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19 UNITED STATES DISTRICT COURT
20 CENTRAL DISTRICT OF CALIFORNIA
21 WESTERN DIVISION

22 IN RE COUNTRYWIDE FINANCIAL
23 CORPORATION SECURITIES
LITIGATION

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

**AMENDED STIPULATION AND
AGREEMENT OF SETTLEMENT**

24 This Document Relates to: All Actions
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1 Subject to the approval of the Court and pursuant to Rule 23 of the Federal
2 Rules of Civil Procedure, this Amended Stipulation and Agreement of Settlement
3 (the “Settlement Agreement”) is entered into between and among (a) Lead Plaintiff
4 Thomas P. DiNapoli, Comptroller of the State of New York, as Administrative
5 Head of the New York State and Local Retirement Systems and as Trustee of the
6 New York State Common Retirement Fund (“NYSCRF”), Lead Plaintiff New
7 York City Employees’ Retirement System, New York City Police Pension Fund,
8 New York City Fire Department Pension Fund, New York City Board of
9 Education Retirement System, and Teachers’ Retirement System of the City of
10 New York (the “New York City Pension Funds,” and together with NYSCRF,
11 “Lead Plaintiffs” or the “New York Funds”), and Plaintiff Barry Brahn (“Brahn”),
12 on behalf of themselves and the Class defined herein, and Plaintiff Shelley B.
13 Katzeff (“Katzeff”) (collectively with Lead Plaintiffs and Plaintiff Brahn,
14 “Plaintiffs”); and (b) Defendant Countrywide Financial Corporation
15 (“Countrywide” or the “Company”), the other Countrywide Defendants defined
16 herein, the Individual Defendants defined herein, the Underwriter Defendants
17 defined herein, and Defendant KPMG LLP (“KPMG”) (collectively,
18 “Defendants”), by and through their respective duly authorized counsel.

19 This Settlement Agreement is intended by Plaintiffs and Defendants to fully
20 and finally compromise, resolve, discharge, release and settle the Settled Claims,
21 as defined herein, and to dismiss this Action with prejudice, subject to the terms
22 and conditions set forth below and without any admission or concession as to the
23 merits of any claim or defense by Plaintiffs or Defendants.

24 WHEREAS, starting in August 2007, multiple class action complaints
25 alleging securities law violations were filed in this Court against Countrywide and
26 certain of its current and former officers and directors, and certain other
27 defendants;

1 WHEREAS, on November 28, 2007, the Court issued an order consolidating
2 certain of these complaints and, pursuant to provisions of the Private Securities
3 Litigation Reform Act of 1995, appointing the New York Funds as lead plaintiffs
4 to pursue claims in this Action on behalf of purchasers of publicly traded
5 Countrywide securities, and appointing Labaton Sucharow LLP to serve as lead
6 counsel;

7 WHEREAS, on March 28, 2008, the Court issued an Order consolidating
8 additional complaints in this Action;

9 WHEREAS, on April 11, 2008, following a confidential investigation that
10 included interviews of many former Countrywide employees and analysis of
11 certain nonpublic Countrywide documents, Lead Plaintiffs filed a Consolidated
12 Amended Class Action Complaint for Violations of the Federal Securities Laws
13 (the “CAC”), naming Brahn and Katzeff as additional plaintiffs and asserting
14 claims for violations of the federal securities laws variously against the Defendants
15 defined below, four additional defendants—Grant Thornton LLP, Carlos Garcia,
16 Andrew Gissinger III,¹ and Thomas McLaughlin—who subsequently were
17 voluntarily or involuntarily dismissed from the Action, and one further defendant,
18 Lehman Brothers Inc., the claims against which were automatically stayed when
19 Lehman Brothers subsequently filed for bankruptcy protection;

20 WHEREAS, on June 10, 2008, all Defendants named in the CAC moved to
21 dismiss or filed notices of joinder;

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24 ¹ On March 25, 2010, Lead Plaintiffs, on their own behalf and on behalf of the
25 Class, stipulated to the voluntary dismissal with prejudice of defendants Carlos
26 Garcia (“Garcia”) and Andrew Gissinger III (“Gissinger”). That stipulation was
27 lodged with the Court, but to date no order has been entered on the stipulation.
28 Because Lead Plaintiffs previously agreed to their dismissal, Garcia and Gissinger
are not parties to this Settlement Agreement. However, as former officers of
Countrywide, they are intended to be treated as Released Parties as defined herein.

1 WHEREAS, on December 1, 2008, after hearing oral argument, the Court
2 issued a 112-page Omnibus Order granting Grant Thornton LLP's motion to
3 dismiss, and otherwise granting in part and denying in part the other motions to
4 dismiss;

5 WHEREAS, on January 6, 2009, Plaintiffs filed a Second Consolidated
6 Amended Class Action Complaint for Violations of the Federal Securities Laws
7 (the "Complaint"), asserting claims against the Countrywide Defendants and
8 Individual Defendants as defined below, certain of the Underwriter Defendants as
9 defined below, and KPMG, Garcia, Gissinger and McLaughlin;

10 WHEREAS, on February 6, 2009, all Defendants named in the Complaint
11 moved to dismiss or filed notices of joinder;

12 WHEREAS, on April 6, 2009, the Court issued an Omnibus Order
13 dismissing certain claims asserted against certain Individual Defendants and
14 McLaughlin, and otherwise denying the motions to dismiss;

15 WHEREAS, on April 29, 2009, the Defendants named in the Complaint
16 filed Answers denying the material allegations of the Complaint;

17 WHEREAS, in the course of this Action, the Countrywide Defendants,
18 KPMG, the Underwriter Defendants, and other Defendants named in the
19 Complaint produced more than 25 million pages of documents and voluminous
20 additional data in electronic form;

21 WHEREAS, in the course of this Action, Lead Plaintiffs produced more than
22 245,000 pages of documents and voluminous additional data in electronic form;

23 WHEREAS, in the course of this Action, Plaintiffs Brahn and Katzeff
24 produced documents in their possession, custody or control relevant to the Parties'
25 claims and defenses;

1 WHEREAS, in the course of this Action, the Parties also reviewed
2 substantial volumes of documents and data produced by various subpoenaed third-
3 parties;

4 WHEREAS, in the course of this Action, the Parties have taken the
5 depositions of 80 fact and expert witnesses in more than 20 cities;

6 WHEREAS, on May 21, 2009, certain Parties and Countrywide participated
7 in arm's-length settlement discussions that were facilitated by Professor Eric D.
8 Green, a private mediator engaged by the Parties;

9 WHEREAS, on September 24, 2009, the Parties participated in further
10 arm's-length settlement discussions that focused on the Parties' significant disputes
11 concerning damages and causation issues, as well as the Countrywide Defendants'
12 position that the information that Plaintiffs alleged had not been disclosed to
13 investors in fact had been publicly disclosed and was known to investors ("truth-
14 on-the-market defense"). Such discussions were facilitated by Professor Green;

15 WHEREAS, on October 13, 2009, the Parties participated in further
16 settlement discussions regarding all liability, damages, and causation issues, again
17 facilitated by Professor Green;

18 WHEREAS, on December 9, 2009, after the completion of fact and expert
19 discovery on various class certification issues and briefing and argument on
20 Plaintiffs' motion for class certification, the Court issued an 80-page Memorandum
21 of Decision, granting in part, and denying in part, the motion;

22 WHEREAS, on January 21, 2010, further to this Memorandum of Decision,
23 the Court issued an Order certifying the Class defined below, appointing NYSCRF
24 as class representative for the Common Stock Subclass, appointing the New York
25 City Pension Funds as class representative for the Debt Securities Subclass, and
26 appointing Plaintiff Brahn as class representative for the Capital Securities
27 Subclass, all as defined below;

1 WHEREAS, on March 4, 2010, certain Parties participated in continued
2 arm's-length settlement discussions that were facilitated by Professor Green;

3 WHEREAS, on March 24 and 31, 2010, the Parties collectively exchanged
4 the reports of 20 testifying expert witnesses on various liability, causation and
5 damages issues;

6 WHEREAS, on March 26, 2010, Defendants filed 11 separate motions for
7 summary judgment;

8 WHEREAS, the Countrywide Defendants' motion for summary judgment
9 addressed, among other things, their position that the information that Plaintiffs
10 alleged had not been disclosed to the Class in fact had been publicly disclosed and
11 was known to the Class throughout the Class Period as a result of: (a)

12 Countrywide's disclosures provided in compliance with SEC Regulation FD (Fair
13 Disclosure (17 C.F.R. § 243.100 *et seq.*) at numerous, regular investor forums
14 sponsored by Countrywide, which forums were attended by securities analysts and
15 institutional investors, among others; (b) periodic and other SEC filings (including
16 filings with the SEC associated with the public offering and sale of mortgage-
17 backed securities, which filings detailed the credit risk attributes associated with
18 substantially all the loans that Countrywide entities originated during the Class
19 Period); (c) quarterly investor calls; and (d) other disclosures to the popular news
20 media, among other sources of public disclosure. The Countrywide Defendants
21 also argued in their summary judgment submissions that any decrease in the
22 market price of the Countrywide securities at issue in the case had been caused by
23 macro-economic factors unrelated to Countrywide, including the collapse of the
24 U.S. capital markets (including the secondary mortgage market, a principal source
25 of liquidity for Countrywide) and the precipitous drop in national home prices that
26 began in the late summer of 2007, the first sustained national decline in home
27 prices since the Great Depression. Defendants further argued in their motions for
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1 summary judgment that Plaintiffs had failed to adduce evidence of scienter, an
2 essential element of their claims under the Exchange Act;

3 WHEREAS, KPMG's motion for summary judgment asserted, among other
4 things, that the undisputed facts showed as a matter of law, that: (1) KPMG did
5 not make any material misstatement of fact relating to its opinions and statements
6 in its audit reports that were incorporated into Countrywide's Form 10-K for the
7 years ended 2004, 2005 and 2006 because the statements in KPMG's audit
8 opinions were accurate; (2) KPMG did not act with scienter because (a) Plaintiffs
9 did not allege intentional fraud, (b) the undisputed facts established that KPMG
10 conducted an extensive and comprehensive audit for each year and (c) there were
11 no restatements for any of the relevant years, and hundreds of persons with
12 expertise in accounting worked on, reviewed, considered and opined on
13 Countrywide's 2004 to 2006 financial statements during the Class Period and
14 reached the same conclusions; and (3) there was no loss causation as to KPMG
15 because there was not a single corrective disclosure that either mentioned KPMG
16 or corrected the purported falsity of any KPMG-related statements;

17 WHEREAS, the Underwriter Defendants joined in the arguments of the
18 Countrywide Defendants and KPMG in their motions for summary judgment
19 insofar as they related to claims under the Securities Act of 1933, and also made
20 their own motion for summary judgment asserting (1) that Plaintiffs offered no
21 evidence of a material misstatement or omission in any of the offering materials,
22 (2) that the Underwriter Defendants (a) were in any event entitled to rely on the
23 expertised portions of the offering materials and (b) that they conducted reasonable
24 and customary due diligence with respect to the offerings, and (3) that Plaintiffs
25 had no evidence they sustained a legally cognizable loss;

26 WHEREAS, Plaintiffs contend, based on the voluminous evidentiary record
27 developed in this Action and their investigation of the relevant facts and law, that
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1 the motions for summary judgment filed by the Countrywide Defendants, KPMG,
2 the Underwriter Defendants, and all Individual Defendants would have been
3 denied by the Court in their entirety;

4 WHEREAS, on March 31 and April 1 and 2, 2010, the Parties participated
5 in further arm's-length settlement negotiations facilitated by the Honorable A.
6 Howard Matz, a sitting judge of this Court, and the aforementioned private
7 mediator, Professor Green (together, the "Mediators"), which resulted in an
8 agreement-in-principle between Plaintiffs and KPMG to settle this Action as to
9 KPMG, and a separate agreement-in-principle between Plaintiffs and the
10 remaining Defendants to settle this Action as to the remaining Defendants. These
11 joint mediation sessions focused on the Parties' respective positions and evidence
12 regarding alleged material misrepresentations and omissions of fact, damages,
13 causation, and Countrywide's truth-on-the-market defense;

14 WHEREAS, Lead Plaintiffs assert that Defendants committed certain acts or
15 omissions that subject them to liability under the federal securities laws, and state
16 that they are entering into this Settlement in view of, among other things, the
17 significant cash benefits the Settlement will provide to Class Members and in order
18 to eliminate the uncertainties, burden, risk, and expense of further litigation;

19 WHEREAS, Defendants expressly deny that they have committed any act or
20 omission giving rise to any liability or violation of law whatsoever, and state that
21 they are entering into this settlement solely to eliminate the uncertainties, burden,
22 risk and expense of further litigation; and

23 WHEREAS, without admitting the strengths or weaknesses of any claims or
24 defenses, the Parties have agreed to the Settlement set forth herein, which Plaintiffs
25 and Plaintiffs' Counsel believe is in the best interests of Plaintiffs and the entire
26 Class;

1 NOW, THEREFORE, IT HEREBY IS STIPULATED AND AGREED,
2 among Plaintiffs, on behalf of themselves and each of the other Class Members, by
3 and through their duly authorized counsel, and Defendants, by and through their
4 respective duly authorized counsel, that subject to the approval of the Court, this
5 Action hereby will be settled, compromised, and dismissed on the merits with
6 prejudice, on the terms and conditions set forth in this Settlement Agreement dated
7 as of June 29, 2010.

8
9 **I. CERTAIN DEFINITIONS**

10 1. As used in this Settlement Agreement and the exhibits annexed
11 hereto, the following terms, listed alphabetically, have the following meanings
12 unless a Paragraph or Subparagraph of this Settlement Agreement or an exhibit
13 otherwise provides:

14 a) “Action” means the above-captioned action titled *In re*
15 *Countrywide Financial Corporation Securities Litigation*, Lead Case
16 No. CV 07-05295 MRP (MANx) (C.D. Cal.), and all actions
17 consolidated therein.

18 b) “Alternative Judgment” shall have the meaning set forth
19 in Paragraph 34(d) hereto.

20 c) “Authorized Claimant” means a Class Member (or the
21 representative of such Class Member including, without limitation, its
22 agents, administrators, executors, heirs, successors, and assigns) who
23 (i) timely returns a valid and signed Proof of Claim to the Claims
24 Administrator, (ii) whose Proof of Claim is not rejected, and (iii) who
25 is entitled to a distribution from the Net Settlement Fund pursuant to
26 the terms and conditions set forth in this Settlement Agreement and
27 the Plan of Allocation.
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1 d) “Bank of America” means non-party Bank of America
2 Corporation.

3 e) “Claims Administrator” means Rust Consulting, Inc. or
4 such other entity that the Court shall appoint to administer the
5 Settlement and to perform other administrative functions under this
6 Settlement Agreement.

7 f) “Class” means all persons or entities that, between March
8 12, 2004 and March 7, 2008, inclusive (the “Class Period”), either in
9 the open market or pursuant or traceable to a registration statement: (i)
10 purchased or otherwise acquired Countrywide Financial Corporation
11 (“Countrywide”) publicly traded common stock or call options, and/or
12 sold Countrywide publicly traded put options (the “Common Stock
13 Subclass”); or (ii) purchased or otherwise acquired Countrywide
14 Capital V 7% Capital Securities (the “Capital Securities Subclass”); or
15 (iii) purchased or otherwise acquired Countrywide Series A Medium-
16 Term Notes, Series B Medium-Term Notes, 6.25% Subordinated
17 Notes Due May 15, 2016, Series L Medium-Term Notes (limited to
18 CUSIP Nos. 22237LNR9 and 22237LPA4), and/or Series M Medium-
19 Term Notes (limited to CUSIP No. 22237LPM8) (the “Debt Securities
20 Subclass) and were damaged thereby (these subclasses will
21 collectively be referred to as the “Class” and the securities identified
22 above will collectively be referred to as the “Countrywide
23 Securities”). Excluded from the Class are: the Defendants; members
24 of the Individual Defendants’ immediate families; any entity in which
25 any Underwriter Defendant has a majority interest; any entity in
26 which any other Defendant has a majority or controlling interest; any
27 person who was an officer, director, partner, or controlling person of
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1 Countrywide (including any officer, director, partner or controlling
2 person of any of its subsidiaries or any other entity in which
3 Countrywide has a majority or controlling interest) or any other
4 Defendant during the Class Period; any person whose purchases of
5 Countrywide stock, during the Class Period, were made solely to
6 cover short positions (a.k.a. “short sellers”); any person or entity that
7 purchased or otherwise acquired or sold the Countrywide securities
8 above and was not damaged thereby; and the legal representatives,
9 heirs, successors and assigns of any such excluded person or entity.
10 Also excluded from the Class are those persons who submit valid and
11 timely requests for exclusion from the Class in accordance with the
12 requirements set forth in the Notice.

13 g) “Class Member” means a member of the Class.

14 h) “Class Period” means the period of time between March
15 12, 2004 and March 7, 2008, inclusive.

16 i) “Complaint” means the Second Consolidated Amended
17 Class Action Complaint for Violations of the Federal Securities Laws,
18 filed in this Action on January 6, 2009.

19 j) “Contribution Bar and Judgment Reduction Provision”
20 means a provision which bars claims for contribution, and allows for a
21 reduction in judgment, consistent with the language of 15 U.S.C. §
22 78u-4(f)(7), but applies to all claims asserted in the Action, provided
23 that nothing in such bar order shall affect any rights or obligations (i)
24 between the Countrywide Defendants and the Underwriter Defendants
25 set forth in any underwriting agreement relating to Countrywide
26 Securities, or (ii) among the Underwriter Defendants set forth in any
27 agreement among underwriters relating to Countrywide Securities.
28

1 k) “Counsel for the Countrywide Defendants” means the
2 law firm of Goodwin Procter LLP.

3 l) “Counsel for KPMG” means the law firm of Bingham
4 McCutchen LLP.

5 m) “Countrywide” or the “Company” means Defendant
6 Countrywide Financial Corporation.

7 n) “Countrywide Defendants” means Defendants
8 Countrywide Financial Corporation, Countrywide Securities
9 Corporation, and Countrywide Capital V.

10 o) “Countrywide Securities” shall have the meaning set
11 forth in Paragraph 1(f).

12 p) “Court” means the United States District Court for the
13 Central District of California.

14 q) “Court of Appeals” means the United States Court of
15 Appeals for the Ninth Circuit.

16 r) “Defendants” means the Countrywide Defendants, the
17 Individual Defendants, the Underwriter Defendants and KPMG, all as
18 defined herein.

19 s) “Defendants’ Counsel” means the law firms of Goodwin
20 Procter LLP; Irell & Manella LLP; Orrick, Herrington & Sutcliffe
21 LLP; DLA Piper LLP (US); Caldwell Leslie & Proctor, PC; Morrison
22 & Foerster LLP; Skadden, Arps, Slate, Meagher & Flom LLP;
23 Gibson, Dunn & Crutcher LLP; and Bingham McCutchen LLP.

24 t) “Effective Date” has the meaning set forth in Paragraph
25 34 below.

26 u) “Execution Date” means the date on which this
27 Settlement Agreement has been executed by all Parties.
28

1 v) “Fairness Hearing” means the hearing to be held by the
2 Court to determine, among other things, whether to grant final
3 approval of the Settlement, as contemplated by the Preliminary
4 Approval Order annexed hereto as Exhibit A.

5 w) “Fee and Expense Award” means such amounts as may
6 be awarded by the Court to Plaintiffs’ Lead Counsel to compensate
7 them for their fees and reimburse them for their expenses in
8 connection with the Action, which may include some or all of the
9 following: (i) an award of attorneys’ fees, (ii) reimbursement of
10 expenses incurred in connection with prosecuting the Action,
11 including, without limitation, expenses attributable to experts and/or
12 consultants retained by Plaintiffs’ Counsel, and (iii) interest on such
13 attorneys’ fees and expenses at the same rate as earned by the Gross
14 Settlement Fund, from the date the Court orders such award until the
15 date paid from the Gross Settlement Fund.

16 x) “Final Judgment” means the Final Judgment and Order
17 of Dismissal with Prejudice to be entered by the Court approving the
18 Settlement, substantially in the form annexed hereto as Exhibit B.

19 y) “Final,” with respect to any Court order, including but
20 not limited to the Final Judgment, means the latest to occur of the
21 following: (a) the date as of which the time to seek review, alteration
22 or appeal of the Court’s order has expired without any review,
23 alteration, amendment or appeal having been sought or taken, i.e.,
24 thirty (30) days after entry of the order; or (b) if an appeal, petition,
25 motion or other application for review, alteration or amendment is
26 filed, sought or taken, the date as of which such appeal, petition,
27 motion or other application shall have been finally determined in such
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1 a manner as to affirm the Court’s original order in its entirety and the
2 time, if any, for seeking further review has expired. Any proceeding
3 or order, or any appeal or petition for a writ of certiorari or other form
4 of review pertaining solely to (i) any application for attorneys’ fees or
5 expenses, and/or (ii) the Plan of Allocation, shall not in any way delay
6 or preclude the Final Judgment or an Alternative Judgment from
7 becoming Final.

8 z) “First Escrow Account” means the interest-bearing
9 escrow account in which Six Hundred Million Dollars
10 (\$600,000,000.00) of the Settlement Amount will be deposited by
11 Countrywide and/or the applicable insurer(s) under this Settlement.

12 aa) “Gross Settlement Fund” means the fund described in
13 Paragraph 5 of this Settlement Agreement.

14 bb) “Immediate Family” shall mean spouse, domestic
15 partner, parents, grandparents, children and grandchildren.

16 cc) “Individual Defendants” means Angelo R. Mozilo, David
17 Sambol, Eric P. Sieracki, Stanford L. Kurland, Henry G. Cisneros,
18 Jeffrey M. Cunningham, Robert J. Donato, Ben M. Enis, Edwin
19 Heller, Gwendolyn S. King, Martin R. Melone, Robert T. Parry, Oscar
20 P. Robertson, Keith P. Russell, Harley W. Snyder, Michael E.
21 Dougherty and Kathleen Brown.

22 dd) “KPMG” means Defendant KPMG LLP.

23 ee) “Lead Plaintiffs” means Thomas P. DiNapoli,
24 Comptroller of the State of New York, as Administrative Head of the
25 New York State and Local Retirement Systems and as Trustee of the
26 New York State Common Retirement Fund; New York City
27 Employees’ Retirement System; New York City Police Pension Fund;
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1 New York City Fire Department Pension Fund; New York City Board
2 of Education Retirement System; and Teachers' Retirement System of
3 the City of New York, in both their individual and representative
4 capacities.

5 ff) "Net Settlement Fund" has the meaning set forth in
6 Paragraph 13 herein.

7 gg) "Notice" means the notice of the proposed Settlement
8 and Fairness Hearing, substantially in the form annexed hereto as
9 Attachment 1 to Exhibit A, which is to be mailed to Class Members,
10 pursuant to the Preliminary Approval Order.

11 hh) "Notice and Administration Expenses" means all costs
12 associated with providing notices to the Class and the administration
13 of the Settlement, including, without limitation, the costs associated
14 with preparing, printing and mailing the Notice and Proof of Claim to
15 Class Members; reimbursing brokers and other nominees for costs
16 associated with forwarding the Notice and Proof of Claim to Class
17 Members; publishing the Summary Notice; maintenance and staffing
18 by the Claims Administrator of the toll-free telephone hotline and
19 case-dedicated website; review and processing by the Claims
20 Administrator of written communications from Class Members and
21 others; processing Proofs of Claim; and distributing the Net
22 Settlement Fund; *provided, however*, that Notice and Administration
23 Expenses shall not include any of the Fee and Expense Award.

24 ii) "Parties" means Lead Plaintiffs, Plaintiff Barry Brahn,
25 both in their individual capacities and as representatives of the Class,
26 Plaintiff Shelley B. Katzeff, and all Defendants.
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1 jj) “Person” means an individual, partnership, firm,
2 corporation, limited liability company, trust, governmental entity or
3 any other form of entity or organization.

4 kk) “Plaintiffs” means Lead Plaintiffs and Plaintiff Barry
5 Brahn, both in their individual capacities and as representatives of the
6 Class, and Plaintiff Shelley B. Katzeff.

7 ll) “Plaintiffs’ Counsel” means the law firms of Labaton
8 Sucharow LLP; Kaplan Fox & Kilsheimer LLP; Kreindler &
9 Kreindler LLP; Hennigan, Bennett & Dorman LLP; Klafter Olsen &
10 Lesser LLP; and Lockridge Grindal Nauen, P.L.L.P.

11 mm) “Plaintiffs’ Lead Counsel” means the law firm of
12 Labaton Sucharow LLP.

13 nn) “Plan of Allocation” means the terms and procedures for
14 allocating the Net Settlement Fund among, and distributing the Net
15 Settlement Fund to, Authorized Claimants as proposed by Plaintiffs’
16 Lead Counsel with the approval of Lead Plaintiffs and set forth in the
17 Notice, or such other Plan of Allocation as the Court shall approve.

18 oo) “Preliminary Approval Order” means the Order to be
19 entered by the Court preliminarily approving the Settlement and
20 providing for notice, substantially in the form annexed hereto as
21 Exhibit A.

22 pp) “Proof of Claim” means the form that will be mailed to
23 Class Members with the Notice and pursuant to which Class Members
24 submit a claim by completing, signing, dating, and returning it to the
25 Claims Administrator in accordance with the procedures set forth
26 therein. A sample Proof of Claim proposed by Plaintiffs is annexed
27 hereto as Attachment 2 to Exhibit A.
28

1 qq) “Qualified Settlement Fund” means a fund within the
2 meaning of Treasury Regulations § 1.468B-1.

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

18 ss) “Second Escrow Account” means the interest-bearing
19 escrow account in which Twenty-Four Million Dollars
20 (\$24,000,000.00) of the Settlement Amount will be deposited by
21 KPMG under this Settlement.

22 tt) “Settled Claims” means any and all claims, debts,
23 demands, disputes, rights, causes of action, suits, matters, damages, or
24 liabilities of any kind, nature, and character whatsoever (including but
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26 ² As discussed in footnote 1, although they are not parties to this Settlement,
27 Garcia and Gissinger are intended to be included within the definition of “Released
28 Parties.”

