

1 KREINDLER & KREINDLER LLP  
GRETCHEN M. NELSON (#112566)  
2 *gnelson@kreindler.com*  
707 Wilshire Boulevard, Suite 4100  
3 Los Angeles, California 90017  
Telephone: (213) 622-6469  
4 Facsimile: (213) 622-6019

5 *Liaison Counsel for Lead*  
*Plaintiffs New York Funds*

6 LABATON SUCHAROW LLP  
7 JOEL H. BERNSTEIN  
*jbernstein@labaton.com*  
8 JONATHAN M. PLASSE  
*jplasse@labaton.com*

9 IRA A. SCHOCHET  
*ischochet@labaton.com*

10 DAVID J. GOLDSMITH  
*dgoldsmith@labaton.com*

11 MICHAEL H. ROGERS  
*mrogers@labaton.com*

12 JOSHUA L. CROWELL  
*jcrowell@labaton.com*  
13 140 Broadway  
New York, New York 10005  
14 Telephone: (212) 907-0700  
Facsimile: (212) 818-0477

15 *Lead Counsel for Lead*  
*Plaintiffs New York Funds*

17 [Additional counsel listed  
on signature pages]

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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

25 This Document Relates to: All Actions

26

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

**FIRST AMENDMENT TO  
AMENDED STIPULATION AND  
AGREEMENT OF SETTLEMENT**

Courtroom: 12  
Judge: Hon. Mariana R. Pfaelzer

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1 Subject to the approval of the Court and pursuant to Paragraph 35 of the  
2 Amended Stipulation and Agreement of Settlement dated as of June 29, 2010 (the  
3 “Settlement Agreement”), the Parties hereby enter into this amendment of the  
4 Settlement Agreement (“Amendment”). This Amendment, and all exhibits hereto,  
5 are fully incorporated by reference into the Settlement Agreement as though fully  
6 set forth therein.

7 Capitalized terms used in this Amendment shall have the same meanings  
8 ascribed to them in the Settlement Agreement, unless otherwise defined herein.

9 **1. The Set-Aside and Calculation Thereof**

10 1.1 The Parties agree that, of the \$624 million Settlement Amount, a cash  
11 amount to be calculated as set forth in Paragraph 1.2 hereof will be set aside from  
12 the First Escrow Account for the purpose specified in Paragraph 2 hereof (the “Set-  
13 Aside”).

14 1.2

15 (a) Within two hundred forty (240) days after the deadline for  
16 submitting Proofs of Claim set by the Court, the Claims Administrator shall  
17 calculate, for each of the persons or entities that the Court or any appellate  
18 court orders excluded from the Class (each individually an “Opt-Out” and  
19 collectively the “Opt-Outs”), the Distribution Amount to which such Opt-Out  
20 would have been entitled (as determined pursuant to the Plan of Allocation)  
21 had all Opt-Outs remained in the Class, it being understood and agreed by the  
22 Parties that such calculation (i) shall be based upon information then available  
23 to the Claims Administrator, (ii) shall be subject to the resolution of any  
24 pending disputes raised by potential Authorized Claimants concerning the  
25 Claims Administrator’s determinations of eligibility of Proofs of Claim or  
26 amount of Recognized Claim, and (iii) shall be without prejudice to the  
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1 calculation of the Final Set-Aside as defined in and pursuant to Paragraph 2.8  
2 hereof;

3 (b) The Set-Aside shall equal the lesser of (i) the sum total of the  
4 Opt-Outs' Distribution Amounts as determined in accordance with Paragraph  
5 1.2(a) hereof or (ii) Twenty-Two Million Five Hundred Thousand Dollars  
6 (\$22,500,000.00).

7 **2. Use of Set-Aside**

8 2.1 The Set-Aside may be used to pay (a) Resolution Amounts of Qualified  
9 Opt-Out Claims, as described in Paragraphs 2.2 - 2.4 hereof; and (b) Supplemental  
10 Notice Costs, as described in Paragraph 2.5 hereof.

11 2.2 For purposes of this Amendment:

12 (a) A "Qualified Opt-Out Claim" shall mean an assertion of any  
13 threatened or actual claim or demand by any of the Opt-Outs against any of  
14 the non-KPMG Defendant(s) based on any Settled Claims;

15 (b) "Proof of Resolution" shall mean either (i) a written agreement  
16 between any of the Opt-Outs and any of the non-KPMG Defendants to  
17 resolve a Qualified Opt-Out Claim, signed by all parties to the agreement; or  
18 (ii) a final order issued by a court resolving a Qualified Opt-Out Claim.

19 (c) "Resolution Amount" shall mean the amount required to be paid  
20 to an Opt-Out in connection with any Proof of Resolution.

21 2.3 Countrywide shall have the right to withdraw from the First Escrow  
22 Account the Set-Aside amounts to be used to satisfy Qualified Opt-Out Claims. In  
23 no event shall Countrywide be entitled to withdrawal of more than the balance  
24 remaining in the Set-Aside in order to satisfy the Resolution Amount of any  
25 Qualified Opt-Out Claim. In order to request withdrawal of amounts to satisfy  
26 Qualified Opt-Out Claims, counsel for Countrywide must inform Plaintiffs' Lead  
27 Counsel that a Proof of Resolution of a Qualified Opt-Out Claim exists. Within five  
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1 (5) business days of being so informed, Plaintiffs' Lead Counsel shall instruct the  
2 First Escrow Agent to transfer to Countrywide (by wire transfer or certified check,  
3 as Countrywide shall request) the Resolution Amount from the Set-Aside. If  
4 Plaintiffs' Lead Counsel wishes, prior to the five (5) business day deadline for  
5 providing funds from the Set-Aside expiring, it may inspect a copy of such Proof of  
6 Resolution at the offices of Goodwin Procter LLP, 620 Eighth Avenue, New York,  
7 NY. No photocopies or other replications, oral or printed, shall be made of any  
8 Proof of Resolution by Plaintiffs, Plaintiffs' Lead Counsel, or anyone acting on any  
9 of their behalf. The Parties acknowledge that any information provided by  
10 Countrywide pursuant to this paragraph shall be treated as confidential pursuant to  
11 the Protective Order entered in this Action.

12       2.4     The Set-Aside may not be used to pay defense fees or costs of any kind  
13 that may be incurred in connection with a Qualified Opt-Out Claim.

14       2.5     All payments of reasonable fees and costs incurred by the Claims  
15 Administrator associated with preparing, printing, and mailing to Class Members the  
16 Supplemental Notice contemplated by Paragraph 3.1 of this Amendment  
17 ("Supplemental Notice Costs") shall be paid from the Set-Aside. Following entry of  
18 the Second Preliminary Approval Order, and without further order of the Court,  
19 Plaintiffs' Lead Counsel, with approval of Lead Plaintiffs and on behalf of the  
20 Claims Administrator, may expend up to One Million Dollars (\$1,000,000.00) of the  
21 Set-Aside to pay Supplemental Notice Costs.

22       2.6

23             (a)    Except as provided in Paragraph 2.7 below, none of the Set-  
24             Aside shall be distributed to Authorized Claimants. In determining  
25             Authorized Claimants' Distribution Amounts pursuant to the Plan of  
26             Allocation, the Claims Administrator, acting under supervision of Lead  
27             Counsel, shall not include the Set-Aside in such calculations.

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1 (b) In accordance with Paragraph 2.6(a) hereof, the definition of the  
2 Net Settlement Fund in the Settlement Agreement shall be amended as  
3 follows. Paragraph 13 of the Settlement Agreement, which states:

4 The Gross Settlement Fund shall be used to pay (i) any Fee and  
5 Expense Award; (ii) any Notice and Administration Expenses; and (iii)  
6 any Taxes and Tax Expenses. The balance of the Gross Settlement  
7 Fund (inclusive of interest earned) shall be the “Net Settlement Fund.”

8 shall be amended to state as follows (with bolded words indicating language not in  
9 original Settlement Agreement):

10 The Gross Settlement Fund shall be used to pay (i) any Fee and  
11 Expense Award; (ii) any Notice and Administration Expenses; and (iii)  
12 any Taxes and Tax Expenses. The balance of the Gross Settlement  
13 Fund (inclusive of interest earned), **minus the Set-Aside**, shall be the  
14 “Net Settlement Fund.”

