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

VINCENT ALVIDRES, Individually
and on Behalf of All Others Similarly
Situated,

Plaintiff,

v.

COUNTRYWIDE FINANCIAL
CORPORATION, et. al.,

Defendants.

Case No. 2:07-CV-05810-JFW (CTx)

**FINDINGS AND ORDER
PRELIMINARILY APPROVING
PROPOSED SETTLEMENT,
APPROVING FORM AND
DISSEMINATION OF CLASS
NOTICE, AND SETTING DATE
FOR HEARING ON FINAL
APPROVAL**

Judge: **HON. JOHN F. WALTER**

1 **FINDINGS AND ORDER PRELIMINARILY APPROVING PROPOSED**
2 **SETTLEMENT, APPROVING FORM AND DISSEMINATION OF CLASS**
3 **NOTICE, AND SETTING DATE FOR HEARING ON FINAL APPROVAL**

4 This litigation involves claims for alleged violations of the Employee
5 Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001, et seq.
6 (“ERISA”), with respect to Countrywide Financial’s 401(k) Savings and
7 Investment Plan, as amended and restated effective December 31, 2008, and all
8 successor plans and any trust created under the foregoing plans (the “*Plan*”).¹

9 Presented to the Court for preliminary approval is a settlement of the
10 litigation as against all *Defendants*. The terms of the *Settlement* are set out in a
11 *Settlement Agreement* executed by counsel for the Parties on August 5, 2009.

12 On August 24, 2009, the Court preliminarily considered the *Settlement* to
13 determine, among other things, whether the *Settlement* is sufficient to warrant the
14 issuance of notice to members of the *Class*. Upon reviewing the *Settlement*
15 *Agreement*, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

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

18 2. Class Certification. The Court has certified this Action as a class
19 action pursuant to Fed. R. Civ. P. 23. The originally-certified class was open-
20 ended as to the termination of the class period, but *Named Plaintiff* has requested,
21 and *Defendants* do not oppose, amending the class definition to provide for an end
22 to the class period. Therefore, the class definition is amended as follows: “Class”
23 means (a) all *Persons* who are or were *Participants* in, beneficiaries of, or alternate
24 payees of, the *Plan* for whose individual *Plan* accounts included direct or indirect
25 investments in *Countrywide* stock and/or the *Countrywide Stock Fund* at any time
26 between January 31, 2006 and July 1, 2008, inclusive, and (b) as to each *Person*

27 ¹ Capitalized terms not otherwise defined in this order shall have the same
28 meaning as ascribed to them in the *Settlement Agreement*.

1 within the scope of (a), his, her, or its beneficiaries (including spouses of deceased
2 persons who were *Plan Participants*), *Representatives* and *Successors*, provided,
3 however, that the Class shall not include any *Individual Defendant* or *Individual*
4 *Defendants' Immediate Family*, beneficiaries (including spouses of deceased
5 persons who were *Plan Participants*), *Representatives* or *Successors*, except for
6 spouses and *Immediate Family* who themselves are or were *Participants* in the
7 *Plan*, who shall be considered members of the Class with respect to their own *Plan*
8 accounts.

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

17 4. Fairness Hearing. A hearing is scheduled for November 16, 2009 (the
18 "Fairness Hearing") to determine, among other things:

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

1 all *Persons* entitled to notice; and (iv) met all applicable requirements of the
2 Federal Rules of Civil Procedure, and any other applicable law;

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

10 5. Notice. A amended proposed form of *Notice* is attached hereto as
11 Exhibit A. With respect to such form of *Notice*, the Court finds that such form
12 fairly and adequately: (i) describes the terms and effect of the *Settlement*
13 *Agreement* and of the *Settlement*; (ii) notifies the Class concerning the proposed
14 *Plan of Allocation*; (iii) notifies the Class that *Class Counsel* will seek an incentive
15 award from the *Settlement Fund* for the *Named Plaintiff* in an amount not to
16 exceed \$10,000, for attorneys' fees and expenses not to exceed 30% of the
17 *Settlement Fund*, and reimbursement of the out-of-pocket expenses not to exceed
18 \$500,000; (iv) gives notice to the Class of the time and place of the Fairness
19 Hearing; and (v) describes how the recipients of the *Notice* may object to any of
20 the relief requested. The Court directs that *Class Counsel* shall:

- 21 • By no later than October 2, 2009, cause the *Notice*, in the form
22 attached hereto as Exhibit A, with such non-substantive modifications thereto as
23 may be agreed upon by the *Parties*, to be sent to each *Person* within the Class who
24 can be identified by reasonable effort. Such notice shall be sent by first-class mail,
25 postage prepaid, to the *Person's* last known address. The *Defendants* shall provide
26 *Class Counsel*, in accordance with Section 4.3 of the *Settlement Agreement*, with
27 the names and last known addresses of the members of the Class to the extent such
28 information is within *Defendants'* custody or control.

1 • By no later than October 2, 2009, cause the *Settlement Agreement*
2 with all of its exhibits and the *Notice* to be posted at
3 www.Countrywide401(k)Settlement.com.

4 • By no later than October 2, 2009, cause a summary notice in the form
5 attached hereto as Exhibit B, with such non-substantive modifications thereto as
6 may be agreed upon by the *Parties*, to be published on at least one occasion in
7 USA Today and/or such other publications as the Court may authorize.