1 not limited to any claims for damages, interest, attorneys' fees, expert
2 or consulting fees, and any and all other costs, expenses or liabilities
3 whatsoever), whether based on federal, state, local, statutory or
4 common law or any other law, rule or regulation, whether fixed or
5 contingent, accrued or unaccrued, liquidated or unliquidated, at law or
6 in equity, matured or unmatured, whether class or individual in nature
7 (collectively, "Claims"), including both known Claims and Unknown
8 Claims (as defined herein), against any of the Released Parties (i) that
9 were asserted or could have been asserted in the Action, (ii) that
10 would have been barred by *res judicata* had the Action been fully
11 litigated to a final judgment, or (iii) that could have been, or could in
12 the future be, asserted in any forum or proceeding or otherwise by any
13 Class Member against any of the Released Parties (a) that concern,
14 arise out of, refer to, are based upon, or are related in any way to, any
15 of the subject matter, allegations, transactions, facts, matters,
16 occurrences, representations, statements, or omissions alleged,
17 involved, set forth, or referred to in the Complaint; and (b) that relate
18 to the purchase, sale, acquisition or holding of the Countrywide
19 Securities, and, as to Plaintiffs, that relate to the purchase, sale,
20 acquisition or holding of any security issued by Countrywide or any
21 Countrywide-related entity (including but not limited to mortgage-
22 backed securities issued by CWALT, Inc., CWABS, Inc., CWHEQ,
23 Inc. or CWMBS, Inc.), whether such Countrywide-related entity is a
24 corporation, partnership, limited liability company, trust, or other
25 entity, and whether or not such securities are Countrywide Securities;
26 *provided, however*, that the term "Settled Claims" shall not include
27 the following:
28

1 (1) claims to enforce the Settlement; and

2 (2) shareholder derivative claims asserted as of April 2, 2010
3 on behalf of Countrywide Financial Corporation in the following
4 actions for recovery by Countrywide as to injury allegedly caused to
5 it: *In re Countrywide Financial Corp. Shareholder Derivative*
6 *Litigation*, Case No. BC 375275 (Cal. Supr. Ct., Los Angeles County)
7 and *In re Countrywide Financial Corp. Derivative Litigation*, Lead
8 Case No. 2:07-cv-06923-MRP (MANx) (C.D. Cal.).

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

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

5 vv) “Settlement” means the settlement contemplated by this
6 Settlement Agreement.

7 ww) “Settlement Agreement” means this Amended Stipulation
8 and Agreement of Settlement and its accompanying exhibits,
9 including any subsequent amendments thereto and any exhibits to
10 such amendments.

11 xx) “Settlement Amount” means Six Hundred Twenty-Four
12 Million Dollars (\$624,000,000.00), to be paid in accordance with
13 Paragraphs 2-6 of this Settlement Agreement.

14 yy) “Summary Notice” means the notice of the proposed
15 Settlement and Fairness Hearing, substantially in the form annexed
16 hereto as Attachment 3 to Exhibit A, which is to be published
17 pursuant to the Preliminary Approval Order.

18 zz) “Supreme Court” means the Supreme Court of the United
19 States.

20 aaa) “Taxes and Tax Expenses” means (i) all taxes (including
21 any estimated taxes, interest or penalties) on the income of the Gross
22 Settlement Fund and (ii) expenses and costs incurred in connection
23 with the operation and implementation of the provisions in Part III.B
24 below and the taxation of the Gross Settlement Fund, including,
25 without limitation, expenses of tax attorneys and/or accountants
26 related to filing the tax returns described in Part III.B below.
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1 bbb) “Underwriter Defendants” means Barclays Capital Inc.;

2 BNY Mellon Capital Markets, LLC (successor to BNY Capital

3 Markets, Inc.); Citigroup Global Markets Inc.; Deutsche Bank

4 Securities Inc.; Dresdner Kleinwort Securities LLC; Banc of America

5 Securities LLC; HSBC Securities (USA) Inc.; Goldman, Sachs & Co.;

6 J.P. Morgan Securities Inc.; Merrill, Lynch, Pierce, Fenner & Smith

7 Incorporated; BNP Paribas Securities Corp.; ABN AMRO

8 Incorporated; A.G. Edwards & Sons, Inc.; Morgan Stanley & Co.,

9 Incorporated; RBC Capital Markets Corp.; RBC Dain Rauscher Inc.;

10 RBC Dominion Securities Inc.; Scotia Capital Inc.; RBS Securities,

11 Inc. (successor to Greenwich Capital Markets, Inc.); SG Americas

12 Securities LLC; TD Securities Inc.; UBS Securities LLC; Wachovia

13 Capital Markets, LLC; and Wachovia Securities, Inc.

14 ccc) “Unknown Claims” means any and all Settled Claims

15 that any Lead Plaintiff or Class Member does not know or suspect to

16 exist in his, her or its favor as of the Effective Date that, if known by

17 him, her or it, might have affected his, her or its decision(s) with

18 respect to the Settlement, or might have affected such party’s decision

19 not to object to this settlement. With respect to any and all Settled

20 Claims, upon the Effective Date, the Lead Plaintiffs shall expressly

21 waive, and each Class Member shall be deemed to have waived, and

22 by operation of this Final Judgment shall have expressly waived, the

23 provisions, rights and benefits of California Civil Code § 1542, and of

24 any U.S. federal or state law, or principle of common law or

25 otherwise, that is similar, comparable, or equivalent to Section 1542

26 of the California Civil Code, which provides, in relevant part:

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1 A general release does not extend to claims which the
2 creditor does not know or suspect to exist in his or her
3 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.

4 The Lead Plaintiffs and other Class Members or certain of them may
5 hereafter discover facts in addition to or different from those which
6 such party now knows or believes to be true with respect to the
7 subject matter of the Settled Claims, but the Lead Plaintiffs and the
8 Class Members, upon the Effective Date, by operation of the Final
9 Judgment shall have, fully, finally, and forever settled and released,
10 any and all Settled Claims, known or unknown, suspected or
11 unsuspected, contingent or non-contingent, whether or not concealed
12 or hidden, that now exist or heretofore have existed, upon any theory
13 of law or equity now existing or coming into existence in the future,
14 including, but not limited to, claims relating to conduct that is
15 negligent, reckless, intentional, with or without malice, or a breach of
16 any duty, law or rule, without regard to the subsequent discovery or
17 existence of such different or additional facts.

18 Lead Plaintiffs and Defendants acknowledge, and the Class Members
19 shall be deemed by operation of the Final Judgment to have
20 acknowledged, that the foregoing waiver was separately bargained for
21 and was a key element of the Settlement.

22
23 **II. THE GROSS SETTLEMENT FUND**

24 2. In full settlement of the Settled Claims, Countrywide shall pay or
25 cause to be paid Six Hundred Million Dollars (\$600,000,000.00) in cash into the
26 First Escrow Account, and KPMG shall pay or cause to be paid Twenty-Four
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1 Million Dollars (\$24,000,000.00) in cash (collectively, the “Settlement Amount”),
2 into the Second Escrow Account, as follows:

3 a) No later than ten (10) business days (excluding July 5, 2010, which
4 shall be deemed a holiday) after the Court’s entry of the Preliminary Approval
5 Order, Countrywide shall pay or cause to be paid Four Hundred Fifty-Five Million
6 Dollars (\$455,000,000.00) of the Settlement Amount into the First Escrow
7 Account. This settlement payment shall be made by wire transfer or similar
8 means. All interest accruing on this settlement payment from the time of deposit
9 shall become part of the Gross Settlement Fund to be used for the benefit of the
10 Class.

11 b) No later than twenty-one (21) business days (excluding July 5, 2010,
12 which shall be deemed a holiday) after the Court’s entry of the Preliminary
13 Approval Order, KPMG shall pay or cause to be paid Twenty-Four Million Dollars
14 (\$24,000,000.00) of the Settlement Amount into the Second Escrow Account. This
15 settlement payment shall be made by wire transfer or similar means. All interest
16 accruing on this settlement payment from the time of deposit shall become part of
17 the Gross Settlement Fund to be used for the benefit of the Class.

18 c) No later than thirty (30) business days (excluding July 5, 2010, which
19 shall be deemed a holiday) after the Court’s entry of the Preliminary Approval
20 Order, Countrywide shall pay or cause to be paid One Hundred Forty-Five Million
21 Dollars (\$145,000,000.00) of the Settlement Amount into the First Escrow
22 Account. This settlement payment shall be made by wire transfer or similar
23 means. All interest accruing on this settlement payment from the time of deposit
24 shall become part of the Gross Settlement Fund to be used for the benefit of the
25 Class.

26 3. The Second Escrow Account shall be maintained at an institution that
27 is not an audit client of KPMG. Plaintiffs’ Lead Counsel shall provide KPMG
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1 with notice, at least twenty-one (21) business days (excluding July 5, 2010, which
2 shall be deemed a holiday), prior to KPMG's payment of the Settlement Amount
3 into the Second Escrow Account, of the following information regarding the
4 institution that will maintain the Second Escrow Account:

- 5 a) name;
- 6 b) address;
- 7 c) ABA Routing Number; and
- 8 d) Federal Tax Identification Number.

9 4. The Settlement Amount shall be the full and sole monetary
10 contribution made by or on behalf of the Defendants and the Released Parties in
11 connection with the Settlement, and without limiting the generality of the
12 foregoing in any way, all costs of notice and settlement administration shall be
13 paid out of the Gross Settlement Fund. Except as otherwise provided in this
14 Settlement Agreement with respect to payment of Plaintiffs' Counsel's fees and
15 expenses out of the Gross Settlement Fund, the Parties shall bear their own costs
16 and expenses (including attorneys' fees) in connection with effectuating the
17 Settlement and securing all necessary Court orders and approvals with respect to
18 the same.

19 5. The Settlement Amount, together with any interest earned thereon
20 from the date of deposit into the First Escrow Account and Second Escrow
21 Account, shall be the "Gross Settlement Fund." No funds in the First Escrow
22 Account shall be commingled with funds in the Second Escrow Account and vice
23 versa. Notwithstanding anything to the contrary herein, all payments from the
24 Gross Settlement Fund shall be made on a *pro rata* basis from the First Escrow
25 Account and Second Escrow Account based on the respective percentages of the
26 Settlement Amount deposited therein in accordance with this Settlement.
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1 6. No Defendant other than Countrywide and KPMG shall have any
2 responsibility for payment of any portion of the Settlement Amount.

3
4 **III. ADMINISTRATION OF THE GROSS SETTLEMENT FUND**

5 **A. The Escrow Agents**

6 7. Citibank, N.A. shall serve as escrow agent for the First Escrow
7 Account (the “First Escrow Agent”) pursuant to an escrow agreement to be
8 approved by Countrywide. Such approval shall not be unreasonably withheld.
9 The First Escrow Agent shall invest that portion of the Gross Settlement Fund held
10 in the First Escrow Account in U.S. Treasury Bills. The Released Parties shall not
11 have any responsibility or liability whatsoever for investment decisions.

12 8. The First Escrow Agent shall not use or disburse all or any part of that
13 portion of the Gross Settlement Fund held in the First Escrow Account except as
14 provided for in this Settlement Agreement, or by an order of the Court, or with the
15 written agreement of Counsel for the Countrywide Defendants and Plaintiffs’ Lead
16 Counsel, with the approval of Lead Plaintiffs.

17 9. Labaton Sucharow LLP shall serve as escrow agent for the Second
18 Escrow Account (the “Second Escrow Agent” and, together with the First Escrow
19 Agent, the “Escrow Agents”) pursuant to an escrow agreement to be approved by
20 KPMG. Such approval shall not be unreasonably withheld. The Second Escrow
21 Agent shall invest that portion of the Gross Settlement Fund held in the Second
22 Escrow Account in U.S. Treasury Bills. The Released Parties shall not have any
23 responsibility or liability whatsoever for investment decisions, including, without
24 limitation, the consequences of the Second Escrow Agent’s selecting or retaining
25 any third party to administer, invest, hold or disburse funds in the Second Escrow
26 Account.

1 10. The Second Escrow Agent shall not use or disburse, or cause or
2 permit any third party to use or disburse, all or any part of that portion of the Gross
3 Settlement Fund held in the Second Escrow Account except as provided for in this
4 Settlement Agreement, or by an order of the Court, or with the written agreement
5 of Counsel for KPMG and Plaintiffs’ Lead Counsel, with the approval of Lead
6 Plaintiffs.

7 11. The First Escrow Agent and Second Escrow Agent are each
8 authorized to execute such transactions on behalf of Plaintiffs and the Class
9 Members as are consistent with the terms of the Settlement Agreement.

10 12. All monies held by the Escrow Agents shall be deemed and
11 considered to be in *custodia legis* of the Court, and shall remain subject to the
12 jurisdiction of the Court, until such time as such funds shall be distributed pursuant
13 to the Settlement Agreement, the Plan of Allocation, and/or further order(s) of the
14 Court, or returned to Countrywide and/or the applicable insurer(s) (with respect to
15 monies in the First Escrow Account) or to KPMG (with respect to monies in the
16 Second Escrow Account), with the exception of those monies disbursed pursuant
17 to Paragraph 19 below, in the event that this Settlement is not consummated or is
18 terminated pursuant to the provisions of Part IX below.

19 13. The Gross Settlement Fund shall be used to pay (i) any Fee and
20 Expense Award; (ii) any Notice and Administration Expenses; and (iii) any Taxes
21 and Tax Expenses. The balance of the Gross Settlement Fund (inclusive of interest
22 earned) shall be the “Net Settlement Fund.”

23 **B. Taxes and Tax Expenses**

24 14. The Parties and the Escrow Agents agree to treat the Gross Settlement
25 Fund as being at all times a “qualified settlement fund” within the meaning of
26 Treas. Reg. § 1.468B-1. In addition, Plaintiffs’ Lead Counsel, with approval of
27 Lead Plaintiffs, shall timely make, or cause to be made, such elections as necessary
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1 or advisable to carry out the provisions of this Part III.B, including the “relation-
2 back election” (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted
3 date. Such election shall be made in compliance with the procedures and
4 requirements contained in such regulations.

5 15. For the purposes of Section 468B of the Internal Revenue Code of
6 1986, as amended, and Treas. Reg. § 1.468B promulgated thereunder, the
7 “administrator” shall be Labaton Sucharow LLP or its successor or, at its election,
8 the Claims Administrator, which shall be responsible for timely and properly filing
9 all informational and other tax returns necessary or advisable with respect to the
10 Gross Settlement Fund (including without limitation the tax returns described in
11 Treas. Reg. § 1.468B-2(k)). Such tax returns (as well as the election described in
12 Paragraph 14 above) shall be consistent with this Part III.B and in all events shall
13 reflect that all taxes (including any estimated taxes, interest, or penalties) on the
14 income earned by the Gross Settlement Fund shall be paid out of the Gross
15 Settlement Fund as provided in Paragraph 16 below.

16 16. All Taxes and Tax Expenses shall be paid out of the Gross Settlement
17 Fund; in all events, the Released Parties shall have no liability or responsibility for
18 the Taxes and Tax Expenses, or the filing of any tax returns or other documents
19 with the Internal Revenue Service or any other state or local taxing authority.
20 Taxes and Tax Expenses shall be treated as, and considered to be, a cost of
21 administration of the Settlement and shall be timely paid by the Escrow Agents out
22 of the Gross Settlement Fund without prior order from the Court, and the Escrow
23 Agents shall be obligated (notwithstanding anything herein to the contrary) to
24 withhold from distribution to the Authorized Claimants any funds necessary to pay
25 such amounts (as well as any amounts that may be required to be withheld under
26 Treas. Reg. § 1.468B-2(1)(2)); the Released Parties are not responsible and shall
27 have no liability therefor, or for any reporting or other requirements that may relate
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1 thereto. Plaintiffs, Countrywide and KPMG agree to cooperate with the Escrow
2 Agents, each other, and their tax attorneys and accountants to the extent reasonably
3 necessary to carry out the provisions of this Part III.B.
4

5 **IV. PRELIMINARY APPROVAL HEARING AND ORDER**

6 17. Promptly after this Settlement Agreement has been fully executed, but
7 in any event no later than June 29, 2010, Plaintiffs' Lead Counsel shall submit the
8 fully executed Settlement Agreement together with its Exhibits to the Court and
9 shall apply for entry of an order (the "Preliminary Approval Order"), substantially
10 in the form annexed hereto as Exhibit A. All Parties shall consent to entry of the
11 Preliminary Approval Order in the form annexed hereto as Exhibit A.
12

13 **V. ADMINISTRATION AND CALCULATION OF**
14 **CLAIMS, FINAL AWARDS, AND SUPERVISION AND**
15 **DISTRIBUTION OF THE NET SETTLEMENT FUND**

16 18. The Claims Administrator, acting on behalf of the Class, and subject
17 to such supervision and direction of the Court or Plaintiffs' Lead Counsel, with
18 approval of Lead Plaintiffs, as may be necessary or as the circumstances may
19 require, shall administer and calculate the claims submitted by Class Members and
20 shall oversee distribution of the Net Settlement Fund to Authorized Claimants.
21 The Released Parties shall not have any role in, or responsibility or liability to any
22 Person, including, without limitation, the Class Members or Plaintiffs' Lead
23 Counsel, for, the administration of the Settlement or the solicitation, review or
24 evaluation of Proofs of Claim, nor shall any discovery be taken of Defendants in
25 connection with such matters. However, Defendants' Counsel shall cooperate in
26 the administration of the Settlement to the extent reasonably necessary to
27 effectuate its terms, including Counsel for the Countrywide Defendants' providing
28 Plaintiffs' Lead Counsel, without charge, reasonable information from the

1 Company's transfer records in the Company's possession or control concerning the
2 identity of Class Members. The Parties acknowledge that any information
3 provided by Countrywide to Plaintiffs' Lead Counsel shall be treated as
4 confidential pursuant to the Protective Order entered in this Action; the Parties
5 further acknowledge, however, that such information may be used by Plaintiffs'
6 Lead Counsel solely to deliver the Notice and/or implement the Settlement,
7 including the Plan of Allocation.

8 19. Following entry of the Preliminary Approval Order, and without
9 further order of the Court, Plaintiffs' Lead Counsel, with approval of Lead
10 Plaintiffs, may expend (a) up to Five Million Dollars (\$5,000,000.00) from the
11 Gross Settlement Fund to pay Notice and Administration Expenses actually
12 incurred; and (b) amounts necessary to pay Taxes and Tax Expenses.

13 20. All payments of Notice and Administration Expenses, Taxes and Tax
14 Expenses, any other fees or costs of the Claims Administrator, and any portion of
15 the Fee and Expense Award shall be paid solely from the Gross Settlement Fund
16 and not by Plaintiffs, Plaintiffs' Counsel, members of the Class or the Released
17 Parties. Except as expressly stated in this Settlement Agreement, there shall be no
18 liability on the part of Plaintiffs, Plaintiffs' Counsel, members of the Class or the
19 Released Parties for Notice and Administration Expenses, Taxes and Tax
20 Expenses, any other fees or costs of the Claims Administrator, any other cost of
21 administering the Gross Settlement Fund, or any portion of the Fee and Expense
22 Award, and in no event shall the Released Parties have any monetary obligation
23 whatsoever beyond their respective payment obligations to the Gross Settlement
24 Fund as provided herein.

25 21. Following the Effective Date, in accordance with the terms of this
26 Settlement Agreement, the Plan of Allocation, or such further approval and further
27 order(s) of the Court as may be necessary or as circumstances may require, the
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1 Claims Administrator shall disburse the Net Settlement Fund, under Plaintiffs'
2 Lead Counsel's supervision, subject to and in accordance with the following:

3 a) Each Class Member who wishes to participate in the
4 distributions from the Net Settlement Fund must return a signed Proof
5 of Claim, supported by such documents as are designated therein,
6 including proof of the claimant's loss. A sample Proof of Claim
7 proposed by the Parties is annexed hereto as Attachment 2 to Exhibit
8 A. The address to which the Proof of Claim must be mailed shall be
9 set forth on the Proof of Claim itself and shall also be printed in the
10 Notice. If sent by first-class mail, such Proof of Claim must be
11 postmarked no later than a date set forth in the Notice (unless that date
12 is extended by order of the Court). If sent by any manner other than
13 by first-class mail, the Proof of Claim must actually be received by
14 the Claims Administrator by the date set forth in the Notice (unless
15 that date is extended by order of the Court).

16 b) The Proof of Claim must be sworn to under oath or made
17 subject to the penalties of perjury pursuant to 28 U.S.C. § 1746.

18 c) The validity of each claim submitted will be initially
19 determined by the Claims Administrator, acting under Plaintiffs' Lead
20 Counsel's supervision as necessary, in accordance with the Plan of
21 Allocation approved by the Court. Plaintiffs' Lead Counsel, the
22 Claims Administrator, and the Released Parties shall not have any
23 liability arising out of said determination. In the event a Class
24 Member disagrees with such determination, the dispute shall be
25 submitted to the Court for summary resolution. Each Class Member
26 shall be deemed to have submitted to the jurisdiction of the Court with
27 respect to that Class Member's claim against the Net Settlement Fund.
28

1 d) All initial determinations as to the validity of a Proof of
2 Claim, the calculation of the extent to which each Authorized
3 Claimant will participate in the Net Settlement Fund, the preparation
4 and mailing of distributions to Authorized Claimants, and the
5 distribution of the Net Settlement Fund shall be performed by the
6 Claims Administrator subject, as circumstances may require, to
7 supervision by Plaintiffs' Lead Counsel or such other persons or
8 entities as Plaintiffs' Lead Counsel may, in their sole discretion, deem
9 necessary or advisable to assist them in the administration of this
10 Settlement Agreement. All proceedings with respect to the
11 administration of the Gross Settlement Fund and Net Settlement Fund,
12 and the administration, processing and determination of Class
13 Members' claim requests, and the determination of all controversies
14 related thereto, including disputed questions of law and fact with
15 respect to the validity of any Proof of Claim or regarding rejection of
16 any claims submitted, shall remain under the jurisdiction of the Court
17 and shall be governed by, and construed in accordance with, the laws
18 of the State of California without regard to choice or conflicts-of-laws
19 principles.

20 e) Except as otherwise ordered by the Court, any Class
21 Member who fails to timely return a properly completed and signed
22 Proof of Claim consistent with the procedures set forth in this
23 Paragraph shall be forever barred from receiving a distribution from
24 the Net Settlement Fund, but shall nevertheless be bound by and
25 subject to this Settlement Agreement, the Final Judgment, and all
26 proceedings, rulings, orders, and judgments in this Action, including,
27 without limitation, the release of the Settled Claims and the dismissal
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1 with prejudice of this Action. Notwithstanding the foregoing,
2 Plaintiffs' Lead Counsel, with approval of Lead Plaintiffs, may accept
3 for processing late claims so long as the distribution of the Net
4 Settlement Fund to Authorized Claimants is not materially delayed.

5 f) The Net Settlement Fund shall be distributed to the
6 Authorized Claimants substantially in accordance with a Plan of
7 Allocation to be described in the Notice mailed to Class Members and
8 approved by the Court. The Released Parties shall have neither the
9 right nor the duty to participate in the determination of how the Net
10 Settlement Fund is distributed to the Class. The Plan of Allocation
11 shall not be a part of the Settlement Agreement and any order or
12 proceeding related to said Plan of Allocation shall not operate to
13 terminate or cancel this Settlement Agreement or affect the finality of
14 the Court's Final Judgment approving this Settlement Agreement and
15 the Settlement it describes, or any other orders entered pursuant to this
16 Settlement Agreement.

17 g) Plaintiffs' Lead Counsel, with approval of Lead
18 Plaintiffs, will apply to the Court, on notice to Defendants' Counsel,
19 for a Distribution Order approving the Claims Administrator's
20 administrative determinations concerning the acceptance and rejection
21 of the submitted Proofs of Claim and approving any Notice and
22 Administration Expenses (including but not limited to the fees and
23 expenses of the Claims Administrator) or Taxes and Tax Expenses not
24 previously applied for and, if the Effective Date has occurred,
25 directing payment of the Net Settlement Fund to Authorized
26 Claimants in accordance with the Plan of Allocation and the Claims
27 Administrator's determinations. Simultaneously upon application to
28

1 the Court for a Distribution Order, Plaintiffs' Lead Counsel shall
2 provide Counsel for the Countrywide Defendants and Counsel for
3 KPMG with an electronically searchable list of all Persons who
4 submitted a Proof of Claim. Further, Plaintiffs' Lead Counsel shall,
5 upon reasonable request from Counsel for the Countrywide
6 Defendants or Counsel for KPMG, provide a copy of any requested
7 Proof of Claim in electronic form within ten (10) business days of
8 such request.

9 h) If there is any balance remaining in the Net Settlement
10 Fund (whether by reason of unclaimed funds, tax refunds, uncashed
11 checks, or otherwise), at a date one hundred eighty (180) days from
12 the later of (a) the date on which the Court enters a Distribution Order
13 pursuant to Subparagraph 21(g) above, or (b) the Effective Date, then
14 Plaintiffs' Lead Counsel shall, upon approval of the Court, distribute
15 such balance among the Authorized Claimants as many times as is
16 necessary, in a manner consistent with the Plan of Allocation, until
17 each Authorized Claimant has received its Recognized Claim (but no
18 greater than its Recognized Claim) as defined by the Plan of
19 Allocation. If Plaintiffs' Lead Counsel determines that it is not cost-
20 effective to conduct such further distribution, or following such
21 further distribution any balance still remains in the Net Settlement
22 Fund, Plaintiffs' Lead Counsel shall, with the consent of Lead
23 Plaintiffs and upon approval of the Court, and without further notice
24 to the Class, cause the remaining balance to be returned to
25 Countrywide and KPMG, in the same proportion as those entities
26 contributed (or caused to be contributed) to the Settlement Amount.
27 Any orders or proceedings relating to the Plan of Allocation shall not
28

1 operate to terminate or cancel this Settlement Agreement, and shall
2 have no effect on the Final Judgment becoming Final.

3 22. No Person shall have any claim against Plaintiffs, Plaintiffs' Counsel,
4 or the Claims Administrator based on distributions, determinations, or claim
5 rejections made substantially in accordance with this Settlement Agreement, the
6 Plan of Allocation, or further orders of the Court, except in the case of fraud or
7 willful misconduct. No Person shall have any claim under any circumstances
8 against the Released Parties, based on any distributions, determinations, claim
9 rejections or the design, terms or implementation of the Plan of Allocation.