15 2.7 If two (2) years after the Court’s entry of the Final Judgment, there  
16 remains any amount in the Set-Aside that Countrywide has not requested be  
17 withdrawn to satisfy a Qualified Opt-Out Claim pursuant to Paragraph 2.3 above,  
18 Plaintiffs’ Lead Counsel, with the approval of Lead Plaintiff, will apply to the Court,  
19 after three (3) business days’ notice to Defendants’ Counsel, for an order directing  
20 payment of the remaining balance of the Set-Aside to Authorized Claimants in  
21 accordance with the Plan of Allocation (“Set-Aside Distribution Order”). If any  
22 portion of such remaining balance of the Set-Aside remains undistributed to  
23 Authorized Claimants (whether by reason of unclaimed funds, tax refunds, uncashed  
24 checks, or otherwise) one hundred eighty (180) days after the Court enters the Set-  
25 Aside Distribution Order, then Plaintiffs’ Lead Counsel shall distribute such balance  
26 to Authorized Claimants or Countrywide, in a manner consistent with Paragraph  
27 21(h) of the Settlement Agreement.  
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1           2.8     Not later than five (5) business days after the Court enters a Distribution  
2 Order pursuant to Paragraph 21(g) of the Settlement Agreement and such order  
3 becomes Final, the Claims Administrator shall again perform the calculations set  
4 forth in Paragraph 1.2(a) hereof and determine the amount of the Set-Aside (the  
5 “Final Set-Aside”). If the Final Set-Aside is less than the Set-Aside as had been  
6 initially determined, Countrywide shall, within three (3) business days of a written  
7 request from Plaintiffs’ Lead Counsel, refund the difference, less any balance that  
8 remains in the Set-Aside, to the First Escrow Account. Such transfer shall be by  
9 wire transfer or certified check, as Plaintiffs’ Lead Counsel shall request.

10 **3.     Supplemental Notice**

11           3.1     Supplemental notice shall be sent to the Class as well as to all Opt-Outs  
12 and their counsel, substantially in the form annexed as Exhibit 1 to Exhibit A hereto  
13 (“Supplemental Notice”), informing them of (a) this Amendment; and (b) that, by  
14 order of Judge John F. Walter in the action titled *SEC v. Mozilo*, No. CV 09-3994  
15 JFW (MANx) (C.D. Cal.) (the “SEC Action”), \$48,150,000.00 of the amounts  
16 recovered by the Securities and Exchange Commission in settlement of the SEC  
17 Action will be distributed to certain Class Members pursuant to the Plan of  
18 Allocation.

19           3.2     The Supplemental Notice shall set forth a deadline by which Class  
20 Members may file with the Court and serve on Plaintiffs’ Lead Counsel and counsel  
21 for the Countrywide Defendants and KPMG any objections to this Amendment, as  
22 well as procedures to be followed in the event any such objections to such  
23 Amendment are served.

24 **4.     Court Approval Orders**

25           4.1     Second Preliminary Approval Order. Promptly after this Amendment  
26 has been fully executed, Plaintiffs’ Lead Counsel shall submit the fully executed  
27 Amendment together with its exhibits to the Court and shall apply for entry of an  
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1 order (the “Second Preliminary Approval Order”), substantially in the form annexed  
2 hereto as Exhibit A. All Parties shall consent to entry of the Second Preliminary  
3 Approval Order in the form annexed hereto as Exhibit A.

4 4.2 Final Judgment Order.

5 (a) The proposed Final Judgment in this Action, annexed as Exhibit  
6 B to the original Settlement Agreement, is hereby superseded and replaced by  
7 the proposed Final Judgment annexed hereto as Exhibit B, and all references  
8 in the Settlement Agreement dated June 29, 2010 to Exhibit B shall be  
9 deemed to refer to Exhibit B hereto.

10 (b) Upon the Court’s approval of the Settlement, including this  
11 Amendment, the Parties shall request that the Court enter a Final Judgment in  
12 all material respects in the form set forth in Exhibit B, dismissing the Action  
13 with prejudice.

14 **5. Conditions of Amendment**

15 5.1 Lead Plaintiffs and Countrywide shall each have the right to declare this  
16 Amendment null and void, by providing written notice of such declaration to all  
17 Parties hereto within ten (10) calendar days of:

- 18 (a) the Court’s entering a preliminary approval order that differs  
19 from the Second Preliminary Approval Order annexed hereto as Exhibit  
20 A in any way that Lead Plaintiffs or Countrywide reasonably and in  
21 good faith believes is materially adverse to it;
- 22 (b) the Court refusing to approve this Amendment; or
- 23 (c) any appellate court reversing this Court’s Final Judgment in any  
24 way that Lead Plaintiffs or Countrywide reasonably and in good faith  
25 believes is materially adverse to it.

26 Nothing in this Paragraph 5.1 shall impair or limit any of the Parties’  
27 termination rights under the Settlement Agreement.

1           5.2 If the Amendment is declared null and void pursuant to Paragraph 5.1  
2 hereof, then (a) it shall be without force or effect upon the rights of the Parties; (b)  
3 none of its terms shall be effective or enforceable; (c) the Parties shall revert to their  
4 positions in the litigation as of November 30, 2010, and shall have all rights and  
5 obligations as set forth in the Settlement Agreement as of such date as if this  
6 Amendment had not been executed or submitted for approval by the Court; and (d)  
7 Countrywide and KPMG shall then have ten (10) calendar days from the date of any  
8 such declaration to elect to terminate their respective portions of the Settlement, or  
9 go forward with the Settlement as it existed on November 30, 2010, in accordance  
10 with Paragraph 43 of the Settlement Agreement.

11           5.3 Countrywide's and KPMG's rights to terminate the Settlement pursuant  
12 to Paragraph 43 of the Settlement Agreement shall be extinguished if the Court  
13 enters the Second Preliminary Approval Order in substantially the form annexed as  
14 Exhibit A hereto and the Final Judgment becomes Final.

15           5.4 Notwithstanding anything herein to the contrary, if the Court orders that  
16 a sufficient number of persons or entities that have requested exclusion from the  
17 Class and are listed in Exhibit 1 to Exhibit B hereto shall not be excluded from the  
18 Class, such that the Termination Threshold (as defined in the Supplemental  
19 Agreement Regarding Settlement among Plaintiffs, Countrywide, and KPMG, dated  
20 as of June 3, 2010, as subsequently modified) is no longer reached, and such order  
21 becomes Final, then (a) Countrywide's and KPMG's rights to terminate the  
22 Settlement pursuant to Paragraph 43 of the Settlement Agreement shall be  
23 extinguished; (b) this Amendment shall be declared null and void; (c) none of its  
24 terms shall be effective or enforceable; and (d) the Parties shall revert to their  
25 positions in the litigation as of November 30, 2010, and shall have all rights and  
26 obligations as set forth in the Settlement Agreement (other than those pursuant to  
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1 Paragraph 43 thereof) as of such date as if this Amendment had not been executed  
2 or submitted for approval by the Court.

3 **6. Miscellaneous Amendments**

4 6.1 Definition of Settlement Agreement. The term “Settlement Agreement”  
5 as defined in Paragraph 1(ww) of the Settlement Agreement dated June 29, 2010  
6 shall mean the Settlement Agreement as modified by this Amendment.

7 6.2 Definition of Notice and Administration Expenses. Paragraph 1(hh) of  
8 the Settlement Agreement, the last line of which states:

9 “... *provided, however,* that Notice and Administration Expenses shall not  
10 include any of the Fee and Expense Award.

11 shall be amended to state: (with bolded words indicating language not in the original  
12 Settlement Agreement)

13 “... *provided, however,* that Notice and Administration Expenses shall not  
14 include any of the Fee and Expense Award **or any Supplemental Notice**  
15 **Costs contemplated by this Amendment.**”

16 6.3 Defendants’ Interest in the Gross Settlement Fund. Paragraph 45 of the  
17 original Settlement Agreement, which states:

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

21 shall be amended to state: (with bolded words indicating language not in the  
22 original Settlement Agreement)

23 Upon the Effective Date, any and all remaining interest or right of Defendants  
24 in or to the Gross Settlement Fund, if any, shall be absolutely and forever  
25 extinguished, except for **(a)** as stated in Paragraph 21(h) above **and (b) as set**  
26 **forth in Paragraph 2 of the Amendment.**

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1           6.4 Reverter. The calculation of any remaining balance from the First  
2 Escrow Account to be returned to Countrywide pursuant to Paragraph 21(h) of the  
3 Settlement Agreement shall not be made until all of the conditions of Paragraph  
4 21(h) have been satisfied, and either (a) there is no remaining balance in the Set-  
5 Aside or (b) one hundred eighty (180) days have elapsed since the date of the Set-  
6 Aside Distribution Order.

7           6.5 Definition of Plan of Allocation. Paragraph 1(nn) of the original  
8 Settlement Agreement, which states:

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

14 shall be amended to state: (with bolded words indicating language not in the  
15 original Settlement Agreement)

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

21           6.6 Administration of Settlement. The fourth sentence of Paragraph 18 of  
22 the original Settlement Agreement, which states:

23           The Parties acknowledge that any information provided by Countrywide to  
24 Plaintiffs’ Lead Counsel shall be treated as confidential pursuant to the  
25 Protective Order entered in this Action; the Parties further acknowledge,  
26 however, that such information may be used by Plaintiffs’ Lead Counsel  
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1 solely to deliver the Notice and/or implement the Settlement, including the  
2 Plan of Allocation.

