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

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

12 Plaintiff,

13 v.

14 COUNTRYWIDE FINANCIAL
15 CORPORATION, et. al.

16 Defendants.

CASE NO. 2:07-cv-05810-JFW-(CTx)

CLASS ACTION

**[PROPOSED] PLAN OF
ALLOCATION**

BEFORE THE HON. JOHN F. WALTER

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19 1. Except as indicated in this “*Plan of Allocation*” the capitalized terms
20 used herein shall have the meanings ascribed to them in the Stipulation and
21 Agreement of Settlement –ERISA Action, dated August 5, 2009 (the
22 “*Stipulation*”).

23 2. Pursuant to Section 3.4 of the *Stipulation*, following the *Effective*
24 *Date*, the *Net Settlement Fund* shall be transferred by the *Custodian* to the *Plan*
25 for distribution to or for the benefit of the *Class*. Such disbursement shall be in
26 accordance with wire transfer instructions to be provided by *Countrywide* or the
27 *Plan* trustee. *Defendants* shall then direct *Countrywide*, the *Plan* trustee, or any
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1 authorized entity under the *Plan* (an “*Authorized Administrator*”), to allocate the
2 *Net Settlement Fund* received by the *Plan* to the *Class* according to the allocation
3 and calculation methods described herein. Prior to allocation, the *Plan* shall
4 invest the *Net Settlement Fund* in accordance with *Plan* procedures in effect at the
5 time.

6 3. For each *Class Member* who is a current *Participant* in the *Plan*
7 (“*Active Participant*”), as promptly as practical after deposit of the *Net Settlement*
8 *Fund* into the *Plan*, an *Authorized Administrator* shall allocate into each *Active*
9 *Participant’s* account his or her “*Final Individual Dollar Recovery*,” as calculated
10 below. Each *Active Participant’s Final Individual Dollar Recovery* shall be
11 allocated in accordance with *Plan* procedures (including investment selection
12 procedures) in effect at the time of allocation and treated thereafter for all
13 purposes under the *Plan* as assets of the *Plan* properly credited to that *Active*
14 *Participant’s* account.

15 4. For each *Class Member* who is no longer a *Participant* in the *Plan*
16 because he or she withdrew from the *Plan* before the distribution of the *Net*
17 *Settlement Fund* was effectuated (“*Inactive Participant*”), as promptly as possible
18 after deposit of the *Net Settlement Fund* into the *Plan*, an *Authorized*
19 *Administrator* shall calculate for each *Inactive Participant* his or her *Final*
20 *Individual Dollar Recovery*, as calculated below. For each *Inactive Participant*
21 whose *Final Individual Dollar Recovery* exceeds the limit set forth in the *Plan* for
22 mandatory payment of small accounts, his or her *Final Individual Dollar*
23 *Recovery* shall be deposited into a new account established for that *Inactive*
24 *Participant*, allocated in accordance with *Plan* procedures (including investment
25 selection procedures) in effect at the time of allocation and treated thereafter for
26 all purposes under the *Plan* as assets of the *Plan* properly credited to that *Inactive*
27 *Participant’s* account. For each *Inactive Participant* whose *Final Individual*
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1 *Dollar Recovery* is at or below the limit set forth in the *Plan* for mandatory
2 payment of small accounts, his or her *Final Individual Dollar Recovery* shall be
3 distributed in accordance with *Plan* procedures in effect at the time of allocation.
4 Each *Inactive Participant* will be notified of the new account or mandatory
5 payment as promptly as possible after deposit of the *Net Settlement Fund* into the
6 *Plan*.

7 5. As soon as administratively feasible after the *Judgment* becomes
8 *Final*, an *Authorized Administrator* shall calculate the share of the *Net Settlement*
9 *Fund* for each *Class Member* (the *Class Members*' "*Net Loss*") according to the
10 following methodology:

11 (a) The sum of:

12 (i) The dollar amount of the *Class Member's* individual *Plan*
13 account balance invested in the *Countrywide Stock Fund* at the
14 close of business on the first day of the *Class Period*; and

15 (ii) The dollar amount of investments in units in the *Countrywide*
16 *Stock Fund* (through employee contributions, employer
17 contributions in cash or stock or cash dividends) added to the
18 *Class Member's* individual *Plan* account during the *Class*
19 *Period*, valued as of the time of each such investment as
20 reflected in the records of the *Plan*;

21 (b) Minus the sum of:

22 (i) The dollar amount of the *Class Member's* individual *Plan*
23 account balance invested in the *Countrywide Stock Fund* at the
24 close of business on June 30, 2008; and

25 (ii) The dollar amount of all dispositions of any nature whatsoever
26 of units in the *Countrywide Stock Fund* from the *Class*
27 *Member's* individual *Plan* account during the *Class Period*,
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1 valued as of the time of the disposition, as reflected in the
2 records of the *Plan*.

