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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION**

In re COUNTRYWIDE FINANCIAL  
CORPORATION SECURITIES  
LITIGATION

Lead Case No. CV 07-05295 MRP  
(MANx)

**[PROPOSED] FINAL JUDGMENT  
AND ORDER OF DISMISSAL  
WITH PREJUDICE**

Date: November 15, 2010  
Time: 1:00 p.m.  
Courtroom: 12  
Judge: Hon. Mariana R. Pfaelzer

1 This matter came before the Court for a hearing pursuant to the Order of this  
2 Court entered on \_\_\_\_\_, 2010, on the application of the Parties for approval of  
3 the Settlement set forth in the Amended Stipulation and Agreement of Settlement  
4 (the “Settlement Agreement”), executed as of June 29, 2010 and filed with the Court  
5 on that date. All capitalized terms used herein have the meanings set forth and  
6 defined in the Settlement Agreement.

7 The Court has received declarations attesting to the mailing of the Notice and  
8 publication of the Summary Notice in accordance with the Preliminary Approval  
9 Order. Due and adequate notice having been given to the Class as required by the  
10 Preliminary Approval Order, and the Court having considered all papers filed and  
11 proceedings in this Action and otherwise being fully informed of the matters herein,  
12 and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED  
13 AND DECREED as follows:

14 1. This Court has jurisdiction over the subject matter of this Action,  
15 including the terms and conditions of the Settlement Agreement and all exhibits  
16 thereto and the Plan of Allocation of the Net Settlement Fund, and over all Parties to  
17 the Action and all Class Members.

18 2. This Court finds that the distribution of the Notice and the publication  
19 of the Summary Notice, and the notice methodology, all implemented in accordance  
20 with the terms of the Settlement Agreement and the Court’s Preliminary Approval  
21 Order:

22 (a) constituted the best practicable notice to Class Members under  
23 the circumstances of the Action;

24 (b) was reasonably calculated, under the circumstances, to apprise  
25 Class Members of: (i) the proposed Settlement of this class action; (ii) their right to  
26 exclude themselves from the Class; (iii) their right to object to any aspect of the  
27 proposed Settlement; (iv) their right to appear at the Fairness Hearing, either on their  
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1 own or through counsel hired at their own expense, if they are not excluded from the  
2 Class; and (v) the binding effect of the proceedings, rulings, orders, and judgments  
3 in this Action, whether favorable or unfavorable, on all persons who are not  
4 excluded from the Class;

5 (c) was reasonable and constituted due, adequate, and sufficient  
6 notice to all persons entitled to be provided with notice; and

7 (d) fully satisfied all applicable requirements of the Federal Rules of  
8 Civil Procedure (including Rules 23(c) and (d)), the United States Constitution  
9 (including the Due Process Clause), the Private Securities Litigation Reform Act of  
10 1995, the Rules of the Court, and any other applicable law.

11 3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court  
12 finds that the terms and provisions of the Settlement Agreement were entered into  
13 by the Parties at arm's-length and in good faith, and are fully and finally approved  
14 as fair, reasonable, and adequate as to, and in the best interests of, each of the Parties  
15 and the Class Members. The Parties and their counsel are hereby directed to  
16 implement and consummate the Settlement in accordance with its terms and  
17 conditions.

18 4. The Action and all Settled Claims are dismissed with prejudice. The  
19 Parties are to bear their own costs, except as otherwise provided in the Settlement  
20 Agreement or this Final Judgment and Order ("Final Judgment").

21 5. The Court finds that the notice given of the dismissal of defendants  
22 Garcia and Gissinger and claims against Sambol under the Securities Act of 1933  
23 ("Sambol 1933 Act Claims") was adequate. The dismissal of defendants Garcia and  
24 Gissinger and the Sambol 1933 Act Claims is approved as fair, just and reasonable,  
25 and is hereby finally approved.