3 shall be amended to state: (with bolded words indicating language not in the  
4 original Settlement Agreement)

5 The Parties acknowledge that any information provided by Countrywide to  
6 Plaintiffs' Lead Counsel shall be treated as confidential pursuant to the  
7 Protective Order entered in this Action; the Parties further acknowledge,  
8 however, that such information may be used by Plaintiffs' Lead Counsel  
9 solely to deliver the Notice **and Supplemental Notice** and/or implement the  
10 Settlement, including the Plan of Allocation.

11 6.7 Description of Plan of Allocation. The first sentence of Paragraph 21(f)  
12 of the original Settlement Agreement, which states:

13 The Net Settlement Fund shall be distributed to the Authorized Claimants  
14 substantially in accordance with a Plan of Allocation to be described in the  
15 Notice mailed to Class Members and approved by the Court.

16 shall be amended to state: (with bolded words indicating language not in the  
17 original Settlement Agreement)

18 The Net Settlement Fund shall be distributed to the Authorized Claimants  
19 substantially in accordance with a Plan of Allocation to be described in the  
20 Notice **and Supplemental Notice** mailed to Class Members and approved by  
21 the Court.

22 **7. Other Provisions**

23 7.1 Within three (3) business days of a written request from counsel for  
24 Countrywide or KPMG, Plaintiffs' Lead Counsel shall provide such counsel with  
25 the mathematical calculation of the Set-Aside performed pursuant to Paragraph 1.2  
26 hereof, or, if the date after which the Claims Administrator can perform a final  
27 calculation of the Set-Aside pursuant to Paragraph 2.8 hereof has not yet occurred,  
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1 Plaintiffs' Lead Counsel shall, within three (3) business days, provide such counsel  
2 with the mathematical calculation of a reasonable, good-faith estimate of the Set-  
3 Aside. Such estimate shall be based upon information then available to the Claims  
4 Administrator and shall be without prejudice to the calculation of the Final Set-  
5 Aside as provided in Paragraph 2.8 hereof.

6 7.2 Each counsel or other Person executing this Amendment on behalf of  
7 any Party hereby warrants and represents that such person has the full authority to  
8 do so and that such person has the authority to take reasonable, necessary and  
9 appropriate action required or permitted to be taken pursuant to the Amendment to  
10 effectuate its terms.

11 7.3 This Amendment may be executed in one or more counterparts. All  
12 executed counterparts and each of them shall be deemed to be one and the same  
13 instrument. This Amendment may be executed by exchange of faxed or e-mailed  
14 (in .pdf format) executed signature pages, and any signature thereby transmitted  
15 shall be deemed an original signature for purposes of this Amendment.

16 Agreed to as of January 4, 2011.  
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LABATON SUCHAROW LLP

By: /s/ Joel H. Bernstein  
JOEL H. BERNSTEIN  
JONATHAN M. PLASSE  
IRA A. SCHOCHET  
DAVID J. GOLDSMITH  
MICHAEL H. ROGERS  
JOSHUA L. CROWELL

*Lead Counsel for 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 sole Trustee of the  
New York State Common Retirement  
Fund, and Lead Plaintiffs  
New York City Pension Funds*

KREINDLER & KREINDLER LLP

By: /s/ Gretchen M. Nelson  
GRETCHEN M. NELSON  
*Liaison Counsel for Lead Plaintiffs*

KAPLAN FOX & KILSHEIMER LLP

By: /s/ Joel B. Strauss  
JOEL B. STRAUSS  
*jstrauss@kaplanfox.com*  
JEFFREY P. CAMPISI  
*jcampisi@kaplanfox.com*  
850 Third Avenue  
New York, New York 10022  
Telephone: 212-687-1980  
Facsimile: 212-687-7714  
*Attorneys for Plaintiffs  
Barry Brahn and Shelley B. Katzeff*

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HENNIGAN, BENNETT & DORMAN LLP

By: /s/ J. Michael Hennigan

J. MICHAEL HENNIGAN  
*hennigan@hbdlawyers.com*  
KIRK D. DILLMAN  
*dillmank@hbdlawyers.com*  
MICHAEL SWARTZ  
*swartzm@hbdlawyers.com*  
865 South Figueroa Street, Suite 2900  
Los Angeles, California 90017  
Telephone: 213-694-1200  
Facsimile: 213-694-1234

*Liaison Counsel for Lead Plaintiffs*

GOODWIN PROCTER LLP

By: /s/ Brian E. Pastuszewski

BRIAN E. PASTUSZENSKI  
*bpastuszewski@goodwinprocter.com*  
ALEXIS L. SHAPIRO  
*ashapiro@goodwinprocter.com*  
Exchange Place  
53 State Street  
Boston, Massachusetts 02109  
Telephone: 617-570-1000  
Facsimile: 617-523-1231

LLOYD WINAWER  
*lwinawer@goodwinprocter.com*  
601 S. Figueroa Street, 41st Floor  
Los Angeles, California 90017  
Telephone: 213-426-2500  
Facsimile: 213-623-1673

*Attorneys for Defendants  
Countrywide Financial Corporation,  
Countrywide Securities Corporation,  
and Countrywide Capital V*

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BINGHAM McCUTCHEN LLP

By: /s/ Gwyn Quillen

GWYN QUILLEN  
*gwyn.quillen@bingham.com*  
The Water Garden  
Fourth Floor, North Tower  
1620 26th Street  
Santa Monica, California 90404-4060  
Telephone: 310-907-1000  
Facsimile: 310-907-2000

*Attorneys for KPMG LLP*

IRELL & MANELLA LLP

By: /s/ David Siegel

DAVID SIEGEL  
*dsiegel@irell.com*  
DANIEL LEFLER  
*dlefler@irell.com*  
CHARLES ELDER  
*celder@irell.com*  
RANDALL JACKSON  
*rjackson@irell.com*  
1800 Avenue of the Stars, Suite 900  
Los Angeles, California 90067  
Telephone: 310-277-1010  
Facsimile: 310-203-7199

*Attorneys for Defendant  
Angelo R. Mozilo*

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ORRICK, HERRINGTON & SUTCLIFFE LLP

By: /s/ Lori Lynn Phillips

LORI LYNN PHILLIPS  
*lphillips@orrick.com*  
701 Fifth Avenue, Suite 5600  
Seattle, Washington 98104-7097  
Telephone: 206-839-4300  
Facsimile: 206-839-4301

MICHAEL D. TORPEY  
*mtorpey@orrick.com*  
PENELOPE A. GRABOYS BLAIR  
*pgraboytblair@orrick.com*  
The Orrick Building  
405 Howard Street  
San Francisco, California 94105-2669  
Telephone: 415-773-5700  
Facsimile: 415-773-5759

MICHAEL C. TU  
*mtu@orrick.com*  
777 South Figueroa Street, Suite 3200  
Los Angeles, California 90017  
Telephone: 213-629-2020  
Facsimile: 213-612-2499

*Attorneys for Defendant*  
*David Sambol*



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DLA PIPER LLP (US)

By: /s/ Shirli Fabbri Weiss

SHIRLI FABBRI WEISS  
*shirli.weiss@dlapiper.com*  
401 B Street, Suite 1700  
San Diego, California 92101-4297  
Telephone: 619-699-2700  
Facsimile: 619-699-2701

NICOLAS MORGAN  
*nicolas.morgan@dlapiper.com*  
1999 Avenue of the Stars, Suite 400  
Los Angeles, California 90067-6022  
Telephone: 310-595-3000  
Facsimile: 310-595-3300

DAVID PRIEBE  
*david.priebe@dlapiper.com*  
JEFFREY B. COOPERSMITH  
*jeff.coopersmith@dlapiper.com*  
2000 University Avenue  
East Palo Alto, California 94303-2248  
Telephone: 650-833-2000  
Facsimile: 650-833-2001

*Attorneys for Defendant*  
*Eric P. Sieracki*

CALDWELL LESLIE & PROCTOR, PC

By: /s/ Christopher G. Caldwell

CHRISTOPHER G. CALDWELL  
*caldwell@caldwell-leslie.com*  
ANDREW ESBENSHADE  
*esbenshade@caldwell-leslie.com*  
DAVID K. WILLINGHAM  
*willingham@caldwell-leslie.com*  
1000 Wilshire Boulevard, Suite 600  
Los Angeles, California 90017-2463  
Telephone: 213-629-9040  
Facsimile: 213-629-9022

*Attorneys for Defendant*  
*Stanford L. Kurland*

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MORRISON & FOERSTER LLP

By: /s/ Jordan Eth

JORDAN ETH  
*jeth@mof.com*  
JUDSON E. LOBDELL  
*jlobdell@mof.com*  
D. ANTHONY RODRIGUEZ  
*drodriguez@mof.com*  
425 Market Street  
San Francisco, California 94105  
Telephone: 415-268-7000  
Facsimile: 415-268-7522

