necessarily incurred to obtain the Settlement herein; and

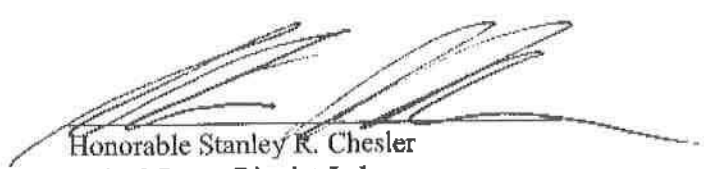
Pursuant to the Private Securities Litigation Reform Act (the "PSLRA"), 15 U.S.C. § 78u-4(a)(4), the expenses that Lead Plaintiff requests to be reimbursed, in the amount of \$58,948.64.00, directly relate to its representation of the Class, and are reasonable; and therefore,

IT IS HEREBY ORDERED that:

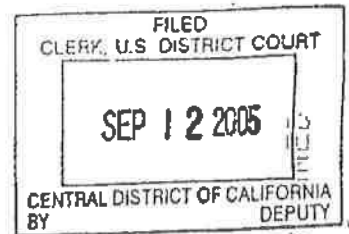
1. Lead Counsel shall be awarded a fee of 19.77% of the gross Settlement Fund, or \$36,587,824.00, and reimbursed \$3,607,925.92 from the Settlement Fund for litigation expenses and the cost of giving notice to the Class, plus interest earned thereon until disbursed, at the same rate as that earned on the Settlement Fund; and

2. Pursuant to the PSLRA, 15 U.S.C. § 78u-4(a)(4), Lead Plaintiff LongView shall be reimbursed \$58,948.64.00 for its costs directly relating to its representation of the Class, plus interest earned thereon until disbursed, at the same rate as that earned on the Settlement Fund.

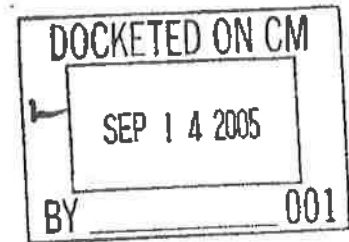
Dated: Trenton, New Jersey
May 11/2006



Honorable Stanley R. Chesler
United States District Judge



UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA



In Re BROADCOM CORP.
SECURITIES LITIGATION

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

CASE NO. SACV 01-275 DT (MLGx)

(Consolidated Cases)

CLASS ACTION

ORDER GRANTING LEAD
COUNSEL'S MOTION FOR
APPROVAL OF LEAD COUNSEL'S
APPLICATION FOR AWARD OF
ATTORNEYS' FEES AND
REIMBURSEMENT OF EXPENSES

I. Background

On June 27, 2005, the Honorable Gary Taylor, who presided over this case since its filing, granted preliminary approval of a settlement reached by the parties in this securities fraud class action (the "Settlement"). Obtained on behalf of the Class by the Minnesota State Board of Investment ("Lead Plaintiff"), the Settlement culminates four years of litigation and nearly a year of mediation. Defendants have agreed to pay \$150 million in cash. Under the Stipulation of Settlement of Class Action signed by the parties and filed with the Court (the "Settlement Agreement"), Defendant Broadcom Corp. ("Broadcom" or "Company"), has already paid \$108 million into an escrow account, where it is

686

1 earning interest for the Class. The remaining \$42 million of the Settlement Fund
2 is to be deposited thereafter.

3 Currently before this Court is the application of Heins Mills & Olson,
4 P.L.C., approved by the Court as Lead Plaintiff's Counsel ("Lead Counsel), on
5 behalf of all plaintiffs' counsel ("Class Counsel"), for an award of attorneys' fees
6 plus reimbursement of out-of-pocket litigation expenses.

7 **A. Factual Summary**

8 The following is a summary of the facts provided by Lead Counsel in
9 support of the instant motion:

10 Lead Plaintiff and Lead Counsel negotiated a contingent fee
11 agreement allowing Class Counsel fees equal to 25% of any recovery.

12 **1. Pre-Litigation Investigation**

13 Before filing Lead Plaintiff's initial pleading, Class Counsel did
14 extensive research on Broadcom using various sources of information. With the
15 help of an economic expert, it analyzed information potentially affecting the price
16 of Broadcom stock during the Class period, and developed preliminary estimates
17 of the losses suffered by the Class. Lead Counsel then prepared numerous
18 iterations of a complaint that transformed the results of the investigation into
19 detailed and comprehensive allegations against Defendants.

20 **2. Appointment of Lead Plaintiff and Consolidation of Actions**

21 The Court consolidated the actions on May 31, 2001, and on June
22 11, 2001, appointed Lead Plaintiff and approved Lead Counsel. Lead Plaintiff
23 then filed a 159-paragraph Consolidated Amended Class Action Complaint
24 ("CAC") against Defendants on behalf of all persons who suffered damages as a
25 result of acquiring, or trading options on, Broadcom stock during the period from
26 July 31, 2000, through February 26, 2001 ("Class Period"). In great detail, the
27
28

SCANNED

1 CAC alleged that Defendants had engaged in a fraudulent scheme to inflate
2 Broadcom's revenue and misrepresented Broadcom's financial condition, and that
3 the Individual Defendants were liable as "control persons".

4 3. Claims

5 Lead Plaintiff alleged that Defendants devised and effected a scheme
6 to fraudulently overstate the Company's revenue by concealing huge price
7 discounts to its customers in the form of warrants to buy the Company's stock
8 upon dissatisfaction of purchase requirements. Instead of issuing warrants directly
9 to the customers, however, because that would have required the Company to
10 value the warrants based on the fair value of its stock and to reduce its revenue by
11 that amount as a cost of goods sold, Defendants had Broadcom issue the warrants
12 indirectly through five privately held companies it planned to quickly acquire
13 ("Targets"). While orchestrating these acquisitions, Defendants also negotiated
14 agreements that ostensibly issued customers warrants for the Targets less valuable
15 stock in exchange for purchases from the Targets. Because the warrant
16 agreements were conditioned on Broadcom's immediate acquisition of the Targets
17 (and vice versa), however, the agreements were, in substance, directly between
18 Broadcom and its own customers, giving them the right to receive the Company's
19 stock in exchange for purchasing Broadcom's products. To hide the resulting
20 price discount and thereby inflate Broadcom's reported revenue, Defendants
21 accounted for the value of the warrants not as a cost of goods sold, but as a
22 depreciable asset acquired from the Targets. Defendants further manipulated
23 evolving accounting rules to undervalue the equity Broadcom exchanged for
24 product sales.

4. Defendants' Motions to Dismiss

In November 2001, Defendants moved to dismiss the CAC on numerous grounds. After extensive briefing and a hearing, the Court granted Defendants' motion, allowing Lead Plaintiff leave to amend allegations. Lead Counsel conducted additional investigations, and Lead Plaintiff filed a Second Consolidated Amended Complaint ("Amended Complaint") three weeks later. Defendants filed a second motion to dismiss, which was denied on July 24, 2002. Defendants answered the Amended Complaint, denying all the material allegations and asserting twelve affirmative defenses.

5. Class Certification

Lead Plaintiff moved for certification of the Class on November 6, 2002. Defendants filed voluminous papers opposing the motion and also moved to disqualify Lead Plaintiff. Lead Plaintiff filed its reply memorandum, and on October 15, 2003, the Court granted Lead Plaintiff's motion and certified the Class.