10 23. None of the Released Parties shall have any responsibility for or
11 liability whatsoever with respect to (i) any act, omission or determination of
12 Plaintiffs' Lead Counsel or the Escrow Agents, or any of their respective designees
13 or agents, in connection with the administration of the Settlement or otherwise; (ii)
14 the management, investment or distribution of the Gross Settlement Fund; (iii) the
15 determination, administration, calculation or payment of any claims asserted
16 against the Gross Settlement Fund; (iv) any losses suffered by, or fluctuations in
17 the value of, the Gross Settlement Fund; or (v) the payment or withholding of any
18 Taxes, expenses and/or costs incurred in connection with the taxation of the Gross
19 Settlement Fund or the filing of any returns.

20
21 **VI. RELEASES**

22 24. Pursuant to this Settlement Agreement and the Final Judgment, upon
23 the Effective Date:

24 a. Plaintiffs and every Class Member, on behalf of themselves and any
25 of their personal representatives, spouses, domestic partners, trustees, heirs,
26 executors, administrators, successors or assigns, shall be deemed to have, and by
27 operation of the Final Judgment shall have, fully, finally, and forever released,
28

1 relinquished, and discharged all Settled Claims against the Released Parties, and
2 shall be forever barred and enjoined from instituting, prosecuting, participating,
3 continuing, maintaining or asserting any Settled Claim, or assisting any Person in
4 instituting, prosecuting, participating, continuing, maintaining or asserting any
5 Settled Claim, against any of the Released Parties, whether directly or indirectly,
6 whether in the United States or elsewhere, whether on their own behalf or on
7 behalf of any class or any other Person, and regardless of whether or not such
8 Class Member executes and delivers a Proof of Claim. By entering into this
9 Settlement Agreement, Plaintiffs represent and warrant that they have not assigned,
10 hypothecated, conveyed, transferred or otherwise granted or given any interest in
11 the Settled Claims, or any of them, to any other Person.

12 b. Each of the Released Parties shall be deemed to have, and by
13 operation of the Final Judgment shall have, fully, finally, and forever released,
14 relinquished, and discharged each and all of the Class Members, Plaintiffs, and
15 Plaintiffs' Counsel from all Settled Defendants' Claims arising out of, relating to,
16 or in connection with the institution, prosecution, assertion, settlement, or
17 resolution of the Action or the Settled Claims. By entering into this Settlement
18 Agreement, the Defendants represent and warrant that they have not assigned,
19 hypothecated, transferred or otherwise granted any interest in the Settled
20 Defendants' Claims, or any of them, to any other Person.

21 In addition, at no time, before or after the Effective Date, shall Plaintiffs
22 encourage or solicit any other Person in regard to, or in connection with, the
23 making of any demand, the assertion of any liability, or the prosecution or
24 commencement of any lawsuit or other judicial or administrative proceedings
25 against any of the Released Parties relating to Countrywide, any of its affiliates or
26 related entities, and/or securities offered, sold or issued by Countrywide or by any
27 Countrywide-related entity (including but not limited to mortgage-backed
28

1 securities issued by CWALT, Inc., CWABS, Inc., CWHEQ, Inc. or CWMBS,
2 Inc.).

3 25. To the extent that the Settlement does not release claims asserted in
4 certain other actions involving Countrywide, all of which are enumerated in the
5 definition of “Settled Claims” set forth in Paragraph 1(tt) above, the question of the
6 extent, if any, to which any payment made pursuant to the Plan of Allocation in
7 this litigation may constitute an offset or credit against, or a reduction in the gross
8 amount of, any claim asserted in any other action relating to Countrywide is to be
9 determined in such other action, and the Parties reserve all rights with respect to
10 the position they may take on that question in those actions.

11
12 **VII. ATTORNEY’S FEE AND EXPENSE AWARDS**

13 26. Plaintiffs’ Lead Counsel will apply to the Court for a Fee and Expense
14 Award to be paid from the Gross Settlement Fund.

15 27. Plaintiffs’ Lead Counsel may make additional applications for
16 reimbursement of expenses (including Notice and Administration Expenses)
17 incurred subsequent to the initial application for a Fee and Expense Award.

18 28. Subject to the restrictions in Paragraph 29 below, any Fee and
19 Expense Award shall become payable from the Gross Settlement Fund five (5)
20 days after entry by the Court of the Order granting the Fee and Expense Award,
21 notwithstanding the existence of any timely filed objections thereto, or potential to
22 appeal therefrom, or collateral attack on the Settlement or any part thereof.

23 Plaintiffs’ Lead Counsel shall thereafter allocate the Fee and Expense Award
24 payable to Plaintiffs’ Lead Counsel among Plaintiffs’ Counsel in a manner that, in
25 Plaintiffs’ Lead Counsel’s good-faith judgment, reflects such counsel’s
26 contribution to the institution, prosecution, or resolution of the Action.

1 29. Any Fee and Expense Award may be paid to Plaintiffs' Lead Counsel
2 five (5) days after entry by the Court of an order awarding fees and expenses (as
3 referred to in Paragraph 28) and prior to the Effective Date, only if each of
4 Plaintiffs' Counsel receiving a portion of the Fee and Expense Award posts an
5 irrevocable standby letter of credit in the amount of that portion of the Fee and
6 Expense Award actually withdrawn from the Gross Settlement Fund. Such
7 standby letters of credit shall be issued by banks selected by, and have terms and
8 conditions negotiated by, Plaintiffs' Counsel and Lead Plaintiffs and approved by
9 Countrywide and KPMG (which approval shall not be unreasonably withheld), to
10 secure Plaintiffs' Counsel's obligation to pay back such amounts received, plus
11 accrued interest at the same rate as is earned by the Gross Settlement Fund, in the
12 event that, as a result of any appeal and/or further proceedings on remand, or
13 successful collateral attack, the Settlement is terminated or the Fee and Expense
14 Award is reduced or required to be returned.

15 30. If the Effective Date does not occur or if this Settlement Agreement is
16 terminated, then any Fee and Expense Award is no longer payable. In the event
17 that any portion of the Fee and Expense Award is paid from the Gross Settlement
18 Fund, and the Effective Date does not occur or this Settlement Agreement is
19 terminated, Plaintiffs' Lead Counsel and Lead Plaintiff shall, within ten (10)
20 business days from the event which precludes the Effective Date from occurring or
21 the termination of the Settlement Agreement, refund to the Gross Settlement Fund
22 the Fee and Expense Award paid to Plaintiffs' Lead Counsel and Lead Plaintiffs,
23 respectively, and in addition shall pay into the Gross Settlement Fund interest on
24 the amount refunded at the average rate earned on the Gross Settlement Fund from
25 the time of payment of the Fee and Expense Award until the date of refund. Each
26 of Plaintiffs' Counsel, as a condition of receiving such Fee and Expense Award,
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1 agrees that it is subject to the jurisdiction of the Court for the purpose of enforcing
2 the provisions in this paragraph.

3 31. The Released Parties shall have no responsibility for, and no liability
4 whatsoever with respect to, any fees, costs or expenses (including without
5 limitation any Fee and Expense Award) incurred or sought by Plaintiffs' Lead
6 Counsel or any other Person who may assert any claim, right or entitlement
7 thereto.

8 32. The procedures for and the allowance or disallowance by the Court of
9 an application for a Fee and Expense Award to be paid out of the Gross Settlement
10 Fund are not part of the Settlement set forth in this Settlement Agreement and are
11 to be considered by the Court at the Fairness Hearing, but separately from the
12 Court's consideration of the fairness, reasonableness, and adequacy of the
13 Settlement set forth in this Settlement Agreement. None of the Parties may
14 terminate or cancel the Settlement Agreement on the basis of the amount of any
15 Fee and Expense Award. Any order or proceedings related to any application for a
16 Fee and Expense Award by Plaintiffs' Lead Counsel or any appeal from any order
17 relating to such a Fee and Expense Award or any reversal or modification thereof
18 shall not modify, terminate or cancel this Settlement Agreement or affect or delay
19 the finality of the Final Judgment approving the Settlement Agreement and the
20 Settlement of the Action.

21
22 **VIII. FINAL JUDGMENT AND ORDER**
23 **OF DISMISSAL WITH PREJUDICE**

24 33. Upon the Court's approval of this Settlement Agreement, the Parties
25 shall request that the Court enter a Final Judgment in all material respects in the
26 form set forth in Exhibit B, dismissing this Action with prejudice.
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1 **IX. EFFECTIVE DATE OF SETTLEMENT,**
2 **MODIFICATION AND TERMINATION**

3 34. The “Effective Date” of the Settlement shall be the date on which all
4 the following conditions of settlement shall have occurred:

5 a) with respect to Defendants other than KPMG, deposit of the
6 portion of the Settlement Amount into the First Escrow Account in accordance
7 with Paragraph 2;

8 b) with respect to KPMG, deposit of the portion of the Settlement
9 Amount into the Second Escrow Account in accordance with Paragraph 2;

10 c) final approval by the Court of the Settlement, following notice
11 to the Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil
12 Procedure;

13 d) entry by the Court of the Final Judgment in all material respects
14 in the form set forth in Exhibit B, and the Final Judgment becoming Final, or, in
15 the event that the Court enters a judgment in a form other than that provided above
16 (“Alternative Judgment”) and neither Lead Plaintiffs on the one hand, nor the
17 Countrywide Defendants and KPMG on the other, elect to terminate this
18 Settlement, the date that such Alternative Judgment becomes Final; and

19 e) if the circumstances described in Paragraphs 36 and 43 occur,
20 the expiration of the time for Lead Plaintiffs on the one hand, or the Countrywide
21 Defendants and KPMG on the other, to exercise the termination rights provided in
22 the applicable paragraph(s) without the termination rights being exercised.

23 35. The terms and provisions of this Settlement Agreement may be
24 amended, modified, or expanded only by written agreement of the Parties and
25 approval of the Court; *provided, however*, that after entry of the Final Judgment (or
26 any applicable Alternative Judgment), the parties thereto may by unanimous
27 written agreement effect such amendments, modifications or expansions of this
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1 Settlement Agreement and its implementing documents (including all exhibits to
2 the Settlement Agreement) without notice to or approval by the Court if such
3 changes are not materially inconsistent with the Court's Final Judgment and do not
4 (a) materially limit the rights of Class Members under the Settlement Agreement;
5 or (b) materially limit the rights of the Released Parties under the Settlement
6 Agreement.

7 36. The Lead Plaintiffs and each of the Defendants shall, in each of their
8 separate discretions, have the right to terminate the Settlement, and thereby this
9 Settlement Agreement, as to themselves, by providing written notice of their
10 election to do so ("Termination Notice") to all other Parties hereto within thirty
11 (30) days of:

12 (a) the Court's declining to enter the Preliminary Approval
13 Order in any respect that the terminating Party reasonably and in good
14 faith believes is materially adverse to it;

15 (b) the Court refusing to approve the Settlement as set forth
16 in this Settlement Agreement;

17 (c) the Court's declining to enter the Final Judgment in any
18 respect that the terminating Party reasonably and in good faith
19 believes is materially adverse to it;

20 (d) the date upon which the Final Judgment is modified or
21 reversed by the Court of Appeals or the Supreme Court in any respect
22 that the terminating Party reasonably and in good faith believes is
23 materially adverse to it; or

24 (e) the date upon which an Alternative Judgment is modified
25 or reversed by the Court of Appeals or the Supreme Court in any
26 respect that the terminating Party reasonably and in good faith
27 believes is materially adverse to it.
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1 37. If the Settlement is terminated by Lead Plaintiffs or both the
2 Countrywide Defendants and KPMG (a “Complete Termination”): (a) the
3 Settlement shall be without force and effect upon the rights of the Parties, and none
4 of its terms (other than this paragraph and Paragraph 51) shall be effective or
5 enforceable; (b) the Parties shall revert to their litigation positions immediately
6 prior to the Execution Date and no claims, rights or defenses, whether legal or
7 equitable, of any of the Parties hereto that existed prior to executing this Settlement
8 Agreement shall be diminished or prejudiced in any way; and (c) within ten (10)
9 business days from the date of such Complete Termination, Lead Plaintiffs shall
10 return (or cause to be returned) to Countrywide and/or the applicable insurer(s) any
11 monies remaining in the First Escrow Account and to KPMG any monies
12 remaining in the Second Escrow Account, including any accrued interest thereon
13 but less any Notice and Administration Expenses reasonably and actually incurred
14 and paid or payable as of the date of the Complete Termination, and any Taxes and
15 Tax Expenses actually incurred and paid or payable as of the date of the Complete
16 Termination, out of the Gross Settlement Fund.

17 38. The Parties agree that if the Countrywide Defendants, but not KPMG,
18 elect to terminate the Settlement (a “Partial Termination”), the Settlement shall
19 proceed with respect to Plaintiffs and KPMG (and the Effective Date shall not be
20 impacted by such Partial Termination), and then the Countrywide Defendants and
21 all other Defendants other than KPMG (collectively, the “Non-KPMG
22 Defendants”) shall be treated as non-settling defendants and, solely with respect to
23 the Non-KPMG Defendants, the following provisions shall apply: (a) the
24 Settlement shall be without force and effect upon the rights and obligations
25 between, on the one hand, Plaintiffs and the Class, and, on the other, the Non-
26 KPMG Defendants, and none of its terms (other than this paragraph and Paragraph
27 51) shall be effective or enforceable with respect to the Non-KPMG Defendants;
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1 (b) Plaintiffs and the Non-KPMG Defendants shall revert to their litigation
2 positions immediately prior to the Execution Date with respect to the Non-KPMG
3 Defendants; (c) within ten (10) business days from the date of such Partial
4 Termination, Lead Plaintiffs shall return (or cause to be returned) to Countrywide
5 and/or the applicable insurer(s) any monies remaining in the First Escrow Account,
6 including any accrued interest thereon but less its *pro rata* portion (based on the
7 percentage of the Settlement Amount deposited into the First Escrow Account) of
8 any Notice and Administration Expenses and Taxes and Tax Expenses paid out of,
9 or incurred by, the Gross Settlement Fund as of the date of the Partial Termination;
10 and (d) Lead Plaintiffs and KPMG shall submit an Alternative Judgment to the
11 Court reflecting Partial Termination by the Countrywide Defendants, and such
12 Alternative Judgment shall contain a Contribution Bar and Judgment Reduction
13 Provision.

14 39. The Parties agree that if KPMG, but not the Countrywide Defendants,
15 elects to terminate the Settlement (a “Partial Termination”), the Settlement shall
16 proceed with respect to Plaintiffs and the Non-KPMG Defendants (and the
17 Effective Date shall not be impacted by such Partial Termination), and then KPMG
18 shall be treated as a non-settling defendant and, solely with respect to KPMG, the
19 following provisions shall apply: (a) the Settlement shall be without force and
20 effect upon the rights and obligations between, on the one hand, Plaintiffs and the
21 Class, and, on the other, KPMG, and none of its terms (other than this paragraph
22 and Paragraph 50) shall be effective or enforceable with respect to KPMG; (b)
23 Plaintiffs and KPMG shall revert to their litigation positions immediately prior to
24 the Execution Date with respect to KPMG; (c) within ten (10) business days from
25 the date of such Partial Termination, Lead Plaintiffs shall return (or cause to be
26 returned) to KPMG any monies remaining in the Second Escrow Account,
27 including its *pro rata* portion (based on the percentage of the Settlement Amount
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1 deposited into the Second Escrow Account) of any accrued interest thereon but less
2 any Notice and Administration Expenses and Taxes and Tax Expenses paid out of,
3 or incurred by, the Gross Settlement Fund as of the date of the Partial Termination;
4 and (d) Lead Plaintiffs and the Countrywide Defendants shall submit an
5 Alternative Judgment to the Court reflecting Partial Termination by KPMG, and
6 such Alternative Judgment shall contain a Contribution Bar and Judgment
7 Reduction Provision.

8 40. The Parties agree that if any Individual Defendant or Underwriter
9 Defendant, but not the Countrywide Defendants, elects to terminate the Settlement
10 (“Terminating Defendant”), the Settlement shall proceed with respect to Plaintiffs
11 and all Defendants who have not elected to terminate (and the Effective Date shall
12 not be impacted by such Partial Termination), and then the Terminating Defendant
13 shall be treated as a non-settling defendant and, solely with respect to the
14 Terminating Defendant, the following provisions shall apply: (a) the Settlement
15 shall be without force and effect upon the rights and obligations between, on the
16 one hand, Plaintiffs and the Class, and, on the other, the Terminating Defendant,
17 and none of its terms (other than this paragraph and Paragraph 51) shall be
18 effective or enforceable with respect to the Terminating Defendant; (b) Plaintiffs
19 and the Terminating Defendant shall revert to their litigation positions immediately
20 prior to the Execution Date with respect to the Terminating Defendant; and (c) all
21 Parties other than the Terminating Defendant shall submit an Alternative Judgment
22 to the Court reflecting Partial Termination by the Terminating Defendant, and such
23 Alternative Judgment shall contain a Contribution Bar and Judgment Reduction
24 Provision. In the event an Individual Defendant or Underwriter Defendant elects
25 to terminate the Settlement pursuant to this paragraph, the Countrywide
26 Defendants shall have the right to terminate the Settlement, and thereby this
27 Settlement Agreement, as to all Non-KPMG Defendants within seven (7) days of
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1 receipt of notice of termination from the Terminating Defendant, or within the time
2 prescribed by Paragraph 36 hereof, whichever is longer.

3 41. Notwithstanding any other provision in this Settlement Agreement
4 (including but not limited to Paragraphs 36 and 37 above), the settlement
5 agreement between Plaintiffs and KPMG, and the settlement agreement between
6 Plaintiffs and the Non-KPMG Defendants, are each severable from the other. If
7 this Settlement is deemed unenforceable or not approved for any reason unrelated
8 to KPMG, then Plaintiffs and KPMG shall submit to the Court for approval a
9 settlement agreement reflecting the terms of this Settlement Agreement applicable
10 to Plaintiffs and KPMG only. Likewise, if this Settlement is deemed
11 unenforceable or not approved for any reason related solely to KPMG, then
12 Plaintiffs and the Non-KPMG Defendants shall submit to the Court for approval a
13 settlement agreement reflecting the terms of this Settlement Agreement applicable
14 to Plaintiffs and the Non-KPMG Defendants only. This Paragraph in no way
15 limits or alters Lead Plaintiffs' obligations under Paragraphs 38(c) and 39(c).

16 42. Lead Plaintiffs shall also have the right to terminate this Settlement if
17 Countrywide or KPMG does not timely make (or cause to be made) their
18 respective payments as provided in Part II of this Settlement Agreement, subject to
19 Countrywide's and KPMG's respective rights to cure any such failure to pay
20 within five (5) business days of receiving a written notice of deficiency from
21 Plaintiffs' Lead Counsel. More specifically, if Countrywide fails to timely make
22 (or cause to be made) its respective payment, Lead Plaintiffs shall have the right to
23 terminate the Settlement as to all Defendants other than KPMG. Such termination
24 shall be considered a Partial Termination, and the provisions of Paragraph 38 shall
25 apply. If KPMG fails to timely make (or cause to be made) its respective payment,
26 Lead Plaintiffs shall have the right to terminate the Settlement as to KPMG only.

1 Such termination shall be considered a Partial Termination, and the provisions of
2 Paragraph 39 shall apply.

3 43. The Settlement may be terminated at the option and in the sole
4 discretion of the Countrywide Defendants or KPMG, as to their respective
5 settlements with Plaintiffs and the Class, in the event that Class Members who,
6 during the Class Period, purchased or otherwise acquired the Countrywide
7 Securities, timely and validly request exclusion from the Class and the Termination
8 Threshold, as such term is defined in a separate letter from Counsel for the
9 Countrywide Defendants and Counsel for KPMG to Lead Plaintiffs countersigned
10 simultaneously herewith (“Supplemental Agreement”), is met. The total amount of
11 Countrywide Securities purchased or acquired by such Class Members shall be
12 calculated using the information provided by such Class Members in their requests
13 for exclusion. The Supplemental Agreement shall not be filed with the Court
14 unless and until a dispute among the parties to the Supplemental Agreement
15 concerning its interpretation or application arises, in which case those parties shall
16 seek to file it with the Court under seal. In the event either the Countrywide
17 Defendants or KPMG terminates the Settlement pursuant to the Supplemental
18 Agreement, but the other does not, such termination shall be considered a Partial
19 Termination and the provisions of Paragraph 38 or 39 apply.

20 44. If both the Countrywide Defendants and KPMG exercise Partial
21 Termination rights pursuant to this Settlement Agreement, it will be considered a
22 Complete Termination and the provisions of Paragraph 37 shall apply.

23 45. Upon the Effective Date, any and all remaining interest or right of
24 Defendants in or to the Gross Settlement Fund, if any, shall be absolutely and
25 forever extinguished, except for as stated in Paragraph 21(h) above.

1 **X. GENERAL MATTERS**

2 46. The Parties (i) acknowledge that it is their intent to consummate this
3 Settlement; and (ii) agree to cooperate to the full extent reasonably necessary to
4 effectuate and implement all terms and conditions of this Settlement Agreement
5 and to exercise their best efforts to accomplish the foregoing terms and conditions
6 of this Settlement Agreement. To the extent the Parties are unable to reach
7 agreement concerning such best efforts, any Party may refer the matter to the
8 Mediators for resolution, subject to Court approval, with the fees and expenses of
9 the Mediators to be divided equally between Lead Plaintiffs on the one hand, and
10 Defendants on the other hand.

11 47. The Parties intend this Settlement Agreement to be a final and
12 complete resolution of all disputes that have arisen or could have arisen between or
13 among the Plaintiffs and the Class Members on the one hand, and the Released
14 Parties on the other hand, and all claims that have been asserted or that could have
15 been asserted by Plaintiffs and the Class Members against the Released Parties,
16 with respect to the Settled Claims or the Action. The Settlement compromises
17 claims that are contested and shall not be deemed an admission by any Party as to
18 the merits of any claim or defense. The Parties agree that the amount paid into the
19 Gross Settlement Fund and the other terms of the Settlement were negotiated in
20 good faith and at arm's length by the Parties, and reflect a settlement that was
21 reached voluntarily after consultation with competent and experienced legal
22 counsel. The Parties and their counsel agree not to contend in any forum that the
23 Action was brought or defended in bad faith, without a reasonable basis, or in
24 violation of Rule 11 of the Federal Rules of Civil Procedure, and reserve their right
25 to rebut, in a manner that such Party determines to be appropriate, any contention
26 made in any forum that the Action was brought or defended in bad faith, without a
27 reasonable basis, or in violation of Rule 11 of the Federal Rules of Civil Procedure.
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1 48. The Parties and their respective counsel also agree to keep the
2 information disclosed to them in connection with mediation and settlement
3 negotiations confidential unless required to publicly disclose such information by
4 applicable law, in which case written notice as to the content of any public
5 communication shall be provided to all other Parties at least three (3) business days
6 prior to disclosure. In the event any of the Parties wish to make a voluntary public
7 disclosure regarding the Settlement, its terms, conditions, or obligations (other than
8 the fact that this case was resolved by Settlement), such Party shall provide at least
9 three (3) business days' advance notice to all other Parties as to the content of any
10 such public communication.

11 49. If a case is commenced under Title 11 of the United States Code
12 (Bankruptcy) in respect of any entity contributing funds to the Settlement Amount
13 on behalf of any Defendant(s), or a trustee, receiver or conservator is appointed as
14 to any such person or entity under any similar law, and in the event of the entry of
15 a final order of a court of competent jurisdiction determining the transfer of money
16 to the Gross Settlement Fund or any portion thereof by such Defendant(s) (or
17 insurer) to be a preference, voidable transfer, fraudulent transfer or similar
18 transaction and any portion thereof is required to be, and is capable of being,
19 returned or disgorged by the Gross Settlement Fund and is so returned or
20 disgorged, and replacement funds are not promptly deposited into the Gross
21 Settlement Fund by others, then, at the election of Plaintiffs' Lead Counsel, with
22 approval of Lead Plaintiffs, the Parties shall jointly move the Court to vacate and
23 set aside the releases given as to that Defendant(s), as well as the Final Judgment
24 entered pursuant to this Settlement Agreement as to that Defendant(s), which
25 releases and Final Judgment shall be null and void, and the Parties shall be restored
26 to their respective positions in the Action as of the day immediately prior to the
27 Execution Date and any amounts in the Gross Settlement Fund shall be returned as
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1 provided in Paragraphs 38 or 39. The Settlement (including the related waivers
2 and releases of claims) shall remain in effect as to any Defendant (and its related
3 Released Parties) whose respective Settlement Amount is not returned or
4 disgorged, or if returned or disgorged is promptly replaced.

5 50. Nothing in this Settlement Agreement constitutes or reflects a waiver
6 or release of any rights or claims of Defendants against their insurers, or their
7 insurers' subsidiaries, predecessors, successors, assigns, affiliates, or
8 representatives. Nothing in this Settlement Agreement constitutes or reflects a
9 waiver or release of any rights or claims of Defendants or Garcia or Gissinger
10 relating to indemnification, advancement or any undertakings by an indemnified
11 party to repay amounts advanced or paid by way of indemnification or otherwise.

12 51. This Settlement Agreement, whether or not it is consummated and
13 whether or not it is terminated, any of its provisions, any negotiations, proceedings
14 or agreements relating to the Settlement Agreement and the Settlement, all matters
15 arising in connection with such negotiations, proceedings or agreements, and all
16 acts performed or documents executed pursuant to or in furtherance of this
17 Settlement Agreement:

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

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

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

3 iv. shall not be offered or received against the Defendants as
4 evidence of any liability, negligence, fault or wrongdoing, or in any way referred
5 to for any other reason as against any of the Defendants, in any other civil,
6 criminal or administrative action or proceeding, other than such proceedings as
7 may be necessary to effectuate the provisions of this Settlement Agreement;
8 *provided, however,* that if this Settlement Agreement is approved by the Court, the
9 Released Parties may refer to it to effectuate the release of Settled Claims and
10 other liability protections granted them hereunder;

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

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

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

21 Any Party may file this Settlement Agreement and/or the Final Judgment in
22 any action that may be brought to enforce the terms of this Settlement Agreement
23 and/or the Final Judgment, or any action related to rights or claims of Defendants
24 relating to indemnification and/or advancement in connection with this Action.

25 52. All of the Exhibits to this Settlement Agreement are fully incorporated
26 herein by reference as though fully set forth herein.

1 53. The waiver by one Party of any breach of this Settlement Agreement
2 by any other Party shall not be deemed a waiver of any other prior or subsequent
3 breach of this Settlement Agreement.