*Attorneys for Defendants  
Henry Cisneros, Jeff Cunningham,  
Robert Donato, Ben M. Enis,  
Edwin Heller, Gwendolyn S. King,  
Martin Melone, Robert Parry,  
Oscar Robertson, Keith Russell,  
and Harley Snyder*

SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP

By: /s/ Eric S. Waxman

ERIC S. WAXMAN  
*ewaxman@skadden.com*  
PETER B. MORRISON  
*peter.morrison@skadden.com*  
VIRGINIA F. MILSTEAD  
*virginia.milstead@skadden.com*  
300 South Grand Avenue  
Los Angeles, California 90071-3144  
Telephone: 213-687-5000  
Facsimile: 213-687-5600

*Attorneys for Defendants  
Kathleen Brown and  
Michael E. Dougherty*

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GIBSON, DUNN & CRUTCHER LLP

By: /s/ Dean J. Kitchens

DEAN J. KITCHENS  
*dkitchens@gibsondunn.com*  
333 South Grand Avenue  
Los Angeles, California 90071-3197  
Telephone: 213-229-7000  
Facsimile: 213-229-7520

JONATHAN DICKEY  
*jdickey@gibsondunn.com*  
200 Park Avenue, 48th Floor  
New York, New York 10166-0193  
Telephone: 212-351-2399  
Facsimile: 212-351-6399

*Attorneys for Underwriter Defendants*

# **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)

This Document Relates to: All Actions

**[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL TO FIRST AMENDMENT TO SETTLEMENT AGREEMENT AND DIRECTING DISSEMINATION OF SUPPLEMENTAL NOTICE TO THE CLASS**

Date: January 12, 2011  
Time: 1:30 p.m.  
Courtroom: 12  
Judge: Hon. Mariana R. Pfaelzer

1 The parties have presented to the Court for preliminary approval an  
2 amendment to the previously submitted Settlement Agreement in the above-  
3 captioned case. The terms of the amendment are set out in a First Amendment to  
4 Amended Stipulation and Agreement of Settlement (the “Amendment”) executed by  
5 counsel for the parties as of January 4, 2011. All capitalized terms used herein have  
6 the meanings set forth and defined in the previously submitted Settlement  
7 Agreement, as modified by the Amendment.

8 The Court, upon careful review of the Amendment, and having held a hearing  
9 on January 12, 2011, to determine, among other things, whether the Amendment is  
10 sufficiently fair, reasonable, and adequate to warrant the issuance of Supplemental  
11 Notice of the proposed Amendment to the members of the Class certified by the  
12 Court, declares that it is hereby **ORDERED, ADJUDGED AND DECREED** as  
13 follows:

- 14 1. Preliminary Findings Concerning Proposed Settlement. The Court  
15 preliminarily finds that the proposed Amendment should be approved.
- 16 2. Fairness Hearing. A hearing (the “Fairness Hearing”) will be held on  
17 February \_\_\_\_, 2011 at \_\_:\_\_\_ .m. before the Honorable Mariana R. Pfaelzer in  
18 Courtroom 12 of the United States District Court for the Central District of  
19 California, 312 North Spring Street, Los Angeles, California 90012, to determine,  
20 among other things, (a) whether the proposed Settlement of the Action on the terms  
21 and conditions provided in the Settlement Agreement and Amendment thereto is  
22 fair, reasonable, and adequate and should be approved by the Court; (b) whether the  
23 proposed Plan of Allocation of the Net Settlement Fund is fair and reasonable and  
24 should be approved by the Court; (c) whether a Final Judgment and Order of  
25 Dismissal with Prejudice substantially in the form of Exhibit B to the Amendment  
26 should be entered in this Action; and (d) to consider Plaintiffs’ Lead Counsel’s  
27 application for a Fee and Expense Award. Any supplemental papers in support of  
28 final approval of the Settlement Agreement, approval of the Plan of Allocation, and

1 Plaintiffs' Lead Counsel's application for a Fee and Expense Award shall be filed  
2 with the Court no later than twenty-one (21) days before the Fairness Hearing.

3       3.     Supplemental Notice. The Court approves the form and substance of  
4 the Supplemental Notice form annexed to the Amendment as Exhibit 1 to Exhibit A,  
5 and finds that the procedures established for mailing and distribution of the  
6 Supplemental Notice substantially in the manner and form set forth in Paragraphs 4  
7 and 6 of this Order (a) constitute the best notice to Class members practicable under  
8 the circumstances, (b) are reasonably calculated, under the circumstances, to  
9 describe the terms and effect of the Amendment and to apprise Class Members of  
10 their opportunity to object to the proposed Amendment and modification to the Plan  
11 of Allocation, (c) are reasonable and constitute due, adequate, and sufficient notice  
12 to all persons entitled to receive such notice, and (d) satisfy all applicable  
13 requirements of the Federal Rules of Civil Procedure (including Rules 23(c) and  
14 (d)), the United States Constitution (including the Due Process Clause), the Private  
15 Securities Litigation Reform Act of 1995, the Rules of this Court, and any other  
16 applicable law.

17       4.     Manner of Supplemental Notice. Plaintiffs' Lead Counsel is hereby  
18 authorized to use Rust Consulting, Inc. (the "Claims Administrator") to supervise  
19 and administer the Supplemental Notice procedure under the supervision of  
20 Plaintiffs' Lead Counsel. The manner of providing Supplemental Notice shall be as  
21 follows:

22               (a)     Not later than nine (9) calendar days after entry of this Order by  
23 this Court (the "Supplemental Notice Date"), the Claims Administrator shall  
24 cause the Supplemental Notice, substantially in the form annexed hereto as  
25 Exhibit 1, to be sent to each Class Member who can be identified by  
26 reasonable effort. Such notice shall be sent by first-class mail, postage  
27 prepaid, to the Class Member's last known address.  
28

1 (b) Not later than twenty-one (21) days before the Fairness Hearing,  
2 Plaintiffs' Lead Counsel shall file with the Court one or more affidavits or  
3 declarations showing timely compliance with the foregoing mailing  
4 requirements.

5 5. Nominee Purchasers. The Claims Administrator shall mail the  
6 Supplemental Notice directly to (a) individual beneficial owners whose last-known  
7 names and addresses have been supplied by banks, brokerage firms, institutions, and  
8 other Persons who are nominees for the beneficial interest of other Persons during  
9 the Class Period ("Nominee Purchasers"); (b) any Nominee Purchasers who  
10 requested bulk shipments of the original notice of this Settlement ("Original Notice  
11 Packet"); and (c) any Nominee Purchasers who supplied the Claims Administrator  
12 with mailing labels for individual beneficial owners in response to efforts made by  
13 the Claims Administrator in connection with the mailing of the Original Notice  
14 Packet. Within five (5) days of receipt of either the Supplemental Notice or the bulk  
15 shipment of the Supplemental Notice, Nominee Purchasers shall either mail the  
16 Supplemental Notice form directly to such beneficial owners or provide the Claims  
17 Administrator with mailing labels for the name and last-known address of each  
18 beneficial owner. Within ninety (90) days of the Supplemental Notice Date,  
19 Nominee Purchasers who receive bulk shipments or send mailing labels may request  
20 and the Claims Administrator shall, upon receipt of appropriate supporting  
21 documentation, reimburse Nominee Purchasers out of the Set-Aside solely for  
22 Nominee Purchasers' reasonable out-of-pocket expenses incurred in sending notice  
23 to the beneficial owners who are potential Class Members, which expenses would  
24 not have been incurred except for the sending of such Supplemental Notice, subject  
25 to further order of this Court with respect to any dispute concerning such  
26 reimbursement.

27 6. Submission of Proof of Claim Forms. Proof of Claim forms shall be  
28 submitted by Class Members in accordance with Paragraph 8 of this Court's Order



1 Granting Preliminary Approval to Settlement and Directing Dissemination of Notice  
2 to the Class dated August 2, 2010 (the “First Preliminary Approval Order”), except  
3 the deadline for submitting such Proof of Claim forms shall be sixty (60) days  
4 following the Fairness Hearing, or such other date as may be set by the Court.

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

23 Any objections previously submitted by Class Members need not be  
24 submitted again. The Court’s original objection deadline of October 18, 2010 set  
25 forth in the First Preliminary Approval Order is **not** hereby extended. The only  
26 objections permitted to be filed pursuant to this Order are those related to the  
27 Amendment or modification to the Plan of Allocation. The addresses for filing  
28 objections with the Court and service on counsel are as follows:

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*To 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

*To Plaintiffs' Lead Counsel:*  
Joel H. Bernstein, Esq.  
Labaton Sucharow LLP  
140 Broadway  
New York, NY 10005

*To the Countrywide Defendants:*  
Brian E. Pastuszewski, Esq.  
Goodwin Procter LLP  
Exchange Place  
53 State Street  
Boston, MA 02109

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

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 seven (7) 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 seven (7) days before the Fairness Hearing. Any member of the Class or other Person who does not timely file and serve a written objection complying with the terms of this paragraph shall be deemed to have waived, and shall be foreclosed from raising, any objection to the Amendment or

1 modification to the Plan of Allocation, and any untimely objection shall be barred.  
2 Any submissions by the Parties in opposition or response to objections submitted  
3 pursuant to this paragraph shall be filed with the Court no later than three (3) days  
4 before the Fairness Hearing.

