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12 UNITED STATES DISTRICT COURT  
13 CENTRAL DISTRICT OF CALIFORNIA

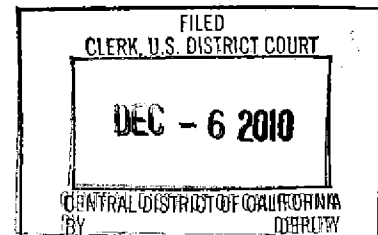
14 MAINE STATE RETIREMENT SYSTEM,  
15 Individually and On Behalf of All Others  
16 Similarly Situated,

17 Plaintiff,

18 v.

19 COUNTRYWIDE FINANCIAL  
20 CORPORATION; COUNTRYWIDE  
21 SECURITIES CORPORATION;  
22 COUNTRYWIDE HOME LOANS, INC.;  
23 COUNTRYWIDE CAPITAL MARKETS;  
24 BANK OF AMERICA CORP.; NB  
25 HOLDINGS CORPORATION; CWALT,  
26 INC.; CWMBS, INC.; CWABS, INC.;  
27 CWHEQ, INC.; J.P. MORGAN  
28 SECURITIES, INC.; DEUTSCHE BANK  
SECURITIES INC.; BEAR, STEARNS &  
CO., INC.; JPMORGAN CHASE, INC.;  
BANC OF AMERICA SECURITIES LLC;  
UBS SECURITIES LLC; MORGAN  
STANLEY & CO., INC.; EDWARD D.  
JONES & CO., L.P.; CITIGROUP GLOBAL  
MARKETS, INC.; GOLDMAN, SACHS &  
CO.; CREDIT SUISSE SECURITIES (USA)  
LLC; RBS SECURITIES INC.; BARCLAY'S  
CAPITAL, INC.; HSBC SECURITIES (USA)  
INC.; BNP PARIBAS SECURITIES CORP.;  
MERRILL LYNCH, PIERCE, FENNER &  
SMITH, INC.; STANFORD L. KURLAND;  
DAVID A. SPECTOR; ERIC P. SIERACKI;  
N. JOSHUA ADLER; RANJIT KRIPALANI;  
JENNIFER S. SANDEFUR; THOMAS  
KEITH MCLAUGHLIN; THOMAS H.  
BOONE; JEFFREY P. GROGIN; DAVID A.  
SAMBOL,

Defendants.



No. 2:10-CV-00302 MRP  
(MAN)

CLASS ACTION

**SECOND AMENDED CLASS  
ACTION COMPLAINT**

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1 In accordance with the Court's Opinion and Order dated November 4, 2010  
2 ("Countrywide Tolling Decision"), Lead Plaintiff Iowa Public Employees'  
3 Retirement System and additional named plaintiffs the General Board of Pension  
4 and Health Benefits of the United Methodist Church, Orange County Employees'  
5 Retirement System, and Oregon Public Employees' Retirement System  
6 (collectively, "Plaintiffs"), allege the following upon personal knowledge as to  
7 themselves and their own acts and upon information and belief as to all other  
8 matters. Plaintiffs' information and belief is based on the investigation of their  
9 counsel. The investigation included, for example: (i) review and analysis of the  
10 offering materials for the Certificates as defined below, and the Certificates' rating  
11 histories; (ii) examination of the monthly service or remittance reports issued in  
12 connection with the Certificates; (iii) examination of the SEC filings, press releases  
13 and other public statements of Countrywide Financial Corporation ("CFC"); (iv)  
14 review and analysis of court filings cited herein; (v) review and analysis of media  
15 reports, congressional testimony and additional material; and (vi) analysis of the  
16 Securities and Exchange Commission's ("SEC") Summary Report of Issues  
17 Identified in the Commission Staff's Examinations of Select Credit Rating  
18 Agencies ("SEC Report") and additional documents cited herein. Many of the  
19 facts related to Plaintiffs' allegations are known only by the Defendants named  
20 herein, or are exclusively within their custody or control. Plaintiffs believe that  
21 substantial additional evidentiary support for the allegations set forth below will be  
22 developed after a reasonable opportunity for discovery.

