

NOTE: CHANGES MADE BY THE COURT

**UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

IN RE FREMONT GENERAL
CORPORATION LITIGATION

CASE No. CV07-02693 JHN(FFMx)

**FINDINGS AND ORDER
PRELIMINARILY APPROVING
PROPOSED CLASS ACTION
SETTLEMENT, PRELIMINARILY
CERTIFYING CLASS UNDER RULE
23(b)(1)(B) FOR SETTLEMENT
PURPOSES ONLY, APPROVING
FORM AND DISSEMINATION OF
CLASS NOTICE, AND SETTING
TIME FOR FAIRNESS HEARING**

JUDGE: JACQUELINE H. NGUYEN

This Action involves claims for alleged violations of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001, *et seq.* (“ERISA”), with respect to the Fremont General Corporation and Affiliated Companies Investment Incentive Plan, as amended through Mar. 19, 2007, and the Fremont General Corporation Employee Stock Ownership Plan, effective Jan. 1, 2000 (the “Plans”).¹

¹ Capitalized terms not otherwise defined in this order shall have the same meaning as ascribed to them in the Stipulation and Agreement of Settlement – ERISA Class Action (the “Settlement Agreement”).

1 Presented to the Court for preliminary approval is a settlement of the
2 litigation as against all Defendants. The terms of the Settlement are set out in the
3 Settlement Agreement executed by counsel for the Parties on March 22, 2011.

4 On April 25, 2011, the Court preliminarily considered the Settlement to
5 determine, among other things, whether the Settlement is sufficient to warrant the
6 issuance of notice to members of the Class.

7 Upon reviewing the Settlement Agreement, it is hereby ORDERED,
8 ADJUDGED AND DECREED as follows:

9 1. Jurisdiction: The Court has jurisdiction over the subject matter of this
10 Action and over the Parties.

11 2. Class Certification: The Court has certified this Action as a class
12 action pursuant to Fed. R. Civ. P. 23. On April 15, 2010, the Court issued its order
13 certifying the Class as an opt-out class under Fed. R. Civ. P. 23(b)(3).² However, in
14 connection with the Settlement, Plaintiffs have requested, and Defendants do not
15 oppose, certification of a non-opt-out class under Fed. R. Civ. P. 23(b)(1)(B) for
16 settlement purposes only. The Parties note that the relief obtained by Plaintiffs is
17 for the benefit of all participants in the Plans who allegedly incurred losses as a
18 result of Defendants' allegedly imprudent management of the Plans' investment in
19 Fremont stock during the Class Period, and, accordingly, the Settlement releases
20 Defendants on a Plan-wide basis. The preliminary certification of a non-opt-out
21 class for settlement purposes only is without amendment or modification of the
22 Court's earlier class certification order, which will remain in full force and effect
23 unless and until the Court grants Final Approval of the Settlement. Accordingly,
24

25 _____
26 ² The Court issued an amended class certification order on April 22, 2010, making
27 minor, non-substantive corrections.
28

1 the Court preliminarily certifies, for settlement purposes only, a class consisting of
2 the following persons, under Fed. R. Civ. P. 23(b)(1)(B):

3 All persons, other than Defendants, who were participants in or
4 beneficiaries of the Plans at any time between January 1, 2005 and
5 December 31, 2008, whose accounts included investments in Fremont
6 stock.

7 3. Preliminary Findings Concerning Proposed Settlement: The Court
8 preliminarily finds that the proposed Settlement should be approved as: (i) the
9 result of serious, extensive arm's-length and non-collusive negotiations; (ii) fair,
10 reasonable, and adequate; (iii) having no obvious deficiencies; (iv) not improperly
11 granting preferential treatment to the Named Plaintiffs or segments of the Class;
12 (v) falling within the range of possible approval; and (vi) warranting notice of the
13 Settlement to the Class of a formal fairness hearing, at which evidence may be
14 presented in support of and in opposition to the proposed Settlement.