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

22 9. Requests for Exclusion. Any potential Class Member who previously  
23 filed a request for exclusion from the Class need not file their request again. No  
24 additional requests for exclusion shall be allowed.

25 10. Service of Papers. Counsel for the Countrywide Defendants, counsel  
26 for KPMG LLP, and Plaintiffs' Lead Counsel shall promptly furnish all Parties with  
27 copies of any and all objections and notices of intention to appear that come into  
28 their possession.

1           11.    Fees and Expenses. All reasonable costs associated with Supplemental  
2 Notice and incurred in notifying Class Members shall be paid as set forth in the  
3 Amendment. In the event the Amendment is not approved by the Court, or  
4 otherwise fails to become effective, none of the Parties or their counsel shall have  
5 any obligation to repay the reasonable and necessary Supplemental Notice expenses  
6 actually incurred as of the date the Amendment is terminated.

7           12.    Termination of Settlement. This Order shall become null and void, and  
8 shall be without prejudice to the rights of the Parties if the Settlement is terminated  
9 in accordance with the Settlement Agreement. In such event, Paragraphs 37, 38 or  
10 39 (as the context requires) of the Settlement Agreement shall govern the rights of  
11 the Parties.

12           13.    Nullification of Amendment (Paragraph 5.1). In the event that the  
13 Amendment is declared null and void by Lead Plaintiffs or Countrywide pursuant to  
14 Paragraph 5.1 therein, but the Settlement is not terminated, then this Order shall  
15 become null and void, the Parties shall be restored to their respective positions in the  
16 Action as of November 30, 2010, and Countrywide and KPMG shall each have ten  
17 (10) calendar days from the time of such declaration to elect to terminate their  
18 respective portions of the Settlement or go forward with the Settlement as it existed  
19 on November 30, 2010.

20           14.    Nullification of Amendment (Paragraph 5.4). In the event that the  
21 Amendment automatically becomes null and void pursuant to Paragraph 5.4 therein,  
22 then this Order shall become null and void, the Parties shall revert to their positions  
23 in the litigation as of November 30, 2010, and the Parties shall have all rights and  
24 obligations as set forth in the Settlement Agreement other than those pursuant to  
25 Paragraph 43 thereof.

26           15.    CAFA Notice. The Court finds that, to the extent the notice provisions  
27 of the Class Action Fairness Act, 28 U.S.C. § 1715 (“CAFA”), apply to this Action,  
28 such notice having already been provided by Defendants as evidenced in the

1 declaration filed with the Court by Countrywide's counsel on October 8, 2010, no  
2 further notice under CAFA is required.

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

12 17. Continuance of Hearing. The Court reserves the right to continue or  
13 adjourn the Fairness Hearing from time to time without further notice to the Class.  
14 The Court may approve the Settlement, including the Amendment thereto, with such  
15 further modifications as may be agreed to by the Parties, if appropriate, without  
16 further notice to the Class.

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18 SO ORDERED this \_\_\_\_\_ day of January, 2011.

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21 HON. MARIANA R. PFAELZER  
22 UNITED STATES DISTRICT JUDGE  
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# **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 Relates To: All Actions

**SUPPLEMENTAL NOTICE OF PROPOSED MODIFIED  
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 proposed class action settlement.**

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

You were previously sent a Notice of Proposed Settlement of Class Action and Fairness Hearing, dated August 2, 2010 (the “Original Notice”) in connection with a proposed \$624 million Settlement of this class action (the “Action”). The purpose of this Supplemental Notice is to inform you that: (a) the proposed Settlement and Plan of Allocation have been modified in certain respects; (b) the Court has set February \_\_\_\_, 2011 as the new date for a hearing (the “Fairness Hearing”) to consider whether the modified Settlement should be approved and various other matters; and (c) the Court has extended the deadline stated in the Original Notice for submitting Proofs of Claim.

**Your rights may be affected by this Supplemental Notice whether you act or do not act.** Please read this Supplemental Notice and the Original Notice previously mailed to you carefully. This Supplemental Notice does not replace all of the information in the Original Notice. The Original Notice is also available at [www.CountrywideSecuritiesClassAction.com](http://www.CountrywideSecuritiesClassAction.com) and [www.labaton.com](http://www.labaton.com).

**A. Summary**

The Parties have reached an agreement to modify the Settlement Agreement in this Action. As more fully discussed below, under the proposed modification, up to \$22.5 million of the \$624 million Settlement Amount will be set aside for up to two years to be used by Countrywide to satisfy claims asserted by individuals and entities that voluntarily excluded themselves from the Class. The parties believe that the per share recovery for Class Members will be at least as great, if not greater, than the recovery predicted in the Original Notice for at least two reasons. First,

with requests for exclusion having been received, there are now fewer Class Members sharing in the Net Settlement Fund. Second, the amendment to the Settlement Agreement ensures that the amount that will be set aside will not exceed the estimated amount that the excluded Class Members would have received had they remained in the Class.

Moreover, as a result of a recent settlement reached by the Securities and Exchange Commission (the "SEC") in a civil enforcement action, an additional \$48,150,000 will be distributed to certain Class Members in this Action.

**B. Procedural History of the Settlement and Proposed Modified Settlement**

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 sole 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"); and Defendants Countrywide Financial Corporation ("Countrywide"), Countrywide Securities Corporation, and Countrywide Capital V; Defendant KPMG LLP ("KPMG"); the Individual Defendants, and the Underwriter Defendants (collectively, "Defendants"), have proposed an amendment (the "Amendment") to certain terms of the Settlement in this Action which was previously presented to, and preliminarily approved by, the Court. The proposed Amendment amends the Settlement terms set forth in the Amended Stipulation and Agreement of Settlement dated as of June 29, 2010 (the "Settlement Agreement"). Unless stated otherwise, all capitalized terms herein are as defined in the Settlement Agreement, as modified by the Amendment.

The Settlement Agreement provided that the Settlement could be terminated under certain circumstances. At the option and in the sole discretion of Countrywide or KPMG, as to their respective settlements with Plaintiffs and the Class, the Settlement could be terminated if Class Members who timely and validly requested exclusion from the Class collectively incurred at least a certain dollar amount of alleged losses in connection with their purchases and sales of the Countrywide securities at issue in this Action (the "Termination Threshold").

On August 2, 2010, the Court in this Action (the Honorable Mariana R. Pfaelzer, U.S. District Judge) held a hearing and entered an Order Granting Preliminary Approval to Settlement and Directing Dissemination of Notice to the Class (the "First Preliminary Approval Order"), and scheduled a Fairness Hearing for November 15, 2010.

Pursuant to the First Preliminary Approval Order, beginning on August 20, 2010, the Original Notice was mailed to all Class Members that could be identified through reasonable efforts.

The First Preliminary Approval Order gave Class Members the opportunity, until October 18, 2010, to exclude themselves from the Class. Certain Class Members submitted requests for exclusion from the Class that were timely and that otherwise appeared to satisfy the requirements



of the First Preliminary Approval Order (the “Opt-Outs”). The Opt-Outs’ collective purchases and sales of Countrywide securities at issue in this Action, as listed in their respective requests for exclusion, resulted in the Termination Threshold being exceeded.

On October 26, 2010 and thereafter, the Court rescheduled the Fairness Hearing. On December 1, 2010, NYSCRF, the New York City Pension Funds, Countrywide and KPMG participated in discussions mediated by the Honorable A. Howard Matz, a sitting judge of the U.S. District Court for the Central District of California, and Professor Eric D. Green of Boston University, a private mediator, concerning the Opt-Outs and Countrywide’s and KPMG’s termination rights. These discussions resulted in an agreement on the terms of the Amendment that is the subject of this Supplemental Notice.

**C. Terms of the Proposed Modified Settlement**

In exchange for the agreement of Countrywide and KPMG not to exercise their rights to terminate the Settlement in connection with the Opt-Outs, Plaintiffs have agreed to set aside up to \$22,500,000 of the \$624,000,000 Settlement Amount (the “Set-Aside”) for a period of two (2) years from the date that the Settlement, as modified, is approved by the Court.

Countrywide may use the Set-Aside to settle litigation brought or threatened to be brought by Opt-Outs. Any portion of the Set-Aside not used for these purposes after the two-year period will be returned to the Net Settlement Fund. Countrywide may not use the Set-Aside to pay the fees or expenses of its counsel.

The reasonable costs of printing and mailing this Supplemental Notice, and the reasonable associated fees of the Claims Administrator, will be paid out of the Set-Aside and not the Net Settlement Fund.