23 Plaintiffs undertake this amendment to comply with the Countrywide  
24 Tolling Decision. In so doing, Plaintiffs do not waive and hereby preserve all  
25 previously asserted claims regarding all securities included in the Consolidated  
26 Amended Class Action Complaint ("First Amended Complaint," or "FAC") in this  
27 action as if fully set forth herein.  
28

**I. SUMMARY OF THE ACTION**

1. This Complaint is brought by Plaintiffs pursuant to the Securities Act of 1933, 15 U.S.C. § 77a, *et seq.* (the “Securities Act”), on behalf of all persons or entities who purchased or otherwise acquired \$17.83 billion of mortgage-backed securities (“MBS” or “Certificates”) issued pursuant or traceable to Registration Statements, Original Basic Prospectuses, and Prospectus Supplements (collectively, the “Offering Documents”) filed with the SEC: (1) Alternative Loan Trust Certificates issued by Defendant CWALT, Inc. (“CWALT”); (2) CWABS Asset-Backed Trust Certificates issued by Defendant CWABS, Inc. (“CWABS”); (3) CHL Mortgage Pass-Through Trust Certificates issued by Defendant CWMBS, Inc. (“CWMBS”); and (4) CWHEQ Revolving Home Equity Loan Trusts and Home Equity Loan Trusts issued by Defendant CWHEQ, Inc. (“CWHEQ”) (CWALT, CWABS, CWMBS, and CWHEQ are collectively referred to herein as the “Depositors” or “Issuers”). All of the Certificates were collateralized by residential mortgage loans that Countrywide Home Loans, Inc. (“Countrywide”) or its affiliates originated. The Certificates were sold in 14 separate public offerings (the “Offerings”) over thirty-four months between October 2005 and December 2006. A complete list of each Offering that is the subject of this Second Amended Class Action Complaint (“SAC”) is set forth in **Exhibit A** of the accompanying Appendix (“SAC Appendix”).

2. The Offerings were underwritten by Defendants Countrywide Securities Corporation (“CSC”), Deutsche Bank Securities Inc. (“Deutsche Bank”), UBS Securities LLC (“UBS”), Morgan Stanley & Co., Inc. (“Morgan Stanley”), Goldman, Sachs & Co. (“Goldman Sachs”), RBS Securities Inc. f/k/a RBS Greenwich Capital d/b/a Greenwich Capital Markets, Inc. (“RBS”), Barclay’s Capital, Inc. (“Barclay’s”) and HSBC Securities (USA) Inc. (“HSBC”) (collectively the “Underwriters” or “Underwriter Defendants”).

3. Plaintiffs assert claims for violations of Sections 11, 12(a)(2) and 15

1 of the Securities Act, 15 U.S.C. §§ 77k, 77l(a)(2) and 77o, arising from material  
2 misstatements and omissions in the Registration Statements, Prospectuses and  
3 subsequently-filed Prospectus Supplements (collectively referred to herein as the  
4 “Offering Documents”). Accordingly, this action involves claims of negligence  
5 and strict liability under the Securities Act. The Complaint asserts no allegations  
6 of fraud on the part of any Defendant.

7 4. From 2005 through 2007, Countrywide was the nation’s largest  
8 residential mortgage lender. Countrywide originated in excess of \$850 billion in  
9 home loans throughout the United States in 2005 and 2006 alone. Countrywide’s  
10 ability to originate residential mortgages on such a massive scale was facilitated, in  
11 large part, by its ability to rapidly package or securitize those loans and then,  
12 through the activities of the Underwriter Defendants, sell them to investors as  
13 purportedly investment grade mortgage-backed securities.

14 5. Each Offering operated in the same manner. A special-purpose trust  
15 (the “Issuing Trust”) was created by the Depositor to hold the underlying mortgage  
16 loan collateral. Certificates entitled investors to receive monthly distributions of  
17 interest and principal from the Issuing Trusts derived from cash flows from  
18 borrower repayment of the mortgage loans. The cash flows from the principal and  
19 interest payments from those mortgage loans were then divided into multiple  
20 classes, or “tranches,” of senior and subordinated Certificates. If borrowers failed  
21 to pay back their mortgages, these losses would flow to Plaintiffs based on the  
22 seniority of their Certificates. However, since all of the Certificates issued by an  
23 individual Issuing Trust were backed by the pool of mortgages associated with that  
24 Issuing Trust, a decline in the value of the mortgages in the pool arising from  
25 delinquencies, defaults, or other problems with the particular loans would cause a  
26 decline in the value of each and every class or tranche of Certificates in the Issuing  
27 Trust, regardless of the subordination of certain Certificates to more senior ones.