4 54. This Settlement Agreement, the Exhibits annexed hereto, and the
5 Supplemental Agreement referred to in Paragraph 43 hereto constitute the sole and
6 entire agreement among the Parties, and no representations, warranties,
7 inducements, promises or agreements, oral or otherwise, have been made by or to
8 any Party concerning this Settlement Agreement or its Exhibits or the
9 Supplemental Agreement other than those contained and memorialized in such
10 documents. Any and all prior or contemporaneous discussions, negotiations,
11 agreements, commitments, and understandings related thereto are superseded
12 hereby. Except as otherwise provided herein, each Party shall bear his, her, or its
13 own fees and costs.

14 55. Plaintiffs' Lead Counsel, with approval of Lead Plaintiffs, on behalf
15 of the Class, is expressly authorized by Plaintiffs to take all appropriate action
16 required or permitted to be taken by the Class pursuant to the Settlement
17 Agreement to effectuate its terms and also is expressly authorized to enter into any
18 modifications or amendments to this Settlement Agreement on behalf of the Class
19 that it deems appropriate.

20 56. Each counsel or other Person executing the Settlement Agreement or
21 any related settlement documents on behalf of any Party hereby warrants and
22 represents that such Person has the full authority to do so and that such Person has
23 the authority to take reasonable, necessary and appropriate action required or
24 permitted to be taken pursuant to the Settlement Agreement to effectuate its terms.

25 57. This Settlement Agreement may be executed in one or more
26 counterparts. All executed counterparts and each of them shall be deemed to be
27 one and the same instrument. This Settlement Agreement may be executed by
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1 exchange of faxed or e-mailed (in .pdf format) executed signature pages, and any
2 signature thereby transmitted shall be deemed an original signature for purposes of
3 this Settlement Agreement.

4 58. The Settlement Agreement shall be binding upon, and inure to the
5 benefit of, the heirs, executors, administrators, trustees, parents, successors and
6 assigns of the Parties, including any corporation, trust, partnership or other entity
7 into which any Party heretofore has merged or with which it has been consolidated
8 or hereafter may merge or consolidate.

9 59. The construction, interpretation, operation, effect and validity of this
10 Settlement Agreement and any ancillary documents necessary to effectuate it, shall
11 be governed by and interpreted according to the law of the State of California,
12 without regard to choice or conflicts-of-laws principles, except to the extent that
13 federal law requires that federal law governs. Any dispute relating to this
14 Settlement Agreement shall be brought exclusively in the United States District
15 Court for the Central District of California, and each of the Parties agrees not to
16 contest subject matter jurisdiction, personal jurisdiction or assert that such forum is
17 inconvenient for any such dispute brought in this Court. This is a mandatory
18 forum selection clause.

19 60. The Court shall retain jurisdiction with respect to implementation and
20 enforcement of the terms of this Settlement Agreement, and the administration and
21 consummation of the Settlement embodied therein. All Parties submit to the
22 jurisdiction of the Court for purposes of implementing and enforcing the
23 Settlement embodied in this Settlement Agreement.

24 61. The Parties reserve the right, upon the agreement of all of them and
25 subject to the Court's approval, to make any reasonable extensions of time or
26 modifications to the Exhibits that might be necessary to carry out any of the
27 provisions of this Settlement Agreement.
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1 62. All Parties agree that this Settlement Agreement was drafted by
2 counsel for the Parties in good faith and at arm's length, and that no parol or other
3 evidence may be offered to explain, construe, contradict or clarify its terms, the
4 intent of the Parties or their counsel, or the circumstances under which the
5 Settlement Agreement was made or executed. This Settlement Agreement shall
6 not be construed more strictly against one Party than another merely by virtue of
7 the fact that it, or any part of it, may have been prepared or drafted by counsel for
8 that Party. It is recognized that this Settlement Agreement was the result of arm's
9 length negotiations between counsel for the Parties and that counsel for all Parties
10 contributed substantially and materially to the preparation of this Settlement
11 Agreement.

12 63. This Settlement Agreement shall be effective on its Execution Date,
13 but the terms of the Settlement set forth herein shall become effective only on the
14 Effective Date.

15 64. The captions contained in this Settlement Agreement are inserted only
16 as a matter of convenience and in no way define, limit, extend or describe the
17 scope of this Settlement Agreement or the intent of any provision hereof.

18 65. In the event any one or more of the material provisions contained in
19 this Settlement Agreement shall for any reason be held to be invalid, illegal, or
20 unenforceable in any respect, this Settlement Agreement shall not be binding on a
21 Party without the consent of such Party to the change resulting from such finding
22 or holding.

23 66. By making their application for approval of this Settlement, Plaintiffs'
24 Lead Counsel and Defendants' Counsel shall not be deemed to have waived any
25 attorney-client privilege or other privilege, work product protection or other
26 protection, or immunity, and all information and documents transmitted between
27 Plaintiffs' Lead Counsel and Defendants' Counsel in connection with this
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1 Settlement shall be inadmissible in any proceeding in any federal or state court or
2 other tribunal or otherwise, in accordance with Rule 408 of the Federal Rules of
3 Evidence as if such Rule applied in all respects in any such proceeding or tribunal.

4 67. Pursuant to Paragraph 23 of the *Order Governing the Treatment of*
5 *Confidential Information* entered in this Action: Except as a disclosing party
6 otherwise expressly authorizes in writing, within thirty (30) days after the Effective
7 Date, each Party's counsel shall, at the option of the disclosing party, and subject
8 to commercially reasonable efforts, either (a) return all documents and information
9 designated as confidential, whether produced during discovery or otherwise, in that
10 counsel's possession, custody or control, and all copies, portions, summaries, or
11 abstracts thereof to counsel for the disclosing party or (b) destroy and certify
12 destruction thereof; *provided, however*, that counsel for a Party may retain a file
13 copy of work product created in connection with this Action that includes
14 Confidential Materials, but such work product shall continue to be kept
15 confidential and shall not be shared with any third party including, without
16 limitation, any plaintiff or claimant, or any counsel to any such plaintiff or
17 claimant, in any other action or proceeding against any Defendant. This provision
18 shall not apply to Defendants who have, in connection with other pending,
19 threatened or reasonably expected action(s), obligations not to destroy or dispose
20 of the documents and information produced in this Action, regardless of whether
21 such Defendants may be able to contend in such other action(s) that they are not
22 required to produce the documents and information designated as confidential in
23 this Action; *provided, however*, that such Defendants shall comply with the
24 requirements of this Paragraph 67 within the later of (i) thirty (30) days after Final
25 termination of such other litigation or (ii) such time as the Defendant no longer is
26 aware of any threatened or reasonably expected action(s).

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9 *For purposes of any notice to KPMG LLP:*

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EXHIBIT A

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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] ORDER
GRANTING PRELIMINARY
APPROVAL TO SETTLEMENT
AND DIRECTING
DISSEMINATION OF
NOTICE TO THE CLASS**

Date: August 2, 2010
Time: 11:00 a.m.
Courtroom: 12
Judge: Mariana R. Pfaelzer

1 **PRESENTED TO THE COURT FOR PRELIMINARY APPROVAL IS**
2 **A SETTLEMENT OF ALL REMAINING CLAIMS ASSERTED AGAINST**
3 **ALL DEFENDANTS IN THE ABOVE-CAPTIONED ACTION. THE TERMS**
4 **OF THE SETTLEMENT ARE SET OUT IN AN AMENDED STIPULATION**
5 **AND AGREEMENT OF SETTLEMENT (THE “SETTLEMENT**
6 **AGREEMENT”)** EXECUTED BY COUNSEL FOR THE PARTIES AS OF
7 **JUNE 29, 2010. ALL CAPITALIZED TERMS USED HEREIN HAVE THE**
8 **MEANINGS SET FORTH AND DEFINED IN THE SETTLEMENT**
9 **AGREEMENT.**

10 The Court, upon reviewing the Settlement Agreement, and having held a
11 hearing on _____, 2010, to determine, among other things, whether the
12 Settlement is sufficiently fair, reasonable, and adequate to warrant the issuance of
13 notice of the proposed Settlement to the members of the Class certified by the Court,
14 declares that it is hereby ORDERED, ADJUDGED AND DECREED as follows:

15 1. Jurisdiction. The Court has jurisdiction over the subject matter of this
16 Action and over the Parties.

17 2. Preliminary Findings Concerning Proposed Settlement. The Court
18 preliminarily finds that the proposed Settlement should be approved as: (i) the result
19 of serious, extensive arm’s-length and non-collusive negotiations; (ii) falling within
20 a range of reasonableness warranting final approval; (iii) having no obvious
21 deficiencies; (iv) not improperly granting preferential treatment to the Lead
22 Plaintiffs, additional named Plaintiffs, or segments of the Class; and (v) warranting
23 notice of the proposed Settlement to Class Members and further consideration of the
24 Settlement at the fairness hearing described below.

25 3. Fairness Hearing. A hearing (the “Fairness Hearing”) will be held on
26 _____, 2010 at __: __.m. before the Honorable Mariana R. Pfaelzer
27 in Courtroom 12 of the United States District Court for the Central District of
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1 California, 312 North Spring Street, Los Angeles, California 90012, to determine,
2 among other things, (a) whether the proposed Settlement of the Action on the terms
3 and conditions provided in the Settlement Agreement is fair, reasonable, and
4 adequate and should be approved by the Court; (b) whether the proposed Plan of
5 Allocation of the Net Settlement Fund is fair and reasonable and should be approved
6 by the Court; (c) whether a Final Judgment and Order of Dismissal with Prejudice
7 substantially in the form of Exhibit B to the Settlement Agreement should be
8 entered in this Action; and (d) to consider Plaintiffs' Lead Counsel's application for
9 a Fee and Expense Award. Any papers in support of final approval of the
10 Settlement, approval of the Plan of Allocation, and Plaintiffs' Lead Counsel's
11 application for a Fee and Expense Award shall be filed with the Court no later than
12 thirty-five (35) days before the Fairness Hearing.

13 4. Notice. The Court approves the form, substance, and requirements of
14 the Notice and Summary Notice (together, the "Notices") and the Proof of Claim
15 form annexed to the Settlement Agreement as Exhibits A-1, A-3 and A-2,
16 respectively, and finds that the procedures established for publication, mailing and
17 distribution of the Notices and Proof of Claim substantially in the manner and form
18 set forth in paragraphs 5 and 7 of this Order (a) constitute the best notice to Class
19 members practicable under the circumstances, (b) are reasonably calculated, under
20 the circumstances, to describe the terms and effect of the Settlement Agreement and
21 of the Settlement and to apprise Class Members of their right to object to the
22 proposed Settlement or to exclude themselves from the Class, (c) are reasonable and
23 constitute due, adequate, and sufficient notice to all persons entitled to receive such
24 notice, and (d) satisfy all applicable requirements of the Federal Rules of Civil
25 Procedure (including Rules 23(c) and (d)), the United States Constitution (including
26 the Due Process Clause), the Private Securities Litigation Reform Act of 1995, the
27 Rules of this Court, and any other applicable law.

1 5. Retention of Claims Administrator and Manner of Notice. Plaintiffs’
2 Lead Counsel is hereby authorized to retain Rust Consulting, Inc. (the “Claims
3 Administrator”) to supervise and administer the notice procedure and the processing
4 of claims under the supervision of Plaintiffs’ Lead Counsel as more fully set forth
5 below:

6 (a) Not later than eighteen (18) days after entry of this Order by this
7 Court (the “Notice Date”), the Claims Administrator shall cause the Notice,
8 substantially in the form attached hereto as Attachment 1, along with a Proof
9 of Claim form substantially in the form attached hereto as Attachment 2, to be
10 sent to each Class Member who can be identified by reasonable effort. Such
11 notice shall be sent by first-class mail, postage prepaid, to the Class Member’s
12 last known address. Countrywide shall provide Plaintiffs’ Lead Counsel, in
13 accordance with paragraph 18 of the Settlement Agreement, with the names
14 and last known addresses of the Class Members to the extent such information
15 is within Countrywide’s custody or control.

16 (b) Not later than fourteen (14) days after the Notice Date, the
17 Claims Administrator shall cause the Summary Notice, substantially in the
18 form attached hereto as Attachment 3, to be published on at least one
19 occasion in the *Wall Street Journal*, *USA Today*, and the *Los Angeles Times*,
20 and on *PR Newswire*, a national business-oriented wire service. The
21 Summary Notice need not be published in each of these media on the same
22 day.

23 (c) Not later than thirty-five (35) days before the Fairness Hearing,
24 Plaintiffs’ Lead Counsel shall file with the Court one or more affidavits or
25 declarations showing timely compliance with the foregoing mailing and
26 publication requirements.

27 (d) The Court relieves Plaintiffs’ Lead Counsel *nunc pro tunc* from
28 the notice dissemination requirements in paragraphs 11 and 12 of this Court’s

1 Order Granting in Part and Denying in Part Plaintiffs' Motion for Class
2 Certification and Directing Dissemination of Notice to the Class, dated
3 January 21, 2010.

4 6. CAFA Notice. Not later than ten (10) days after the Settlement
5 Agreement was filed in this Court, Countrywide, on behalf of all Defendants, shall
6 provide the notice of the proposed Settlement to appropriate Federal and State
7 officials required by the Class Action Fairness Act of 2005, 28 U.S.C. § 1715. Not
8 later than thirty-five (35) days before the Fairness Hearing, Countrywide shall file
9 with the Court an affidavit or declaration showing timely compliance with this
10 CAFA Notice directive.

11 7. Nominee Purchasers. Banks, brokerage firms, institutions, and other
12 Persons who are nominees that purchased Countrywide securities for the beneficial
13 interest of other Persons during the Class Period ("Nominee Purchasers") shall,
14 within ten (10) days of receiving the Notice, (a) provide to the Claims Administrator
15 the name and last-known address of each such beneficial owner, or (b) request
16 additional copies of the Notice and Proof of Claim form and, within ten (10) days of
17 receipt, mail the Notice and Proof of Claim form directly to such beneficial owners.
18 Nominee Purchasers following procedure (b) shall promptly send a statement to the
19 Claims Administrator confirming that the mailing was made as directed. The
20 Claims Administrator shall, if requested, and upon receipt of appropriate supporting
21 documentation, reimburse Nominee Purchasers out of the Gross Settlement Fund
22 solely for Nominee Purchasers' reasonable out-of-pocket expenses incurred in
23 sending notice to the beneficial owners who are potential Class Members, which
24 expenses would not have been incurred except for the sending of such notice,
25 subject to further order of this Court with respect to any dispute concerning such
26 reimbursement.

27 8. Submission of Proof of Claim Forms. Any Class Member who wishes
28 to participate in the distributions from the Net Settlement Fund must sign and return

1 a completed Proof of Claim form in accordance with the instructions contained
2 therein and in the Notice. All Proofs of Claim must be submitted by first-class mail,
3 postmarked no later than ninety (90) days after the Fairness Hearing or such other
4 date as may be set by the Court. If a Class Member chooses to return his, her or its
5 Proof of Claim in a manner other than by first-class mail (including electronic
6 submission), then the Proof of Claim must be actually received by the Claims
7 Administrator no later than ninety (90) days after the Fairness Hearing, or such other
8 date as may be set by the Court. Unless otherwise ordered by the Court, any Class
9 Member who does not sign and return a valid Proof of Claim within the time
10 provided shall be barred from sharing in the distribution of the Net Settlement Fund,
11 but shall nonetheless be bound by the Final Judgment and the releases therein.
12 Notwithstanding the foregoing, Plaintiffs' Lead Counsel may, in its sole discretion,
13 accept for processing late claims so long as the distribution of the Net Settlement
14 Fund to Authorized Claimants is not materially delayed.

15 9. Exclusions from the Class. Any potential Class Member who does not
16 timely submit a valid written request for exclusion from the class in accordance with
17 the instructions in the Notice is a Class Member and shall be bound by all of the
18 terms and conditions of the Settlement Agreement, and by all proceedings, rulings,
19 orders, and judgments in this Action regardless of whether such Class Member
20 submits a Proof of Claim form. Requests for exclusion shall clearly indicate the
21 name, mailing address, daytime telephone number, and e-mail address of the Person
22 seeking exclusion; shall indicate the number of shares or units of Countrywide
23 Securities owned as of March 12, 2004 (the first day of the Class Period); shall list
24 the date(s), price(s), and number(s) of shares or units of all purchases and sales of
25 Countrywide Securities during the Class Period and, for options that expired during
26 the Class Period, the cash settlement or delivery amounts (if any); and state clearly
27 that the Person wishes to be excluded from the Class in *In re Countrywide Financial*
28 *Corporation Securities Litigation*, No. CV 07-05295 MRP (MANx) (C.D. Cal.).

1 Requests for exclusion must be submitted by first-class mail, and postmarked no
2 later than twenty-eight (28) days before the Fairness Hearing or such other date as
3 may be set by the Court. If a Class Member chooses to submit his, her, or its
4 exclusion in a manner other than by first-class mail, then it must be actually
5 received at the address set forth in the Notice no later than twenty-eight (28) days
6 before the Fairness Hearing or such other date as may be set by the Court. A request
7 for exclusion shall not be effective unless it provides the required information set
8 forth herein and in the Notice and is made within the time stated herein, or the
9 request for exclusion is otherwise accepted by the Court. Any Class Member who is
10 excluded from the Class shall not be entitled to participate in any distributions from
11 the Net Settlement Fund.

12 10. Objections to Settlement. Any member of the Class who wishes to
13 object to the fairness, reasonableness, or adequacy of the Settlement, to the Plan of
14 Allocation, to any term of the Settlement Agreement, or to the proposed awards of
15 attorneys' fees and expenses, may file an objection. An objector must file with the
16 Court a written statement of his, her or its objection(s), (a) clearly indicating that
17 objector's name, mailing address, daytime telephone number, and e-mail address;
18 (b) stating that the objector is objecting to the proposed Settlement, Plan of
19 Allocation, or awards of attorney's fees and expenses in *In re Countrywide*
20 *Financial Corporation Securities Litigation*, No. CV 07-05295 MRP (MANx) (C.D.
21 Cal.); (c) specifying the reason(s), if any, for each such objection made, including
22 any legal support and/or evidence that such objector wishes to bring to the Court's
23 attention or introduce in support of such objection; and (d) identifying and supplying
24 documentation showing the date(s), price(s), and numbers of shares or units of all
25 purchases and sales of Countrywide Securities by such objector during the Class
26 Period and, for options that expired during the Class Period, the cash settlement or
27 delivery amounts (if any). The objector must also mail the objection and all
28 supporting documentation to Plaintiffs' Lead Counsel, counsel for the Countrywide

1 Defendants, and counsel for Defendant KPMG LLP. The addresses for filing
2 objections with the Court and service on counsel are as follows:

3 *To the Court:*

4 Clerk of the Court
5 United States District Court
6 for the Central District of California
7 United States Courthouse
8 312 North Spring Street
9 Los Angeles, CA 90012

10 *To Plaintiffs' Lead Counsel:*

11 Joel H. Bernstein, Esq.
12 Labaton Sucharow LLP
13 140 Broadway
14 New York, NY 10005

15 *To the Countrywide Defendants:*

16 Brian E. Pastuszewski, Esq.
17 Goodwin Procter LLP
18 Exchange Place
19 53 State Street
20 Boston, MA 02109

21 *To KPMG LLP:*

22 Gwyn Quillen, Esq.
23 Bingham McCutchen LLP
24 The Water Garden
25 Fourth Floor, North Tower
26 1620 26th Street
27 Santa Monica, CA 90404

28 The objector or his, her or its counsel (if any) must effect service of the
objection upon the counsel listed above and file it with the Court so that it is
received no later than twenty-eight (28) days before the Fairness Hearing. A Class
Member may file an objection on his, her or its own or through an attorney hired at
his, her or its own expense. If an objector hires an attorney to represent him, her or
it for the purposes of making such objection pursuant to this paragraph, the attorney
must both effect service of a notice of appearance on the counsel listed above and
file it with the Court no later than twenty-eight (28) days before the Fairness
Hearing. Any member of the Class or other Person who does not timely file and

1 serve a written objection complying with the terms of this paragraph shall be
2 deemed to have waived, and shall be foreclosed from raising, any objection to the
3 Settlement, and any untimely objection shall be barred. Any submissions by the
4 Parties in opposition or response to objections shall be filed with the Court no later
5 than seven (7) days before the Fairness Hearing.

6 11. Appearance at Fairness Hearing. Any objector who files and serves a
7 timely, written objection in accordance with the instructions above and herein, may
8 also appear at the Fairness Hearing either in person or through counsel retained at
9 the objector's expense. Objectors or their attorneys intending to appear at the
10 Fairness Hearing must effect service of a notice of intention to appear, setting forth,
11 among other things, the name, mailing address, daytime telephone number, and e-
12 mail address of the objector (and, if applicable, the name, mailing address, daytime
13 telephone number, and e-mail address of the objector's attorney) on Plaintiffs' Lead
14 Counsel and on counsel for the Countrywide Defendants and KPMG LLP (at the
15 addresses set out above). The objector must also file the notice of intention to
16 appear with the Court no later than twenty-eight (28) days before the Fairness
17 Hearing. Any objector who does not timely file and serve a notice of intention to
18 appear in accordance with this paragraph shall not be permitted to appear at the
19 Fairness Hearing, except for good cause shown.

20 12. Garcia and Gissinger Dismissal. The Court preliminarily finds that the
21 stipulation of dismissal as to defendants Carlos Garcia and Andrew Gissinger III,
22 filed with this Court on March 25, 2010, should be approved. A determination as to
23 whether such dismissal should be finally approved as fair, reasonable and adequate
24 shall be made at the Fairness Hearing described in Paragraph 3 above. Notice to the
25 Class shall note the voluntary dismissal of these two defendants and shall inform
26 Class Members of the hearing on this dismissal.

27 13. Service of Papers. Counsel for the Countrywide Defendants, counsel
28 for KPMG LLP, and Plaintiffs' Lead Counsel shall promptly furnish all Parties with

1 copies of any and all objections and notices of intention to appear that come into
2 their possession.

3 14. Fees and Expenses. All reasonable Notice and Administration
4 Expenses incurred in identifying and notifying Class Members, as well as in
5 administering the Settlement, shall be paid as set forth in the Settlement Agreement.
6 In the event the Settlement is not approved by the Court, or otherwise fails to
7 become effective, neither the Lead Plaintiffs nor Lead Counsel shall have any
8 obligation to repay the reasonable and necessary Notice and Administration
9 Expenses actually incurred as of the date the Settlement is terminated (as such date
10 is determined pursuant to the terms of the Settlement Agreement), up to a maximum
11 of Five Million Dollars (\$5,000,000.00). At or after the Fairness Hearing, the Court
12 shall determine whether the Plan of Allocation and Plaintiffs' Lead Counsel's
13 application for a Fee and Expense Award shall be approved. Neither Defendants
14 nor Defendants' Counsel shall have any responsibility for any Plan of Allocation or
15 any application for a Fee and Expense Award, and such matters will be considered
16 separately from the fairness, reasonableness, and adequacy of the Settlement.

17 15. Bar on Litigating Settled Claims. Pending final determination of
18 whether the Settlement should be approved, the Plaintiffs and all other Class
19 Members, and anyone who acts or purports to act on their behalf, shall not institute,
20 prosecute, participate in, or assist in the institution, prosecution, or assertion of, any
21 Settled Claim against any of the Released Parties.

22 16. Bar Related to Other Litigation. The named Plaintiffs shall not
23 encourage or solicit any other Person in regard to, or in connection with, the making
24 of any demand, the assertion of any liability, or the prosecution or commencement
25 of any lawsuit or other judicial or administrative proceedings against any of the
26 Released Parties relating to Countrywide, any of its affiliates or related entities,
27 and/or securities offered, sold or issued by Countrywide or by any Countrywide-
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1 related entity (including but not limited to mortgage-backed securities issued by
2 CWALT, Inc., CWABS, Inc., CWHEQ, Inc. or CWMBS, Inc.).

3 17. Termination of Settlement. This Order shall become null and void, and
4 shall be without prejudice to the rights of the Parties, all of whom shall be restored
5 to their respective positions existing immediately before this Court entered this
6 Order, if the Settlement is terminated in accordance with the Settlement Agreement.
7 In such event, paragraph 37, 38 or 39 (as the context requires) of the Settlement
8 Agreement shall govern the rights of the Parties.

9 18. Use of Order. This Order shall not be construed or used as an
10 admission, concession, or presumption by or against any of the Released Parties of
11 any fault, wrongdoing, breach, or liability or as a waiver by any Party of any
12 arguments, defenses, or claims he, she, or it may have in the event that the
13 Settlement Agreement is terminated, nor shall it be used in any manner prohibited
14 by paragraph 51 of the Settlement Agreement. In the event this Order becomes of
15 no force or effect, it shall not be construed or used as an admission, concession, or
16 presumption by or against the Released Parties, Plaintiffs or the Class.

17 19. Stay. All proceedings in this Action are stayed until further order of
18 the Court, except as may be necessary to implement the Settlement or comply with
19 the terms of the Settlement Agreement and this Order. This Court retains exclusive
20 jurisdiction over the Action to consider all further matters arising out of or
21 connected with the Settlement.

22 20. Continuance of Hearing. The Court reserves the right to continue or
23 adjourn the Fairness Hearing from time to time without further notice to the Class.
24 The Court may approve the Settlement, with such modifications as may be agreed to
25 by the Parties, if appropriate, without further notice to the Class.

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SO ORDERED this _____ day of _____, 2010.

HON. MARIANA R. PFAELZER
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1

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)

This Document Applies To: All Actions

**NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF CLASS ACTION AND FAIRNESS HEARING**

If, between March 12, 2004 and March 7, 2008, inclusive (the “Class Period”), you purchased or acquired Countrywide Financial Corporation common stock, call options, 6.25% Subordinated Notes Due 5/15/2016, Series A Medium-Term Notes, Series B Medium-Term Notes, certain Series L Medium-Term Notes, certain Series M Medium Term Notes, and/or Countrywide Capital V 7% Capital Securities, or you sold Countrywide put options during the Class Period, and you were damaged thereby, then you may be entitled to receive money from a class action settlement.

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

The purpose of this Notice is to inform you of (a) the pendency of this class action (the “Action”), (b) the proposed settlement of the Action (the “Settlement”), and (c) the hearing to be held by the Court (the “Fairness Hearing”) to consider (i) whether the Settlement should be approved, (ii) the application of Plaintiffs’ Lead Counsel for attorneys’ fees and expenses, and (iii) certain other matters. This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Class.