15 4. Fairness Hearing: A hearing is scheduled for August 8, 2011, at 10:30
16 a.m. (the "Fairness Hearing") to determine, among other things:

- 17 • Whether the Settlement should be approved as fair, reasonable, and
18 adequate;
- 19 • Whether this Action should be dismissed with prejudice pursuant to
20 the terms of the Settlement;
- 21 • Whether the Notice and Summary Notice and the means of
22 dissemination provided for by the Settlement Agreement: (i)
23 constituted the best practicable notice; (ii) constituted notice that was
24 reasonably calculated, under the circumstances, to apprise members of
25 the Class of the pendency of the litigation, their right to object to the
26 Settlement, and their right to appear at the Fairness Hearing; (iii) was
27
28

1 reasonable and constituted due, adequate, and sufficient notice to all
2 Persons entitled to notice; and (iv) met all applicable requirements of
3 the Federal Rules of Civil Procedure, and any other applicable law;

- 4 • Whether Class Counsel adequately represented the Class for purposes
5 of entering into and implementing the Settlement Agreement;
- 6 • Whether the Plan of Allocation should be approved;
- 7 • Whether the application for attorneys' fees and expenses that will be
8 filed by Class Counsel should be approved; and
- 9 • Whether the application for compensation for the Named Plaintiffs
10 should be approved.

11 5. Notice: A proposed form of Notice is attached hereto as Exhibit 1.

12 With respect to such form of Notice, the Court finds that such form fairly and
13 adequately: (i) describes the terms and effect of the Settlement Agreement and of
14 the Settlement; (ii) notifies the Class concerning the proposed Plan of Allocation;
15 (iii) notifies the Class that Class Counsel will seek an incentive award from the
16 Settlement Fund for the Named Plaintiffs in an amount not to exceed \$10,000 for
17 each Class Representative, for attorneys' fees not to exceed 30% of the Settlement
18 Fund, and reimbursement of the out-of-pocket expenses; (iv) gives notice to the
19 Class of the time and place of the Fairness Hearing; and (v) describes how the
20 recipients of the Notice may object to any of the relief requested.

21 The Parties are ordered to revise the Notice as follows: In section 11,
22 appearing on page 6 of the Notice, the Parties are to set forth an explanation of
23 when and how Class Members may access the petition for attorneys' fees and
24 expenses.

25 The Court directs that Class Counsel shall:
26
27
28

- 1 • By no later than 60 days before August 8, 2011, cause the Notice, in
2 the form attached hereto as Exhibit 1, with such modifications as
3 ordered herein and with such non-substantive modifications thereto as
4 may be agreed upon by the Parties, to be sent to each Person within
5 the Class who can be identified by reasonable effort. Such notice shall
6 be sent by first-class mail, postage prepaid, to the Person's last known
7 address. Defendants shall provide Class Counsel, in accordance with
8 Paragraph 4.4 of the Settlement Agreement, with the names and last
9 known addresses of the members of the Class to the extent such
10 information is within Defendants' custody or control.
- 11 • By no later than 60 days before August 8, 2011, cause the Settlement
12 Agreement with all of its exhibits and the Notice to be posted on a
13 website Class Counsel establishes for this purpose.
- 14 • By no later than 60 days before August 8, 2011, cause the Summary
15 Notice in the form attached hereto as Exhibit 2, modified to provide
16 that Class Members may contact either Class Counsel or the
17 Settlement Administrator, at the Parties' preference, to update their
18 address information, and with such non-substantive modifications
19 thereto as may be agreed upon by the Parties, to be electronically
20 published on at least one occasion for nationwide distribution on
21 Business Wire and/or such other publications as the Court may
22 authorize.
- 23 • At or before the Fairness Hearing, Class Counsel shall file with the
24 Court a proof of timely compliance with the foregoing mailing and
25 publication requirements.

1 6. Objections to Settlement: Any member of the Class who wishes to
2 object to the fairness, reasonableness, or adequacy of the Settlement, to the Plan of
3 Allocation, to any term of the Settlement Agreement, to the proposed award of
4 attorneys' fees and expenses, or to any request for compensation for the Named
5 Plaintiffs, may file an objection. An objector must send to the Settlement
6 Administrator a letter or other written filing with a statement of his, her, or its
7 objection(s), specifying the reason(s), if any, for each such objection made,
8 including any legal support and/or evidence that such objector wishes to bring to
9 the Court's attention or introduce in support of such objection, as well as the
10 objector's full name, address, telephone number, and signature, and the name,
11 address, and telephone number of any counsel representing the objector. The
12 objector or his, her, or its counsel (if any) must effect service of the objection on
13 the Settlement Administrator at the address provided in the Notice so that it is
14 received by no later than July 18, 2011. Any member of the Class or other Person
15 who does not timely serve a written objection complying with the terms of this
16 paragraph shall be deemed to have waived, and shall be foreclosed from raising,
17 any objection to the Settlement, and any untimely objection shall be barred.