Upon the filing of Lead Plaintiff's motion asking the Court to approve a class notice and plan for dissemination, Defendants objected to the plan on various grounds, arguing for the first time that Lead Plaintiff could not adequately represent optionholders because it had not purchased options itself. The Court denied Defendants' objection and directed Lead Counsel to provide Class members with notice of pendency of the class action. Counsel expended over \$324,000 to disseminate notice.

6. Fact Discovery

Class Counsel propounded five sets of interrogatories, two sets of document requests, and three sets of requests for admission, as well as numerous subpoenas to obtain documents from nonparties. 300,000 pages of documents

1 produced by the Defendants and another 50,000 pages produced by nonparties
2 were analyzed. Class Counsel deposed 45 fact witnesses for 54 days, many of
3 whom were located outside of the Central District of California, including Israel
4 and the United Kingdom. Responding to Defendants' discovery requests was also
5 exhaustive, including nine sets of interrogatories, three sets of document requests,
6 and five sets of requests for admission. Class Counsel defended depositions of
7 Lead Plaintiff's employees and outside money managers for a total of 12 days.
8 Lead Counsel negotiated on the myriad issues arising during the discovery period,
9 and when the parties could not resolve their differences, motion practice followed.

10 **7. Experts and Expert Discovery**

11 Class Counsel engaged six experts and numerous consultants from
12 various fields. It consulted with these experts throughout the course of litigation
13 on a myriad of issues. The information provided by the experts was important in
14 preparing pleadings, interviewing and deposing witnesses, reviewing documents,
15 depositions, briefing issues, and evaluating the fairness of the Settlement to the
16 Class. Plaintiffs' testifying experts authored numerous reports and rebuttal
17 reports, and were deposed for a total of fourteen days. Defendants retained nine
18 expert witnesses, each of which submitted at least one detailed report. Class
19 Counsel deposed Defendants' experts for a total of 12 days and then reviewed the
20 testimony with their experts, some of whom provided rebuttals.

21 **8. Motion Practice**

22 **a. Defendants' motions for partial summary judgement**

23 Lead Counsel opposed seven separate motions for partial summary
24 judgment. On November 6, 2003, the Court denied Defendants' first motion, and
25 also later denied their motion for reconsideration. On September 17, 2004,
26 Defendants filed five more motions for partial summary judgement. On November
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1 24, 2004, the Court decided all the motions, granting, in some instances, partial
2 summary judgement that narrowed some of the claims, but denying it as to the
3 others. On May 26, 2003, Defendants filed a seventh motion for partial summary
4 judgment, and Lead Plaintiff applied *ex parte* to strike the motion as untimely.
5 Before these motions were fully briefed, the parties reached the Settlement.

6 **b. Daubert and related motions regarding expert**
7 **testimony**

8 Class Counsel filed motions to qualify Lead Plaintiff's economic
9 experts for testimony regarding loss causation and damages issues, and to permit
10 evidence of aggregate Class damages. Defendants moved *ex parte* to strike both
11 motions and to exclude evidence of aggregate damages. They also moved to
12 exclude the testimony of one of Lead Plaintiff's economic expert witnesses. To
13 consider the aggregate damages issues, the Court conducted a two-day Daubert
14 evidentiary hearing at which the parties' economic experts testified. It granted
15 Defendants' motion to exclude evidence of aggregate damages. The other motions
16 are pending.

17 **c. Other motions**

18 The Court granted Defendants' motion to consolidate this action with
19 related individual actions. Defendants moved for specific time limitations for
20 trial. They then moved to strike Lead Plaintiff's estimate and to continue certain
21 deadlines for trial submissions. The Court denied the motion to strike and reset
22 trial deadlines. Class Counsel filed a motion to bifurcate the trial, which was
23 denied. The parties also filed motions in limine.

24 **9. Trial Preparation**

25 Teams of lawyers reviewed hundreds of thousands of pages of
26 documents, thousands of pages of deposition testimony, and hundreds of hours of
27

1 videotaped testimony, aided by Class Counsel's use of litigation support
2 technology. After Lead Counsel selected potential trial witnesses and decided
3 which would be examined at trial, the attorneys designated portions of depositions
4 for use at trial where witnesses were unavailable or for possible rebuttal.
5 Foundational and other evidentiary issues were researched for the use of exhibits.
6 Class Counsel served requests for admission to authenticate documents and
7 obtained foundation affidavits from the records custodians of nonparties.

8 Class Counsel prepared a number of trial submissions, including a
9 memorandum of contentions of fact and law, the Pretrial Conference Order,
10 witness and exhibit lists, an initial Good-Faith Trial Estimate, jury instructions,
11 and special verdict forms. Lead Counsel worked with a nationally recognized trial
12 consulting firm to develop juror profiles, a jury questionnaire and demonstrative
13 exhibits, and to conduct focus groups as well as a simulated jury trial. Trial was
14 originally set for January 2005, was continued to April 2005, and again put over
15 until September 13, 2005.

16 10. Settlement Negotiations

17 While preparing for trial, the parties engaged in settlement
18 discussions, but with diametrically opposed positions. In mid-2004, the Court
19 appointed Judge Infante to mediate settlement discussions. The parties,
20 represented by senior attorneys, met with Judge Infante for four mediation
21 sessions spanning nearly a year. They presented comprehensive mediation
22 statements to the mediator and discussed with him all facets of the case. Counsel
23 for both sides had numerous telephone conversations with the Judge as part of the
24 mediation.

SCANNED

1 **11. The Settlement**

2 At the conclusion of the final mediation session on June 13, 2005,
3 Judge Infante proposed that the parties settle the case for \$150 million. Both
4 parties accepted the proposal.

5 **B. Procedural Summary¹**

6 On June 27, 2005, Judge Taylor issued an Order for Preliminary
7 Approval of Class Action Settlement, Approval of Class Notice, and Request for
8 Settlement Hearing.

9 On July 5, 2005, this action was transferred to this Court.

10 Currently before this Court is: (1) Lead Counsel's Motion for
11 Approval of Lead Counsel's Application for Award of Attorneys' Fees and
12 Reimbursement of Expenses; (2) Class Plaintiffs' Motion for Final Approval of
13 Settlement; and (3) Class Plaintiffs' Motion for Final Approval of Proposed Plan
14 of Allocation.

15 **II. Discussion**

16 **A. Analysis**

17 Lead Counsel, on behalf of all Plaintiffs' counsel ("Class Counsel"),
18 seeks an award of attorneys' fees equal to 25% of the Settlement Fund, which is
19 \$37,500,000, plus reimbursement of out-of-pocket litigation expenses in the
20 amount of \$3,740,857.33. For the reasons explained below, this Court finds that
21 an award of attorneys' fees equal to 25% of the net Settlement Fund after
22 deducting expenses of \$3,740,857.33 is reasonable (\$36,564,785.67).

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27 ¹ This Court sets forth only an abbreviated procedural history.

SCANNED

1 **1. The Ninth Circuit has established 25% of the recovery as**
 2 **the "benchmark" fee award**

3 In cases like this, where a common fund has been obtained on behalf
 4 of a class, the Ninth Circuit has established 25% of the recovery as the
 5 "benchmark" award for attorney fees. See Vizcaino v. Microsoft Corp., 290 F.3d
 6 1043, 1047 (9th Cir. 2002)(citing Paul, Johnson, Altston & Hunt v. Gaulty, 886
 7 F.2d 268, 272 (9th Cir. 1989)). In Vizcaino, the Court approved a 28% fee and
 8 attached to its opinion a summary of percentage fee awards from 34 common fund
 9 settlements ranging in size from \$50 million to \$200 million.² Id. at 1050.
 10 Furthermore, as cited to by Lead Counsel, this Court recently observed that
 11 "Federal courts have consistently approved of attorney fee awards over the 25%
 12 benchmark." In re Heritage Bond Litig., No. 02-ML-1475 DT, 2005 WL
 13 1594403, at *18 n. 12 (C.D. Cal. June 10, 2005)(taking notice of more than 200
 14 federal cases in which a fee of 30% of higher was awarded).³

15 **2. No special circumstances warrant departure from the 25%**
 16 **benchmark**

17 The 25% benchmark may be adjusted "when special circumstances
 18 indicate that the percentage recovery would be either too small or too large in light
 19 of the hours devoted to the case or other relevant factors." Six Mexican Workers
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21
 22 ² Those awards were as high as 40%, with most "clustered in the 20-30%
 23 range." Vizcaino, 290 F.3d at 1050.