If the total amount of money the Opt-Outs actually would have received from the Net Settlement Fund if they all had not opted out of the Class and had instead submitted timely and valid Proofs of Claim (this amount is called the “Opt-Out Payout”) is less than \$22.5 million, the Set-Aside will be reduced to that lesser amount. (The Opt-Out Payout cannot be accurately calculated until all Proofs of Claim are reviewed and processed and any disputes concerning the timeliness, validity or completeness of Proofs of Claim are resolved.) Nonetheless, and in all instances, **the Set-Aside will not exceed the Opt-Out Payout.**

**D. Impact of the Amendment to the Settlement on Plaintiff Recovery**

Although the Set-Aside will reduce the gross Settlement Amount by up to \$22.5 million, the Class is now smaller because the Opt-Outs have excluded themselves from the Class and thus given up their right to seek payments from the Net Settlement Fund. Although the Opt-Out Payout cannot be accurately calculated at this time, before all the Proof of Claim forms have been submitted, reviewed and processed, the Set-Aside will equal the lesser of \$22.5 million or the actual Opt-Out Payout when that amount is finally calculated. This means that individual Class Members will recover no less in the proposed modified Settlement than they would have

recovered under the original Settlement if the Opt-Outs had not excluded themselves from the Class.

In the Original Notice, Plaintiffs provided an estimate of the average recoveries per damaged share of Countrywide common stock and Countrywide Capital V 7% Capital Securities both under the Settlement Agreement and had Plaintiffs prevailed on each asserted claim. These calculations assumed that no Class Member would opt out of the Class. Because the Class is smaller without the Opt-Outs, however, and the Set-Aside will not exceed the Opt-Out Payout, the estimated average per-share recovery and damage amounts in the Original Notice are not diminished by the Amendment, and as a result the per share recovery for Class Members is expected to be at least as great, if not greater, than if the Opt-Outs had not excluded themselves from the Class.

Additionally, Class Members should be aware that the civil enforcement proceeding brought by the SEC against former Countrywide executives Angelo R. Mozilo, David Sambol, and Eric P. Sieracki, titled *SEC v. Mozilo*, No. CV 09-3994 JFW (MANx) (C.D. Cal.) (the “SEC Proceeding”), was settled on October 15, 2010 with the approval of the Honorable John F. Walter, U.S. District Judge. Mr. Mozilo, Mr. Sambol, and Mr. Sieracki are named Defendants in this Action as well as in the SEC Proceeding. Plaintiffs, Countrywide, and KPMG were not parties to the SEC Proceeding. The settlements in the SEC Proceeding (the “SEC Settlements”) have yielded \$48,150,000 in new cash that, pursuant to an order by Judge Walter, will be distributed directly to certain Countrywide investors who are members of the Class, as further explained below.

The SEC Settlements will provide recovery to persons who purchased Countrywide common stock between May 9, 2005 and March 12, 2008 (the “SEC Relevant Period”). This period substantially overlaps with the Class Period in this Action. Plaintiffs and the SEC have agreed that the \$48,150,000 yielded by the SEC Settlements will be jointly administered with this Settlement (as modified) for the benefit of the Class Members in this Action who purchased Countrywide common stock during the SEC Relevant Period, and will be distributed to such Class Members pursuant to the Plan of Allocation. Because the SEC Settlements do not provide a mechanism by which investors may opt out, the Opt-Outs will have the right to claim their *pro rata* share of the SEC Settlement money.

Owing in part to the addition of the cash proceeds from the SEC Settlements, the total amount of settlement funds available to Class Members today is greater than the total amount of settlement funds that was available to Class Members as of the date the parties in this Action originally agreed to the Settlement and the date the Original Notice was first mailed.

Plaintiffs and Plaintiffs’ Lead Counsel believe the proposed modified Settlement is fair, reasonable, and adequate and in the best interests of all Class Members.

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

**E. The Fairness Hearing**

The Court will hold the Fairness Hearing on **February \_\_\_\_\_, 2011, 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 proposed modified Settlement is fair, reasonable and adequate and should be approved, whether the proposed Plan of Allocation of the Net Settlement Fund (as modified herein) is fair and reasonable and should be approved, the modified application of Plaintiffs' Lead Counsel for attorneys' fees and reimbursement of expenses (summarized below), and whether to dismiss certain Defendants and claims as specified in the Original Notice. The Court will take into consideration any written objections to the Amendment filed no later than \_\_\_\_\_, 2011 and otherwise in accordance with the instructions at question 18 of the Original Notice. 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 modified Settlement. We do not know how long these decisions will take.

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.

**F. Plaintiffs' Lead Counsel's Modified Request for Attorney's Fees and Expenses**

In view of the Amendment to the Settlement, Plaintiffs' Lead Counsel will ask the Court, on behalf of all Plaintiffs' Counsel, to award attorney's fees of approximately \$46,472,000.00, or approximately 7.72% of the \$601,500,000 gross Settlement amount exclusive of the Set-Aside, plus interest on such fees at the same rate as earned by the Gross Settlement Fund. This estimated fee request is \$900,000 less than the fee requested by Plaintiffs' Lead Counsel in submissions previously filed with the Court in connection with the original Settlement. Plaintiffs' Lead Counsel will not seek or receive any fees in connection with the additional money made available to the Class in connection with the SEC Settlements.

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 \$8,080,517.87, plus interest on such expenses at the same rate as earned by the Gross Settlement Fund. This amount is approximately \$669,000 less than the approximate amount of expenses stated in the Original Notice.

The estimated amounts of combined fees and expenses per damaged share of Countrywide common stock and damaged share of Countrywide Capital V 7% Capital Securities, both of which were stated in the Original Notice, assumed that no Class Member would Opt-Out of the Class. Because the Class is smaller without the Opt-Outs, the Set-Aside will not exceed the Opt-Out Payout, \$48.15 million from the SEC Settlement will be distributed to certain Class

Members pursuant to the Plan of Allocation, and Plaintiffs' Lead Counsel will request a smaller amount of expenses than the estimated amount stated in the Original Notice, the estimated amounts of combined fees and expenses per share are not increased by the Amendment.

**G. Modification to Plan of Allocation of Net Settlement Fund**

The Plan of Allocation is modified by adding the following language at the end of the first paragraph of Part G, titled "Distributions from the Net Settlement Fund," at page 18 of the Notice:

A Claimant's Distribution Amount will be reduced dollar-for-dollar by any amount separately paid or required to be paid to the Claimant by any of the Released Parties to resolve a Settled Claim.

The terms "Claimant," "Distribution Amount," "Released Parties," and "Settled Claim" are all as defined in the Notice.

This modification to the Plan of Allocation has been proposed solely by Plaintiffs, and is not part of the Amendment negotiated and agreed-to with Defendants. Final Court approval of the Settlement and/or the Amendment is not contingent upon approval of this modification to the Plan of Allocation.

**H. Objections**

If you are a Class Member, you can object to the modifications that have been made to the proposed Settlement as described in the Amendment and/or the modification to the Plan of Allocation as described above. You may write to the Court setting out your objection(s). You may give reasons why you think the Court should not approve any or all of the modified terms set forth in the Amendment or the modification to the Plan of Allocation. If you would like the Court to consider your views, your objection must follow the requirements and procedures set forth in question 18 of the Original Notice, and must be filed with the Court and mailed or delivered to all of the counsel identified in question 18 of the Original Notice, **on or before \_\_\_\_\_, 2011**. If you wish to appear at the Fairness Hearing, either yourself or through an attorney, you must file and mail a Notice of Appearance in accordance with the procedures set forth in question 22 of the Original Notice, **on or before \_\_\_\_\_, 2011**.

The Court has determined that Class Members who did not previously request to be excluded from the Class by October 18, 2010 may not request exclusion now.

**I. Extended Proof of Claim Submission Deadline**

To qualify for a payment, you must send in a timely and valid Proof of Claim form. The Proof of Claim form was included with the Original Notice. You can also get one on the Internet at [www.CountrywideSecuritiesClassAction.com](http://www.CountrywideSecuritiesClassAction.com) or [www.labaton.com](http://www.labaton.com), or you can also ask for one 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. In view of the new Fairness Hearing date, the Court has extended the deadline for Class Members to submit Proof of Claim forms. Proof of Claim forms now must be postmarked **no later than** \_\_\_\_\_, **2011**.

*If you have already submitted a Proof of Claim form, there is no need to submit it again.*

**J. Getting More Information**

This Supplemental Notice summarizes the proposed modified Settlement. More details are in a First Amendment to Amended Stipulation and Agreement of Settlement, dated as of January 4, 2011 (the "Amendment"), and in the Original Notice. You can get a copy of the Amendment or the Original Notice 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, the Original Notice, 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.

For even more detailed information concerning the matters involved in this action, reference is made to the pleadings, the Amendment, the Settlement Agreement, 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>.