18 7. Appearance at Fairness Hearing: Any objector who files and serves a
19 timely, written objection in accordance with the instructions above and herein, may
20 also appear at the Fairness Hearing either in person or through counsel retained at
21 the objector's expense. Objectors or their attorneys intending to appear at the
22 Fairness Hearing must effect service of a notice of intention to appear setting forth,
23 among other things, the name, address, and telephone number of the objector (and,
24 if applicable, the name, address, and telephone number of the objector's attorney)
25 on the Settlement Administrator (at the address set out in the Notice) no later than
26 July 18, 2011. Any objector who does not timely file and serve a notice of
27
28

1 intention to appear in accordance with this paragraph shall not be permitted to
2 appear at the Fairness Hearing, except for good cause shown.

3 8. Service of Papers: The Settlement Administrator shall promptly
4 furnish Defendants' Counsel and Class Counsel with copies of any and all
5 objections that come into its possession, and Defendants' Counsel and Class
6 Counsel shall promptly furnish each other with copies of any and all objections
7 that come into their possession.

8 9. Notice Expenses: The expenses of printing and mailing all notices
9 required hereby to the extent of the first \$75,000 shall be paid from the Settlement
10 Fund as provided in Paragraph 4.2 of the Settlement Agreement.

11 10. Motion for Final Approval of Settlement, Plan of Allocation, and Fee
12 Petition: No later than July 1, 2011, Class Counsel shall file with the Court the
13 application for award of attorneys' fees and costs referenced in Paragraphs 5.1 and
14 5.2 of the Settlement Agreement. No later than July 11, 2011, the Settlement
15 Administrator and Class Counsel shall file with the Court (i) a motion for entry of
16 the Final Order and Judgment and approval of the Plan of Allocation; and (ii)
17 proofs of timely compliance with the foregoing mailing and publication
18 requirements.

19 11. Termination of Settlement: This Order shall become null and void,
20 and shall be without prejudice to the rights of the Parties, all of whom shall be
21 restored to their respective positions existing immediately before this Court entered
22 this Order, if the Court declines to grant Final Approval of the Settlement or the
23 Settlement is terminated in accordance with the Settlement Agreement. In such
24 event, Paragraph 10.1 of the Settlement Agreement shall govern the rights of the
25 Parties.

EXHIBIT 1
to

Order for Notice and Hearing

**(Notice of Class Action Settlement
and Fairness Hearing)**

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

IN RE FREMONT GENERAL
CORPORATION LITIGATION

Case No.: CV07-02693 JHN(FFMx)
CLASS ACTION

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

You have received this notice because records show that you, or someone who designated you as their retirement plan beneficiary, participated in the Fremont General Corporation Affiliated Companies Investment Incentive Plan, as amended through Mar. 19, 2007, and/or the Fremont General Corporation Employee Stock Ownership Plan, effective Jan. 1, 2000 (the "Plans") and had a portion of your account invested in the fund containing Fremont General Corporation common stock anytime between January 1, 2005, and December 31, 2008 (the "Class Period"). As a result of class action litigation over the propriety of this investment, you may be eligible to receive money in the proposed settlement (the "Settlement").

**PLEASE READ THIS NOTICE CAREFULLY.
A FEDERAL COURT AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION OR ADVERTISEMENT.
YOU HAVE NOT BEEN SUED.**

- This notice advises you of the settlement of a consolidated class action lawsuit brought by Named Plaintiffs Marcy Johannesson, Wendy Horvat, Robert Anderson, Linda Sullivan, and James K. Hopkins on behalf of themselves, the Plans, and the members of the Class described below against Fremont General Corporation ("Fremont" or the "Company") and certain of its directors (together, "Defendants").
- This class action lawsuit involves claims alleging that Defendants were responsible for overseeing the Plans and breached their fiduciary duties in violation of the Employee Retirement Income Security Act ("ERISA") by allowing the Plans and Plan participants to maintain and continue investments in Fremont common stock after January 1, 2005. Defendants deny that they breached any fiduciary duties. The Parties have agreed to settle this case for \$21,000,000.
- The United States District Court for the Central District of California (the "Court") has preliminarily approved the Settlement, which will provide for allocation of Settlement funds to members of the Class whose Plan accounts included investments in Fremont stock.
- The Court has scheduled a hearing to evaluate the fairness and adequacy of the Settlement and consider Named Plaintiffs' motions for final approval of the Settlement and for approval of attorneys' fees and expenses and compensation to the Named Plaintiffs. The hearing, before the Hon. Jacqueline Hong-Ngoc Nguyen, has been scheduled for _____, 2011, at _____.m., in Courtroom 790 of the United States District Court for the Central District of California, 255 E. Temple St., Los Angeles, California.