24 ³ Lead Counsel also cite to In re Rite Aid Corp. Sec. Litig., 396 F.3d 294,
 25 298 (3d Cir. 2005), wherein John C. Coffee of Columbia University gathered
 26 statistical data from other securities fraud class settlements and found that fees of
 27 25-30% fees were "fairly standard" in so-called "mega fund" class actions
 28 involving settlements between \$100 and \$200 million. Id. at 298 (citation
 omitted).

1 v. Ariz. Citrus Growers, 904 F.2d 1301, 1311 (9th Cir. 1990). Any departure from
2 the 25% benchmark "must be accompanied by a reasonable explanation of why the
3 benchmark is unreasonable under the circumstances." Paul, Johnson, Alston &
4 Hunt v. Grauly, 886 F.2d at 273. SCANNED

5 **a. Class Counsel's lodestar confirms the reasonableness**
6 **of the requested fee award**

7 In considering whether an adjustment from the benchmark is
8 warranted, this Court looks to Class Counsel's lodestar amount. The Ninth Circuit
9 also allows attorneys' fee awards to be based on a lodestar calculation. See, e.g.,
10 In re Washington Pub. Power Supply Sys. Litig., 19 F.3d 1291, 1296 (9th Cir.
11 1994)(recognizing "no presumption in favor of either the percentage or the
12 lodestar method encumbers the district court's discretion to choose one or the
13 other"); Six Mexican Workers v. Ariz. Citrus Growers, 904 F.2d at 1311 (noting
14 that the particular circumstances of a case dictate whether the percentage method
15 or the lodestar method is appropriate). In the case of a liquidated recovery like
16 this one, however, this Court can examine counsel's lodestar as a "cross-check" to
17 confirm that the requested percentage fee award is reasonable. See, e.g., Vizcaino,
18 290 F.3d at 1050-51 ("Thus, while the primary basis of the fee award remains the
19 percentage method, the lodestar may provide a useful perspective on the
20 reasonableness of a given percentage award.").

21 Here, the aggregate lodestar of Class Counsel is \$20,706,908.00
22 based on historical rates and \$22,825,234.25 based on current rates. (Mills Decl.
23 at ¶ 67.) These amounts translate, respectively, into a multiplier of 1.81 of 1.64.
24 (Id.) This multiplier is in the bottom of the range approved by courts in other
25 cases of comparable size. (See Mills Decl., Exh. 6.) In addition, a multiplier is
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1 supported by the fact that this case was litigated virtually all the way to trial. As
2 such, a lodestar analysis supports the reasonableness of the requested fee award.

3 **b. Other relevant factors militate against a departure**
4 **from the 25% benchmark**

5 Class Counsel also contend that other factors strongly militate against
6 a departure from the 25% benchmark. Other factors to be considered in deciding
7 whether the benchmark should be adjusted include: (1) the result obtained for the
8 class; (2) the effort expended by counsel; (3) counsel's experience; (4) counsel's
9 skill; (5) the complexity of the issues; (6) the risks of non-payment assumed by
10 counsel; and (7) the reaction of the class. See In re Quintus Sec. Litig., 148 F.
11 Supp. 2d 967, 973-74 (N.D. Cal. 2001); In re Oracle Sec. Lit., 852 F. Supp. 1437,
12 1449 (N.D. Cal. 1994). This Court agrees with Class Counsel that these factors
13 weigh against any adjustment of the 25% benchmark.

14 **(1) The result obtained for the class**

15 The recovery of \$150 million, which is already earning interest, is an
16 exceptional result given the complexity of the case, and despite keenly contested
17 and very complex facts. For example, although the SEC inquired into Broadcom's
18 accounting practices, it did not launch a formal investigation. In addition, the
19 claims are predicated in significant part on technical accounting rules, regression
20 studies, sophisticated damages models and other arcane testimony. Because of
21 these challenges, the large and immediate benefit for the Class supports the
22 requested fee.

23 **(2) The effort expended by counsel**

24 As detailed in the Mills Declaration (¶¶ 25-61), Lead Counsel
25 coordinated teams of lawyers and paralegals, litigation-support software, expert
26 witnesses and jury consultants to prosecute this case. To develop their case, Class
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1 Counsel reviewed hundreds of thousands of pages of documents, interviewed
2 numerous witnesses, took or defended more than 90 depositions in the United
3 States and abroad, researched and drafted thousands of pages of briefs,
4 declarations, trial submissions and other documents, fought dozens of motions,
5 consulted with a team of experts, analyzed numerous dense, highly technical
6 expert reports, and spent thousands of hours preparing for trial. After extensive
7 investigation in order to build a compelling case, Class Counsel spent four years in
8 litigation against Defendants' aggressive lawyers, and then they engaged in
9 difficult settlement negotiations. This enormous effort supports the benchmark fee
10 award.

11 **(3) Counsel's experience**

12 As described in the firm biography, Lead Counsel and the team are
13 among the most experienced in the field of securities litigation. (Mills Decl., Exh.
14 8.) The firm has successfully prosecuted class actions across the nation, including
15 many securities fraud cases.

16 **(4) Counsel's skill**

17 Judge Taylor commented favorably on the skill of Class Counsel and
18 their adversaries, noting that they demonstrated "an extremely high level of
19 lawyering." (Mills Decl., Exh. 7 at p. 18.) He recognized that "[a] great deal of
20 hard work went into it over quite a period of time. Some fascinating motions and
21 a great deal of good lawyer work." (*Id.* at 19.) Class Counsel's ability to obtain a
22 favorable settlement despite formidable opposition confirms their immense skill.

23 **(5) Complexity of the issues**

24 This case presented both legal issues of first impression and complex
25 factual issues turning in great part on expert testimony about highly technical
26 accounting issues and the application of obscure economic theory to intricate sets
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1 of factual permutations. Much of the law governing the parties' claims and
2 defenses is sparse, unsettled and still evolving. Adding to the complexity was the
3 sophistication of Defendants' alleged scheme, its complicated implementation, and
4 the application of technical and emerging GAAP standards to the creative
5 accounting used to report Broadcom's revenue. Pleading adequate facts to
6 describe Defendants' scheme and marshaling the evidence to respond to numerous
7 summary judgment motions and for trial demanded a monumental and coordinated
8 effort.

9 **(6) Risks of non-payment assumed by counsel**

10 Lead Counsel assumed a substantial risk that there would be no
11 recovery when it took the case on a contingent fee basis. Given the demanding
12 standards for pleading securities fraud, many cases are dismissed at the threshold.
13 A case that survives motions to dismiss later confronts summary judgment
14 motions, Daubert challenges and the uncertainty of trial. The complexity and
15 subtlety of Defendants' scheme and the quality of the opposition added to the
16 uncertainty of success. Despite this, Class Counsel devoted a massive number of
17 hours and incurred over \$3.74 million in expenses over four years with no
18 compensation.