**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 FIVE (5) 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 Supplemental Notice, which will be provided to you free of charge, and

within five (5) days mail the Supplemental Notice 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 Set-Aside 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, if received within ninety (90) days after this Supplemental Notice is mailed. 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  
\_\_\_\_\_, 2011

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

This Document Relates to: All Actions

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

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

Date: \_\_\_\_\_, 2011  
Time: \_\_\_\_\_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 \_\_\_\_\_, 2011, on the application of the Parties for approval of  
3 the Settlement set forth in the Amended Stipulation and Agreement of Settlement,  
4 executed as of June 29, 2010 and filed with the Court on that date and the First  
5 Amendment thereto, executed as of January 4, 2011 and filed with the Court on that  
6 date (collectively, the “Settlement” or the “Settlement Agreement”). All capitalized  
7 terms used herein have the meanings set forth and defined in the Settlement  
8 Agreement.

9 The Court has received declarations attesting to the mailing of the Notice and  
10 publication of the Summary Notice in accordance with the Order Granting  
11 Preliminary Approval of Settlement and Directing Dissemination of Notice to the  
12 Class dated August 2, 2010 (“Preliminary Approval Order”) and the mailing of  
13 Supplemental Notice in accordance with the Order Granting Preliminary Approval  
14 to First Amendment to Settlement Agreement and Directing Dissemination of  
15 Supplemental Notice to the Class dated January \_\_, 2011 (“Second Preliminary  
16 Approval Order”). Due and adequate notice having been given to the Class as  
17 required by both the Preliminary Approval Order and Second Preliminary Approval  
18 Order and the Court having considered all papers filed and proceedings in this  
19 Action and otherwise being fully informed of the matters herein, and good cause  
20 appearing therefor, IT IS HEREBY ORDERED, ADJUDGED AND DECREED as  
21 follows:

22 1. This Court has jurisdiction over the subject matter of this Action,  
23 including the terms and conditions of the Settlement Agreement and all exhibits  
24 thereto and the Plan of Allocation of the Net Settlement Fund, and over all Parties to  
25 the Action and all Class Members.

26 2. This Court finds that the distribution of the Notice and the  
27 Supplemental Notice and the publication of the Summary Notice, and the notice  
28 methodology, all implemented in accordance with the terms of the Settlement

1 Agreement and the Court’s Preliminary Approval Order and Second Preliminary  
2 Approval Order:

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

5 (b) were reasonably calculated, under the circumstances, to apprise  
6 Class Members of: (i) the proposed Settlement of this class action; (ii) their right to  
7 exclude themselves from the Class; (iii) their right to object to any aspect of the  
8 proposed Settlement; (iv) their right to appear at the Fairness Hearing, either on their  
9 own or through counsel hired at their own expense, if they are not excluded from the  
10 Class; and (v) the binding effect of the proceedings, rulings, orders, and judgments  
11 in this Action, whether favorable or unfavorable, on all persons who are not  
12 excluded from the Class;

13 (c) were reasonable and constituted due, adequate, and sufficient  
14 notice to all persons entitled to be provided with notice; and

15 (d) fully satisfied all applicable requirements of the Federal Rules of  
16 Civil Procedure (including Rules 23(c) and (d)), the United States Constitution  
17 (including the Due Process Clause), the Private Securities Litigation Reform Act of  
18 1995, the Rules of the Court, and any other applicable law.

19 3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court  
20 finds that the terms and provisions of the Settlement Agreement were entered into  
21 by the Parties at arm’s-length and in good faith, and are fully and finally approved  
22 as fair, reasonable, and adequate as to, and in the best interests of, each of the Parties  
23 and the Class Members. The Parties and their counsel are hereby directed to  
24 implement and consummate the Settlement in accordance with its terms and  
25 conditions.

26 4. The Action and all Settled Claims are dismissed with prejudice. The  
27 Parties are to bear their own costs, except as otherwise provided in the Settlement  
28 Agreement or this Final Judgment and Order (“Final Judgment”).

1           5.       The Court finds that the notice given of the dismissal of defendants  
2 Garcia and Gissing and claims against Sambol under the Securities Act of 1933  
3 (“Sambol 1933 Act Claims”) was adequate. The dismissal of defendants Garcia and  
4 Gissing and the Sambol 1933 Act Claims is approved as fair, just and reasonable,  
5 and is hereby finally approved.

6           6.       In accordance with Paragraph 1(rr) of the Settlement Agreement, for  
7 purposes of this Final Judgment the term “Released Parties” shall mean: (a) any and  
8 all of the Defendants and any person, partnership, firm, corporation, limited liability  
9 company, trust or other entity in which any Defendant has a controlling interest or  
10 which is or was related to or affiliated with any of the Defendants; and (b) with  
11 respect to each of the Persons in subsection (a), their respective past or present  
12 directors, officers, employees, insurers, reinsurers, attorneys, agents, partners,  
13 principals, advisors, investment advisors, auditors, accountants, trustees,  
14 underwriters, investment bankers, subsidiaries, parents (including without limitation  
15 Bank of America Corporation and each of its subsidiaries), any other entity in which  
16 any such parent has a controlling interest or which is or was related to or affiliated  
17 with any such parent, successors and predecessors, heirs, Immediate Family, and  
18 anyone acting or purporting to act for or on behalf of any of them or their  
19 successors.

20           7.       In accordance with Paragraph 1(tt) of the Settlement Agreement, for  
21 purposes of this Final Judgment the term “Settled Claims” shall mean: any and all  
22 claims, debts, demands, disputes, rights, causes of action, suits, matters, damages, or  
23 liabilities of any kind, nature, and character whatsoever (including but not limited to  
24 any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any  
25 and all other costs, expenses or liabilities whatsoever), whether based on federal,  
26 state, local, statutory or common law or any other law, rule or regulation, whether  
27 fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in  
28 equity, matured or unmatured, whether class or individual in nature (collectively,

1 “Claims”), including both known Claims and Unknown Claims (as defined herein),  
2 against any of the Released Parties (i) that were asserted or could have been asserted  
3 in the Action, (ii) that would have been barred by *res judicata* had the Action been  
4 fully litigated to a final judgment, or (iii) that could have been, or could in the future  
5 be, asserted in any forum or proceeding or otherwise by any Class Member against  
6 any of the Released Parties (a) that concern, arise out of, refer to, are based upon, or  
7 are related in any way to, any of the subject matter, allegations, transactions, facts,  
8 matters, occurrences, representations, statements, or omissions alleged, involved, set  
9 forth, or referred to in the Complaint; and (b) that relate to the purchase, sale,  
10 acquisition or holding of the Countrywide Securities, and, as to Plaintiffs, that relate  
11 to the purchase, sale, acquisition or holding of any security issued by Countrywide  
12 or any Countrywide-related entity (including but not limited to mortgage-backed  
13 securities issued by CWALT, Inc., CWABS, Inc., CWHEQ, Inc. or CWMBS, Inc.),  
14 whether such Countrywide-related entity is a corporation, partnership, limited  
15 liability company, trust, or other entity, and whether or not such securities are  
16 Countrywide Securities; *provided, however*, that the term “Settled Claims” shall not  
17 include the following:

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

25 Notwithstanding the foregoing, nothing in this definition of “Settled Claims”  
26 shall prevent Plaintiffs from seeking to participate as unnamed class members in any  
27 settlement or other recovery in any class action, including but not limited to *Maine*  
28 *State Retirement System v. Countrywide Financial Corp.*, Case No. CV 10-00302

1 MRP (MANx) (C.D. Cal.), that relates to the purchase, sale, acquisition or holding  
2 of any security, other than Countrywide Securities, issued by Countrywide or any  
3 Countrywide-related entity (including but not limited to mortgage-backed securities  
4 issued by CWALT, Inc., CWABS, Inc., CWHEQ, Inc. or CWMBBS, Inc.), whether  
5 such Countrywide-related entity is a corporation, partnership, limited liability  
6 company, trust or other entity.

7 8. In accordance with Paragraph 1(uu) of the Settlement Agreement, for  
8 purposes of this Final Judgment the term “Settled Defendants’ Claims” shall mean:  
9 any and all claims, rights, causes of action, damages, or liabilities of any kind,  
10 nature, and character whatsoever in law, equity, or otherwise, including both known  
11 and Unknown Claims (as defined herein), which were, could have been, or could be  
12 asserted in any forum by the Defendants or any of them against Plaintiffs or  
13 Plaintiffs’ Counsel, whether under United States federal, state, local, statutory, or  
14 common law, or any other law, rule, or regulation, based upon, arising out of or  
15 relating to, directly or indirectly, the institution, prosecution, assertion, settlement or  
16 resolution of the Action; *provided, however*, that “Settled Defendants’ Claims” shall  
17 not include claims to enforce the Settlement.