26 6. In accordance with Paragraph 1(rr) of the Settlement Agreement, for  
27 purposes of this Final Judgment the term "Released Parties" shall mean: any and all  
28 of the Defendants and any person, partnership, firm, corporation, limited liability

1 company, trust or other entity in which any Defendant has a controlling interest or  
2 which is or was related to or affiliated with any of the Defendants; and (b) with  
3 respect to each of the Persons in subsection (a), their respective past or present  
4 directors, officers, employees, insurers, reinsurers, attorneys, agents, partners,  
5 principals, advisors, investment advisors, auditors, accountants, trustees,  
6 underwriters, investment bankers, subsidiaries, parents (including without limitation  
7 Bank of America Corporation and each of its subsidiaries), any other entity in which  
8 any such parent has a controlling interest or which is or was related to or affiliated  
9 with any such parent, successors and predecessors, heirs, Immediate Family, and  
10 anyone acting or purporting to act for or on behalf of any of them or their  
11 successors.

12       7. In accordance with Paragraph 1(tt) of the Settlement Agreement, for  
13 purposes of this Final Judgment the term “Settled Claims” shall mean: any and all  
14 claims, debts, demands, disputes, rights, causes of action, suits, matters, damages, or  
15 liabilities of any kind, nature, and character whatsoever (including but not limited to  
16 any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any  
17 and all other costs, expenses or liabilities whatsoever), whether based on federal,  
18 state, local, statutory or common law or any other law, rule or regulation, whether  
19 fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in  
20 equity, matured or unmatured, whether class or individual in nature (collectively,  
21 “Claims”), including both known Claims and Unknown Claims (as defined herein),  
22 against any of the Released Parties (i) that were asserted or could have been asserted  
23 in the Action, (ii) that would have been barred by *res judicata* had the Action been  
24 fully litigated to a final judgment, or (iii) that could have been, or could in the future  
25 be, asserted in any forum or proceeding or otherwise by any Class Member against  
26 any of the Released Parties (a) that concern, arise out of, refer to, are based upon, or  
27 are related in any way to, any of the subject matter, allegations, transactions, facts,  
28 matters, occurrences, representations, statements, or omissions alleged, involved, set

1 forth, or referred to in the Complaint; and (b) that relate to the purchase, sale,  
2 acquisition or holding of the Countrywide Securities, and, as to Plaintiffs, that relate  
3 to the purchase, sale, acquisition or holding of any security issued by Countrywide  
4 or any Countrywide-related entity (including but not limited to mortgage-backed  
5 securities issued by CWALT, Inc., CWABS, Inc., CWHEQ, Inc. or CWMBBS, Inc.),  
6 whether such Countrywide-related entity is a corporation, partnership, limited  
7 liability company, trust, or other entity, and whether or not such securities are  
8 Countrywide Securities; *provided, however*, that the term “Settled Claims” shall not  
9 include the following:

- 10 (1) claims to enforce the Settlement; and
- 11 (2) shareholder derivative claims asserted as of April 2, 2010 on  
12 behalf of Countrywide Financial Corporation in the following actions for recovery  
13 by Countrywide as to injury allegedly caused to it: *In re Countrywide Financial*  
14 *Corp. Shareholder Derivative Litigation*, Case No. BC 375275 (Cal. Supr. Ct., Los  
15 Angeles County) and *In re Countrywide Financial Corp. Derivative Litigation*, Lead  
16 Case No. 2:07-cv-06923-MRP (MANx) (C.D. Cal.).

17 Notwithstanding the foregoing, nothing in this definition of “Settled Claims”  
18 shall prevent Plaintiffs from seeking to participate as unnamed class members in any  
19 settlement or other recovery in any class action, including but not limited to *Maine*  
20 *State Retirement System v. Countrywide Financial Corp.*, Case No. CV 10-00302  
21 MRP (MANx) (C.D. Cal.), that relates to the purchase, sale, acquisition or holding  
22 of any security, other than Countrywide Securities, issued by Countrywide or any  
23 Countrywide-related entity (including but not limited to mortgage-backed securities  
24 issued by CWALT, Inc., CWABS, Inc., CWHEQ, Inc. or CWMBBS, Inc.), whether  
25 such Countrywide-related entity is a corporation, partnership, limited liability  
26 company, trust or other entity.