8 • At or before the Fairness Hearing, *Class Counsel* shall file with the
9 Court a proof of timely compliance with the foregoing mailing and publication
10 requirements.

11 6. Objections to Settlement. Any member of the Class who wishes to
12 object to the fairness, reasonableness, or adequacy of the *Settlement*, to the *Plan of*
13 *Allocation*, to any term of the *Settlement Agreement*, to the proposed award of
14 attorneys' fees and expenses, or to any request for compensation for the *Named*
15 *Plaintiff*, may file an objection. An objector must file with the Court a statement of
16 his, her or its objection(s), specifying the reason(s), if any, for each such objection
17 made, including any legal support and/or evidence that such objector wishes to
18 bring to the Court's attention or introduce in support of such objection. The
19 objector must also mail the objection and all supporting law and/or evidence to
20 *Class Counsel* and to *Defendants' Counsel*. The addresses for filing objections
21 with the Court and service on counsel are as follows:

22 To the Court:

23 Clerk of the Court
24 U.S. District Court for the Central District of California
25 255 East Temple Street
26 Los Angeles, CA 90012
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1 To Class Counsel:

2 Keller Rohrback L.L.P.
3 Attn: Lynn Lincoln Sarko
4 Derek W. Loeser
5 1201 Third Avenue, Ste 3200
6 Seattle, Washington 98109
7 Telephone: (206) 623-1900
8 Facsimile: (206) 623-3384

9 Class Counsel

10 To Defendants' Counsel:

11 Goodwin Procter LLP
12 Attn: Brian E. Pastuszewski
13 James O. Fleckner
14 53 State Street
15 Exchange Place
16 Boston, MA 02109
17 Telephone: (617) 570-1000
18 Facsimile: (617) 523-1231

19 and

20 Goodwin Procter LLP
21 Attn: Michael K. Isenman
22 901 New York Avenue, NW
23 Washington, D.C. 2001
24 Telephone: (202) 346-4000
25 Facsimile: (202) 346-4444

26 Counsel for *Countrywide* and some individual defendants

27 The objector or his, her or its counsel (if any) must effect service of the
28 objection on counsel listed above and file it with the Court so that it is received by
no later than November 2, 2009. 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 counsel listed above
and file it with the Court by no later than November 2, 2009. 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

1 shall be foreclosed from raising, any objection to the *Settlement*, and any untimely
2 objection shall be barred.

3 7. Appearance at Fairness Hearing. Any objector who files and serves a
4 timely, written objection in accordance with the instructions above and herein, may
5 also appear at the Fairness Hearing either in person or through counsel retained at
6 the objector's expense. Objectors or their attorneys intending to appear at the
7 Fairness Hearing must effect service of a notice of intention to appear setting forth,
8 among other things, the name, address, and telephone number of the objector (and,
9 if applicable, the name, address, and telephone number of the objector's attorney)
10 on *Class Counsel* and on *Defendants' Counsel* (at the addresses set out above).
11 The objector must also file the notice of intention to appear with the Court by no
12 later than November 2, 2009. Any objector who does not timely file and serve a
13 notice of intention to appear in accordance with this paragraph shall not be
14 permitted to appear at the Fairness Hearing, except for good cause shown.

15 8. Service of Papers. *Defendants' Counsel* and *Class Counsel* shall
16 promptly furnish each other with copies of any and all objections that come into
17 their possession.

18 9. Notice Expenses. The expenses of printing and mailing all notices
19 required hereby to the extent of the first \$250,000 shall be paid from the *Settlement*
20 *Fund* as provided in Section 4.2 of the *Settlement Agreement*.

21 10. Fee Petition. *Class Counsel* shall file an application for attorneys' fees
22 and expenses no later than October 26, 2009.

23 11. Plan of Allocation. *Class Counsel* shall file a proposed *Plan of*
24 *Allocation* no later than October 26, 2009.

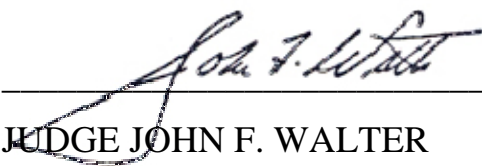
25 12. Termination of Settlement. This Order shall become null and void,
26 and shall be without prejudice to the rights of the *Parties*, all of whom shall be
27 restored to their respective positions existing immediately before this Court entered
28 this Order, if the *Settlement* is terminated in accordance with the *Settlement*

1 *Agreement*. In such event, Section 8.5 of the *Settlement Agreement* shall govern
2 the rights of the *Parties*.

3 13. Use of Order. This Order shall not be construed or used as an
4 admission, concession, or declaration by or against *Defendants* of any fault,
5 wrongdoing, breach, or liability or as a waiver by any *Party* of any arguments,
6 defenses, or claims he, she, or it may have, including, but not limited to, any
7 objections by *Defendants* to class certification in the event that the *Settlement*
8 *Agreement* is terminated. In the event this Order becomes of no force or effect, it
9 shall not be construed or used as an admission, concession, or declaration by or
10 against *Defendants*, the *Named Plaintiff* or the Class.

11 14. Continuance of Hearing. The Court reserves the right to continue the
12 Fairness Hearing without further written notice.

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14 SO ORDERED this 1st day of September 2009.

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19 JUDGE JOHN F. WALTER
20 UNITED STATES DISTRICT JUDGE
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