18 9. In accordance with Paragraph 1(ccc) of the Settlement Agreement, for  
19 purposes of this Final Judgment the term “Unknown Claims” shall mean: any and  
20 all Settled Claims that any Lead Plaintiff or Class Member does not know or suspect  
21 to exist in his, her or its favor as of the Effective Date that, if known by him, her or  
22 it, might have affected his, her or its decision(s) with respect to the Settlement, or  
23 might have affected such party’s decision not to object to this settlement. With  
24 respect to any and all Settled Claims, upon the Effective Date, the Lead Plaintiffs  
25 shall expressly waive, and each Class Member shall be deemed to have waived, and  
26 by operation of this Final Judgment shall have expressly waived, the provisions,  
27 rights and benefits of California Civil Code § 1542, and of any U.S. federal or state  
28 law, or principle of common law or otherwise, that is similar, comparable, or

1 equivalent to Section 1542 of the California Civil Code, which provides, in relevant  
2 part:

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

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

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

23 10. Plaintiffs and every Class Member, on behalf of themselves and any of  
24 their personal representatives, spouses, domestic partners, trustees, heirs, executors,  
25 administrators, successors or assigns, shall be deemed to have, and by operation of  
26 this Final Judgment shall have, fully, finally, and forever released, relinquished, and  
27 discharged all Settled Claims against the Released Parties, and shall be forever  
28 barred and enjoined from instituting, prosecuting, participating, continuing,  
maintaining or asserting any Settled Claim, or assisting any Person in instituting,

1 prosecuting, participating, continuing, maintaining or asserting any Settled Claim,  
2 against any of the Released Parties, whether directly or indirectly, whether in the  
3 United States or elsewhere, whether on their own behalf or on behalf of any class or  
4 any other Person, and regardless of whether or not such Class Member executes and  
5 delivers a Proof of Claim.

6 11. The named Plaintiffs shall not encourage or solicit any other Person in  
7 regard to, or in connection with, the making of any demand, the assertion of any  
8 liability, or the prosecution or commencement of any lawsuit or other judicial or  
9 administrative proceedings against any of the Released Parties relating to  
10 Countrywide, any of its affiliates or related entities, and/or securities offered, sold or  
11 issued by Countrywide or by any Countrywide-related entity (including but not  
12 limited to mortgage-backed securities issued by CWALT, Inc., CWABS, Inc.,  
13 CWHEQ, Inc. or CWMBS, Inc.).

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

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

25 14. Neither the Settlement Agreement nor the terms of the Settlement  
26 Agreement shall be offered or received into any action or proceeding for any  
27 purpose, except (i) in an action or proceeding arising under the Settlement  
28 Agreement or arising out of this Final Judgment, (ii) in any action or proceeding

1 where the releases provided pursuant to the Settlement Agreement may serve as a  
2 bar to recovery, (iii) in any action or proceeding to determine the availability, scope,  
3 or extent of insurance coverage (or reinsurance related to such coverage) for the  
4 sums expended for the Settlement and defense of the Action; or (iv) in any action or  
5 proceeding against a Person other than KPMG arising out of or relating to any rights  
6 or obligations of Countrywide or any former officer, employee, or director of  
7 Countrywide concerning indemnification, contribution, or advancement of fees and  
8 expenses.

9       15. This Final Judgment, the Settlement Agreement, and any of their  
10 respective provisions, and any negotiations, proceedings or agreements relating to  
11 the Settlement Agreement and the Settlement, and all matters arising in connection  
12 with such negotiations, proceedings or agreements, and all acts performed or  
13 documents executed pursuant to or in furtherance of the Settlement Agreement:

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

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

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

25           iv. shall not be offered or received against the Defendants as  
26 evidence of any liability, negligence, fault or wrongdoing, or in any way referred to  
27 for any other reason as against any of the Defendants, in any other civil, criminal or  
28 administrative action or proceeding, other than such proceedings as may be



1 necessary to effectuate the provisions of the Settlement Agreement; *provided*,  
2 *however*, that the Released Parties may refer to the Settlement Agreement to  
3 effectuate the release of Settled Claims and other liability protections granted to  
4 them in the Settlement Agreement;

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

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

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

15 16. Without affecting the finality of this Final Judgment in any way, this  
16 Court hereby retains continuing jurisdiction over: (a) implementation of the  
17 Settlement and any award or distribution from the Gross Settlement Fund, including  
18 interest earned thereon; (b) disposition of the Net Settlement Fund; (c) disposition of  
19 the Set Aside; (d) hearing and determining applications for attorneys' fees, costs,  
20 interest and reimbursement of expenses in the Action; and (e) all Parties hereto for  
21 the purpose of construing, enforcing and administering the Settlement.

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

26 18. This Court finds that Lead Plaintiffs, Plaintiff Brahn, and Plaintiffs'  
27 Lead Counsel adequately represented the Class under Rules 23(a)(4) and (g) of the  
28

1 Federal Rules of Civil Procedure for purpose of negotiating, entering into, and  
2 implementing the Settlement and at all times during the pendency of this Action.

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

7 20. The Court hereby bars all future claims for contribution arising out of  
8 the Action (i) by any person (as that term is defined in 15 U.S.C. § 78c(a)(9))  
9 against the settling covered person (as such term is defined in 15 U.S.C. § 78u-  
10 4(f)(10)(C)); and (ii) by the settling covered person against any person, other than a  
11 person whose liability has been extinguished by the settlement of the settling  
12 covered person, *provided that* nothing in this bar order shall affect any rights or  
13 obligations (a) between Countrywide and the Underwriter Defendants set forth in  
14 any underwriting agreement relating to Countrywide Securities, or (b) among the  
15 Underwriter Defendants set forth in any agreement among underwriters relating to  
16 Countrywide Securities.

17 21. Nothing in this Final Judgment constitutes or reflects a waiver, release  
18 or discharge of any rights or claims of Defendants against their insurers, or their  
19 insurers' subsidiaries, predecessors, successors, assigns, affiliates, or  
20 representatives. In addition, nothing in this Final Judgment constitutes or reflects a  
21 waiver, release or discharge of any rights or claims of Defendants or Garcia or  
22 Gissinger relating to indemnification, advancement or any undertakings by an  
23 indemnified party to repay amounts advanced or paid by way of indemnification or  
24 otherwise.

25 22. This Final Judgment shall not be considered or used as a presumption,  
26 concession or admission by or against Defendants of any fault, wrongdoing, breach  
27 or liability.  
28

1           23. The Parties are hereby authorized, without further approval of the  
2 Court, to unanimously agree to and adopt in writing such amendments,  
3 modifications, and expansions of the Settlement Agreement and all exhibits attached  
4 thereto, provided that such amendments, modifications, and expansions of the  
5 Settlement Agreement are done in accordance with the terms of Paragraphs 35, 55  
6 and 61 of the Settlement Agreement, are not materially inconsistent with this Final  
7 Judgment and do not materially limit the rights of Class Members under the  
8 Settlement Agreement.

9           24. In the event that the Settlement does not become effective in  
10 accordance with the terms of the Settlement Agreement or in the event that the  
11 Gross Settlement Fund, or any portion thereof, is returned to the Defendants or their  
12 insurers, then this Final Judgment shall be rendered null and void to the extent  
13 provided by and in accordance with the Settlement Agreement and shall be vacated,  
14 and in such event, all orders entered and releases delivered in connection herewith  
15 shall be null and void to the extent provided by and in accordance with the  
16 Settlement Agreement.

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

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22           SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

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HON. MARIANA R. PFAELZER  
UNITED STATES DISTRICT JUDGE

**Exhibit 1**

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- T. Rowe Price Associates, Inc.
- BlackRock Investment Management, LLC
- Teachers Insurance and Annuity Association – College Retirement Services
- Nuveen Investments, Inc.
- California Public Employees’ Retirement System
- Royal Mail
- American Century Investment Management
- Norges Bank
- SunAmerica Asset Management Corporation
- Thrivent Financial for Lutherans
- Maryland State Retirement and Pension System
- Montana Board of Investments
- Stichting Pensioenfonds Zorg en Welzijn
- Teacher Retirement System of Texas
- State Board of Administration of Florida
- Government of Guam Retirement Fund
- Weitz Value Fund, Weitz Partners Value Fund, Weitz Hickory Fund, Weitz Balanced Fund, Research Fund, Partners III Opportunity Fund, and Heider Weitz Partnership
- Peter Kiewitt Foundation
- Children’s Hospital & Medical Center Foundation of Omaha
- Hastings College Foundation
- State Treasurer of the State of Michigan, as Custodian of the Michigan Public School Employees Retirement System, State Employees’ Retirement System, Michigan State Police Retirement System, and Michigan Judges Retirement System

- 1 • Oregon Public Employees Retirement Fund and Oregon State Accident
- 2 Insurance Fund
- 3 • Ballantyne Re plc
- 4 • Fresno County Employees' Retirement Association
- 5 • Mary Lou Kent
- 6 • Millard M. Kent
- 7 • Virginia C. Kuta
- 8 • Patrick J. Lynn, Jr.
- 9 • Marion J. McLaren
- 10 • Steve Snider
- 11 • Norma Strait
- 12 • Michael Syer-Postance
- 13 • Marion Jean Wellwood
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