- The terms of the Settlement are contained in a Stipulation and Agreement of Settlement – ERISA Class Action (the “Settlement Agreement”), a copy of which is available at www._____.com or by contacting Class Counsel as described below. Capitalized terms used in this notice and not defined herein have the meanings assigned to them in the Settlement Agreement. The Settlement is summarized below.
- **Your legal rights will be affected whether or not you take any action. Read this notice carefully.**

Please do not contact the Court. Its personnel will not be able to answer your questions.

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT:

No action is necessary to receive payment	If you do nothing in response to this notice, and the proposed Settlement is approved by the Court, you may receive a monetary payment and will release certain legal claims.
Object (no later than _____)	If you wish to object to any part of the Settlement, you may write to the Court and Class Counsel and explain why, as described below.
Appear at the Fairness Hearing on _____	If you submit a written objection to the Settlement before the Court-approved deadline, you may (but do not have to) attend the hearing about the Settlement and present your objections to the Court.

- These rights and options—***and the deadlines to exercise them***—are explained in this notice.
- Information concerning your individual share of the Net Settlement Fund will not be available for several months until after the Court grants final approval of the Settlement and any appeals are resolved. Thank you for your patience.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION

1. Why Did I Get This Notice?	3
2. What Is The Action About?.....	3
3. Why Is This Case A Class Action?.....	4
4. How Do I Know If I Am A Member Of The Class?	4

THE SETTLEMENT BENEFITS

5. What Does The Settlement Provide?	4
6. How Much Will My Distribution Be?.....	5
7. How Can I Receive A Distribution?.....	5

- 8. When Would I Receive My Distribution? 5
- 9. Can I Get Out Of The Settlement? 6

THE LAWYERS REPRESENTING YOU

- 10. Do I Have A Lawyer In The Case? 6
- 11. How Will The Lawyers Be Paid? 6
- 12. How Do I Object The Settlement? 6

THE COURT’S FAIRNESS HEARING

- 13. When And Where Will The Court Decide Whether To Approve The Settlement? 7

IF YOU DO NOTHING

- 14. What Happens If I Do Nothing At All? 7

GETTING MORE INFORMATION

- 15. How Do I Get More Information? 7

BASIC INFORMATION

1. Why Did I Get This Notice?

You have received this notice because you are or may have been a participant in, beneficiary of, or alternate payee of either or both Plans during the Class Period.

The Court caused this notice to be sent to you because you have a right to know about the Settlement and all of the options available to you regarding the Settlement before the Court decides whether to approve the Settlement. This notice describes the litigation, the Settlement, your legal rights, what benefits are available, and who is eligible for them.

The Court in charge of this case is the United States District Court for the Central District of California. The people who brought this suit are called the “Named Plaintiffs,” and the people they sued are called the “Defendants.” The Named Plaintiffs in this case are Marcy Johannesson, Wendy Horvat, Robert Anderson, Linda Sullivan, and James K. Hopkins. The Defendants are Fremont General Corporation, Wayne R. Bailey, Thomas W. Hayes, Patrick E. Lamb, Robert F. Lewis, Russell K. Mayerfeld, James J. McIntyre, Raymond G. Meyers, Louis J. Rampino, and Dickinson C. Ross.

The legal action that is the subject of this notice and the Settlement is known as *In re Fremont General Corporation Litigation*, Case No. 07-02693 JHN (FFMx) (the “Action”).

2. What Is The Action About?

Named Plaintiffs claim that Defendants were fiduciaries of the Plans and had the fiduciary obligation under a federal law called the Employee Retirement Income Security Act (“ERISA”) to discontinue Plan investments in Fremont stock and to sell the Plans’ holdings of Fremont stock, and that they failed to do

so. Defendants have denied and continue to deny Named Plaintiffs' claims and any contention that they are liable at all to the Class and that the Class or Plans suffered any damages for which Defendants could be held legally responsible.