- The Settlement provides a total recovery of \$624 million in cash for the benefit of the Class described herein.
- The Settlement resolves a lawsuit alleging that Countrywide Financial Corporation (“Countrywide” or the “Company”), certain of its former officers and directors, Countrywide’s outside auditor, KPMG LLP (“KPMG”), and various investment banks that helped bring certain Countrywide securities to market (the “Underwriter Defendants”), misled investors about Countrywide’s lending practices and its financial condition, claims that Countrywide, KPMG, and all other Defendants have denied.
- **Your legal rights will be affected by this Action and this Settlement whether you act or do not act. Please read this Notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A PROOF OF CLAIM FORM	The <u>only</u> way to get a payment.
EXCLUDE YOURSELF	You will get no payment. This is the only option that allows you to ever bring or maintain your own lawsuit against the Defendants and the other Released Parties, or to be part of another lawsuit, concerning the Settled Claims.
OBJECT	Write to the Court about why you do not like the Settlement.
GO TO A HEARING	Ask to speak in Court about the Settlement.
DO NOTHING	You will get no payment, and you will give up rights.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to all Class Members who timely submit a valid proof of claim form, if the Court approves the Settlement and after any appeals are resolved and all proof of claim forms have been reviewed and processed. Please be patient.

SUMMARY NOTICE

Statement of Plaintiff Recovery

Lead Plaintiff Thomas P. DiNapoli, Comptroller of the State of New York, as Administrative Head of the New York State and Local Retirement Systems and as Trustee of the New York State Common Retirement Fund (“NYSCRF”), Lead Plaintiffs 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, and Teachers’ Retirement System of the City of New York (collectively, the “New York City Pension Funds”), and Plaintiff Barry Brahn, on behalf of themselves and the Class (collectively, “Plaintiffs”) have entered into a proposed Settlement with all Defendants that, if approved by the Court, will resolve this Action in its entirety.

A settlement fund of \$624 million in cash, plus interest (“Gross Settlement Fund”), is being established for the benefit of the Class described herein. Countrywide and certain insurers are paying \$600 million in settlement. KPMG is paying \$24 million.

Plaintiffs estimate that the average recovery per damaged share of Countrywide common stock under the Settlement is \$0.40 before deduction of Court-awarded attorneys' fees and expenses. This is based upon Plaintiffs' estimate, as determined by their damages consultant consistent with the Plan of Allocation of the Net Settlement Fund described below, that there were approximately 1.228 billion shares of Countrywide common stock traded during the Class Period that may have been damaged, and the estimated amount of damages to purchasers of common stock as compared with estimated total damages to purchasers of all Countrywide securities that are in the Class. Please note that a damaged share may have been traded more than once during the Class Period, and the indicated average recovery represents the total of such recovery for each such share.

Plaintiffs estimate that the average recovery per damaged share of Countrywide Capital V 7% Capital Securities under the Settlement is \$0.10 before deduction of Court-awarded attorneys' fees and expenses. This is based upon Plaintiffs' estimate, as determined by their damages consultant consistent with the Plan of Allocation, that there were approximately 75.8 million 7% Capital Securities traded during the Class Period that may have been damaged, and the estimated amount of damages to purchasers of 7% Capital Securities as compared with estimated total damages to purchasers of all Countrywide securities that are in the Class. Please note that a damaged 7% Capital Security may have been traded more than once during the Class Period, and the indicated average recovery represents the total of such recovery for each such security.

The average recoveries per share of damaged common stock and 7% Capital Securities also assume that **all** Class Members who purchased such securities timely submit valid claims seeking a payment from the Net Settlement Fund. The number of Class Members who submit claims varies widely from case to case, and historically is less than 100%. If not all Class Members submit claims, your actual recovery could be more than the estimated average amount. Additionally, a Class Member's actual recovery will be determined by the Plan of Allocation of the Net Settlement Fund described below, and will depend upon, among other things, when during the Class Period a Class Member purchased Countrywide securities, and whether those securities were held at the end of the Class Period or sold during the Class Period, and, if sold, when they were sold. The average per-share recovery may be further reduced by amounts that, under the Plan of Allocation, may be claimed by purchasers of the publicly traded Countrywide debt and option securities that are part of this case. Under one or more of these factors, individual Class Members could receive more or less than the estimated average per-share amounts.

Statement of Potential Outcome of Case

The parties vigorously disagree about both liability and damages and do not agree on the average amount of damages per share, 7% Capital Security (preferred share), option or bond that would be recoverable if Plaintiffs were to prevail on each claim asserted against Defendants.

Plaintiffs estimate, based on the opinions and analyses of their experts, that the average amount of damages per share of Countrywide common stock that would be recoverable if Plaintiffs prevailed on each claim asserted is \$3.56 before deduction of Court-awarded attorneys' fees and expenses. Please note that a damaged share of common stock may have been traded more than

once during the Class Period, and the indicated average damages represents the total of such recovery for each such share.

Plaintiffs estimate, based on the opinions and analyses of their experts, that the average amount of damages per share of Countrywide Capital V 7% Capital Securities that would be recoverable if Plaintiffs prevailed on each claim asserted is \$0.88 before deduction of Court-awarded attorneys' fees and expenses. Please note that a damaged 7% Capital Security may have been traded more than once during the Class Period, and the indicated average damages represents the total of such recovery for each such security.

Defendants state, based on the opinions and analyses of their experts, that aggregate class recovery—and therefore average amount of damages per share of Countrywide common stock and Countrywide Capital V 7% Capital Securities that would be recoverable if Plaintiffs prevailed on each claim asserted—would be zero.

The issues on which the parties disagree include: (a) whether the statements made or facts allegedly omitted were materially false or misleading, or otherwise actionable under the federal securities laws; (b) whether Countrywide accounted for the value of certain assets and reserved for certain potential losses in accordance with generally accepted accounting principles (GAAP); (c) whether any allegedly materially false or misleading statements made by Defendants subject to securities fraud claims were made with the requisite level of intent or recklessness; (d) the amounts by which Countrywide common stock, options, preferred shares, and bonds were allegedly artificially inflated (if at all) during the Class Period; (e) the appropriate economic models for determining the amounts by which Countrywide common stock, options, preferred shares, and bonds were allegedly artificially inflated (if at all) during the Class Period; (f) the effect of various market forces that influenced the trading prices of Countrywide common stock, options, preferred shares, and bonds during the Class Period, including but not limited to the precipitous drop in national home prices that began in 2007 (the first sustained national decline in home prices since the Great Depression); (g) the extent to which external factors, such as general market, economic and industry conditions, or unusual levels of volatility, influenced the trading prices of Countrywide common stock, options, preferred shares, and bonds at various times during the Class Period; (h) the extent to which the various matters that Plaintiffs alleged were materially false or misleading influenced (if at all) the trading prices of Countrywide common stock, options, preferred shares, and bonds during the Class Period; (i) the extent to which the alleged concealment of various allegedly adverse material facts influenced (if at all) the trading prices of Countrywide common stock, options, preferred shares, and bonds during the Class Period; (j) whether and to what extent the various allegedly adverse material facts that Plaintiffs alleged were concealed actually were publicly disclosed in Securities and Exchange Commission ("SEC") filings, quarterly investor calls, popular news media, or otherwise; (k) whether and to what extent Countrywide disclosed allegedly concealed information at investor forums held pursuant to SEC Regulation FD and attended by securities analysts and institutional investors; (l) whether a Class should have been certified; (m) whether certain Countrywide bonds traded in an efficient market during the Class Period, entitling Plaintiffs to a presumption of reliance; (n) whether KPMG recklessly failed to conduct its audits of Countrywide's annual financial statements in accordance with generally accepted auditing standards (GAAS); (o) whether Defendant Angelo R. Mozilo, Countrywide's former Chairman of the Board of Directors and Chief Executive Officer, sold shares of Countrywide common stock while in

possession of material undisclosed facts; (p) whether the Underwriter Defendants (defined below) conducted appropriate due diligence in connection with the relevant offerings of Countrywide securities; and (q) whether Defendant Kurland and the Individual Defendants who are non-management members of Countrywide's Board of Directors acted diligently and with good faith in discharging their responsibilities.

All Defendants deny that they are liable to the Plaintiffs or the Class and deny that the Plaintiffs or the Class have suffered any recoverable damages relating to their investments in Countrywide securities.

Statement of Attorneys' Fees and Costs Sought

Plaintiffs' Lead Counsel will make an application to the Court for an award of attorneys' fees from the Gross Settlement Fund in connection with this Settlement. It is expected that the application will seek the sum of approximately \$47,346,000.00, which constitutes approximately 7.59% of the Gross Settlement Fund, plus interest earned at the same rate as the Gross Settlement Fund. As explained below, the precise amount of attorneys' fees sought will vary depending upon the precise amount of out-of-pocket costs and expenses that are reimbursed to Plaintiffs' Lead Counsel and the precise amount of notice and administration costs that ultimately are paid out of the Gross Settlement Fund and approved by the Court. These costs and expenses are taken into consideration in determining the fee that Plaintiffs' Lead Counsel is authorized to seek. Plaintiffs' Lead Counsel will also apply for reimbursement of out-of-pocket costs and expenses incurred in prosecuting the Class's claims, including the fees of Lead Plaintiffs' damages, accounting, mortgage lending, and other experts and consultants, in the estimated total amount of \$8,750,000.00, plus interest earned at the same rate as the Gross Settlement Fund.

These requested fees and expenses combined (\$56,096,000.00) would amount to an average of approximately \$0.04 per damaged share of Countrywide common stock in total, based upon Plaintiffs' estimate, as determined by their damages consultant consistent with the Plan of Allocation, that there were approximately 1.228 billion shares of Countrywide common stock traded during the Class Period that may have been damaged, and the estimated amount of damages to purchasers of common stock as compared with estimated total damages to purchasers of all Countrywide securities that are in the Class. These requested fees and expenses combined would amount to an average of approximately \$0.009 (nine-tenths of one cent) per damaged share of Countrywide Capital V 7% Capital Securities in total, based upon Plaintiffs' estimate, as determined by their damages consultant consistent with the Plan of Allocation, that there were approximately 75.8 million 7% Capital Securities traded during the Class Period that may have been damaged, and the estimated amount of damages to purchasers of 7% Capital Securities as compared with estimated total damages to purchasers of all Countrywide securities that are in the Class.

The attorneys representing Plaintiffs and the Class have expended considerable time and effort in prosecuting this litigation on a contingent-fee basis, and have advanced all of the expenses of the litigation, totaling millions of dollars, with the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery. In this type of litigation, it is customary for Plaintiffs' counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

The attorneys' fee to be requested is consistent with agreements entered into between Plaintiffs' Lead Counsel and NYSCRF and the New York City Pension Funds and is below the total time charges Plaintiffs' Lead Counsel alone accumulated in this Action. Under the terms of these agreements, the attorneys' fee Plaintiffs' Lead Counsel will seek is dependent in part upon, and limited to a defined degree by, the out-of-pocket costs and expenses awarded by the Court and the notice and administration costs paid out of the Gross Settlement Fund. The requested fee estimate of \$47,346,000 assumes that the reimbursed out-of-pocket costs and expenses and approved notice and administration costs, taken together, will total \$15.35 million. In the event that reimbursed out-of-pocket costs and expenses and approved notice and administration costs, taken together, are less than the estimated \$15.35 million amount, Plaintiffs' Lead Counsel will be permitted to seek a proportionately higher fee, at a ratio of \$40 in fees for each \$1,000 of expenses or notice and administration costs. Conversely, in the event that reimbursed out-of-pocket costs and expenses and approved notice and administration costs exceed the estimated amount, the fee sought by Plaintiffs' Lead Counsel will be reduced by \$40 for each \$1,000 in expenses or notice and administration costs.

Identification of Attorneys' Representatives

Plaintiffs' Lead Counsel is available to answer questions concerning all matters contained in this Notice: Joel H. Bernstein, Esq., Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, 800-321-0476 (toll-free), e-mail: info@CountrywideSecuritiesClassAction.com.

Reasons for the Settlement

Plaintiffs and Plaintiffs' Lead Counsel, who have extensive experience in securities class action litigation, agreed to the Settlement after considering, among other things: (a) the substantial cash benefits to Class Members of the Settlement; (b) the uncertainty of being able to prove the allegations in the Complaint; (c) the inherent problems of proof and possible defenses to the federal securities law claims asserted against Defendants; (d) the risk that the Court may grant, in whole or in part, some or all of the numerous motions for summary judgment filed by Defendants; (e) the uncertainty, even if Plaintiffs were to establish liability at trial against all Defendants, inherent in the Parties' various and competing theories of macroeconomic and microeconomic loss causation and damages; (f) Defendants' likely positions, expressed during the pendency of the litigation and also in connection with settlement negotiations, concerning the various liability, causation, and damages issues; (g) certain views expressed during the settlement negotiations by a sitting federal judge, whom the Court appointed to serve as Settlement Judge in this matter, and a private mediator engaged by the parties; (h) the attendant risks of litigation, especially in complex actions such as this, as well as the difficulties and delays inherent in such litigation (including any appeals); (i) the desirability of consummating this Settlement Agreement in order to provide certain and effective relief to Class Members at this juncture of the Action and without further delay; and (j) Plaintiffs' and Plaintiffs' Lead Counsel's belief that the Settlement is fair, reasonable, and adequate and in the best interests of all Class Members.

For Defendants, who deny all allegations of wrongdoing or liability whatsoever, the principal reasons for entering into the Settlement are to bring to an end the substantial expenses, burdens, risks, and uncertainties associated with continued litigation of this Action; to finally put to rest those claims and the underlying matters; and to avoid further expense and disruption to the management and operation of the corporate Defendants’ businesses due to the prosecution and defense of this Action.

[END OF COVER PAGE]

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BASIC INFORMATION

- | |
|---------------------------------------|
| 1. Why did I get this notice package? |
|---------------------------------------|

The Court authorized this Notice to be sent to you because you or someone in your family, between March 12, 2004 and March 7, 2008, inclusive, may have purchased or otherwise acquired Countrywide Financial Corporation common stock, call options, 6.25% Subordinated

Notes Due May 15, 2016, Series A Medium-Term Notes, Series B Medium-Term Notes, certain Series L Medium-Term Notes, certain Series M Medium-Term Notes and/or Countrywide Capital V 7% Capital Securities, or sold Countrywide put options.

If this description applies to you or someone in your family, you have a right to know about the proposed Settlement of this class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

This Notice explains the lawsuit, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this Action is the United States District Court for the Central District of California, in Los Angeles, California, and the case is known as *In re Countrywide Financial Corporation Securities Litigation*, No. CV 07-05295 MRP (MANx) (C.D. Cal.). The Action is assigned to and overseen by the Honorable Mariana R. Pfaelzer, United States District Judge.

The institutions and individual that are suing, namely NYSCRF, the New York City Pension Funds, and Barry Brahn, are called Plaintiffs. The companies and persons being sued, namely Countrywide Financial Corporation; Countrywide Securities Corporation, a broker-dealer; Countrywide Capital V, an entity formed for the purpose of issuing certain preferred securities; certain of Countrywide's former officers and directors (the "Individual Defendants" listed below); KPMG, Countrywide's outside auditing firm; and various investment banks that underwrote offerings of Countrywide securities (the "Underwriter Defendants" listed below), are called the Defendants.

The Individual Defendants are Angelo R. Mozilo, Countrywide's founder and former Chief Executive Officer and Chairman of the Board ("Mozilo"); David Sambol, former President and Chief Executive Officer of Countrywide Home Loans, Inc., the Company's principal home loan business ("Sambol"); Eric P. Sieracki, former Chief Financial Officer ("Sieracki"); Stanford L. Kurland, former President ("Kurland"); and Kathleen Brown, Henry G. Cisneros, Jeffrey M. Cunningham, Robert J. Donato, Michael E. Dougherty, Ben M. Enis, Edwin Heller, Gwendolyn Stewart King, Martin R. Melone, Robert T. Parry, Oscar P. Robertson, Keith P. Russell, and Harley W. Snyder, all of whom were non-management members of Countrywide's Board of Directors during the Class Period.

Additionally, while the litigation was ongoing and before entering into the Settlement, Plaintiffs agreed to dismiss the claims asserted against Thomas K. McLaughlin, a former Chief Financial Officer ("McLaughlin"); Carlos M. Garcia ("Garcia"), a senior executive of Countrywide Bank; and Andrew Gissinger III ("Gissinger"), a senior executive of Countrywide Home Loans.

The Underwriter Defendants are ABN AMRO Incorporated, A.G. Edwards & Sons, Inc., Banc of America Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp.; Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Goldman, Sachs & Co., Greenwich Capital Markets, Inc. (now RBS Securities, Inc.), HSBC Securities (USA) Inc., J.P. Morgan Securities

Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, RBC Dain Rauscher Inc., UBS Securities LLC, and Wachovia Capital Markets, LLC.

Additionally, while the litigation was ongoing and before entering into the Settlement, Plaintiffs agreed to suspend the claims asserted against BNY Capital Markets, LLC, Dresdner Kleinwort Securities LLC, RBC Capital Markets Corp., RBC Dominion Securities Inc., Scotia Capital Inc., SG Americas Securities LLC, TD Securities Inc., and Wachovia Securities Inc. because all of the Countrywide bonds for which they acted as underwriters had matured and were paid in full, and thus it was unlikely that these eight Underwriter Defendants would owe significant damages to Plaintiffs assuming a finding of liability.

Finally, Plaintiffs' claims against Lehman Brothers Inc. were automatically stayed under the federal bankruptcy laws when Lehman Brothers filed for bankruptcy protection in September 2008.

2. What is this lawsuit about?

Countrywide, headquartered in Calabasas, California, was one of the nation's largest mortgage and home equity lenders.

Plaintiffs allege generally that Defendants violated the federal securities laws by making false and misleading statements concerning Countrywide's loan origination and underwriting practices, and the creditworthiness of its borrowers and riskiness of its loans. Plaintiffs also allege, among other things, that Countrywide's financial statements during the Class Period were false and misleading and presented in violation of generally accepted accounting principles (GAAP) by overvaluing the Company's retained interests in securitized loans and its mortgage servicing rights, while under-reserving for losses on loans held on the Company's books and in connection with loans sold onto the secondary mortgage market.

Plaintiffs assert that Defendants Countrywide, Mozilo, Sambol, Sieracki, and KPMG allegedly made false and misleading statements intentionally or recklessly, subjecting them to potential liability under the Securities Exchange Act of 1934 (the "Exchange Act"). Defendants Mozilo, Sieracki, Kurland, and the Individual Defendants who were non-management members of the Board of Directors allegedly signed some or all (depending on the Defendant) of the offering documents for Countrywide's offerings of Series A Medium-Term Notes, Series B Medium-Term Notes, 6.25% Subordinated Notes Due May 15, 2016, and Countrywide Capital V 7% Capital Securities. These offering documents incorporated by reference certain reports filed with the SEC that were allegedly false and misleading, subjecting these Defendants to potential liability under the Securities Act of 1933 (the "Securities Act"). KPMG consented to the inclusion of certain of its audit opinions in certain of these offering documents, subjecting KPMG to potential liability under the Securities Act. Finally, the Underwriter Defendants and Defendant Countrywide Securities Corporation served as underwriters for such offerings of debt and preferred securities, subjecting these Defendants as well to potential liability under the Securities Act.

The Action seeks money damages against Defendants for violations of Sections 10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R. § 240.10b-5, and Sections 11, 12(a)(2) and 15 of the Securities Act, 15 U.S.C. §§ 77k, 77l(a)(2), and 77o. The Action also seeks disgorgement of profits that Defendant Mozilo allegedly received from selling Countrywide common stock while allegedly in possession of material adverse information, in violation of Section 20A of the Exchange Act, 15 U.S.C. § 78t-1. The Defendants all vigorously deny the allegations of wrongdoing or any liability whatsoever. The Court has made no decision regarding the merits of the claims.

3. Why is this a class action?

In a class action, one or more persons or entities (in this case, NYSCRF, the New York City Pension Funds, and Barry Brahn), sue on behalf of people who have similar claims. All these people are a Class, and each is a Class Member. Bringing a case, such as this one, as a class action allows the adjudication of many similar claims of persons and entities that might be economically too small to bring as individual actions. One court resolves the issues for all Class Members at the same time, except for those who exclude themselves from the Class.

4. Why is there a settlement?

This Action was commenced on August 14, 2007 by the filing of the *Pappas* class action complaint alleging violations of the federal securities laws. Between August 31, 2007 and January 25, 2008, six additional securities class action complaints, titled *Norfolk County Retirement System, McBride, Saratoga Advantage Trust, Brahn, Steele, and New York City Employees' Retirement System*, were filed and subsequently consolidated into this Action.

On November 28, 2007, the Court issued an Order Consolidating Cases and Appointing Lead Plaintiff and Lead Counsel. The Court consolidated the *Norfolk County Retirement System, McBride, Saratoga Advantage Trust, and Brahn* complaints into this Action. Further, pursuant to provisions of the Private Securities Litigation Reform Act of 1995, the Court appointed NYSCRF and the New York City Pension Funds as Lead Plaintiffs in this Action on behalf of purchasers of Countrywide publicly traded securities, and approved their selection of Labaton Sucharow LLP to serve as Lead Counsel.

On March 28, 2008, the Court issued an Order consolidating the *New York City Employees' Retirement System* and *Steele* complaints into this Action.

On April 11, 2008, following a confidential investigation that included interviews of many former Countrywide employees and analysis of certain nonpublic Countrywide documents, Lead Plaintiffs filed a 416-page Consolidated Amended Class Action Complaint for Violations of the Federal Securities Laws (the "CAC"), naming Barry Brahn and another individual investor as additional plaintiffs and asserting claims against the Defendants specified above and certain additional defendants.

On June 10, 2008, all Defendants named in the CAC moved to dismiss or joined the other Defendants' motions. Plaintiffs filed opposition submissions on August 11, 2008, and Defendants filed reply submissions on September 30, 2008. The Court held a four-hour hearing on the motions to dismiss on October 20, 2008.

On December 1, 2008, the Court issued a 112-page Omnibus Order on Defendants' Motions to Dismiss the Consolidated Amended Complaint and All Pending Requests for Judicial Notice. The Court denied Defendants' motions to dismiss in part, dismissed certain allegations and claims (including all claims against Defendant Grant Thornton LLP) with prejudice, and granted Plaintiffs leave to amend with respect to (a) alleged violations of GAAP with respect to certain Countrywide quarterly and annual financial statements; (b) scienter as to Defendant KPMG with respect to its audits certifying certain year-end Countrywide financial statements; (c) the reasonableness as a matter of law of the Underwriter Defendants' reliance on certain Countrywide financial statements in acting as underwriters for offerings of Countrywide securities; (d) loss causation with respect to the Exchange Act claims asserted against Defendant Kurland; and (e) pleading of claims under Section 12(a)(2) of the Securities Act to allege that Plaintiffs purchased securities directly from or traceable to specific Underwriter Defendants.

On January 6, 2009, Plaintiffs filed a 415-page Second Consolidated Amended Class Action Complaint for Violations of the Federal Securities Laws (the "Complaint").

On February 6, 2009, all Defendants named in the Complaint moved to dismiss or joined the other Defendants' motions. Plaintiffs filed a memorandum of law in opposition on March 9, 2009, and Defendants filed reply submissions on March 26, 2009.

On April 6, 2009, the Court issued an Omnibus Order on Motions Related to the Second Amended Complaint and the Unopposed Motion to Correct the Order of December 1, 2008. The Court dismissed the Exchange Act claims against Defendant Kurland, dismissed the Section 20A claim against Defendant Sambol, dismissed the Section 20A claim against Defendant Mozilo in part, dismissed the Securities Act claims against Defendant McLaughlin in significant part, and otherwise denied the motions to dismiss.

On April 29, 2009, the Defendants named in the Complaint filed Answers, denying the substantive allegations.

On December 9, 2009, after the completion of extensive fact and expert discovery on various class certification issues and briefing and argument on Plaintiffs' motion for class certification, the Court issued an 80-page Memorandum of Decision granting in part and denying in part the motion.

On January 21, 2010, further to this Memorandum of Decision, the Court issued an Order certifying the Class defined in Section 5 below, appointing NYSCRF as class representative for the Common Stock Subclass, appointing the New York City Pension Funds as class representative for the Debt Securities Subclass, and appointing Plaintiff Brahn as class representative for the Capital Securities Subclass, all as defined in Section 5 below.

On March 26, 2010, after fact discovery was essentially completed, Defendants filed 11 separate motions for summary judgment. Despite the risks these motions posed to Plaintiffs' claims and their ability to proceed to trial, the Parties agreed to enter into this Settlement shortly thereafter.

Between April 2009 and March 2010, the Parties engaged in extensive pretrial discovery and analyzed the facts, claims and defenses in this Action. Countrywide, KPMG, the Underwriter Defendants, and the Individual Defendants produced to Plaintiffs more than 25 million pages of documents and voluminous additional data in electronic form. Lead Plaintiffs produced more than 245,000 pages of documents and voluminous additional data in electronic form. Third-party witnesses also produced substantial volumes of documents and data. The Parties have taken the depositions of 80 fact and expert witnesses that proceeded in more than 20 cities. The Parties also commenced expert discovery, and on March 24 and 31, 2010, collectively exchanged the reports of 20 testifying expert witnesses on various liability, causation and damages issues.

Settlement discussions were extensive and protracted:

- On May 21, 2009, certain Parties and Bank of America participated in preliminary settlement discussions facilitated by Professor Eric D. Green of Boston University, a private mediator engaged by the Parties.
- On September 24, 2009, the Parties participated in further settlement discussions facilitated by Professor Green.

- On October 13, 2009, the Parties participated in further settlement discussions on all liability, damages, and causation issues, facilitated by Professor Green.
- On March 4, 2010, certain Parties participated in continued settlement discussions facilitated by Professor Green.
- From March 31 to April 2, 2010, the Parties participated in a final two-and-a-half days of arm's-length settlement negotiations on all issues facilitated by the Honorable A. Howard Matz, a sitting judge of the U.S. District Court for the Central District of California, and Professor Green.