19 **3. Public policy considerations also support the requested fee**
20 **award**

21 Finally, as Class Counsel contend, important public policy
22 considerations also support the requested fee award. Recognizing that the federal
23 securities laws are remedial in nature, the courts have encouraged fee awards that
24 fairly reward attorneys who have served the Congressional purpose of enforcing
25 the laws with private lawsuits. See, e.g., Basic Inc. v. Levinson, 485 U.S. 224
26 (1988). "Filing of contingent lawsuits . . . should not be chilled by the imposition
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1 of fee awards which fail to adequately compensate counsel for the risks of
2 pursuing such litigation and the benefits which would not otherwise have been
3 achieved but for their persistent and diligent efforts.” In re Prudential-Bache
4 Energy Income P’ships Sec. Lit., M.D.L. 888, 1994 WL 202394, at 8.

5 **4. None of the objectors show special circumstances to depart**
6 **from the requested fee award**

7 In light of the above, this Court finds that the proposed fee award
8 conforms to the 25% benchmark adopted by the Ninth Circuit. Such fee award is
9 supported by Class Counsel’s lodestar as well as other relevant factors.
10 Nonetheless, some Class members have objected to the requested fee award. As
11 set forth above, these objecting Class members must show special circumstances
12 to disturb the presumptive validity of the proposed fee of 25% of the Settlement
13 Fund. As explained below, these objectors have failed to make such a showing.

14 **a. Objector Brian Fitzpatrick (“Fitzpatrick”)**

15 Fitzpatrick contends that the fees are excessive because Class
16 Counsel settled this case for less than three cents on the dollar of damages. He
17 also contends that the fees are excessive because they give Class Counsel a
18 multiplier on their hourly rates for time spent on the case after it was certified.
19 Fitzpatrick argues that Class Counsel are not entitled to any multiplier for work
20 put in after certification of the class because, he claims, “once a securities class
21 action is certified, it is nearly certain that it will be settled. . . . once the class is
22 certified, there is virtually no risk of a defense verdict remaining in the suit.”

23 First, “[i]t is well-settled law that a cash settlement amounting to only
24 a fraction of the potential recovery does not per se render the settlement
25 inadequate or unfair.” In re Heritage Bond Litig., 2005 WL 1594403 at *8
26 (quoting Officers for Justice v. Civil Servs. Comm’n, etc., 688 F.2d 615, 628 (9th

1 Cir. 1982)). Second, even if this case were settled for "less than three cents on the
2 dollar of damages," such a result would be entirely in line with the average
3 recovery in securities class action cases. See id. (finding the average recovery by
4 settlement to be 2.3% of claimed damages in 2004).

5 With respect to Fitzpatrick's claim that "there is virtually no risk of a
6 defense verdict" once the class is certified, Fitzpatrick offers no legal authority to
7 support such an opinion. In this case, Class Counsel point to significant events in
8 the litigation which occurred after class certification. Defendants brought
9 numerous motions for summary judgment and challenged the opinions of Class
10 Plaintiffs' expert economist under Daubert. In addition, Defendants suggested
11 that certification of the Class may have been improper. As such, this Court agrees
12 that it is unrealistic to suggest that settlement was a foregone conclusion when the
13 Court certified the Class. Finally, Class Counsel point to the fact that Courts
14 routinely grant percentage awards that necessarily result in multipliers in securities
15 class action settlements that occur post-certification because the risk of no
16 recovery exists well after a class is certified. (See cases cited in Lead Counsel's
17 Reply Memorandum at p. 8.)

18 **b. Objector Rinis Travel Service, Inc. Profit Sharing**
19 **Trust U.A. 6-1-1989 ("Rinis")**

20 Rinis contends that the requested percentage fee is unreasonable and
21 excessive in comparison to the normal and/or average percentage that is awarded
22 for class action recoveries of this size. In support, it relies on a study which shows
23 that the average percentage being awarded for all cases in excess of \$100 million
24 is 15.1%. It argues that there is nothing in this settlement which would justify a
25 percentage fee (25%) which would exceed the average fee award.

SCANNED

1 In response, Class Counsel provide support that the "normal and/or
2 average percentage that is awarded for class action recoveries of this size
3 (\$150,000,000)" is actually between 25 and 30 percent. In In re Rite Aid Corp.
4 Sec. Litig., 396 F.3d 294, 298 (3d Cir. 2005), Professor John C. Coffee of
5 Columbia University gathered statistical data from other securities fraud class
6 settlements and found that fees of 25-30% fees were "fairly standard" in so-called
7 "mega fund" class actions - involving settlements between \$100 and \$200 million.
8 The chart offered by Rinis is neither specific to class actions nor is limited to
9 settlements in the \$100 million range. As such, this Court agrees that the chart is
10 largely irrelevant to the Court's determination of whether a 25% fee award to
11 Class Counsel is fair and proper.

12 **c. Objector Joel E. Reed ("Reed")**

13 Reed objects to the fee award on the basis that Class members "are
14 getting relatively nothing as respect to the losses." He states that his "damage" per
15 share amounted to \$150.00 per share, and that the settlement represents 0.19% of
16 his loss. He concludes that Counsel does not deserve to receive a fee of any
17 magnitude.

18 Reed fails to acknowledge that injured Class Members will receive
19 \$150 million in cash - significant when compared to other settlements in securities
20 class actions. Also, the recovery is excellent when weighed against the risks the
21 Class faced of no recovery at all. Recognizing that, and having been fully
22 apprised by capable counsel for both sides during twelve months of mediation
23 sessions, the \$150 million Settlement was proposed by the mediator. Furthermore,
24 although the Settlement results in the Class receiving only a portion of its potential
25 recovery, "[i]t is well-settled law that a cash settlement amounting to only a
26 fraction of the potential recovery does not per se render the settlement inadequate
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1 or unfair.” Heritage Bond, 2005 WL 1594403 at *8 (quoting Officers for Justice
 2 v. Civil Servs. Comm’n, etc., 688 F.2d 615, 628 (9th Cir. 1982)). Similarly, it does
 3 not lead to the conclusion that Class Counsel is entitled to something less than the
 4 25% benchmark fee award adopted by the Ninth Circuit in comparable cases.

5 **d. Objector James T. Samuelson (“Samuelson”)**

6 Samuelson submits a “Request for Exclusion from Class Action
 7 Settlement and Petition to Limit Attorneys’ Fees.”⁴ He asks the Court to award
 8 Class Counsel “their claimed actual costs and expenses, plus \$1” as “[d]oing so
 9 would signal an end to these class action law suits that unjustly enrich plaintiff’s
 10 attorneys[.]”

11 This Court agrees with Lead Counsel that Samuelson’s request lacks
 12 any basis. In addition, Samuelson’s position runs afoul of the principles
 13 enunciated by the Supreme Court. See, e.g., Deposit Guaranty Nat. Bank.
 14 Jackson, Miss. v. Roper, 445 U.S. 326, 339 (1980)(finding that “[w]here it is not
 15 economically feasible to obtain relief within the traditional framework of a
 16 multiplicity of small individual suits for damages, aggrieved persons may be
 17 without any effective redress unless they employ the class action device.”).

18 **5. Reimbursement of the necessary and reasonable expenses is**
 19 **warranted**

20 Lead Counsel also requests reimbursement for necessary and
 21 reasonable expenses of \$3,740,857.33 advanced to prosecute this case to
 22 settlement. The expenses are summarized in the Mills Declaration. (See Mills
 23 Decl. at ¶ 84., Exh. 5.) The bulk of counsels’ expenses were for the services of
 24

25 _____
 26 ⁴ Samuelson seeks to be excluded from the Settlement “on principle.”
 27 However, pursuant to the August 31, 2004 Order of Judge Taylor, Samuelson was
 28 required to opt-out of the Class by November 15, 2004.