Class Counsel have conducted an extensive investigation of Fremont and of the losses suffered by the Plans as a result of the alleged breaches of fiduciary duty. This lawsuit is brought on behalf of the Plans and its participants, and the Plan participants will recover money if this Settlement is granted final approval. The Settlement proceeds will be allocated among Class Members who lost money in their Plan accounts during the Class Period due to investment in Fremont stock.

The Settlement is the product of extensive negotiations between Class Counsel and Defendants' Counsel. The Parties have taken into account the uncertainty and risks inherent in continued litigation and have concluded that it is desirable that this case be fully and finally settled on the terms and conditions set forth in the Settlement Agreement.

3. Why Is This Case A Class Action?

This case is a class action because Plaintiffs contend that the legal and factual issues that pertain to each member of the Class are very similar or identical. In a class action, one or more plaintiffs, called "named plaintiffs" or "class representatives," sue on behalf of people who have similar claims based on similar facts. A court resolves the issues for all members of the class. In 2009, Named Plaintiffs moved to certify a Class, and the Court granted the motion on April 15, 2010. United States District Judge Jacqueline Hong-Ngoc Nguyen is presiding over this case.

4. How Do I Know If I Am A Member Of The Class?

You are a member of the Class if you fall within the following definition:

All persons, other than Defendants, who were participants in or beneficiaries of the Plans at any time between January 1, 2005 and December 31, 2008, whose accounts included investments in Fremont stock.

You have received this notice because the Plans' records show that you, or someone who designated you as a beneficiary of his or her retirement account, had such investments.

THE SETTLEMENT BENEFITS

5. What Does The Settlement Provide?

The Settlement provides that Defendants' fiduciary insurance carriers will pay \$21,000,000, which will be deposited into an interest-bearing account called the "Gross Settlement Fund." The amount remaining in the Gross Settlement Fund (including interest, but after accounting for taxes and Court-approved expenses and attorneys fees) will be allocated among and paid to members of the Class according to a Plan of Allocation to be approved by the Court. Disbursement of the Settlement Fund to the Class will occur once the Settlement has become final—after all appeals relating to the Settlement are favorably decided and all appeal periods have expired.

In exchange for the Settlement payment, Class Members will release all claims that were or could have been asserted in this case against Defendants, Fremont's direct and indirect subsidiaries and affiliated

entities and successors-in-interest, any trustee or fiduciary for the Plans, as well as other individuals and entities set forth in the Settlement Agreement. The release does not include claims asserted in unrelated lawsuits pertaining to Fremont stock or individual claims that you may have separate and apart from the claims asserted in this lawsuit. For more information about the scope of the release, please see the section of this notice titled "How Do I Get More Information?"

6. How Much Will My Distribution Be?

You will receive a pro rata share of the \$21,000,000 Settlement Fund after costs and fees have been deducted. The Settlement payment is a compromise; accordingly, it does not compensate Plan participants for 100% of their claimed losses.

Class Counsel has filed a detailed Plan of Allocation for Court approval, which the Court will consider at the Fairness Hearing. The Plan of Allocation, which may be obtained at www._____.com or by contacting Class Counsel, describes the manner in which the Settlement proceeds (the "Net Settlement Fund") will be distributed to Class Members. In general terms, the Plan of Allocation will provide that each Class Member's share of the Net Settlement Fund will be calculated as follows:

Each member of the Class will be assigned an "Alleged Net Loss Percentage," showing the percentage of his or her alleged net loss in relation to all other Class Members' alleged net losses. Each Class Member's share of the Net Settlement Fund will be equal to the Net Settlement Fund, less the Plan expenses associated with implementing the Plan of Allocation, multiplied by his or her Alleged Net Loss Percentage.

The Settlement Administrator will perform all calculations for you and determine your pro rata amount. The Settlement Administrator will have access to all available records, so you do not need to be concerned if you no longer have your Plan account statements. The Court will be asked to approve a more detailed statement of the Plan of Allocation, a copy of which will be available along with other settlement documents at www._____.com.