Thus, the Court did not finally decide in favor of Plaintiffs or Defendants, who continue to deny liability. Instead, both sides formally agreed to a settlement. By settling, the parties avoid the risks, uncertainty and additional costs of a trial, and the affected Class Members may receive compensation. Lead Plaintiffs and Plaintiffs' Lead Counsel, and Plaintiff Barry Brahn and all Plaintiffs' Counsel, think the Settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

To see if you may get money from this Settlement, you first have to determine whether you are a Class Member.

5. How do I know if I am part of the Settlement?
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The Court decided that everyone who fits this description is a Class Member:

All persons or entities that, between March 12, 2004 and March 7, 2008, inclusive (the "Class Period"), either in the open market or pursuant or traceable to a registration statement:

(i) Purchased or otherwise acquired Countrywide Financial Corporation ("Countrywide") publicly traded common stock¹ or call options, and/or sold Countrywide publicly traded put options² (the "Common Stock Subclass");
or

(ii) Purchased or otherwise acquired Countrywide Capital V 7% Capital Securities³ (the "Capital Securities Subclass"); or

(iii) Purchased or otherwise acquired Countrywide Series A Medium-Term Notes,⁴ Series B Medium-Term Notes,⁵ 6.25% Subordinated Notes Due May

¹ The common stock has CUSIP No. 222372104.

² See Exhibit A at the back of this Notice for a list of call and put options that allegedly are potentially damaged.

³ The 7% Capital Security has CUSIP No. 222388209.

⁴ See Exhibit B at the back of this Notice for a list of Series A Medium-Term Notes that allegedly are potentially damaged.

15, 2016,⁶ Series L Medium-Term Notes (limited to CUSIP Nos. 22237LNR9 and 22237LPA4), and/or Series M Medium-Term Notes (limited to CUSIP No. 22237LPM8) (the “Debt Securities Subclass”);

and were damaged thereby (these subclasses are collectively referred to as the “Class”).

The Court appointed Lead Plaintiff NYSCRF as the class representative for the Common Stock Subclass, Plaintiff Barry Brahn as the class representative for the Capital Securities Subclass, and Lead Plaintiff New York City Pension Funds as the class representative for the Debt Securities Subclass.

If you are part of the Class, you are a Class Member and part of the Settlement unless one of the exceptions described in the answer to question 6 below apply to you.

6. Are there exceptions to being included?
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Yes. You are not a Class Member if you are a Defendant in this Action; a member of the immediate family of any of the Individual Defendants; an entity in which any Underwriter Defendant has a majority interest; an entity in which any other Defendant has a majority or controlling interest; a person who was an officer, director, partner, or controlling person of Countrywide (including any officer, director, partner or controlling person of any of its subsidiaries or any other entity in which Countrywide has a majority or controlling interest) or any other Defendant during the Class Period; a person whose purchases of Countrywide stock, during the Class Period, were made solely to cover short positions (a.k.a. “short sellers”); a person or entity that purchased or otherwise acquired or sold the Countrywide securities above and was not damaged thereby; or a legal representative, heir, successor or assign of any such excluded person or entity.

Additionally, anyone who submits a valid and timely request for exclusion from the Class, in accordance with the procedures set forth in question 13, is not considered a Class Member and cannot participate in the Settlement.

If one of your mutual funds purchased Countrywide common stock or bonds during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you **directly** purchased Countrywide securities (or **directly** sold Countrywide put options) during the Class Period. Check your investment records or contact your broker to see if you purchased Countrywide securities or sold put options during the Class Period.

If you **sold** Countrywide securities (other than put options) during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you **purchased** or otherwise acquired Countrywide securities (or **sold** put options) during the Class Period.

⁵ See Exhibit B at the back of this Notice for a list of Series B Medium-Term Notes that allegedly are potentially damaged.

⁶ The 6.25% Subordinated Notes Due 5/15/2016 has CUSIP No. 222372AJ3.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included in the Settlement, you can ask for free help. You can call 877-465-4142 toll-free, send an e-mail to info@CountrywideSecuritiesClassAction.com, or write to Countrywide Financial Corporation Securities Litigation, c/o Rust Consulting, Inc., P.O. Box 2284, Faribault, MN 55021-2419. Or you can fill out and return the Proof of Claim form described in question 10 to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the Settlement provide?

In exchange for the Settlement and dismissal of the action, the Defendants have agreed to create a Six Hundred Twenty-Four Million Dollar (\$624,000,000.00) settlement fund to be distributed, after various Court-approved fees and expenses, among all Class Members who send in a valid Proof of Claim form and are entitled to a distribution from the Net Settlement Fund (“Authorized Claimants”).

Countrywide and certain of its insurance carriers are paying \$600 million in settlement, and KPMG is paying \$24 million in settlement.

9. How much will my payment be?

If you are an Authorized Claimant entitled to a payment, your share of the settlement fund will depend on how many Class Members timely send in valid Proof of Claim forms, the total Recognized Claims represented by those valid Proof of Claim forms that Class Members send in, how many shares of Countrywide common stock or other Countrywide securities you bought, how much you paid for them, and when you bought and whether or when you sold them, and if so for how much you sold them.

You can calculate your Recognized Claim in accordance with the formulas shown below in the Plan of Allocation of the Net Settlement Fund. It is unlikely that you will get a payment for all of your Recognized Claim. After all Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Claim divided by the total of everyone’s Recognized Claims. See the Plan of Allocation of Net Settlement Fund on pages ___ for more information on your Recognized Claim.

HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM FORM

10. How can I get a payment?

To qualify for a payment, you must send in a timely and valid Proof of Claim form. A Proof of Claim form is included with this Notice. If you did not receive a Proof of Claim form, you can

get one on the Internet at www.CountrywideSecuritiesClassAction.com or www.labatton.com. You can also ask for a Proof of Claim form by calling 877-465-4142 toll-free, sending an e-mail to info@CountrywideSecuritiesClassAction.com, or writing to Countrywide Financial Corporation Securities Litigation, c/o Rust Consulting, Inc., P.O. Box 2284, Faribault, MN 55021-2419.

Read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it to the P.O. Box address on the form by first-class mail, postmarked **no later than** _____, **2010**.

11. When will I get my payment?

The Court will hold a hearing on _____, **2010** to decide whether to approve the Settlement. If the Court approves the Settlement after that, there may be appeals. It is always uncertain how these appeals will be resolved, and resolving them can take a long time, perhaps more than a year. It also takes a long time, often as much as a year, for all of the Proofs of Claim to be accurately reviewed and processed. Please be patient.

12. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that, upon the “Effective Date,” you will release all “Settled Claims” (as defined below) against the “Released Parties” (as defined below).

“Settled Claims” means any and all claims, debts, demands, disputes, rights, causes of action, suits, matters, damages, or liabilities of any kind, nature, and character whatsoever (including but not limited to any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any and all other costs, expenses or liabilities whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature (collectively, “Claims”), including both known Claims and Unknown Claims (as defined herein), against any of the Released Parties (i) that were asserted or could have been asserted in the Action, (ii) that would have been barred by *res judicata* had the Action been fully litigated to a final judgment, or (iii) that could have been, or could in the future be, asserted in any forum or proceeding or otherwise by any Class Member against any of the Released Parties (a) that concern, arise out of, refer to, are based upon, or are related in any way to, any of the subject matter, allegations, transactions, facts, matters, occurrences, representations, statements, or omissions alleged, involved, set forth, or referred to in the Complaint; and (b) that relate to the purchase, sale, acquisition or holding of the Countrywide Securities, and, as to Plaintiffs, that relate to the purchase, sale, acquisition or holding of any security issued by Countrywide or any Countrywide-related entity (including but not limited to mortgage-backed securities issued by CWALT, Inc., CWABS, Inc., CWHEQ, Inc. or CWMB, Inc.), whether such Countrywide-related entity is a corporation, partnership, limited liability company, trust, or other entity, and whether or not such securities are Countrywide Securities; *provided, however*, that the term “Settled Claims” shall not include the following: (1) claims to

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

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

“Released Parties” means (a) any and all of the Defendants and any person, partnership, firm, corporation, limited liability company, trust or other entity or organization in which any Defendant has a controlling interest or which is or was related to or affiliated with any of the Defendants; and (b) with respect to each of the Persons in subsection (a), their respective past or present directors, officers, employees, insurers, reinsurers, attorneys, agents, partners, principals, advisors, investment advisors, auditors, accountants, trustees, underwriters, investment bankers, subsidiaries, parents (including without limitation Bank of America Corporation and each of its subsidiaries), any other entity in which any such parent has a controlling interest or which is or was related to or affiliated with any such parent, successors and predecessors, heirs, Immediate Family, and anyone acting or purporting to act for or on behalf of any of them or their successors.

“Unknown Claims” means any and all Settled Claims that any Lead Plaintiff or Class Member does not know or suspect to exist in his, her or its favor as of the Effective Date that, if known by him, her or it, might have affected his, her or its decision(s) with respect to the Settlement, or might have affected such party’s decision not to object to this settlement. With respect to any and all Settled Claims, upon the Effective Date, the Lead Plaintiffs shall expressly waive, and each Class Member shall be deemed to have waived, and by operation of this Final Judgment shall have expressly waived, the provisions, rights and benefits of California Civil Code § 1542, and of any U.S. federal or state law, or principle of common law or otherwise, that is similar, comparable, or equivalent to Section 1542 of the California Civil Code, which provides, in relevant part:

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 Lead Plaintiffs and other Class Members or certain of them may hereafter discover facts in addition to or different from those which such party now knows or believes to be true with

respect to the subject matter of the Settled Claims, but the Lead Plaintiffs and the Class Members, upon the Effective Date, by operation of the Final Judgment shall have, fully, finally, and forever settled and released, any and all Settled Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that 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, claims relating to conduct that is negligent, reckless, 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. Lead Plaintiffs and Defendants acknowledge, and the Class Members shall be deemed by operation of the Final Judgment to have acknowledged, that the foregoing waiver was separately bargained for and was a key element of the Settlement.

The “Effective Date” will occur when an Order entered by the Court approving the Settlement becomes final and not subject to appeal.

If you remain a member of the Class, all of the Court’s orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

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 the Defendants and the other Released Parties, on your own, concerning the Settled Claims, then you must take steps to exclude yourself. This is called excluding yourself or “opting out” of the Class.

13. How do I exclude myself from the proposed Settlement?

To exclude yourself from the Class, you must mail a signed letter stating that you “request exclusion from the Class in *In re Countrywide Financial Corporation Securities Litigation*, No. CV 07-05295 MRP (MANx) (C.D. Cal.)” You cannot exclude yourself by telephone or e-mail. Your letter must state the number of shares or units of Countrywide securities that are part of the Class and that you owned as of March 12, 2004 (the first day of the Class Period), and the date(s), price(s), and number(s) of shares or units of all of your purchases and sales of Countrywide securities during the Class Period (*i.e.*, all transactions in common stock, bonds that are in the Class, 7% Capital Securities, and call and put options). For options that expired during the Class Period, you must state the cash settlement or delivery amounts (if any). Your letter must include your name, mailing address, daytime telephone number, e-mail address, and your signature. You must mail your exclusion request by first-class mail, postmarked **no later than** _____, **2010** to:

Countrywide Financial Corporation Securities Litigation
c/o Rust Consulting, Inc.
P.O. Box 2284
Faribault, MN 55021-2419

If you ask to be excluded, you will not get any Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) the Defendants and the other Released Parties in the future.

14. If I do not exclude myself, can I sue the Defendants and the other Released Parties for the same thing later?

No. Unless you properly exclude yourself, you give up any rights to sue the Defendants and the other Released Parties for any and all Settled Claims. **If you do not exclude yourself, you will not be entitled to receive any recovery in any other action against any of the Released Parties based on or arising out of the Settled Claims.** If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from **this** Class to continue your own lawsuit. Remember, the exclusion deadline is _____, **2010.**

15. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, do not send in a Proof of 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 Defendants and the other Released Parties.

It is Lead Plaintiffs' and Plaintiffs' Lead Counsel's position that the confidential evidentiary record developed in this Action is a valuable asset of the Class, and should not be made available to persons who exclude themselves from the Class absent an order of the Court.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court ordered that the law firm of Labaton Sucharow LLP, in New York, New York, will represent NYSCRF, the New York City Pension Funds, and all Class Members. These lawyers are called Plaintiffs' Lead Counsel. The law firms of Kreindler & Kreindler LLP and Hennigan, Bennett & Dorman LLP, both in Los Angeles, California, also serve as counsel for Lead Plaintiffs and the Class. The law firm of Klafter Olsen & Lesser LLP, in Rye Brook, New York, served as additional counsel for Lead Plaintiffs. The law firms of Kaplan Fox & Kilsheimer LLP, in New York, New York, and Lockridge Grindal Nauen, P.L.L.P., in Minneapolis, Minnesota, represent Plaintiff Barry Brahn.

You will not be separately charged for any of these lawyers. The Court will determine the amount of Plaintiffs' Counsel's fees and expenses, which will be paid from the Gross Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Plaintiffs' Lead Counsel will ask the Court, on behalf of all Plaintiffs' Counsel, to award attorneys' fees from the Gross Settlement Fund of approximately \$47,346,000.00, or approximately 7.59% of the Gross Settlement Fund, plus interest on such fees at the same rate as earned by the Gross Settlement Fund. Plaintiffs' Lead Counsel will also seek reimbursement of expenses incurred by Plaintiffs' Counsel in connection with the prosecution of this Action in the approximate amount of \$8,750,000.00, plus interest on such expenses at the same rate as earned by the Gross Settlement Fund.

Under the terms of the agreements between Lead Plaintiffs and Plaintiffs' Lead Counsel, the attorneys' fee Plaintiffs' Lead Counsel will seek is dependent in part upon, and limited to a defined degree by, the amount of out-of-pocket costs and expenses awarded by the Court and the amount of notice and administration costs ultimately paid out of the Gross Settlement Fund and approved by the Court. The requested fee estimate assumes that all of these costs and expenses ultimately will total \$15.35 million. In the event that all of these costs and expenses are less than this estimated amount, Plaintiffs' Lead Counsel will be permitted to seek a proportionately higher fee, at a ratio of \$40 in fees for each \$1,000 of expenses. In the event that all of these costs and expenses exceed this estimated amount, the fee sought by Plaintiffs' Lead Counsel will be reduced by \$40 for each \$1,000 in expenses.

Plaintiffs' Lead Counsel, without further notice to the Class, may subsequently apply to the Court for additional expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class and any proceedings subsequent to the Fairness Hearing.

The motion for attorneys' fees and expenses will be submitted on behalf of the following Plaintiffs' Counsel: Labaton Sucharow LLP, 140 Broadway, New York, NY 10005; Kreindler & Kreindler LLP, 707 Wilshire Boulevard, Suite 4100, Los Angeles, CA 90017; Hennigan, Bennett & Dorman LLP, 865 South Figueroa Street, Suite 2900, Los Angeles, CA 90017; Kaplan Fox & Kilsheimer LLP, 850 Third Avenue, New York, NY 10022; Klafter Olsen & Lesser LLP, Two International Drive, Suite 350, Rye Brook, NY 10573; and Lockridge Grindal Nauen, P.L.L.P., 100 Washington Avenue South, Suite 2200, Minneapolis, MN 55401.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How do I tell the Court that I do not like the proposed Settlement?

If you are a Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation of the Net Settlement Fund, and/or the application by Plaintiffs' Lead Counsel for an award of attorneys' fees and expenses. You may write to the Court setting out your objection. You may give reasons why you think the Court should not approve any or all of the

Settlement terms or arrangements. If you would like the Court to consider your views, you must file a proper objection within the deadline identified, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed Settlement in *In re Countrywide Financial Corporation Securities Litigation*, No. CV 07-05295 MRP (MANx) (C.D. Cal.). Be sure to include your name, address, daytime telephone number, e-mail address, and your signature, identify and supply documentation showing the date(s), price(s), and number(s) of shares or units of all of your purchases and sales of Countrywide securities during the Class Period (*i.e.*, all transactions in common stock, bonds that are in the Class, 7% Capital Securities, and call and put options; and for options that expired during the Class Period, state the cash settlement or delivery amounts (if any)), and state the reasons why you object to the Settlement, including all legal support you wish to bring to the Court's attention and any evidence you have to support your objection. Your objection must be filed with the Court **and** mailed or delivered to the following counsel at all of the following addresses, **on or before** _____, **2010:**

The Court:

Clerk of the Court
United States District Court for
the Central District of California
United States Courthouse
312 North Spring Street
Los Angeles, CA 90012

Plaintiffs' Lead Counsel:

Joel H. Bernstein, Esq.
Labaton Sucharow LLP
140 Broadway
New York, NY 10005

Counsel for Countrywide:

Brian E. Pastuszynski, Esq.
Goodwin Procter LLP
Exchange Place
53 State Street
Boston, MA 02109

Counsel for KPMG:

Gwyn Quillen, Esq.
Bingham McCutchen LLP
The Water Garden
Fourth Floor, North Tower
1620 26th Street
Santa Monica, CA 90404

You do not need to go to the Fairness Hearing to have your written objection considered by the Court. Any Class Member who has not previously submitted a request for exclusion from the Class and who has complied with the procedures set out in this question 18 may also appear at the Fairness Hearing and be heard, to the extent allowed by the Court, to state any objection to the Settlement, the Plan of Allocation, or Plaintiffs' Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at his or her own expense, for a lawyer to represent him or her at the Hearing.

19. What is the difference between objecting and excluding?

Objecting is telling the Court that you do not like something about the proposed Settlement. You can object only if you stay in the Class and follow the objection procedures described above.

Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE SETTLEMENT FAIRNESS HEARING

The Court will hold a hearing, called a Fairness Hearing, to consider whether to approve the proposed Settlement. At or after the Fairness Hearing, the Court will also decide whether to approve the Plan of Allocation of the Net Settlement Fund and Plaintiffs' Lead Counsel's application for attorneys' fees and expenses.

20. When and where will the Court decide whether to approve the proposed Settlement?
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The Court will hold the Fairness Hearing on _____, **2010**, at ____:____.m., in Courtroom 12 at the United States District Court for the Central District of California, United States Courthouse, 312 North Spring Street, Los Angeles, California 90012.

At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate and should be approved, and will also consider the proposed Plan of Allocation and the application of Plaintiffs' Lead Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions at question 18. The Court may also decide how much to pay to Plaintiffs' Counsel for their fees and expenses. At or after the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

Also at the hearing the Court will decide whether to approve the dismissal with prejudice of all claims against Defendants Garcia and Gissinger, and claims under the Securities Act against Defendant Sambol. Prior to entering the Settlement Agreement, Plaintiffs agreed to voluntarily dismiss each of these claims.

21. Do I have to come to the hearing?

No. Plaintiffs' Lead Counsel will answer any questions the Court may have. But, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to discuss it. As long as you filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not required. If you do hire your own lawyer, he or she must file and serve a Notice of Appearance in the manner described in the answer to question 22 below.

Please be aware that the Court may change the date or time of the Fairness Hearing without further notice to Class Members. If you or your attorney plan to come to the hearing, you should check with Plaintiffs' Lead Counsel before coming to be sure that the date or time has not changed.

Class Members do not need to appear at the hearing or take any other action to indicate their approval of the matters being considered at the hearing.

22. May I speak at the hearing?

You may speak at the Fairness Hearing if you are a Class Member and you filed an objection to the Settlement, the Plan of Allocation, and/or Plaintiffs' Lead Counsel's application for an award of attorneys' fees and expenses in the manner and the time period described in the answer to question 18 above. If you plan to have an attorney speak on your behalf at the Fairness Hearing, your attorney must, on or before _____, 2010, file a Notice of Appearance in this Action with the Clerk of the Court and deliver a copy to Plaintiffs' Lead Counsel, Counsel for the Countrywide Defendants, and Counsel for Defendant KPMG at the addresses listed in the answer to question 18 above.

If you or your attorney plan to attend the Fairness Hearing **and** present evidence at the hearing, your written objections (prepared and submitted in accordance with the answer to question 18 above) must identify any witness you or your attorney may seek to call to testify, and must identify any documents or other exhibits you or your attorney may seek to introduce into evidence.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, 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 the Defendants and the other Released Parties concerning the Settled Claims, ever again. To share in the Net Settlement Fund, you must submit a Proof of Claim form (see question 10). To start, continue or be a part of any other lawsuit against the Defendants and the other Released Parties concerning the Settled Claims in this case, you must exclude yourself from the Class (see question 13).

GETTING MORE INFORMATION

24. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in an Amended Stipulation and Agreement of Settlement dated as of June 29, 2010 (the "Settlement Agreement"). You can get a copy of the Settlement Agreement by writing to Joel H. Bernstein, Esq., Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, toll-free telephone 800-321-0476.

You also can call the Claims Administrator toll-free at 877-465-4142; send an e-mail to info@CountrywideSecuritiesClassAction.com; write to Countrywide Financial Corporation Securities Litigation, c/o Rust Consulting, Inc., P.O. Box 2284, Faribault, MN 55021-2419; or visit the website at www.CountrywideSecuritiesClassAction.com, where you will find answers to common questions about the Settlement, a Proof of Claim form, and other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

25. How do I get more information?

For even more detailed information concerning the matters involved in this action, reference is made to the pleadings, to the Settlement Agreement, to the Orders entered by the Court and the other papers filed in the action, most of which may be inspected at the Office of the Clerk of the United States District Court for the Central District of California, United States Courthouse, 312 North Spring Street, Los Angeles, California 90012, on weekdays (other than court holidays) between 10:00 a.m. and 4:00 p.m. Subscribers to PACER, a fee-based service, can also view the papers filed publicly in the action through the Court's on-line Case Management/Electronic Case Files System at <https://ecf.cacd.uscourts.gov>.

PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

A. Preliminary Matters

As discussed in this Notice, Lead Plaintiffs have recovered \$624 million in cash for the benefit of the Class (the "Settlement Amount"). The Settlement Amount and the interest earned thereon is the "Gross Settlement Fund." The Gross Settlement Fund, after deduction of Court-approved attorneys' fees and expenses, notice and administration expenses, and taxes and tax expenses, is the "Net Settlement Fund." The Net Settlement Fund will be distributed to Class Members who are entitled to share in the distribution, who submit timely and valid Proofs of Claim ("Authorized Claimants"), and whose payment from the Net Settlement Fund would equal or exceed ten dollars (\$10.00).

The purpose of this Plan of Allocation of the Net Settlement Fund ("Plan of Allocation" or "Plan") is to establish a reasonable and equitable method of distributing the Net Settlement Fund among Authorized Claimants. For purposes of determining the amount an Authorized Claimant may recover under this Plan, Plaintiffs' Lead Counsel has consulted with their damages consultants and others. This Plan is intended to be generally consistent with an assessment of, among other things, the damages that Plaintiffs' Lead Counsel and Lead Plaintiffs believe could have been recovered had they prevailed at trial. The Plan is not intended to and does not exactly replicate such assessment of damages, however. Certain Class Members who may not have had recoverable damages at trial may be eligible to receive a distribution under this Plan.

Because the Net Settlement Fund is less than the total losses alleged to be suffered by Class Members, the formulas described below for calculating Recognized Losses and Recognized Claims are not intended to estimate the amount that will actually be paid to Authorized Claimants. Rather, these formulas provide the basis on which the Net Settlement Fund will be distributed among Authorized Claimants.⁷

⁷ Defendants do not concede any of the factual assertions contained in the Plan of Allocation.

B. Eligible Securities

The Countrywide securities (“Eligible Securities”) for which an Authorized Claimant may be entitled to receive a distribution from the Net Settlement Fund consist of the following eight “Types of Eligible Securities”:

- Common stock (CUSIP No. 222372104)
- Exchange-traded call and put options (listed in Exhibit A)⁸
- Countrywide Capital V 7% Capital Securities (trust preferred security) (CUSIP No. 222388209)
- Series A Medium-Term Notes (listed in Exhibit B)⁹
- Series B Medium-Term Notes (listed in Exhibit B)¹⁰
- Series L Medium-Term Notes (CUSIP Nos. 22237LNR9 and 22237LPA4 only)
- Series M Medium-Term Notes (CUSIP No. 22237LPM8 only)
- 6.25% Subordinated Notes Due May 15, 2016 (CUSIP No. 222372AJ3)

C. Principles and Additional Definitions

This Plan is based on the following principles and additional definitions (listed alphabetically), among others:

1. An “Authorized Claimant” is a Class Member who is entitled under this Plan to share in the distribution of the Net Settlement Fund and who submits a timely and valid Proof of Claim.

⁸ Exhibit A excludes those options that expired before July 24, 2007 because disclosure of the alleged Countrywide fraud did not affect prices of Countrywide securities until that date. Exhibit A also excludes the options which, according to available pricing data, were first listed after August 16, 2007. Class Members who purchased call options (or sold put options) which are excluded from Exhibit A do not have a claim compensable from the Net Settlement Fund with respect to those particular securities.

⁹ Exhibit B excludes those Series A Medium-Term Notes that matured before July 24, 2007, namely the Series A Medium-Term Notes with CUSIP numbers 22238HAA8 (due 03/21/06), 22238HAB6 (due 04/11/07), 22238HAJ9 (due 06/20/06), 22238HAL4 (due 07/31/06), 22238HAP5 (due 09/13/06), 22238HAQ3 (due 11/03/06), and 22238HAT7 (due 12/05/06). Because disclosure of the alleged Countrywide fraud did not affect prices of Countrywide securities until July 24, 2007, investors who purchased Countrywide debt securities during the Class Period that matured before July 24, 2007 are not entitled to collect damages. Class Members who purchased these particular Series A Medium-Term Notes do not have a claim compensable from the Net Settlement Fund with respect to these particular securities.

¹⁰ Exhibit B excludes those Series B Medium-Term Notes that matured before July 24, 2007, namely the Series B Medium-Term Notes with CUSIP numbers 22238HBL3 (due 05/15/07), 22238HBN9 (due 05/15/07), 22238HBQ2 (due 05/15/07), 22238HBS8 (due 05/15/07), 22238HBU3 (due 06/15/07), 22238HBW9 (due 06/15/07), 22238HBY5 (due 06/15/07), 22238HCB4 (due 06/27/07), 22238HCA6 (due 06/15/07), 22238HCC2 (due 07/16/07), 22238HCE8 (due 07/16/07), 22238HCG3 (due 07/16/07), and 22238HCJ7 (due 07/16/07). For the same reasons discussed in the preceding footnote with respect to Series A Medium-Term Notes, Class Members who purchased these particular Series B Medium-Term Notes do not have a claim compensable from the Net Settlement Fund with respect to these particular securities.