28 6. The assembly line created by Countrywide and the Underwriter

1 Defendants for the mass production and sale of the Certificates began with  
2 Countrywide and its affiliates originating the mortgage loans. These loans were all  
3 purportedly underwritten pursuant to specific loan origination guidelines set forth  
4 in the Offering Documents. The guidelines provided, *inter alia*, that Countrywide  
5 and its affiliates would assess borrower creditworthiness and appraise the value of  
6 the mortgaged property pursuant to standard appraisal methodologies. As set forth  
7 below, these descriptions of the loan origination guidelines in the Offering  
8 Documents contained material misstatements and omissions since, in fact, the  
9 guidelines were systematically disregarded to include borrowers who did not meet  
10 the aforementioned criteria.

11 7. Once the loans were originated they were ultimately sold to the  
12 Depositors who were all limited purpose entities created by CFC. The Depositors  
13 would deposit the loans into Issuing Trusts and, along with the Underwriter  
14 Defendants and the Rating Agencies, including Moody's Investors Service, Inc.  
15 ("Moody's"), Standard & Poor's ("S&P") and Fitch Ratings, Inc. ("Fitch")  
16 (collectively referred to herein as the "Rating Agencies"), design the structure of  
17 each Offering. The Offering structures determined how the cash flows from the  
18 mortgage loans would be distributed to different senior and subordinate classes of  
19 Certificate investors. Each Offering purported to provide various forms of investor  
20 protections and purported to justify the investment grade ratings assigned to the  
21 Certificates.

22 8. It was critically important to the Underwriter Defendants not only that  
23 all of the Certificates be assigned investment grade ratings by the Rating Agencies  
24 at the time of issuance, but that they be assigned the highest investment grade  
25 ratings. The highest investment rating used by the Rating Agencies is AAA (Aaa  
26 for Moody's), which signifies the highest investment grade and suggests that there  
27 is almost no risk of investment loss associated with the security – the safest  
28 investment next to U.S. Treasury bonds. Ratings of "AA," "A" and "BBB"

1 represent very high credit quality, high credit quality, and good credit quality,  
2 respectively. There are various intermediate ratings between BBB and AAA.  
3 Anything rated lower than BBB is considered speculative or "junk," *i.e.*, not  
4 investment grade.

5 9. In fact, all of the Countrywide-issued Certificates were assigned  
6 investment grade ratings and over 90% received the highest investment grade  
7 ratings. These ratings assured the rapid sale of the Certificates to conservative  
8 investors such as public and private pension funds and insurance companies whose  
9 investment guidelines typically require them to purchase only investment grade  
10 securities. The Underwriter Defendants exercised their substantial economic  
11 power by soliciting the Rating Agencies to bid for the ratings engagements via the  
12 Rating Agencies' proposed ratings of the Certificates. The Underwriters'  
13 competitive selection process for securing ratings, known as "ratings shopping,"  
14 ensured that the highest investment grade ratings were assigned to substantially all  
15 of the Certificates.

16 10. After the Certificates were issued, facts began to emerge reflecting  
17 that the mortgage collateral supporting the purported investment grade securities  
18 was fundamentally impaired and that the guidelines described in the Offering  
19 Documents had been systematically disregarded.<sup>1</sup>

20 11. No matter when the Offering occurred, the default and delinquency  
21 rates of the Certificates at issue herein skyrocketed exponentially in the first year  
22 after the loans were originated, reflecting en mass early payment defaults. Such  
23 early defaults are a strong indicator that origination guidelines have not been  
24 applied, *infra* ¶¶102-09, 113.

25  
26 <sup>1</sup> For purposes of the Securities Act, the Depositor is considered the "Issuer"  
27 under Section 2(a)(4), 15 U.S.C. § 77b(a)(4). The "issuing entity" in each Offering  
28 was the specifically denominated Issuing Trust, *e.g.*, for the CWALT Series 2005-  
62 \$1,559,819,100 Offering on October 28, 2005, the Issuer was CWALT, Inc. and  
the issuing entity was the Issuing Trust denominated "Alternative Loan Trust  
2005-62."



1           12. As a result of such poor loan performance the Rating Agencies were  
2 forced not merely to downgrade isolated Certificates, but rather to revise the entire  
3 methodology used to assign investment grade ratings to the Certificates. Further,  
4 in making these fundamental revisions, the Rating Agencies explained that the  
5 impetus for the change was previously undisclosed and systematic “aggressive  
6 underwriting” practices used to originate the mortgage loan collateral. When these  
7 revised methodologies were applied to the Certificates in 2008 and 2009, the result  
8 was an unprecedented collapse of the investment grade ratings. Indeed, the  
9 Certificates bearing the highest investment grade ratings collapsed largely in one  
10 fell swoop – not merely one or two rating levels, but *as much as 22 rating levels* to  
11 below investment grade or junk bond rating. Indeed, 91% of the Certificates have  
12 been downgraded to junk bond levels – including over 90% of the Certificates  
13 initially awarded AAA/maximum-safety ratings, *infra* ¶¶107-114.