7. How Can I Receive A Distribution?

You do not need to file a claim. If the Settlement is given final approval, you will receive a check for your pro rata share of the Settlement along with general information about what to do with those funds in order to maintain their tax-protected status as retirement savings. Because each individual's financial situation is unique, we cannot give specific tax advice. ***You should consult with your own tax advisor about what to do with your payment prior to depositing the check.***

8. When Would I Receive My Distribution?

Payment is conditioned on several matters, including the Court's approval of the Settlement and that approval becoming final and no longer subject to any appeals. Upon satisfaction of various conditions, the Net Settlement Fund will be distributed pursuant to the Plan of Allocation described above. The Settlement Agreement may be terminated on several grounds, including if the Court does not approve or otherwise modifies the terms of the Settlement. If the Settlement Agreement is terminated, the Settlement will also be terminated, and the Action will proceed as if the Settlement had not been reached.

There will be no payments under the Settlement if the Settlement Agreement is terminated.

9. Can I Opt Out Of The Settlement?

You do not have the right to exclude yourself from the Settlement. The Action was certified under Federal Rules of Civil Procedure 23(a) and preliminarily certified under Rule 23(b)(1)(B) as a non “opt-out” class action. Thus, it is not possible for any Participants or beneficiaries to exclude themselves from the benefits of the Settlement. As a Class Member, you will be bound by any judgments or orders that are entered in the Action for all claims that were or could have been asserted in the Action or are otherwise included in the release under the Settlement.

Although you cannot opt out of the Settlement, you can object to the Settlement and ask the Court not to approve it. See Answer to Question No. 12, below.

THE LAWYERS REPRESENTING YOU

10. Do I Have A Lawyer In The Case?

The Court has appointed the law firm Keller Rohrbach L.L.P. as Class Counsel in the Action. If you want to be represented by your own lawyer, you may hire one at your own expense.

11. How Will The Lawyers Be Paid?

Class Counsel will file a petition for the award of attorneys’ fees and expenses by _____, 2011. This petition will be considered at the Fairness Hearing. Defendants have agreed not to oppose the amount of attorneys’ fees, costs, expenses or any award to the Named Plaintiffs to the extent such fees, costs, expenses and awards are consistent with the terms of the Settlement Agreement. Class Counsel has agreed to limit application for an award of attorneys’ fees to not more than 30% of the Settlement Amount, plus out-of-pocket costs.

The Named Plaintiffs will also request a case contribution award from the Settlement Fund to compensate them for the time and effort they spent assisting with the investigation and prosecution of the case. Class Counsel will request that the Court approve case contribution awards of \$10,000 for each of the five Plaintiffs.

You have the right to object to this aspect of the Settlement even if you approve of the other aspects of the Settlement.

12. How Do I Object To The Settlement?

If you are a Class Member, you can object to the Settlement if you disagree with any part of it. You can give reasons why you think the Court should not approve the Settlement, and the Court will consider your views prior to giving the Settlement final approval. Because the Settlement is a private agreement, the Court does not have the power to modify terms of the Settlement without the consent of the Parties. Therefore, even if you only object to part of the Settlement, your objection, if successful, might result in a rejection of the entire Settlement.

To object, you must send a letter or other written filing stating that you object to the Settlement in *In re Fremont General Corporation Litigation*, Case No. 07-02693 JHN (FFMx). You must include your full

name, address, telephone number, signature, and a full explanation of all reasons why you object to the Settlement, as well as the name, address, and telephone number of any counsel representing you. Your written objection must be received by the Settlement Administrator by _____, 2011. The Settlement Administrator's address is _____.

If your written objection is not received by _____, 2011, you will lose your opportunity to have your objection considered by the Court, to attempt to prevent the Settlement from being approved, or to appeal from any orders or judgments by the Court in connection with the proposed Settlement.

THE COURT'S FAIRNESS HEARING

13. When And Where Will The Court Decide Whether To Approve The Settlement?

The Court will hold a Fairness Hearing before Judge Jacqueline Hong-Ngoc Nguyen at _____ .m. on _____, 2011, in Courtroom 790 of the United States District Court for the Central District of California, 255 E. Temple St., Los Angeles, California.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much Class Counsel and the Plaintiffs will be compensated for their efforts to secure the Settlement. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

You do not have to attend the hearing. The attorneys representing the Plaintiffs and the Class will present the Settlement to the Court and answer any questions the Court may have. If you file a written objection, you do not have to attend the hearing in order for it to be considered by the Court.