3 For purposes of applying the above formula from the beginning of the *Class*
4 *Period* through October 20, 2006, references above to the “*Countrywide Stock*
5 *Fund*” shall refer to each of the two investment funds of the *Plan* that primarily
6 invested in *Countrywide* stock. For purposes of determining each *Class Member’s*
7 *Net Loss*, only the *Class Member’s* vested interest as determined under the *Plan*
8 shall be taken into account.

9 6. The *Net Loss* of each *Class Member* as calculated in Section 5 above
10 will be totaled to yield the alleged loss of the *Plan* as a whole during the *Class*
11 *Period* (the “*Preliminary Aggregate Net Loss*”).

12 7. An *Authorized Administrator* shall calculate for each *Class Member*
13 his or her alleged “*Preliminary Net Loss Percentage*” by dividing each *Class*
14 *Member’s Net Loss* by the *Preliminary Aggregate Net Loss*.

15 8. An *Authorized Administrator* shall then calculate for each *Class*
16 *Member* his or her “*Preliminary Individual Dollar Recovery*” by multiplying each
17 *Class Member’s Preliminary Net Loss Percentage* by the *Net Settlement Fund*.

18 9. An *Authorized Administrator* shall identify all *Inactive Participants*
19 whose *Preliminary Individual Dollar Recovery* is less than or equal to ten dollars
20 (\$10.00) (the “*De Minimis Amount*”). All *Inactive Participants* whose
21 *Preliminary Individual Dollar Recovery* is less than or equal to the *De Minimis*
22 *Amount* (the “*De Minimis Class Members*”) shall be deemed to have a *Final*
23 *Individual Dollar Recovery* of zero. The aggregate *Net Loss* of the *De Minimis*
24 *Class Members* shall be subtracted from the *Preliminary Aggregate Net Loss* to
25 yield a final aggregate *Net Loss* (the “*Final Aggregate Net Loss*”).

26 10. An *Authorized Administrator* shall then recalculate the *Net Loss*
27 *Percentages* of *Class Members* who are not *De Minimis Class Members* (the
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1 “*Non-De Minimis Class Members*”), so as to determine each *Non-De Minimis*
2 *Class Member’s Final Individual Dollar Recovery* so that the entire balance of the
3 *Net Settlement Fund* is distributed to qualified *Class Members* as follows:

- 4 (i) Dividing each *Non-De Minimis Class Member’s Net Loss* by
5 the *Final Aggregate Net Loss* to calculate what percentage of
6 the *Final Aggregate Net Loss* is attributable to each *Non-De*
7 *Minimis Class Member* (that *Non-De Minimis Class Member’s*
8 “*Final Net Loss Percentage*”); and
- 9 (ii) Multiplying the *Net Settlement Fund* by each *Non-De Minimis*
10 *Class Member’s Final Net Loss Percentage* to determine each
11 *Non-De Minimis Class Member’s Final Individual Dollar*
12 *Recovery*.

13 The sum of all of the *Final Individual Dollar Recoveries* must equal the *Net*
14 *Settlement Fund*.

15 11. If any *Non-De Minimis Class Member* cannot be located despite
16 reasonable efforts, such *Class Member’s Final Individual Dollar Recovery* shall
17 be administered in accordance with the existing procedures of the relevant *Plan*
18 regarding unlocatable *Participants*. If any *Non-De Minimis Class Member* is
19 deceased, such *Class Member’s Final Individual Dollar Recovery* shall be
20 administered in accordance with the existing procedures of the *Plan* regarding
21 deceased participants.

22 12. In light of the manner in which the *Plan* data are kept and the efficacy
23 with which the *Plan* data can be used to locate *Class Members* and to allocate
24 each *Class Member’s Final Individual Dollar Recovery*, it may be appropriate to
25 modify some of the features of the calculations set forth herein. Such
26 modifications shall be acceptable as long as each *Class Member* is allocated his or
27 her share of the *Net Settlement Fund* based approximately on the decline in the
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1 value of units of the *Countrywide Stock Fund* that he or she held over the *Class*
2 *Period* as a proportion of the decline in the value of units of the *Countrywide*
3 *Stock Fund* held by all *Class Members*.

4 13. Fifteen (15) days prior to the allocation to *Class Members*, an
5 *Authorized Administrator* shall provide *Defendants' Counsel* and *Class Counsel*
6 the methodology used in calculating losses as described herein (or otherwise
7 modified) as well as a sampling of the summaries, compilations, calculations, or
8 tabulations of the claims and amounts described herein, including a complete
9 listing setting out the amount of allocations to each *Class Member*.

10 14. The *Court* will retain jurisdiction of the *Plan of Allocation* to the
11 extent necessary to ensure that it is fully and fairly implemented.

12 SO ORDERED this _____ day of _____, 2009.

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16 JUDGE JOHN F. WALTER
17 CHIEF UNITED STATES DISTRICT JUDGE
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