14           13. Investigations into Countrywide’s loan origination practices during  
15 the period from 2005 through 2007 and presented in actions filed by the SEC  
16 against Countrywide and its senior management, including Angelo Mozilo  
17 (“Mozilo”), David Sambol (“Sambol”) and Eric Sieracki (“Sieracki”), as well as by  
18 the Illinois and California attorneys general have confirmed, as a result of those  
19 agencies’ subpoena power, that Countrywide’s underwriting guidelines were  
20 systematically disregarded. In addition, MBIA Insurance Corp. (“MBIA”), one of  
21 the largest providers of bond insurance, brought its own lawsuit against  
22 Countrywide alleging that Countrywide fraudulently induced it to insure certain  
23 Certificates at issue in this action based on its improper loan origination practices.  
24 Moreover, allegations set forth in complaints against Countrywide alleging  
25 derivative and securities claims have further detailed Countrywide’s rampant  
26 disregard for its own loan origination guidelines.

27           14. Fourth, more general government investigations into the issuance of  
28 mortgage-backed securities during the period when the Certificates were issued

1 have also confirmed a systemic disregard for loan origination guidelines. Thus, for  
2 example, according to the March 2008 policy statement of the President's Working  
3 Group on Financial Markets (the "President's Working Group"), the underlying  
4 causes of the mortgage crisis include, *inter alia*: (i) "a breakdown in underwriting  
5 standards for subprime mortgages"; and (ii) "a significant erosion of market  
6 discipline by those involved in the securitization processes, including originators  
7 [and] underwriters ... related in part to failures to provide or obtain adequate risk  
8 disclosures."

9 15. Finally, commensurate with the exponential increases in delinquency  
10 and default rates in the underlying mortgages and the Certificates' ratings collapse,  
11 the value of the Certificates has plummeted.

12 16. As a result of Countrywide's systemic disregard for its underwriting  
13 guidelines, numerous statements set forth in the Offering Documents contained  
14 material misstatements and omissions, including regarding: (i) the high quality of  
15 the mortgage pools underlying the Issuing Trusts, resulting from the underwriting  
16 standards employed to originate the mortgages, the value of the collateral securing  
17 the mortgages, and the soundness of the appraisals used to arrive at this value; (ii)  
18 the mortgages' loan-to-value ("LTV") ratios; and (iii) other criteria that were used  
19 to qualify borrowers for mortgages.

20 17. The widespread collapse of Countrywide mortgages not only resulted  
21 in damage to Certificate investors but also drove Countrywide toward the brink of  
22 bankruptcy. To survive, Countrywide merged with Bank of America in a \$4.1  
23 billion stock exchange in January 2008.

## 24 **II. JURISDICTION AND VENUE**

25 18. The claims asserted herein arise under and pursuant to Sections 11,  
26 12(a)(2), and 15 of the Securities Act, 15 U.S.C. §§ 77k, 771(a)(2) and 77o. This  
27 Court has jurisdiction over the subject matter of this action pursuant to Section 22  
28 of the Securities Act, 15 U.S.C. § 77v and 28 U.S.C. § 1331.

1           19. Venue is proper in this District pursuant to Section 22 of the  
2 Securities Act and 28 U.S.C. § 1391(b) and (c). Many of the acts and conduct  
3 complained of herein occurred in substantial part in this District, including the  
4 dissemination of the Offering Documents, which contained material misstatements  
5 and omissions, complained of herein. In addition, Defendants conduct business in  
6 this District.

7           20. In connection with the acts and conduct alleged herein, Defendants,  
8 directly or indirectly, used the means and instrumentalities of interstate commerce,  
9 including the mails and telephonic communications.