27 8. In accordance with Paragraph 1(uu) of the Settlement Agreement, for  
28 purposes of this Final Judgment the term “Settled Defendants’ Claims” shall mean:

1 any and all claims, rights, causes of action, damages, or liabilities of any kind,  
2 nature, and character whatsoever in law, equity, or otherwise, including both known  
3 and Unknown Claims (as defined herein), which were, could have been, or could be  
4 asserted in any forum by the Defendants or any of them against Plaintiffs or  
5 Plaintiffs' Counsel, whether under United States federal, state, local, statutory, or  
6 common law, or any other law, rule, or regulation, based upon, arising out of or  
7 relating to, directly or indirectly, the institution, prosecution, assertion, settlement or  
8 resolution of the Action; *provided, however*, that "Settled Defendants' Claims" shall  
9 not include claims to enforce the Settlement.

10 9. In accordance with Paragraph 1(ccc) of the Settlement Agreement, for  
11 purposes of this Final Judgment the term "Unknown Claims" shall mean: any and  
12 all Settled Claims that any Lead Plaintiff or Class Member does not know or suspect  
13 to exist in his, her or its favor as of the Effective Date that, if known by him, her or  
14 it, might have affected his, her or its decision(s) with respect to the Settlement, or  
15 might have affected such party's decision not to object to this settlement. With  
16 respect to any and all Settled Claims, upon the Effective Date, the Lead Plaintiffs  
17 shall expressly waive, and each Class Member shall be deemed to have waived, and  
18 by operation of this Final Judgment shall have expressly waived, the provisions,  
19 rights and benefits of California Civil Code § 1542, and of any U.S. federal or state  
20 law, or principle of common law or otherwise, that is similar, comparable, or  
21 equivalent to Section 1542 of the California Civil Code, which provides, in relevant  
22 part:

23 A general release does not extend to claims which the creditor does  
24 not know or suspect to exist in his or her favor at the time of  
25 executing the release, which if known by him or her must have  
26 materially affected his or her settlement with the debtor.

26 The Lead Plaintiffs and other Class Members or certain of them may hereafter  
27 discover facts in addition to or different from those which such party now knows or  
28 believes to be true with respect to the subject matter of the Settled Claims, but the

1 Lead Plaintiffs and the Class Members, upon the Effective Date, by operation of this  
2 Final Judgment shall have, fully, finally, and forever settled and released, any and  
3 all Settled Claims, known or unknown, suspected or unsuspected, contingent or non-  
4 contingent, whether or not concealed or hidden, that now exist or heretofore have  
5 existed, upon any theory of law or equity now existing or coming into existence in  
6 the future, including, but not limited to, claims relating to conduct that is negligent,  
7 reckless, intentional, with or without malice, or a breach of any duty, law or rule,  
8 without regard to the subsequent discovery or existence of such different or  
9 additional facts.

10 Lead Plaintiffs and Defendants acknowledge, and the Class Members shall be  
11 deemed by operation of this Final Judgment to have acknowledged, that the  
12 foregoing waiver was separately bargained for and was a key element of the  
13 Settlement.

14 10. Plaintiffs and every Class Member, on behalf of themselves and any of  
15 their personal representatives, spouses, domestic partners, trustees, heirs, executors,  
16 administrators, successors or assigns, shall be deemed to have, and by operation of  
17 this Final Judgment shall have, fully, finally, and forever released, relinquished, and  
18 discharged all Settled Claims against the Released Parties, and shall be forever  
19 barred and enjoined from instituting, prosecuting, participating, continuing,  
20 maintaining or asserting any Settled Claim, or assisting any Person in instituting,  
21 prosecuting, participating, continuing, maintaining or asserting any Settled Claim,  
22 against any of the Released Parties, whether directly or indirectly, whether in the  
23 United States or elsewhere, whether on their own behalf or on behalf of any class or  
24 any other Person, and regardless of whether or not such Class Member executes and  
25 delivers a Proof of Claim.

26 11. The named Plaintiffs shall not encourage or solicit any other Person in  
27 regard to, or in connection with, the making of any demand, the assertion of any  
28 liability, or the prosecution or commencement of any lawsuit or other judicial or

1 administrative proceedings against any of the Released Parties relating to  
2 Countrywide, any of its affiliates or related entities, and/or securities offered, sold or  
3 issued by Countrywide or by any Countrywide-related entity (including but not  
4 limited to mortgage-backed securities issued by CWALT, Inc., CWABS, Inc.,  
5 CWHEQ, Inc. or CWMBS, Inc.).