2. “Deflation” means the amount by which the price of a put option was undervalued on each day in the Class Period because of the alleged misrepresentations.

3. The “Distribution Amount” is the actual amount to be distributed to an Authorized Claimant from the Net Settlement Fund.

4. The “Holding Price” is the value of the security after full disclosure of the alleged misrepresentations that is used to assess losses for Eligible Securities held after the full disclosure, and is calculated by the methodology described below.

5. “Inflation” is the amount by which the price of each Eligible Security was overvalued on each day in the Class Period because of the alleged misrepresentations.

6. A “purchase” is the acquisition of an Eligible Security by any means other than a purchase transaction conducted for the purpose of covering a “short sale” transaction.

7. “Purchase Price Per Unit” is the amount paid per unit by an Authorized Claimant to purchase an Eligible Security.

8. “Recognized Claim” is the amount of a claim under this Plan and is the number used to calculate an Authorized Claimant’s Distribution Amount.

9. “Recognized Loss” is the amount of loss, as calculated under this Plan based on the amount of inflation in the Eligible Security’s prices.

10. A “sale” is the disposition of an Eligible Security by any means other than a “short sale” transaction.

11. “Sales Price Per Unit” is the amount received per unit by an Authorized Claimant upon the sale of an Eligible Security.

12. “Total Purchase Amount” is the Purchase Price Per Unit multiplied by the number of units purchased by an Authorized Claimant during the Class Period.

13. “Total Sales Proceeds” is (a) the Sales Price Per Unit multiplied by the number of units sold by an Authorized Claimant during the Class Period, or (b) the Holding Price per Unit multiplied by the number of units purchased during the Class Period held as of the close of trading on March 7, 2008.

14. “Trading Gain” means the amount by which the Total Sales Proceeds exceeds the Total Purchase Amount for the Eligible Security.

15. “Trading Loss” means the amount by which the Total Purchase Amount exceeds the Total Sales Proceeds for the Eligible Security.

16. A “unit” is the measure by which the security is denominated (i.e., share, options).

17. Authorized Claimants must have purchased or otherwise acquired an Eligible Security between March 12, 2004 and March 7, 2008, inclusive (the “Class Period”). Further, in order for the Authorized Claimant to share in the distribution of the Net Settlement Fund, the market price (or value, if market prices are not available) of the Eligible Security must have declined due to disclosure of the alleged Countrywide fraud. Because disclosure of the alleged Countrywide fraud did not affect prices of Countrywide securities until July 24, 2007, in order for a Claimant to share in the distribution, the Eligible Security must have been (a) purchased during the Class Period prior to July 24, 2007 and held until at least July 24, 2007, or (b) purchased on or after July 24, 2007 but before March 8, 2008; and, in either case, the Claimant must have suffered an overall net Trading Loss as described below.

18. For purposes of computing both Trading Losses (Gains) and Recognized Losses (Gains) for a Claimant’s multiple purchases or sales of a given Eligible Security, purchases will be matched to sales using “first-in/first out” (FIFO) inventory method, which matches sales to purchases based on the dates of those transactions. Specifically, when any Proof of Claim includes a Class Period sale of an Eligible Security acquired during the Class Period, the earliest sale during the Class Period of a specific Eligible Security will be matched first against the Authorized Claimant’s opening position on the first day of the Class Period, if any, for that specific Eligible Security, and then matched chronologically thereafter against each purchase or acquisition of that specific Eligible Security during the Class Period. Sales matched to units from a Claimant’s opening position are excluded from the calculation of Trading Loss or Recognized Loss. Note: Short sales and purchases to cover short sales (whether they occurred before, during, or after the Class Period) are not included when calculating Trading Losses (Gains) or Recognized Losses (Gains).

19. *Effect of stock splits:* The stock splits that occurred in Countrywide common stock in April and August 2004 will be considered under this Plan as follows. The number of common shares purchased or sold will be adjusted to reflect the effect of the 3-for-2 stock split that became effective on April 13, 2004 and the 2-for-1 stock split that became effective on August 31, 2004. Each share of Countrywide common stock purchased or sold before April 13, 2004 will be considered to be three (3) shares for purposes of computing losses under the Plan. Each share of Countrywide common stock purchased or sold between April 13, 2004 and August 30, 2004 will be considered to be two (2) shares for purposes of computing losses under the Plan.

20. *Effect of shares acquired from the exercise of options:* Countrywide common stock acquired during the Class Period through the exercise of an exchange-traded call option shall be treated as a purchase of Countrywide common stock on the date of exercise. The purchase price paid for such stock shall be the closing price of Countrywide common stock on the date of exercise.

21. *Limit on settlement proceeds allocable to purchasers of call options and sellers of put options:* Because of the derivative nature of option securities, which are not issued by Countrywide, among other things, the aggregate amount of the Net Settlement Fund payable to Authorized Claimants in connection with transactions in Countrywide call and put options will not exceed five percent (5%) of the Net Settlement Fund.

D. Trading Loss

The Trading Loss (or Gain) for each Eligible Security (other than put options) is computed as the Total Purchase Amount minus the Total Sales Proceeds. A Trading Loss exists if the Total Purchase Amount exceeds the Total Sales Proceeds. For put options, a Trading Loss exists if the Total Sales Proceeds received from the sale of the option is less than the Total Purchase Amount when the option was repurchased or exercised (or zero if not exercised).

An Eligible Security's Holding Price is (1) the sale price for Eligible Securities sold after March 7, 2008 and before July 1, 2008, the date of Countrywide's merger with Bank of America Corporation; or (2) for Eligible Securities held as of the close of trading on June 30, 2008, the price of the Eligible Security on June 30, 2008, as shown in Exhibit C.

For all Eligible Securities purchased by a Claimant during the Class Period, the Trading Loss (or Gain) for all of the Claimant's Eligible Securities will be totaled. If a Claimant has an overall net Trading Gain or has a net Trading Loss equal to zero (Total Sales Proceeds exceed or are equal to Total Purchase Amount) on **all** of the Claimant's purchases and sales of **all** Types of Eligible Securities during the Class Period, the Claimant "made money" or "broke even" overall and accordingly will not be eligible to receive a distribution from the Net Settlement Fund. In computing such net Trading Gains or net Trading Losses, the Claims Administrator (i) will offset Trading Gains in any one or more of the Eligible Securities against Trading Losses in any other of the Eligible Securities, and (ii) will treat any Eligible Security held at the end of the Class Period as if it were sold for the Holding Price.

If there is not an overall net Trading Loss, the Claimant will not be eligible to receive a distribution from the Net Settlement Fund. If there is an overall Trading Loss, the Claims Administrator will then compute the Recognized Loss (and Recognized Claim), if any, on each Type of Eligible Security as indicated herein.

If a Class Member acquired an Eligible Security during the Class Period by means of a gift, inheritance or operation of law, the Trading Loss (Gain) for that acquisition will be computed by using the price of such Eligible Security on the original date of purchase—if the original purchase was during the Class Period—and not the date of transfer, unless the transfer resulted in a taxable event or other change in the cost basis of the Eligible Security. To the extent that any Eligible Security was originally purchased prior to or after the end of the Class Period, and there was no taxable event or change in cost basis at the time of transfer during the Class Period, the Class Member's Trading Loss (Gain) for that acquisition shall be zero.

E. Recognized Loss

If a Claimant has a net Trading Loss on all of the Claimant's Eligible Securities, the Claims Administrator will calculate a Claimant's Recognized Loss (Gain). For each Eligible Security purchased during the Class Period, the calculation of Recognized Loss (Gain) is the dollar amount of inflation per unit at date of acquisition multiplied by the number of units acquired, minus either (1) the dollar amount of inflation per unit at the date of sale multiplied by the number of units sold if sold on or before March 7, 2008, or (2) zero for those units purchased

during the Class Period and held past March 7, 2008.¹¹ Inflation (deflation) per unit is based, in part, on the price changes (net of market/industry movements) in the securities caused by disclosures that allegedly corrected the previous alleged misrepresentations.

Recognized Loss will be reduced dollar-for-dollar to the extent that (i) publicly traded Countrywide securities were purchased or acquired at a price below the lowest trading or published price for such publicly traded security on the date during the Class Period on which the purchase or acquisition was made (e.g., in a private sale or at a discounted price), or (ii) publicly traded Countrywide securities were sold at a price above the highest trading or published price for such publicly traded security on the date during the Class Period on which the sale was made.

1. Inflation for Transactions in Countrywide Common Stock

For Countrywide common stock, a unit is a share of common stock. The dollar amount of inflation in the price of a share of Countrywide common stock for purposes of calculating Recognized Loss appears in the table below.

Inflation in Prices of Countrywide Common Stock

<i>Period Start</i>	<i>Period End</i>	<i>Inflation at Time of Purchase or Sale</i>
03/12/2004	01/30/2006	\$0.06
01/31/2006	06/30/2006	\$0.60
07/01/2006	09/30/2006	\$4.56
10/01/2006	12/31/2006	\$7.14
01/01/2007	07/23/2007	\$8.60
07/24/2007	08/13/2007	\$5.84
08/14/2007	08/14/2007	\$4.08
08/15/2007	08/15/2007	\$1.44
08/16/2007	03/07/2008	\$0.03

2. Inflation (Deflation) for Transactions in Options on Countrywide Common Stock

Exchange-traded options are typically traded in units called contracts. Each contract entitles the option buyer/owner to 100 shares of the underlying stock upon exercise or expiration. For options, a unit is an option with one share of Countrywide common stock as the underlying security. Price inflation per option is the dollar amount of inflation in one option (with one share of Countrywide common stock as the underlying security).

Inflation in the prices of call and put options on Countrywide common stock is calculated

¹¹ For sales (writing) of put options, the calculation of Recognized Loss is based, in part, on the amount of deflation in the prices of the put options when the put option was written and the amount of deflation when the option was repurchased or exercised, or if not exercised, the amount of deflation at expiration.

based on the Black-Scholes option pricing model and the estimated inflation in Countrywide common stock which appears in the table above.

Exhibit A is a table titled “Per-Option Inflation for Potentially Damaged Exchange-Traded Options on Countrywide Common Stock.” This table displays the daily inflation in Countrywide exchange-traded call options and deflation for exchange-traded put options during the Class Period that have expiration dates on or after July 24, 2007 and that were first listed before August 16, 2007.

In addition to the general calculation of Recognized Losses (Gains) described previously, the Recognized Losses for options contain additional provisions specific to the nature of financial options:

Purchase of Exchange-Traded Call Options

- For exchange-traded call options purchased or acquired during the Class Period that were exercised, the Recognized Loss per option is equal to the difference between the price inflation per option on the date of purchase/acquisition and the price inflation per option on the date of exercise.
- For call options purchased or acquired during the Class Period that expired unexercised while still owned, the Recognized Loss per option is equal to the price inflation per option on the date of purchase/acquisition.

Sales of Exchange-Traded Put Options:

- For put options written during the Class Period that were subsequently re-purchased during the Class Period, the Recognized Loss per option is the difference between the price deflation per option on the date of sale (writing) and the price deflation per option on the date the put option was re-purchased.
- For put options written during the Class Period that were exercised during the Class Period, the Recognized Loss per option is equal to the difference between the price deflation per option on the date of sale (writing) and the price deflation per option on the date of exercise.
- For put options written during the Class Period that expired unexercised during the Class Period, the Recognized Loss per option is equal to the difference between the price deflation per option on the date of sale (writing) and the price deflation per option on the date of expiration.
- The Recognized Loss on a sale of any put option that was previously purchased shall be \$0.

3. Inflation for Transactions in Series L Medium-Term Notes With CUSIP Nos. 22237LNR9 and 22237LPA4 and Series M Medium-Term Notes with CUSIP No. 22237LPM8

For the following three Countrywide Medium-Term Notes, CUSIP Nos. 22237LNR9, 22237LPA4 and 22237LPM8, each \$1,000 of face-value is a unit. These three securities are the

subject of claims under Section 10(b) of the Securities Exchange Act of 1934 (“Section 10(b) claims), and are not the subject of Section 11 claims.

The dollar amount of inflation in the price of the notes for purposes of calculating Recognized Loss appears in the table below.

*Inflation in Prices of Series L Medium-Term Notes
with CUSIP 22237LNR9 (per \$1,000 face value)*

<i>Period Start</i>	<i>Period End</i>	<i>Inflation at Time of Purchase or Sale</i>
03/12/2004	01/30/2006	\$0.37
01/31/2006	06/30/2006	\$3.70
07/01/2006	09/30/2006	\$28.02
10/01/2006	12/31/2006	\$43.88
01/01/2007	07/23/2007	\$52.87
07/24/2007	08/13/2007	\$54.26
08/14/2007	08/14/2007	\$45.95
08/15/2007	08/15/2007	\$22.57
08/16/2007	03/07/2008	\$0.19

*Inflation in Prices of Series L Medium-Term Notes
with CUSIP 22237LPA4 (per \$1,000 face value)*

<i>Period Start</i>	<i>Period End</i>	<i>Inflation at Time of Purchase or Sale</i>
03/17/2004	01/30/2006	\$0.31
01/31/2006	06/30/2006	\$3.10
07/01/2006	09/30/2006	\$23.50
10/01/2006	12/31/2006	\$36.80
01/01/2007	07/23/2007	\$44.34
07/24/2007	08/13/2007	\$41.06
08/14/2007	08/14/2007	\$42.06
08/15/2007	03/07/2008	\$0.16

*Inflation in Prices of Series M Medium-Term Notes
with CUSIP 22237LPM8 (per \$1,000 face value)*

<i>Period Start</i>	<i>Period End</i>	<i>Inflation at Time of Purchase or Sale</i>
09/13/2004	01/30/2006	\$0.48
01/31/2006	06/30/2006	\$4.84
07/01/2006	09/30/2006	\$36.67
10/01/2006	12/31/2006	\$57.43
01/01/2007	07/23/2007	\$69.19

07/24/2007	08/13/2007	\$65.74
08/14/2007	08/14/2007	\$71.81
08/15/2007	03/07/2008	\$0.24

4. Inflation for Transactions in Countrywide Capital V 7% Capital Securities, 6.25% Subordinated Notes Due May 15, 2016, and Series B Medium-Term Notes with CUSIP No. 22238HGQ7

For Countrywide Capital V 7% Capital Securities (CUSIP No. 222388209), a unit is a share of the stock for the 7% Capital Security. For the 6.25% Subordinated Notes Due May 15, 2016 (CUSIP No. 222372AJ3) and Series B Medium-Term Notes with CUSIP No. 22238HGQ7, each \$1,000 of face-value is a unit. These three types of securities are the subject of both Section 10(b) claims and Section 11 claims.

The dollar amount of inflation for purposes of calculating Recognized Loss appears in the tables below.

Inflation in Prices of Countrywide Capital V 7% Capital Securities

<i>Period Start</i>	<i>Period End</i>	<i>Inflation at Time of Purchase or Sale</i>
11/01/2006	12/31/2006	\$0.92
01/01/2007	07/23/2007	\$1.11
07/24/2007	08/13/2007	\$0.35
08/14/2007	03/07/2008	\$0.02

Inflation in Prices of 6.25% Subordinated Notes Due May 15, 2016 (per \$1,000 face value)

<i>Period Start</i>	<i>Period End</i>	<i>Inflation at Time of Purchase or Sale</i>
05/11/2006	06/30/2006	\$6.53
07/01/2006	09/30/2006	\$49.43
10/01/2006	12/31/2006	\$77.41
01/01/2007	07/23/2007	\$93.27
07/24/2007	08/13/2007	\$85.63
08/14/2007	08/14/2007	\$69.57
08/15/2007	08/15/2007	\$42.58
08/16/2007	03/07/2008	\$0.33

Inflation in Prices of Series B Medium-Term Note With CUSIP No. 22238HGQ7 (per \$1,000 face value)

<i>Period Start</i>	<i>Period End</i>	<i>Inflation at Time of Purchase or Sale</i>
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06/04/2007	07/23/2007	\$48.90
07/24/2007	08/13/2007	\$39.85
08/14/2007	08/14/2007	\$33.57
08/15/2007	08/15/2007	\$10.75
08/16/2007	03/07/2008	\$0.54

5. Inflation for Transactions in Series A Medium-Term Notes and Series B Medium-Term Notes (other than CUSIP No. 22238HGQ7)

For the Countrywide Series A Medium-Term Notes, and Series B Medium-Term Notes other than CUSIP No. 22238HGQ7, each \$1,000 of face-value is a unit. These types of securities are the subject of Section 11 claims only.

The dollar amount of inflation for purposes of calculating Recognized Loss appears in the table below.

Inflation in Prices of Series A Medium-Term Notes and Series B Medium-Term Notes other than CUSIP No. 22238HGQ7 (per \$1,000 face value)¹²

<i>Period Start</i>	<i>Period End</i>	<i>Inflation at Time of Purchase or Sale</i>
03/12/2004	01/30/2006	\$0.37
01/31/2006	06/30/2006	\$3.70
07/01/2006	09/30/2006	\$28.02
10/01/2006	12/31/2006	\$43.88
01/01/2007	07/23/2007	\$52.87
07/24/2007	08/13/2007	\$54.26
08/14/2007	08/14/2007	\$45.95
08/15/2007	08/15/2007	\$22.57
08/16/2007	03/07/2008	\$0.19

An Authorized Claimant's Recognized Gains will be netted against that Claimant's Recognized Losses for transactions in each Eligible Security to determine the Claimant's net Recognized Loss for each Eligible Security. For all Eligible Securities purchased by a Claimant during the Class Period, the Recognized Loss (or Gain) for all of the Claimant's Eligible Securities will be totaled. Recognized Gains and Losses, in other words, will be netted or aggregated across all Types of Eligible Securities. If a Claimant has an overall net Recognized Gain on **all** of the Claimant's purchases and sales of **all** Eligible Securities during the Class Period, the Claimant will not be eligible to receive a distribution from the Net Settlement Fund.

¹² There are approximately 150 separate Series A Medium-Term Notes and Series B Medium-Term Notes (other than CUSIP No. 22238HGQ7) that are Eligible Securities. These notes were offered and traded at varying times during the Class Period. The estimated inflation values for the Series L Medium-Term Note (CUSIP No. 22237LNR9), which traded throughout the Class Period, are used for the determination of Recognized Loss for these Series A and B Medium-Term Notes.

If a Claimant has an overall net Recognized Loss on **all** of the Claimant's purchases and sales of **all** Eligible Securities during the Class Period, the Claims Administrator will then calculate the Claimant's Recognized Claim.

F. Recognized Claim

Each Authorized Claimant's aggregate Recognized Claim will be calculated as the sum of his, her or its Recognized Claims for each Type of Eligible Security as computed based on the preceding provisions.

If a Claimant has an overall net Trading Loss and a net Recognized Loss on **all** of the Claimant's transactions in **all** Eligible Securities, then for each Eligible Security, a Claimant's Recognized Claim is (a) the applicable factor multiplied by (b) the **lesser** of (x) the Recognized Loss or (y) the Trading Loss.

For those Types of Eligible Securities that are the subject of claims for violations of Section 11 of the Securities Act of 1933 (*i.e.*, 7% Capital Securities, 6.25% Subordinated Notes Due May 15, 2016, Series A Medium-Term Notes, and Series B Medium-Term Notes), the applicable factor is 1.25.

For all other types of Eligible Securities (*i.e.*, common stock, options, Series L Medium-Term Notes (22237LNR9 and 22237LPA4), and Series M Medium-Term Notes (22237LPM8)), which are the subject of claims for violations of Section 10(b) of the Securities Exchange Act of 1934 only, the applicable factor is 1.00.

The applicable factor is 1.25 for Eligible Securities with Section 11 claims because Section 11 claims, as opposed to Section 10(b) claims, do not require evidence of fraudulent or reckless intent, and accordingly would likely be easier to prove at trial.

G. Distributions from the Net Settlement Fund

The Claims Administrator will determine each Authorized Claimant's share of the Net Settlement Fund. In general, each Authorized Claimant will receive an amount (the "Distribution Amount") determined by multiplying the Net Settlement Fund by a fraction, the numerator of which is the Authorized Claimant's Recognized Claim and the denominator of which is the aggregate Recognized Claims of all Authorized Claimants, provided that no Authorized Claimant will receive more than its Recognized Claim.

Payments made pursuant to this Plan of Allocation above shall be conclusive against all Authorized Claimants. No Person shall have any claim against the Lead Plaintiffs, Plaintiffs' Counsel or the Claims Administrator based on distributions, determinations or claim rejections made substantially in accordance with this Plan or further orders of the Court, except in the case of fraud or willful misconduct. No Person shall have any claim under any circumstances against the Released Parties based on any distributions, determinations or claim rejections or the design, terms of implementation of this Plan. Authorized Claimants who fail to complete and file a valid and timely Proof of Claim form shall be barred from participating in distributions from the Net

Settlement Fund, unless the Court otherwise orders. Class Members who do not either submit a request for exclusion or submit a valid and timely Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

The Court has reserved jurisdiction to modify, amend or alter the Plan of Allocation without further notice to anyone, and to allow, disallow or adjust any Authorized Claimant's claim to ensure a fair and equitable distribution of settlement funds.

Distributions will be made to Authorized Claimants whose claims entitle them to a payment of no less than \$10.00 after all claims have been processed and after the Court has finally approved the Settlement. If there is any balance remaining in the Net Settlement Fund (whether by reason of unclaimed funds, tax refunds, uncashed checks, or otherwise), at a date one hundred eighty (180) days from the later of (a) the date on which the Court enters a order directing the Net Settlement Fund to be distributed to Authorized Claimants, or (b) the date the Settlement is final and becomes fully effective, then Plaintiffs' Lead Counsel shall, upon approval of the Court, distribute such balance among the Authorized Claimants as many times as is necessary, in a manner consistent with this Plan of Allocation, until each Authorized Claimant has received its Recognized Claim (but no greater than its Recognized Claim) as defined in this Plan. If Plaintiffs' Lead Counsel determines that it is not cost-effective to conduct such further distribution, or following such further distribution any balance still remains in the Net Settlement Fund, Plaintiffs' Lead Counsel shall, with the consent of Lead Plaintiffs and upon approval of the Court, and without further notice to the Class, cause the remaining balance to be returned to Countrywide and KPMG, in the same proportion as those entities contributed (or caused to be contributed) to the Settlement Amount.

Please note that the term "Recognized Claim" is used solely for calculating the amount of participation by Authorized Claimants in the Net Settlement Fund. It is not the actual amount an Authorized Claimant can expect to recover.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If, between March 12, 2004 and March 7, 2008, inclusive, you purchased or otherwise acquired any of the Countrywide publicly traded securities specified herein for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such Countrywide security during such time period or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within ten (10) days mail the Notice and Proof of Claim form directly to the beneficial owners of that security. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Gross Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of

appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Countrywide Financial Corporation Securities Litigation
c/o Rust Consulting, Inc.
P.O. Box 2284
Faribault, MN 55021-2419
Toll-free telephone: 877-465-4142
E-mail: info@CountrywideSecuritiesClassAction.com

***PLEASE DIRECT YOUR QUESTIONS TO THE CLAIMS ADMINISTRATOR
OR TO PLAINTIFFS' LEAD COUNSEL. DO NOT CONTACT THE COURT.***

Dated: Los Angeles, California
_____, 2010

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE CENTRAL
DISTRICT OF CALIFORNIA

EXHIBIT A-2

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

IN RE COUNTRYWIDE FINANCIAL CORPORATION
SECURITIES LITIGATION

This Document Applies To: All Actions

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

PROOF OF CLAIM

I. GENERAL INSTRUCTIONS

1. To recover as an Authorized Claimant based on your claims in the action entitled *In re Countrywide Financial Corporation Securities Litigation*, Lead Case No. CV 07-05295 MRP (MANx) (C.D. Cal.) (the "Action"), you must complete and, on page 11 hereof, sign this Proof of Claim form. If you fail to submit a properly completed and addressed Proof of Claim form, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the Settlement of the Action.

2. Submission of this Proof of Claim form, however, does not assure that you will share in the Net Settlement Fund.

3. YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM FORM POSTMARKED NO LATER THAN _____, 2010, ADDRESSED AS FOLLOWS:

Countrywide Financial Corporation Securities Litigation
c/o Rust Consulting, Inc.
P.O. Box 2284
Faribault, MN 55021-2419

4. If you are NOT a Class Member (as defined in the Notice of Pendency and Proposed Settlement of Class Action and Fairness Hearing ("Notice") that accompanies this Proof of Claim), DO NOT submit a Proof of Claim form.

5. If you are a Class Member and have not requested exclusion, you will be bound by the terms of the Settlement and any judgment entered in the Action, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM FORM.

II. DEFINITIONS

Capitalized terms not defined in this Proof of Claim have the same meaning as defined in the Notice that accompanies this form.

III. CLAIMANT IDENTIFICATION

1. If you purchased or otherwise acquired Countrywide securities and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased the securities but the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

2. Use Part I of this form entitled "Claimant Identification" to identify each purchaser of record ("nominee"), if different from the beneficial purchaser of Countrywide securities which form the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER OR PURCHASERS, OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER OR PURCHASERS OF THE SECURITIES UPON WHICH THIS CLAIM IS BASED.

NOTE: Separate Proofs of Claim should be submitted for each separate legal entity (for example, 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 Proof of Claim 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 (for example, a corporation with multiple brokerage accounts should include all transactions made in Countrywide securities during the Class Period on one Proof of Claim, no matter how many accounts the transactions were made in).

3. All joint purchasers must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of Persons represented by them and proof of their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

IV. CLAIM FORM

1. Use Part II of this form entitled "Schedule of Transactions in Countrywide Securities" to supply all required details of your transaction(s) in such securities. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

2. On the schedules, provide all of the requested information with respect to all of your purchases or other acquisitions and all of your sales or other dispositions of Countrywide securities which took place at any time from March 12, 2004 through June 30, 2008, inclusive, whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

3. List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

4. Broker confirmations or other documentation of your transactions in Countrywide securities must be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

5. USE PART II SECTION A **ONLY** FOR COUNTRYWIDE COMMON STOCK. USE PART II SECTION B **ONLY** FOR COUNTRYWIDE CAPITAL V 7% CAPITAL SECURITIES (PREFERRED TRUST SECURITY). USE PART II SECTIONS C & D **ONLY** FOR COUNTRYWIDE OPTIONS. USE PART II SECTION E **FOR ALL COUNTRYWIDE DEBT SECURITIES** (i.e. NOTES) AND IDENTIFY THE SECURITY BY NAME AND IDENTIFYING CUSIP NUMBER SHOWN IN THE PLAN OF ALLOCATION (FOR 6.25% SUBORDINATED NOTES DUE MAY 15, 2016 AND ELIGIBLE SERIES L AND M MEDIUM-TERM NOTES) AND SHOWN ON EXHIBIT B ACCOMPANYING THE NOTICE AND THIS PROOF OF CLAIM (FOR ELIGIBLE SERIES A AND B MEDIUM-TERM NOTES).