1 Lead Plaintiff's experts and consultants (\$1,565,640.52), the costs of
2 disseminating the Pendency Notice to Class members (\$324,299.00), the services
3 of jury consultants (\$205,165.80), and court reporting and video services rendered
4 in connection with depositions (\$195,293.84). Based on the supporting evidence,
5 this Court finds that reimbursement of these expenses is warranted.

SCANNED

6 **B. Conclusion**

7 Accordingly, this Court grants Lead Counsel's Motion for Approval
8 of Lead Counsel's Application for Award of Attorneys' Fees and Reimbursement
9 of Expenses. Class Counsel is awarded attorneys' fees in the amount of
10 \$36,564,785.67 and expenses in the amount of \$3,740,857.33.

11 This Court specifically disapproves and rejects Lead Plaintiff's
12 Counsel's request to apportion the attorneys' fee as between Lead Plaintiff's
13 Counsel and the other participating Plaintiffs' Counsel. This Court is of the
14 opinion that this is a non-delegable responsibility and duty of the trial court.
15 Instead, this Court will retain jurisdiction over this case to apportion the fees as
16 between Lead Plaintiff's Counsel and the other participating Plaintiffs' Counsel in
17 the event any dispute arises as to the division of attorneys' fees.

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19 IT IS SO ORDERED.

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21 DICKRAN TEVRIZIAN

22 DATED: 9.12.05

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Dickran Tevrizian, Judge
United States District Court

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8 IN THE UNITED STATES DISTRICT COURT
9 FOR THE NORTHERN DISTRICT OF CALIFORNIA
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11 IN RE: BROCADE SECURITIES
12 LITIGATION

No. C 05-02042 CRB
ORDER

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16 On November 18, 2008, the Court granted preliminary approval of the settlement
17 agreements among the Plaintiff Class, KPMG, Brocade, and the Individual Defendants,
18 which created a common fund of \$160,098,500. On January 23, 2009, the Court held a
19 Fairness Hearing on Plaintiffs' motions for final approval of the settlement, the plan of
20 allocation, attorneys' fees and expenses. No Class Members objected.

21 The Court hereby grants final approval of the Modified Stipulation and Settlement
22 Agreement of January 14, 2009 (Docket # 489), as modified orally at the Fairness Hearing.
23 The Court further approves the Plan of Allocation, and grants reimbursement of expenses to
24 Plaintiffs' Counsel in the amount of \$986,039.

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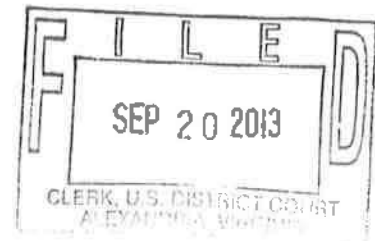
1 At the Fairness Hearing, the Court expressed its concern with Counsel's request for an
2 award of twenty-five percent of the settlement fund in attorneys' fees, given the large size of
3 the fund in relationship to the lodestar calculation. Counsel adequately addressed all of the
4 Court's concerns and persuaded the Court that a fee award of twenty-five percent is
5 appropriate in these particular circumstances. Accordingly, Counsel's motion for attorneys'
6 fees is hereby granted.

7 **IT IS SO ORDERED.**

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10 Dated: January 26, 2009


11 CHARLES R. BREYER
12 UNITED STATES DISTRICT JUDGE
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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
Alexandria Division



IN RE COMPUTER SCIENCES
CORPORATION SECURITIES LITIGATION

Civ. A. No. 1:11-cv-610-TSE-IDD

**ORDER AWARDING ATTORNEYS'
FEES AND EXPENSES**

On September 19, 2013, a hearing having been held before this Court to determine, among other things, whether and in what amount to award Class Counsel in the above-captioned consolidated securities class action (the "Action"), on behalf of all plaintiff's counsel, fees and litigation expenses directly relating to its representation of the Settlement Class. All capitalized terms used herein having the meanings as set forth and defined in the Stipulation and Agreement of Settlement (the "Stipulation"), dated as of May 14, 2013. The Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a notice of the hearing substantially in the form approved by the Court (the "Settlement Notice") was mailed to all reasonably identified Persons who purchased or acquired Computer Sciences Corporation common stock between August 5, 2008 and December 27, 2011, inclusive, and who were allegedly damaged thereby; and that a summary notice of the hearing (the "Summary Settlement Notice"), substantially in the form approved by the Court, was published in *The Wall Street Journal* and transmitted over *PR Newswire*; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and litigation expenses requested;

NOW, THEREFORE, IT IS HEREBY ORDERED, this 20th day of September, 2013 that:

1. The Court has jurisdiction over the subject matter of this Action and over all Parties to the Action, including all Settlement Class Members and the Claims Administrator.

2. Notice of Class Counsel's application for attorneys' fees and payment of litigation expenses was given to all Settlement Class Members who could be identified with reasonable effort. The form and method of notifying the Settlement Class of the application for attorneys' fees and expenses met the requirements of Rules 23 and 54 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), due process, and constituted the best notice practicable under the circumstances and due and sufficient notice to all persons and entities entitled thereto.

3. Class Counsel is hereby awarded attorneys' fees in the amount of \$19,012,500, plus interest at the same rate earned by the Settlement Fund, and payment of litigation expenses in the amount of \$3,059,815, plus interest at the same rate earned by the Settlement Fund, which sums the Court finds to be fair and reasonable. The Court notes that Plaintiff's counsel's air travel was only at coach rates.

4. The award of attorneys' fees and litigation expenses may be paid to Class Counsel from the Settlement Fund subject to the terms, conditions, and obligations of the Stipulation, which terms, conditions, and obligations are incorporated herein.

5. In making this award of attorneys' fees and payment of litigation expenses to be paid from the Settlement Fund, the Court has analyzed the factors considered within the Fourth Circuit and found that:

(a) Through the efforts of Class Counsel, the Settlement has created a fund of \$97,500,000 in cash that returns a significant percentage of the estimated maximum alleged

damages and that numerous Settlement Class Members, who submit eligible Proofs of Claim, will benefit from;

(b) The Action involves complex and unique factual and legal issues, and, in the absence of settlement, would involve further lengthy proceedings with uncertain resolution if the case were to proceed to trial;

(c) Plaintiff's counsel have devoted more than 34,457 hours to the Action, with a lodestar value of \$16,031,271, to achieve the Settlement;

(d) The requested fee would result in a multiplier of 1.185.