You are welcome to come to the hearing at your own expense. You may also arrange for your own counsel to attend on your behalf. You may also ask the Court for permission to speak at the hearing. To do so, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *In re Fremont General Corporation Litigation*, Case No. 07-02693 JHN (FFMx)" to the Settlement Administrator. Be sure to include your name, address, telephone number, and signature. Your Notice of Intention to Appear must be sent to the Settlement Administrator at the address listed above and must be received by no later than _____, 2011.

IF YOU DO NOTHING

14. What Happens If I Do Nothing At All?

If you do nothing at all, you will remain a member of the Class, and if the Court approves the Settlement you may receive an allocation of the Net Settlement Fund and will release your claims against the Defendants as described in this notice.

GETTING MORE INFORMATION

15. How Do I Get More Information?

Please do not contact the Court, Fremont, or any of Fremont's subsidiaries or successors. They are not in a position to provide you with information about the Settlement.

This notice is a summary of the Settlement. The complete Settlement is set forth in the Settlement Agreement. You can get a copy of the Settlement Agreement at www._____.com, by calling (800) ____-____, or by emailing Class Counsel at _____.

You may also review the case file in the United States District Court, located at 255 E. Temple St., Los Angeles, California 90012. Or you can review the case file online through the PACER system at <http://pacer.psc.uscourts.gov/>. Please note that users must pay fees to access court files through PACER.

EXHIBIT 2
to

Order for Notice and Hearing

**(Summary Notice of Class Action Settlement
and Fairness Hearing)**

Keller Rohrback L.L.P. is Issuing the Following Statement Regarding the Fremont General Corporation ERISA Litigation

LOS ANGELES—(BUSINESS WIRE)—Keller Rohrback L.L.P.:

**UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

**IN RE FREMONT GENERAL
CORPORATION LITIGATION**

**Case No.: CV07-02693 JHN(FFMx)
CLASS ACTION**

TO ALL MEMBERS OF THE FOLLOWING CLASS:

All persons who were participants in or beneficiaries of the Fremont General Corporation Affiliated Companies Investment Incentive Plan, as amended through Mar. 19, 2007, and/or the Fremont General Corporation Employee Stock Ownership Plan, effective Jan. 1, 2000 (the “Plans”) at any time between January 1, 2005, and December 31, 2008 (the “Class Period”), and whose accounts included investments in Fremont General Corp. common stock.

**PLEASE READ THIS NOTICE CAREFULLY.
THIS IS A COURT-ORDERED LEGAL NOTICE.
THIS IS NOT A SOLICITATION.**

A proposed settlement (the “Settlement”) has been preliminarily approved by a federal court in the above-captioned class action lawsuit alleging breaches of fiduciary duties under the Employee Retirement Income Security Act (“ERISA”) in connection with the Plans. The terms of the Settlement are contained in a Stipulation and Agreement of Settlement – ERISA Class Action (the “Settlement

Agreement”), which was executed on March 22, 2011. A copy of the Settlement Agreement is available at www._____.com. Capitalized terms used in this Summary Notice and not defined herein have the same meaning assigned to them in the Settlement Agreement.

The proposed Settlement provides for a payment of \$21 million to settle all claims against all Defendants. Under the Settlement, the proceeds, net of expenses described in the Settlement Agreement (which include notice and administrative expenses, Court-approved attorneys’ fees and expenses and Plaintiff case contribution awards, taxes, and other costs related to the administration of the Settlement Fund) will be allocated to members of the Class whose Plan account(s) suffered losses as a result of investing in Fremont General Corp. stock during the Class Period. Settlement proceeds will be allocated in accordance with a Plan of Allocation approved by the Court.

If you qualify, you will receive such an allocation. You do not need to submit a claim or take any other action unless you wish to object to the Settlement. The United States District Court for the Central District of California (the “Court”) authorized this Notice.

**THE COURT WILL HOLD A HEARING AT __: __ .M. ON _____
__, 2011 TO DECIDE WHETHER TO APPROVE THE SETTLEMENT.**

Additional information about the proposed Settlement, including the Notice of Class Action Settlement and Fairness Hearing that has been mailed to Class Members and explains how Class Members can object to the Settlement and the Settlement Agreement is available at www._____.com. In addition, Class Counsel have established a toll-free number, _____, to assist in answering questions regarding the Settlement.

PLEASE DO NOT CONTACT THE COURT.

DATED: _____, 2011.

By Order of the Court

The Hon. Jacqueline Hong-Ngoc Nguyen, United States District Court Judge