6 12. Each of the Released Parties shall be deemed to have, and by operation  
7 of this Final Judgment shall have, fully, finally, and forever released, relinquished,  
8 and discharged each and all of the Class Members, Plaintiffs, and Plaintiffs' Counsel  
9 from all Settled Defendants' Claims arising out of, relating to, or in connection with  
10 the institution, prosecution, assertion, settlement, or resolution of the Action or the  
11 Settled Claims.

12 13. All persons and/or entities whose names appear on Exhibit 1 hereto are  
13 hereby excluded from the Class, are not bound by this Final Judgment, and may not  
14 make any claim with respect to or receive any benefit from the Settlement. Such  
15 excluded persons and entities may not pursue any Settled Claims on behalf of those  
16 who are bound by this Final Judgment.

17 14. Neither the Settlement Agreement nor the terms of the Settlement  
18 Agreement shall be offered or received into any action or proceeding for any  
19 purpose, except (i) in an action or proceeding arising under the Settlement  
20 Agreement or arising out of this Final Judgment, (ii) in any action or proceeding  
21 where the releases provided pursuant to the Settlement Agreement may serve as a  
22 bar to recovery, (iii) in any action or proceeding to determine the availability, scope,  
23 or extent of insurance coverage (or reinsurance related to such coverage) for the  
24 sums expended for the Settlement and defense of the Action; or (iv) in any action or  
25 proceeding against a Person other than KPMG arising out of or relating to any rights  
26 or obligations of Countrywide or any former officer, employee, or director of  
27 Countrywide concerning indemnification, contribution, or advancement of fees and  
28 expenses.



1           15. This Final Judgment, the Settlement Agreement, and any of their  
2 respective provisions, and any negotiations, proceedings or agreements relating to  
3 the Settlement Agreement and the Settlement, and all matters arising in connection  
4 with such negotiations, proceedings or agreements, and all acts performed or  
5 documents executed pursuant to or in furtherance of the Settlement Agreement:

6           i. shall not be offered or received against any of the Defendants as  
7 evidence of a presumption, concession, or admission of any kind;

8           ii. shall not be offered or received against any of the Defendants as  
9 evidence of an admission by any of those Defendants with respect to the truth of any  
10 fact alleged in the Complaint or the validity of any Settled Claim, or the deficiency  
11 of any defense that has been or could have been asserted, or of any liability,  
12 negligence, fault, or wrongdoing of the Defendants;

13           iii. shall not be offered or received against the Defendants as  
14 evidence of any fault, misrepresentation, omission or other actionable conduct with  
15 respect to any statement or written document approved or made by any of the  
16 Defendants;

17           iv. shall not be offered or received against the Defendants as  
18 evidence of any liability, negligence, fault or wrongdoing, or in any way referred to  
19 for any other reason as against any of the Defendants, in any other civil, criminal or  
20 administrative action or proceeding, other than such proceedings as may be  
21 necessary to effectuate the provisions of the Settlement Agreement; *provided,*  
22 *however,* that the Released Parties may refer to the Settlement Agreement to  
23 effectuate the release of Settled Claims and other liability protections granted to  
24 them in the Settlement Agreement;

25           v. shall not be construed against any of the Defendants as an  
26 admission or concession that the consideration to be given hereunder represents the  
27 amount that could be or would have been recovered after trial;

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1 vi. shall not be construed as or received in evidence as an admission,  
2 concession or presumption against Plaintiffs or any of the Class Members that any  
3 of their claims are without merit, or that any defenses asserted by the Defendants  
4 have any merit, or that damages recoverable in the Action would not have exceeded  
5 the Settlement Amount; and

6 vii. shall not, in the event of a Complete Termination, be used by any  
7 Party for any purpose in any trial in this Action.

8 16. Without affecting the finality of this Final Judgment in any way, this  
9 Court hereby retains continuing jurisdiction over: (a) implementation of the  
10 Settlement and any award or distribution from the Gross Settlement Fund, including  
11 interest earned thereon; (b) disposition of the Net Settlement Fund; (c) hearing and  
12 determining applications for attorneys' fees, costs, interest and reimbursement of  
13 expenses in the Action; and (d) all Parties hereto for the purpose of construing,  
14 enforcing and administering the Settlement.