6. A purchase or sale of Countrywide common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date; please provide only "contract" or "trade" dates in your claim.

7. 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. All Claimants **MUST** submit a manually signed paper Proof of Claim form whether or not they also submit electronic copies. If you wish to file your claim electronically, you must call the Claims Administrator toll-free at 877-465-4142, send an e-mail to info@CountrywideSecuritiesClassAction.com, or visit the website for this Settlement at www.CountrywideSecuritiesClassAction.com to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a report listing all transactions contained in the electronic file.

8. A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by _____, 2010 and if a postmark is indicated on the envelope and it is mailed first class, and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

9. You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Claims Administrator of any change of address.

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.

THANK YOU FOR YOUR PATIENCE.

MUST BE POSTMARKED
NO LATER THAN
_____, 2010

CWFC

For Official Use Only

*In re Countrywide Financial Corporation
Securities Litigation*

PROOF OF CLAIM AND RELEASE

Use Blue or Black Ink Only

PART I. CLAIMANT IDENTIFICATION - Complete either Section A or B and then proceed to C. Please type or print.

A. Complete this Section ONLY if the Beneficial Owner is an individual, joint, or IRA account. Otherwise, proceed to B.

Last Name (Beneficial Owner)	First Name (Beneficial Owner)
<input type="text"/>	<input type="text"/>
Last Name (Joint Beneficial Owner, if applicable)	First Name (Joint Beneficial Owner)
<input type="text"/>	<input type="text"/>
Name of IRA Custodian, if applicable	
<input type="text"/>	
If this account is an IRA, and if you would like any check that you MAY be eligible to receive made payable to the IRA account, please include "IRA" in the "Last Name" box above (e.g., Jones IRA).	

B. Complete this Section ONLY if the Beneficial Owner is an Entity; i.e., corporation, trust, estate, etc. Then, proceed to C.

Entity Name
<input type="text"/>
Name of Representative, if applicable (Executor, administrator, trustee, c/o, etc.)
<input type="text"/>

C. Account/Mailing Information:

Specify one of the following:		
<input type="checkbox"/> Individual(s)	<input type="checkbox"/> Corporation	<input type="checkbox"/> UGMA Custodian
<input type="checkbox"/> IRA	<input type="checkbox"/> Partnership	<input type="checkbox"/> Estate
<input type="checkbox"/> Trust	<input type="checkbox"/> Other: <input type="text"/>	
Number and Street or P.O. Box		
<input type="text"/>		
City	State	Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>
Foreign Province and Postal Code	Foreign Country	
<input type="text"/>	<input type="text"/>	
Telephone Number (Day)	Telephone Number (Evening)	
<input type="text"/>	<input type="text"/>	
E-mail Address	Account Number	
<input type="text"/>	<input type="text"/>	
Enter Taxpayer Identification Number below for the Beneficial Owner(s).		
Social Security No. (for individuals)	or	Taxpayer Identification No.
<input type="text"/>		<input type="text"/>

CWFC

PART II: SCHEDULE OF TRANSACTIONS IN COUNTRYWIDE SECURITIES

A. COUNTRYWIDE COMMON STOCK – CUSIP No. 222372104 ONLY

YOU MUST SUBMIT DOCUMENTATION SUPPORTING THE INFORMATION BELOW.

COMMON STOCK BEGINNING HOLDINGS

1. Number of shares of Countrywide common stock held at the beginning of trading on March 12, 2004.
 (If none, write "zero" or "0"; if other than zero, must be documented)

Number of Shares

COMMON STOCK PURCHASES

2. List (in chronological order) all purchases and/or acquisitions of Countrywide common stock made between March 12, 2004 and June 30, 2008, inclusive:

Check Box if result of an Option Exercised/Assigned	Date(s) of Purchase <i>(List Chronologically)</i> Month/Day/Year	Number of Shares of Common Stock Purchased	Purchase Price Per Share of Common Stock	Amount Paid <i>(Including Commissions, Taxes & Fees)</i>	Purchased on the Open Market	
					Yes	No
<input type="checkbox"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMON STOCK SALES

3. List (in chronological order) all sales of Countrywide common stock made between March 12, 2004 and June 30, 2008, inclusive.

Check Box if result of an Option Exercised/Assigned	Date(s) of Sale <i>(List Chronologically)</i> Month/Day/Year	Number of Shares of Common Stock Sold	Sale Price Per Share of Common Stock	Amount Received <i>(Excluding Commissions, Taxes & Fees)</i>	Sold on the Open Market	
					Yes	No
<input type="checkbox"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMON STOCK ENDING HOLDINGS

4. Number of shares of Countrywide common stock held at the close of trading on June 30, 2008:
 (If none, write "zero" or "0"; if other than zero, must be documented)

Number of Shares

IF ANY OF THE ABOVE TRANSACTIONS RELATE TO SHORT SALES, PLEASE CHECK THIS BOX

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS, PHOTOCOPY THIS PAGE.

PART II: SCHEDULE OF TRANSACTIONS IN COUNTRYWIDE SECURITIES

B. COUNTRYWIDE CAPITAL V 7% CAPITAL SECURITIES – CUSIP No. 222388209 ONLY

YOU MUST SUBMIT DOCUMENTATION SUPPORTING THE INFORMATION BELOW.

CAPITAL SECURITIES PURCHASES

1. I (We) made the following purchases of Countrywide Capital V 7% Capital Securities during the period **November 1, 2006** through **June 30, 2008**, inclusive

Date of Purchase (list chronologically) (Month/Day/Year)	Number of Shares	Purchase Price Per Security	Amount Paid (including commissions, taxes and fees)	Purchased on the Open Market?	
				Yes	No

CAPITAL SECURITIES SALES

2. I (We) made the following sales of Countrywide Capital V 7% Capital Securities during the period **November 1, 2006** through **June 30, 2008**, inclusive: (If none, write "zero" or "0"; if other than zero, must be documented.)

Date of Sale (list chronologically) (Month/Day/Year)	Number of Shares	Sale Price Per Security	Amount Received (excluding commissions, taxes and fees)	Sold on the Open Market?	
				Yes	No

CAPITAL SECURITIES UNSOLD HOLDINGS AS OF JUNE 30, 2008

3. At the close of trading on **June 30, 2008**, I (we) owned the following Countrywide Capital V 7% Capital Securities:
(If none, write "zero" or "0"; if other than zero, must be documented.)

Number of Shares

IF ANY OF THE ABOVE TRANSACTIONS RELATE TO SHORT SALES, PLEASE CHECK THIS BOX

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS, PHOTOCOPY THIS PAGE.

PART II: SCHEDULE OF TRANSACTIONS IN COUNTRYWIDE SECURITIES

C. COUNTRYWIDE CALL OPTIONS ONLY

YOU MUST SUBMIT DOCUMENTATION SUPPORTING THE INFORMATION BELOW.

1. THIS PAGE CONTAINS TRANSACTIONS FOR THE FOLLOWING CALL OPTION CONTRACT ONLY:

Expiration Date	Strike Price
<div style="border: 1px solid red; padding: 5px; width: 100%;"> / / (Month / Day / Year) </div>	<div style="border: 1px solid red; padding: 5px; width: 100%;"> \$ </div>

IF YOU ARE LISTING MORE THAN ONE TYPE OF CALL OPTION CONTRACT, YOU MUST PHOTOCOPY THIS PAGE AND LIST EACH SEPARATE TYPE OF CALL OPTION CONTRACT ON ITS OWN SEPARATE PAGE.

CALL OPTION BEGINNING POSITION:

2. Number of call options *listed in #1 above* on Countrywide common stock held at the beginning of trading on **March 12, 2004**. (If none, write "zero" or "0"; if other than zero, must be documented)
 Number of Call Options

CALL OPTION PURCHASES AND THEIR DISPOSITION

3. I (We) made the following purchases of call options *listed in #1 above* on Countrywide common stock *listed in #1 above* during the period **March 12, 2004** through **June 30, 2008**, inclusive (in chronological order) (must be documented): All transactions must be displayed as pre-split share and strike price.

Date of Purchase Month/Day/Year	Number of Contracts	Strike Price	Expiration Date Month/Year	Purchase Price Per Contract	Amount Paid (including commissions taxes & fees)	FINAL DISPOSITION Exercised (E), Expired (X), Sold/Closed(C)	DISPOSITION DATE Exercise, Expiration, or Sale Date (Month/Day/Year)

CALL OPTION SALES AND THEIR DISPOSITION

4. I (We) made the following sales of call options *listed in #1 above* on Countrywide common stock during the period **March 12, 2004** through **June 30, 2008**, inclusive (in chronological order) (must be documented): All transactions must be displayed as pre-split share and strike price.

Date of Sale Month/Day/Year	Number of Contracts	Strike Price	Expiration Date Month/Year	Sale Price Per Contract	Amount Received (excluding commissions taxes & fees)	FINAL DISPOSITION Assigned (A), Expired (X), Sold/Closed(C)	DISPOSITION DATE Assigned, Expiration, or Sale Date (Month/Day/Year)

CALL OPTION HOLDINGS

5. Number of call options *listed in #1 above* of Countrywide common stock held at the close of trading on **June 30, 2008**: (If none, write "zero" or "0"; if other than zero, must be documented)
 Number of Call Options

IF ANY OF THE ABOVE TRANSACTIONS RELATE TO SHORT SALES, PLEASE CHECK THIS BOX

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS, PHOTOCOPY THIS PAGE.

PART II: SCHEDULE OF TRANSACTIONS IN COUNTRYWIDE SECURITIES

D. COUNTRYWIDE PUT OPTIONS ONLY

YOU MUST SUBMIT DOCUMENTATION SUPPORTING THE INFORMATION BELOW.

1. THIS PAGE CONTAINS TRANSACTIONS FOR THE FOLLOWING **PUT** OPTION CONTRACT ONLY:

Expiration Date	Strike Price
<div style="border: 1px solid red; padding: 5px; width: 200px; margin: 0 auto;"> / / (Month / Day / Year) </div>	<div style="border: 1px solid red; padding: 5px; width: 150px; margin: 0 auto;"> \$ </div>

IF YOU ARE LISTING MORE THAN ONE TYPE OF PUT OPTION CONTRACT, YOU MUST PHOTOCOPY THIS PAGE AND LIST EACH SEPARATE TYPE OF PUT OPTION CONTRACT ON ITS OWN SEPARATE PAGE.

PUT OPTION BEGINNING POSITION:

2. Number of put options *listed in #1 above* on Countrywide common stock held at the beginning of trading on March 12, 2004. (If none, write "zero" or "0"; if other than zero, must be documented)

Number of Put Options

PUT OPTION SALES AND THEIR DISPOSITION

3. I (We) made the following sales of put options *listed in #1 above* on Countrywide common stock during the period March 12, 2004 through June 30, 2008, inclusive (in chronological order) (must be documented): All transactions must be displayed as pre-split share and strike price.

Date of Sale Month/Day/Year	Number of Contracts	Strike Price	Expiration Date Month/Year	Sale Price Per Contract	Amount Received (excluding commissions taxes & fees)	FINAL DISPOSITION Assigned (A), Expired (X), Re-Purchased/ Closed(C)	DISPOSITION DATE Assigned, Expiration, or Re-Purchased Date (Month/Day/Year)

PUT OPTION RE-PURCHASES AND THEIR DISPOSITION

4. I (We) made the following re-purchases of put options *listed in #1 above* on Countrywide common stock *listed in #1 above* during the period March 12, 2004 through June 30, 2008, inclusive (in chronological order) (must be documented): All transactions must be displayed as pre-split share and strike price.

Date of Re-Purchase Month/Day/Year	Number of Contracts	Strike Price	Expiration Date Month/Year	Purchase Price Per Contract	Amount Paid (including commissions taxes & fees)	FINAL DISPOSITION Exercised (E), Expired (X), Sold/Closed(C)	DISPOSITION DATE Exercise, Expiration, or Sale Date (Month/Day/Year)

PUT OPTION HOLDINGS

5. Number of put options *listed in #1 above* of Countrywide common stock held at the close of trading on June 30, 2008: (If none, write "zero" or "0"; if other than zero, must be documented)

Number of Put Options

IF ANY OF THE ABOVE TRANSACTIONS RELATE TO SHORT SALES, PLEASE CHECK THIS BOX

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS, PHOTOCOPY THIS PAGE.

PART II: SCHEDULE OF TRANSACTIONS IN COUNTRYWIDE SECURITIES

E. COUNTRYWIDE DEBT SECURITIES (i.e. NOTES) ONLY

YOU MUST SUBMIT DOCUMENTATION SUPPORTING THE INFORMATION BELOW.

For Series A and B Medium-Term Notes, please refer to the Notice, Exhibit B, pages ____, to obtain the Security Code, Security Name and CUSIP for the debt security below.

1. THIS PAGE CONTAINS TRANSACTIONS FOR THE FOLLOWING DEBT SECURITY ONLY:

Security Code	Security Name	CUSIP

IF YOU ARE LISTING MORE THAN ONE SECURITY CODE, SECURITY NAME OR CUSIP, YOU MUST PHOTOCOPY THIS PAGE AND LIST EACH SEPARATE DEBT SECURITY ON ITS OWN SEPARATE PAGE.

DEBT SECURITY BEGINNING POSITION

2. Number of Countrywide debt securities *listed in #1 above held at the beginning of trading on March 12, 2004.* (If none, write "zero" or "0"; if other than zero, must be documented)

Principal Amount
(i.e., Face Value or Par Value)

DEBT SECURITY PURCHASES

3. I (We) made the following purchases of the Countrywide Note *listed in #1 above* during the period **March 12, 2004** through **June 30, 2008**, inclusive:

Date of Purchase (list chronologically) (Month/Day/Year)	Principal Amount (i.e., Face Value or Par Value)	Purchase Price Per Note	Amount Paid (including commissions, taxes and fees)

DEBT SECURITY SALES

4. I (We) made the following sales of the Countrywide Note *listed in #1 above* during the period **March 12, 2004** through **June 30, 2008**, inclusive: (If none, write "zero" or "0"; if other than zero, must be documented.)

Date of Sale (list chronologically) (Month/Day/Year)	Principal Amount (i.e., Face Value or Par Value)	Sale Price Per Note	Amount Received (excluding commissions, taxes and fees)

DEBT SECURITIES UNSOLD HOLDINGS AS OF JUNE 30, 2008

5. Number of Countrywide debt securities *listed in #1 above held at the close of trading on June 30, 2008:* (If none, write "zero" or "0"; if other than zero, must be documented)

Principal Amount
(i.e., Face Value or Par Value)

IF ANY OF THE ABOVE TRANSACTIONS RELATE TO SHORT SALES, PLEASE CHECK THIS BOX

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS, PHOTOCOPY THIS PAGE.

III. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Proof of Claim form under the terms of the Plan of Allocation of Net Settlement Fund described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Central District of California, Western Division (the "Court"), with respect to my (our) claim as a Class Member and for purposes of enforcing the releases set forth herein. I (We) further acknowledge that I (we) will be bound by the terms of any judgment entered in connection with the Settlement in the Action, including the releases set forth therein. I (We) agree to furnish additional information to the Claims Administrator to support this claim, such as additional documentation for transactions in Countrywide securities, or additional transactions in other Countrywide securities, if required to do so. I (We) have not submitted any other claim covering the same purchases, acquisitions or sales of Countrywide securities during the Class Period and know of no other person having done so on my (our) behalf.

IV. RELEASES AND WARRANTIES

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever settle, release, and discharge with prejudice the Settled Claims as to each and all of the Released Parties (as these terms are defined below).

2. I (We) hereby acknowledge that I (we) will not be entitled to receive recovery in any other action against any of the Released Parties based on or arising out of the Settled Claims (as these terms are defined below).

3. "Released Parties" means (a) any and all of the Defendants and any person, partnership, firm, corporation, limited liability company, trust or other entity or organization in which any Defendant has a controlling interest or which is or was related to or affiliated with any of the Defendants; and (b) with respect to each of the Persons in subsection (a), their respective past or present directors, officers, employees, insurers, reinsurers, attorneys, agents, partners, principals, advisors, investment advisors, auditors, accountants, trustees, underwriters, investment bankers, subsidiaries, parents (including without limitation Bank of America Corporation and each of its subsidiaries), any other entity in which any such parent has a controlling interest or which is or was related to or affiliated with any such parent, successors and predecessors, heirs, Immediate Family, and anyone acting or purporting to act for or on behalf of any of them or their successors.

4. "Settled Claims" means any and all claims, debts, demands, disputes, rights, causes of action, suits, matters, damages, or liabilities of any kind, nature, and character whatsoever (including but not limited to any claims for damages, interest, attorneys' fees, expert or consulting fees, and any and all other costs, expenses or liabilities whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature (collectively, "Claims"), including both known Claims and Unknown Claims (as defined herein), against any of the Released Parties (i) that were asserted or could have been asserted in the Action, (ii) that would have been barred by *res judicata* had the Action been fully litigated to a final judgment, or (iii) that could have been, or could in the future be, asserted in any forum or proceeding or otherwise by any Class Member against any of the Released Parties (a) that concern, arise out of, refer to, are based upon, or are related in any way to, any of the subject matter, allegations, transactions, facts, matters, occurrences, representations, statements, or omissions alleged, involved, set forth, or referred to in the Complaint; and (b) that relate to the purchase, sale, acquisition or holding of the Countrywide Securities, and, as to Plaintiffs, that relate to the purchase, sale, acquisition or holding of any security issued by Countrywide or any Countrywide-related entity (including but not limited to mortgage-backed securities issued by CWALT, Inc., CWABS, Inc., CWHEQ, Inc. or CWMBBS, Inc.), whether such Countrywide-related entity is a corporation, partnership, limited liability company, trust, or other entity, and whether or not such securities are Countrywide Securities; *provided, however*, that the term "Settled Claims" shall not include the following: (1) claims to enforce the Settlement; and (2) shareholder derivative claims asserted as of April 2, 2010 on behalf of Countrywide Financial Corporation in the following actions for recovery by Countrywide as to injury allegedly caused to it: *In re Countrywide Financial Corp. Shareholder Derivative Litigation*, Case No. BC 375275 (Cal. Supr. Ct., Los Angeles County) and *In re Countrywide Financial Corp. Derivative Litigation*, Lead Case No. 2:07-cv-06923-MRP (MANx) (C.D. Cal.).

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

5. "Unknown Claims means any and all Settled Claims that any Lead Plaintiff or Class Member does not know or suspect to exist in his, her or its favor as of the Effective Date that, if known by him, her or it, might have affected his, her or its decision(s) with respect to the Settlement, or might have affected such party's decision not to object to this settlement. With respect to

any and all Settled Claims, upon the Effective Date, the Lead Plaintiffs shall expressly waive, and each Class Member shall be deemed to have waived, and by operation of this Final Judgment shall have expressly waived, the provisions, rights and benefits of California Civil Code § 1542, and of any U.S. federal or state law, or principle of common law or otherwise, that is similar, comparable, or equivalent to Section 1542 of the California Civil Code, which provides, in relevant part:

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 Lead Plaintiffs and other Class Members or certain of them may hereafter discover facts in addition to or different from those which such party now knows or believes to be true with respect to the subject matter of the Settled Claims, but the Lead Plaintiffs and the Class Members, upon the Effective Date, by operation of the Final Judgment shall have, fully, finally, and forever settled and released, any and all Settled Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that 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, claims relating to conduct that is negligent, reckless, 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.

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

6. I (We) hereby warrant and represent that I am (we are) a Class Member as defined in the Notice, that I am (we are) not one of the "Released Parties" as defined above, and that I (we) believe I am (we are) eligible to receive a distribution from the Net Settlement Fund under the terms and conditions of the Plan of Allocation, as set forth in the Notice.

7. I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in Countrywide securities which occurred between March 12, 2004 and June 30, 2008 as well as the number and type of Countrywide securities held by me (us) at the opening of trading on March 12, 2004 and the close of trading on June 30, 2008.

8. I (WE) UNDERSTAND AND INTEND THAT THE SIGNATURE BELOW REGARDING CERTAIN INFORMATION FOR THE INTERNAL REVENUE SERVICE CONCERNING BACKUP WITHHOLDING ALSO SERVES AS THE SIGNATURE VERIFYING THE INFORMATION AND REPRESENTATIONS IN THIS PROOF OF CLAIM.

9. This release shall be of no force or effect unless and until the Court approves the Settlement and it becomes effective on the Effective Date.

10. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

V. CERTIFICATION

Enter TIN on the appropriate line.

- For individuals, this is your Social Security Number ("SSN").
- However, for a resident alien, sole proprietor, or disregarded entity, see Part I of W-9 instructions.
- For sole proprietors, you must show your individual name, but you may also enter your business or "doing business as" name. You may enter either your SSN or your Employer Identification Number ("EIN").
- For other entities, it is your EIN.

Social Security No. (for individuals)

or

Employer Identification Number

If you are exempt from backup withholding, enter your current TIN above and write "exempt" on the following line: _____

UNDER THE PENALTY OF PERJURY, I (WE) CERTIFY THAT:

1. The number shown on this form is my current TIN; and
2. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the Internal Revenue Service has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

The Internal Revenue Service does not require your consent to any provision other than the certification required to avoid backup withholding.

I (We) declare under penalty of perjury under the laws of the United States of America that all of the foregoing information supplied on this Proof of Claim by the undersigned is true and correct.

Executed this _____ day of _____, 20__ in _____, _____.
(City) (State/Country)

Signature of Claimant

(Type or print name of Claimant)

Signature of Joint Claimant, if any

(Type or print name of Joint Claimant, if any)

Signature of person signing on behalf of Claimant

(Type of print name of person signing on behalf of Claimant)

Capacity of person signing on behalf of Claimant, if other than an individual (e.g., Administrator, Executor, Trustee, President, Custodian, Power of Attorney, etc.)

Reminder Checklist:

1. Please sign the above release and declaration. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
2. Remember to attach supporting documentation, if available. DO NOT USE HIGHLIGHTER ON YOUR SUPPORT DOCUMENTATION.
3. Do NOT send original stock certificates or original brokerage statements.
4. Keep a copy of your claim form for your records.
5. The Claims Administrator will acknowledge receipt of your Proof of Claim by mail, within 45 days. Your claim is not deemed filed until you receive an acknowledgment postcard. If you do not receive an acknowledgment postcard within 45 days, please call the Claims Administrator toll free at 877-465-4142.
6. If you move after submitting this Proof of Claim, please notify the Claims Administrator of the change in your address.

EXHIBIT A-3

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)

This Document Applies To: All Actions

**SUMMARY NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF CLASS ACTION AND FAIRNESS HEARING**

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED COUNTRYWIDE FINANCIAL CORPORATION (“COUNTRYWIDE”) COMMON STOCK, CALL OPTIONS, 6.25% SUBORDINATED NOTES DUE 5/16/2016, SERIES A AND B MEDIUM-TERM NOTES, CERTAIN SERIES L AND M MEDIUM-TERM NOTES, AND COUNTRYWIDE CAPITAL V 7% CAPITAL SECURITIES, OR WHO SOLD COUNTRYWIDE PUT OPTIONS, BETWEEN MARCH 12, 2004 AND MARCH 7, 2008, INCLUSIVE.

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Central District of California, that a hearing will be held before the Honorable Mariana R. Pfaelzer, United States District Judge, on _____, 2010 at _____.m. in Courtroom 12 of the United States Courthouse, 312 North Spring Street, Los Angeles, California 90012, for the purpose of determining, among other things, (i) whether the proposed Settlement of this Action for \$624 million in cash is fair, reasonable, and adequate and should be approved; (ii) whether, thereafter, this Action should be dismissed with prejudice as against the Defendants as set forth in the Amended Stipulation and Agreement of Settlement dated as of June 29, 2010; (iii) whether the Plan of Allocation of the Net Settlement Fund is fair and reasonable and should be approved, and (iv) the reasonableness of an application of Plaintiffs’ counsel for the payment of attorney’s fees and expenses, with interest, incurred in connection with this Action. The Court has reserved the right to reschedule the hearing from time to time without further notice.

If you purchased or otherwise acquired Countrywide stock, bonds, preferred securities, or call options, or if you sold Countrywide put options between March 12, 2004 and March 7, 2008, your rights may be affected by this Action and the settlement thereof. If you have not received the detailed Notice of Pendency and Proposed Settlement of Class Action and Fairness Hearing (the “Notice”) and Proof of Claim form, you may obtain them free of charge at www.CountrywideSecuritiesClassAction.com or www.labaton.com; by sending an e-mail to info@CountrywideSecuritiesClassAction.com; by calling the claims administrator toll-free at 877-465-4142; or by writing to Countrywide Financial Corporation Securities Litigation, c/o Rust Consulting, Inc., P.O. Box 2284, Faribault, MN 55021-2419. You may also contact Plaintiffs’ Lead Counsel directly: Joel H. Bernstein, Esq., Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, 800-321-0476.

If you are a member of the Class and wish to share in the Settlement money, you must submit a Proof of Claim no later than _____, 2010 establishing that you are entitled to recovery. As further described in the Notice, you will be bound by any judgment entered in the Action, regardless of whether you submit a Proof of Claim, unless you exclude yourself from the Class, in accordance with the procedures set forth in the Notice, by no later than _____, 2010. Any objections to the Settlement, Plan of Allocation or attorney's fees and expenses must be filed and served, in accordance with the procedures set forth in the Notice, no later than _____, 2010.

**PLEASE DO NOT CONTACT THE COURT OR
THE CLERK'S OFFICE ABOUT THIS NOTICE.**

DATED: _____, 2010

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE CENTRAL
DISTRICT OF CALIFORNIA

EXHIBIT B

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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: _____, 2010
Time: 11:00 a.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
28

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.

27 The Lead Plaintiffs and other Class Members or certain of them may hereafter
28 discover facts in addition to or different from those which such party now knows or
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.

13
14 SO ORDERED this _____ day of _____, 2010.

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18 HON. MARIANA R. PFAELZER
19 UNITED STATES DISTRICT JUDGE
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