(e) Plaintiff's counsel conducted the Action and achieved the Settlement with skillful and diligent advocacy;

(f) Labaton Sucharow LLP and Patton Boggs LLP pursued the Action on a contingent basis, having received no compensation during the Action, and any fee award has been contingent on the result achieved;

(g) The Action has been litigated efficiently under a Court-ordered schedule;

(h) The amount of attorneys' fees awarded are fair and reasonable and comparable to fee awards approved in cases with similar recoveries;

(i) Class Counsel has experience representing the Class Representative, Ontario Teachers' Pension Plan Board, for nearly a decade;

(j) The requested attorneys' fees and litigation expenses have been reviewed and approved as fair and reasonable by Class Representative, a sophisticated institutional investor that was directly involved in the prosecution and resolution of the Action and who has a substantial interest in insuring that any fees paid to Class Counsel are duly earned and not excessive;

(k) Notice was disseminated to putative Settlement Class Members stating that Class Counsel would seek an award of attorneys' fees in an amount not to exceed 19.5% of the Settlement Fund, and payment of litigation expenses incurred in connection with the prosecution of the Action in an amount not to exceed \$3,350,000, plus interest, and no Settlement Class Member has filed an objection to the fees and expenses requested by Class Counsel;

6. In accordance with 15 U.S.C. §78u-4(a)(4) of the PSLRA, a court may approve an "award of reasonable costs and expenses (including lost wages) directly relating to the representation of the class to any representative party serving on behalf of a class." Pursuant to 15 U.S.C. §78u-4(a)(4), the Court hereby awards Class Representative reimbursement of its reasonable costs for the time devoted to the matter (\$28,881) and expenses (\$32,024), which included air travel only at coach rates, directly related to its representation of the Settlement Class in the total amount of \$60,905.

7. Any appeal or any challenge affecting this Court's approval of any attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgment entered with respect to the Settlement.

8. Exclusive jurisdiction is hereby retained over the subject matter of this Action and over all Parties to the Action, including the attorneys' fee award, its payment, and the administration and distribution of the Settlement proceeds to Settlement Class Members.

9. In the event that the Settlement is terminated or does not become Final or the Effective Date does not occur in accordance with the terms of the Stipulation, this order shall be rendered null and void to the extent provided by the Stipulation and shall be vacated in accordance with the Stipulation

Dated: September 20, 2013

T.S. Ellis, III, U.S.D.J.



T. S. Ellis, III
United States District Judge

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

POLICE AND FIRE RETIREMENT SYSTEM OF
THE CITY OF DETROIT, PLYMOUTH
COUNTY RETIREMENT SYSTEM, STATE-
BOSTON RETIREMENT SYSTEM, and
MICHAEL GOLDE, *On Behalf of Themselves and*
All Others Similarly Situated,

Plaintiffs,

v.

SAFENET, INC., ANTHONY A. CAPUTO,
KENNETH A. MUELLER, CAROLE D. ARGO,
THOMAS A. BROOKS, IRA A. HUNT, Jr.,
BRUCE R. THAW, ARTHUR L. MONEY,
SHELLEY A. HARRISON, and ANDREW E.
CLARK,

Defendants.

Lead Case No. 06-cv-5797 (PAC)

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 12 0 DEC 2010

~~PROPOSED~~ ORDER AWARDING ATTORNEYS' FEES AND EXPENSES *PAC*

This matter came for hearing on December 20, 2010 (the "Settlement Hearing") (a) on the application of Lead Counsel for an award of attorneys' fees and reimbursement of litigation expenses and (b) on the Applications of the Court-appointed Class Representatives (Police and Fire Retirement System of the City of Detroit ("Detroit P&F") and Plymouth County Retirement System ("Plymouth")) and Subclass Representative (Michael Golde) (collectively "Lead Plaintiffs") for awards of their respective costs and expenses pursuant to 15 U.S.C. § 78u-4(a)(4).

Having considered all matters presented to it at the Settlement Hearing and otherwise; and it appearing that notice of the Settlement Hearing in the form approved by the Court were mailed to all Class Members that could be identified with reasonable effort, and that summary notices of the

hearing in the form approved by the Court were published in *Investor's Business Daily* and over the *Business Wire*, and the Court having duly considered the above-referenced applications,,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated September 13, 2010 (the "Stipulation"), and all capitalized terms used herein shall have the same meanings as set forth in the Stipulation unless otherwise specified.

2. The Court has jurisdiction to enter this Order, and has jurisdiction over the subject matter of this Litigation and all parties thereto, including all Class Members.

3. Notice of Lead Counsel's application for attorneys' fees and reimbursement of expenses (and of the Lead Plaintiffs' respective applications) was given to all Class Members who could be identified with reasonable effort, and the form and method of notifying the Settlement Class of the applications constituted due, adequate, and sufficient notice to all persons or entities entitled to receive notice of the motion and satisfied the requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and the Private Securities Litigation Reform Act of 1995 (as codified at 15 U.S.C. §77z-1(a)(7) and 15 U.S.C. §78u-4(a)(7)).

4. Lead Counsel are hereby awarded attorneys' fees in the amount of 28.5 % of the Settlement Fund, which award the Court finds to be fair and reasonable, and \$ 447,817.37 in reimbursement of litigation expenses, with interest on such expenses at the same rate as earned by the Settlement Fund from the dates it was funded to the date of payment, to be paid from the Settlement Fund. Lead counsel shall allocate the attorneys' fees award between their two firms consistent with the terms of the Stipulation.

5. Class Representative Detroit P&F is awarded \$ 13,800.00 as reimbursement for its costs and expenses directly relating to its services in representing the Settlement Class.

6. Class Representative Plymouth is awarded \$ 10,000.00 as reimbursement for its costs and expenses directly relating to its services in representing the Settlement Class.

7. Subclass Representative Michael Golde is awarded \$ 14,250.00 as reimbursement for his costs and expenses directly relating to his services in representing the Settlement Class and Subclass.

8. In making the foregoing awards of attorneys' fees and reimbursement of expenses to be paid from the Settlement Fund, the Court has considered and found as follows:

(a) The Settlement has created an all-cash settlement fund of \$25 million that is already on deposit and earning interest, and numerous Class Members who submit acceptable Proofs of Claim will benefit from the Settlement created by Lead Counsels' efforts;

(b) The requested attorneys' fee award has been reviewed and approved as fair and reasonable by Lead Plaintiffs Detroit P&F and Plymouth (who are sophisticated institutional investors that were directly involved in the prosecution and resolution of the Litigation and who have a substantial interest in insuring that any fees paid to Lead Counsel are duly earned and not excessive), and by Subclass Representative Golde (who is an experienced investor and attorney who was also directly involved in the prosecution of the Litigation).

(c) Over 49,000 copies of the Notice have been disseminated to putative Class Members stating that Lead Counsel would apply for attorneys' fees equal to 28.5% of the Settlement Fund, and for reimbursement of expenses incurred in connection with the prosecution and resolution of this Litigation of not more than \$675,000 (including Lead Plaintiffs' respective applications for costs and expenses), and no Class Member has objected to any of the fee or expense applications;

(d) Lead Counsel have conducted the Litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

(e) The Litigation involves complex factual and legal issues and, in the absence of settlement, would involve lengthy proceedings whose resolution would be uncertain;

(f) Had the Settlement not been achieved, there was significant risk that Lead Plaintiffs and the Settlement Class would have recovered less or nothing in this action; and

(g) The amounts of the attorneys' fees awarded and expenses reimbursed are fair and reasonable, and consistent with awards in similar cases.

9. Any appeal or any challenge affecting this Court's approval of any application for attorneys' fees and expense application (including the Lead Plaintiffs' expense applications) shall in no way disturb or affect the finality of the Judgment entered with respect to the Settlement.

10. The Court retains exclusive jurisdiction over the parties and the Class Members for all matters relating to this Litigation, including the administration and the distribution of the settlement proceeds to the members of the Settlement Class.

11. If the Settlement is terminated or does not become Final or the Effective Date does not occur pursuant to the terms of the Stipulation, this Order shall be rendered null and void to the extent provided by the Stipulation, and shall be vacated in accordance with the terms thereof.

12. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

Dated: New York, NY
December 20, 2010



Honorable Paul A. Crotty
UNITED STATES DISTRICT JUDGE

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

IN RE: SATYAM COMPUTER SERVICES LTD.
SECURITIES LITIGATION

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 9/13/11

No.: 09-MD-2027-BSJ

ORDER AWARDING ATTORNEYS' FEES AND EXPENSES

This matter came on for hearing on September 8, 2011 (the "Settlement Hearing") on the motion of Lead Counsel to determine, among other things, whether and in what amount to award Lead Counsel in the above-captioned consolidated securities class action (the "Action") fees and reimbursement of expenses.

The Court having considered all matters submitted to it at the Settlement Hearing and otherwise; and it appearing that notices of the Settlement Hearing substantially in the form approved by the Court were mailed to all Class Members who or which could be identified with reasonable effort, except those persons or entities excluded from the definition of the Class, and that summary notices of the hearing substantially in the form approved by the Court were published in *The Wall Street Journal*, *Investor's Business Daily* and *The Financial Times* and transmitted over *Business Wire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and expenses requested.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order Awarding Attorneys' Fees and Expenses incorporates by reference the definitions in the Stipulations and Agreements of Settlement (the "Settlement Stipulations") and all

terms used herein shall, with respect to the respective Settlement Stipulations, have the same meanings as set forth in the applicable Settlement Stipulations.¹

2. The Court has jurisdiction to enter this Order Awarding Attorneys' Fees and Expenses, and over the subject matter of the Action and all parties to the Action, including all Class Members.

3. Notice of Lead Counsel's application for attorneys' fees and reimbursement of expenses was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the motion for attorneys' fees and expenses constituted due, adequate, and sufficient notice to all persons or entities entitled to receive notice of the motion and satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995 (15 U.S.C. § 78u-4, et seq.) (the "PSLRA"), and all other applicable law and rules.

4. Lead Counsel are hereby awarded attorneys' fees in the amount of 17% of the total Settlement Funds, as well as 17% of any additional Settlement Funds recovered by Satyam from the PwC Entities, net of any taxes withheld from the Initial Escrow Accounts and ultimately paid pursuant to Indian tax law, and \$1,027,076.94 in reimbursement of litigation expenses advanced or incurred by Lead Counsel collectively while prosecuting this Action (which expenses shall be paid from the Settlement Funds) with interest on such fees and expenses at the same rate as earned by the Settlement Funds from the dates the Settlement Funds were funded to the date of payment, which sums the Court finds to be fair and reasonable. The foregoing award of Attorneys' Fees and

¹ The Settlement Stipulations are: the Stipulation and Agreement of Settlement with Defendant Satyam Computer Services Ltd., dated February 16, 2011 (the "Satyam Stipulation") and the Stipulation and Agreement of Settlement between Lead Plaintiffs and the PwC Entities, dated April 27, 2011 (the "PwC Entities Stipulation") entered into by and among Lead Plaintiffs and the Settling Defendants (together, the "Settlement Stipulations").

Expenses shall be payable immediately in accordance with the terms set forth in ¶¶ 19 and 16, respectively of the Satyam Stipulation and the PwC Entities Stipulation. The award of attorneys' fees shall be allocated among Plaintiffs' Counsel in a manner which, in the opinion of Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions in the prosecution and settlement of the Action.

5. Also in accordance with the terms set forth in ¶¶ 20 and 17, respectively of the Satyam Stipulation and the PwC Entities Stipulation, Lead Counsel who seek to be paid their share of the attorney fee and expense award prior to the Effective Date shall be jointly and severally obligated to make appropriate refunds or repayments of attorneys' fees and expenses and any interest thereon paid to Lead Counsel to the Settlement Funds or to the Settling Defendants who contributed the Settlement Funds in direct proportion to their contributions to the Settlement Funds, as applicable, plus accrued interest at the same net rate as is earned by the Settlement Funds, if the Settlements are terminated pursuant to the terms of the Stipulations or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees and/or litigation expenses is reduced or reversed by final non-appealable court order.

6. Class Representative the Public Employees' Retirement System of Mississippi is awarded \$14,400 as reimbursement for its costs and expenses directly relating to its services in representing the Class.

7. Class Representative Mineworkers' Pension Scheme is awarded \$98,711 as reimbursement for its costs and expenses directly relating to its services in representing the Class.

8. Class Representative SKAGEN AS is awarded \$59,000 as reimbursement for its costs and expenses directly relating to its services in representing the Class.

9. Class Representative Sampension KP Livsforsikring A/S is awarded \$21,000 as reimbursement for its costs and expenses directly relating to its services in representing the Class.

10. Subclass Representative Brian F. Adams is awarded \$2,000 as reimbursement for his costs and expenses directly relating to his services in representing the Class and Subclass.

11. A litigation fund in the amount of \$1,000,000 from the Satyam Settlement Fund shall be established to fund the continued prosecution of the Action against the Non-Settling Defendants.

12. In making this award of attorneys' fees, and reimbursement of expenses to be paid from the Settlement Funds, the Court has considered and found that:

(a) The Settlements have created a total settlement amount of \$150.5 million in cash that is already on deposit and has been earning interest, and that numerous Class Members who submit acceptable Proofs of Claim will benefit from the Settlements created by the efforts of Lead Counsel;

(b) The fee sought by Lead Counsel has been reviewed and approved as fair and reasonable by the Court-appointed Lead Plaintiffs, sophisticated institutional investors that were substantially involved in all aspects of the prosecution and resolution of the Action;

(c) To date, over 208,000 copies of the Notices were disseminated to putative Class Members stating that Lead Counsel were moving for attorneys' fees not to exceed 17% of proposed Settlements and reimbursement of expenses incurred in connection with the prosecution of this Action. Only one objection to the terms of the Settlement and the fees and expenses requested by Lead Counsel contained in the Notice was received, although it was untimely and not filed with the Court as required by the Preliminary Approval Orders. The objector has not proven that he is a member of the Class, nor does he have standing; even if he did, his objection has been considered and overruled;

(d) Lead Counsel have conducted the litigation and achieved the Settlements with skill, perseverance and diligent advocacy;

(e) The Action involves complex factual and legal issues and, in the absence of settlement, would involve lengthy proceedings with uncertain resolution of the complex factual and legal issues;

(f) Had the Settlements not been achieved, there would remain a significant risk that Lead Plaintiffs and the other members of the Class may have recovered less or nothing from the Settling Defendants; and

(g) The amount of attorneys' fees awarded and expenses reimbursed from the Settlement Funds are fair and reasonable and consistent with awards in similar cases.

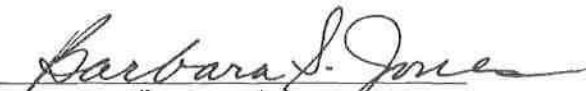
13. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgments entered with respect to the Settlements.

14. Continuing jurisdiction is hereby retained over the parties and the Class Members for all matters relating to this Action, including the administration, interpretation, effectuation or enforcement of the Settlement Stipulations and this Order, including any further application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class.

15. In the event that any of the Settlements are terminated or do not become Final or the Effective Date does not occur in accordance with the terms of the applicable Settlement Stipulation(s), this Order, except for ¶ 5 above, shall be rendered null and void to the extent provided by the applicable Settlement Stipulation(s) and shall be vacated in accordance with the terms of the applicable Settlement Stipulation(s).

16. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

Dated: New York, New York
September 13, 2011


Honorable Barbara S. Jones
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

IN RE WASHINGTON MUTUAL, INC.
SECURITIES LITIGATION

This document relates to: ALL ACTIONS

CASE NO. 08-md-1919 MJP

Lead Case No. C08-387 MJP

ORDER AWARDING ATTORNEYS'
FEES AND EXPENSES

This matter came on for hearing on November 4, 2011 (the "Settlement Hearing") on Lead Counsel's motion to determine, among other things, whether and in what amount to award Lead Counsel in the above-captioned consolidated securities class action (the "Action") fees and reimbursement of expenses. The Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that notice of the Settlement Hearing substantially in the form approved by the Court was mailed to all members of the Class who were reasonably identifiable, and that a summary notice of the hearing substantially in the form approved by the Court was published in *The Seattle Times* and the national edition of *The Wall Street Journal* and was transmitted over the *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees

1 and Litigation Expenses requested; and all capitalized terms used herein having the meanings as
2 set forth and defined in the respective stipulations of settlement.

3 NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

4 1. The Court has jurisdiction over the subject matter of the Action, Lead Plaintiff, all
5 Class Members, and the Defendants.

6 2. Notice of Lead Counsel's application for attorneys' fees and reimbursement of
7 litigation expenses was given to all Class Members who could be identified with reasonable
8 effort. The form and method of notifying the Class of the application for attorneys' fees and
9 expenses met the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Private
10 Securities Litigation Reform Act of 1995, 15 U.S.C. §§ 77z-1(a)(7), 78u-4(a)(7), due process,
11 and any other applicable law, constituted the best notice practicable under the circumstances, and
12 constituted due and sufficient notice to all persons and entities entitled thereto.

13 3. Lead Counsel is hereby awarded attorneys' fees in the amount of 21% of total of
14 the Settlement Funds, which sum the Court finds to be fair and reasonable, and \$5,347,015.07 in
15 reimbursement of litigation expenses, which expenses shall be paid to Lead Counsel from the
16 Settlement Funds. As provided for in the stipulations of settlement, the award of attorneys' fees
17 shall be allocated among Plaintiffs' Counsel in a manner which, in the opinion of Lead Counsel,
18 fairly compensates Plaintiffs' Counsel for their respective contributions to the prosecution and
19 settlement of the Action. Fees shall be allocated only based on actual legal work performed by
20 Plaintiffs' Counsel to advance this litigation, at rates that do not exceed the top rate billed by
21 counsel for Plaintiffs based in Seattle.

22 4. The Court finds a reduction of the fee request by 1.5% to be reasonable and
23 justified in light of the Court's review of Plaintiffs' counsel's performance, the benefit to the
24 Class, the risks of litigation, and the lodestar cross-check. At oral argument on Plaintiffs' fee
petition, the Court laid out several reasons why it is not convinced that Plaintiffs' counsel's work
necessarily produced unequivocal benefits for the Class. These reasons largely focused on
Plaintiffs' unsuccessful efforts in their first consolidated complaint and the first round of motions

1 to dismiss. The Court also explained that the fee award cannot be justified as reasonable where
2 the lodestar cross-check is based on hourly rates exceeding the rate of Bradley Keller, Plaintiffs'
3 counsel located in Seattle. Throughout this complex case, Mr. Keller served as the counsel
4 designated to speak for the Plaintiffs and he has added immeasurable benefit to the Class and the
5 settlement by artfully navigating a large team of out-of-district lawyers through the rigors of
6 litigating before this Court. This case is located Seattle and all of the parties knew that this is
7 where the case was to be tried. Although the case was part of an MDL, the member cases were
8 joined to the Seattle-based filing. The parties were cautioned at the start of litigation that the
9 Court would evaluate any fee request based upon the rates of local advocates of exceptional
10 quality and not based upon rates from outside the District. The Court has been made aware that
11 local Seattle rates vary, but it is abundantly clear that they do not come close to matching the
12 rates proposed by Bernstein Litowitz Berger & Grossman.¹ In performing the lodestar cross-
13 check, the Court is to determine the reasonable hourly rate of counsel based on the prevailing
14 market rates charged by attorneys of comparable skill and experience in the relevant community.
15 See Blum v. Stetson, 465 U.S. 886, 895 (1984). The Court determines that the benchmark for
16 quality and experienced counsel in this community does not exceed \$525 an hour. The Court
17 therefore caps the reasonable hourly rate for any attorney at no greater than Mr. Keller's hourly
18 rate of \$525. The Court is particularly convinced that the partner rates claimed by Bernstein
19 Litowitz Berger & Grossman (ranging from \$700 to \$975 an hour) are excessive. Based on the
20 Court's calculations with rates capped at \$525 an hour, the unmodified lodestar is
21 \$36,631,085.25. In considering the lodestar multiplier, the Court finds that a multiplier of 1.2 is
22 reasonable and properly reflects the risk of non-payment and the challenges Plaintiffs' counsel
23 faced in pursuing this contingency-based case. This produces a modified lodestar figure slightly
24 north of 21% of the Settlement Funds. The lodestar confirms that an award of 21% of the

¹ The Court was provided a spreadsheet comparing billing rates that will be separately
filed as an exhibit to this order.

1 Settlement Funds is reasonable and adequate to reward Plaintiffs' counsel for the tangible benefit
2 produced for the Class and the risks they undertook.

3 5. In making this award of attorneys' fees and reimbursement of expenses to be paid
4 from the Settlement Funds, the Court has considered and found that:

5 (a) The Settlements have created funds totaling \$208.5 million in cash that
6 have been funded into escrow accounts pursuant to the terms of the respective stipulations of
7 settlement and have been earning interest, and that numerous Class Members who submit
8 acceptable Proof of Claim Forms will financially benefit from the Settlements that occurred
because of the efforts of Plaintiffs' Counsel;

9 (b) The fee sought by Lead Counsel has been reviewed and approved as fair
10 and reasonable by the Court-appointed Lead Plaintiff, a sophisticated institutional investor that
11 was substantially involved in all aspects of the prosecution and resolution of the Action;

12 (c) Over 1.1 million copies of the Notice were disseminated to potential Class
13 Members stating that Lead Counsel would apply for attorneys' fees in the amount of 22.5% of
14 the Settlement Funds and reimbursement of litigation expenses in an amount not to exceed \$5.8
million, and no substantive objections to the amount of fees and expenses requested were filed;

15 (d) Plaintiffs' Counsel have conducted the litigation and achieved the
16 Settlements with skill, perseverance and diligent advocacy;

17 (e) The Action involves complex factual and legal issues and was actively
18 prosecuted for over three years;

19 (f) Had Plaintiffs' Counsel not achieved the Settlements there would remain a
20 significant risk that Lead Plaintiff and the other members of the Class may have recovered less or
nothing from the Defendants;

21 (g) Plaintiffs' Counsel have devoted over 94,000 hours, with a lodestar value
22 of approximately \$38.5 million at Plaintiffs' Counsel's normal billing rates and approximately
23 \$26 million at Seattle rates, to achieve the Settlements; and
24

1 (h) The amount of attorneys' fees awarded and expenses to be reimbursed
2 from the Settlement Funds are fair and reasonable and consistent with awards in similar cases.

3 6. Any appeal or any challenge affecting this Court's approval regarding any
4 attorneys' fees and expense application shall in no way disturb or affect the finality of the
5 Judgments.

6 7. Exclusive jurisdiction is hereby retained over the parties and the Class Members
7 for all matters relating to this Action, including the administration, interpretation, effectuation or
8 enforcement of the Stipulations and this Order.

9 8. In the event that the Settlements are terminated or the Effective Date of the
10 Settlements otherwise fails to occur, this order shall be rendered null and void to the extent
11 provided by the Stipulations.

12 The clerk is ordered to provide copies of this order to all counsel.

13 Dated November 4, 2011.

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15 
16 Marsha J. Pechman
17 United States District Judge
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