15 17. Any Plan of Allocation of the Net Settlement Fund submitted by  
16 Plaintiffs' Lead Counsel or any order regarding the Fee and Expense Award, or any  
17 appeal, modification or change thereof, shall in no way disturb or affect this Final  
18 Judgment and shall be considered separate from this Final Judgment.

19 18. This Court finds that Lead Plaintiffs, Plaintiff Brahn, and Plaintiffs'  
20 Lead Counsel adequately represented the Class under Rules 23(a)(4) and (g) of the  
21 Federal Rules of Civil Procedure for purpose of negotiating, entering into, and  
22 implementing the Settlement and at all times during the pendency of this Action.

23 19. This Court finds that during the course of the litigation, the Lead  
24 Plaintiffs, Plaintiffs Brahn and Katzeff, Plaintiffs' Lead Counsel, and all Plaintiffs'  
25 Counsel, and the Defendants and their respective counsel at all times complied with  
26 the requirements of Rule 11 of the Federal Rules of Civil Procedure.

27 20. The Court hereby bars all future claims for contribution arising out of  
28 the Action (i) by any person (as that term is defined in 15 U.S.C. § 78c(a)(9))

1 against the settling covered person (as such term is defined in 15 U.S.C. § 78u-  
2 4(f)(10)(C)); and (ii) by the settling covered person against any person, other than a  
3 person whose liability has been extinguished by the settlement of the settling  
4 covered person, *provided that* nothing in this bar order shall affect any rights or  
5 obligations (a) between Countrywide and the Underwriter Defendants set forth in  
6 any underwriting agreement relating to Countrywide Securities, or (b) among the  
7 Underwriter Defendants set forth in any agreement among underwriters relating to  
8 Countrywide Securities.

9       21. Nothing in this Final Judgment constitutes or reflects a waiver, release  
10 or discharge of any rights or claims of Defendants against their insurers, or their  
11 insurers' subsidiaries, predecessors, successors, assigns, affiliates, or  
12 representatives. In addition, nothing in this Final Judgment constitutes or reflects a  
13 waiver, release or discharge of any rights or claims of Defendants or Garcia or  
14 Gissinger relating to indemnification, advancement or any undertakings by an  
15 indemnified party to repay amounts advanced or paid by way of indemnification or  
16 otherwise.

17       22. This Final Judgment shall not be considered or used as a presumption,  
18 concession or admission by or against Defendants of any fault, wrongdoing, breach  
19 or liability.

20       23. The Parties are hereby authorized, without further approval of the  
21 Court, to unanimously agree to and adopt in writing such amendments,  
22 modifications, and expansions of the Settlement Agreement and all exhibits attached  
23 thereto, provided that such amendments, modifications, and expansions of the  
24 Settlement Agreement are done in accordance with the terms of Paragraphs 35, 55  
25 and 61 of the Settlement Agreement, are not materially inconsistent with this Final  
26 Judgment and do not materially limit the rights of Class Members under the  
27 Settlement Agreement.

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1           24. In the event that the Settlement does not become effective in  
2 accordance with the terms of the Settlement Agreement or in the event that the  
3 Gross Settlement Fund, or any portion thereof, is returned to the Defendants or their  
4 insurers, then this Final Judgment shall be rendered null and void to the extent  
5 provided by and in accordance with the Settlement Agreement and shall be vacated,  
6 and in such event, all orders entered and releases delivered in connection herewith  
7 shall be null and void to the extent provided by and in accordance with the  
8 Settlement Agreement.

9           25. The provisions of this Final Judgment constitute a full and complete  
10 adjudication of the matters considered and adjudged herein, and the Court  
11 determines that there is no just reason for delay in the entry of judgment. The Clerk  
12 is hereby directed to immediately enter this Final Judgment.

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14           SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

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17           \_\_\_\_\_  
18           HON. MARIANA R. PFAELZER  
19           UNITED STATES DISTRICT JUDGE  
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