### 10 **III. PROCEDURAL HISTORY**

11           21. The instant litigation was originally commenced on November 14,  
12 2007 with the filing of *Luther v. Countrywide Home Loans Servicing LP, et al.*,  
13 Case No. BC380698 (Cal. Superior Court, Los Angeles County) ("Initial Luther  
14 Complaint"). The Initial Luther Complaint asserted claims for violations of  
15 Sections 11, 12(a)(2) and 15 of the Securities Act on behalf of a class of all  
16 purchasers of 188 Offerings of Countrywide MBS issued by Defendant CWALT  
17 between January 2005 and June 2007 pursuant to five separate Shelf Registration  
18 Statements. **See SAC Appendix Exhibit C.** All 188 Offerings included in the  
19 Initial Luther Complaint are included in the FAC. The Offerings included in the  
20 Initial Luther Complaint are set forth in **SAC Appendix Exhibit D**, annexed  
21 hereto. ***There were no PSLRA Certifications identifying the securities purchased***  
22 ***by the named Plaintiffs accompanying the filing of the Initial Luther Complaint,***  
23 ***nor did the Initial Luther Complaint include allegations of specific securities***  
24 ***purchased by the named plaintiff.***

25           22. Thereafter, on June 14, 2008, a second action was filed in California  
26 State Superior Court captioned *Washington State Plumbing & Pipefitting Pension*  
27 *Trust v. Countrywide Financial Corporation, et al.*, Case No. BC392571 (Cal.  
28 Superior Court, Los Angeles County) ("Washington State Action" or "Washington

1 State Complaint"). The named Plaintiff, Washington State Plumbing & Pipefitting  
2 Pension Trust ("Washington State") asserted claims on behalf of a class of all  
3 purchasers of 398 Offerings of Countrywide MBS issued between June 13, 2005  
4 and December 27, 2007 pursuant to 19 separate Shelf Registration Statements. *See*  
5 **SAC Appendix Exhibit C**. Three hundred and ninety-six Offerings included in  
6 the Washington State Complaint were included in the FAC. The Offerings  
7 included in the Washington State Complaint are set forth in **SAC Appendix**  
8 **Exhibit D**, annexed hereto. *There were no PSLRA Certifications identifying the*  
9 *securities purchased by the named Plaintiffs accompanying the filing of the*  
10 *Washington State Complaint, nor did the Washington State Complaint include*  
11 *allegations identifying the specific securities purchased by the named plaintiffs.*

12 23. Thereafter, on September 9, 2008, an amended complaint was filed in  
13 *Luther* ("Amended Luther Complaint"), adding four additional plaintiffs to the  
14 action – Vermont Pension Investment Committee ("Vermont"), Mashreqbank,  
15 P.S.C. ("MASH"), Pension Trust Fund for Operating Engineers ("PTOE") and  
16 Operating Engineers Annuity Plan ("OEAP"). The named plaintiffs asserted  
17 claims on behalf of a class of all purchasers of 428 Offerings of Countrywide MBS  
18 issued between January 2005 and December 2007 pursuant to 20 separate Shelf  
19 Registration Statements. *See SAC Appendix Exhibit C*. All 427 Countrywide  
20 Offerings in the FAC were included in the Amended Luther Complaint. The  
21 Offerings included in the Amended Luther Complaint are set forth in **SAC**  
22 **Appendix Exhibit D**, annexed hereto. *There were no PSLRA Certifications*  
23 *identifying the securities purchased by the named Plaintiffs accompanying the*  
24 *filing of the Amended Luther Complaint, nor did the Amended Luther*  
25 *Complaint include allegations identifying the specific securities purchased by the*  
26 *named plaintiffs.*

27 24. After consolidation of the *Luther* and *Washington State* actions, a  
28 consolidated complaint was filed on October 16, 2008 (the "Luther Consolidated

1 Complaint”), naming Luther, Vermont, MASH, PTOE, OEAP and Washington  
2 State as plaintiffs. In addition, the Luther Consolidated Complaint added Maine  
3 State Retirement System (“Maine”) as an additional named plaintiff. Vermont,  
4 MASH, PTOE, OEAP, Maine and Washington State are collectively referred to  
5 herein at times as the “Luther Plaintiffs.” These plaintiffs asserted claims on  
6 behalf of a class of all purchasers of 428 Offerings of Countrywide MBS issued  
7 between January 2005 and December 2007 pursuant to 20 separate Shelf  
8 Registration Statements. **See SAC Appendix Exhibit C.** Again, all 427  
9 Countrywide MBS Offerings in the FAC were included in the Luther Consolidated  
10 Complaint. The Offerings included in the Luther Consolidated Complaint are set  
11 forth in **SAC Appendix Exhibit D**, annexed hereto. *There were no PSLRA*  
12 *Certifications identifying the securities purchased by the named Plaintiffs*  
13 *accompanying the filing of the Luther Consolidated Complaint, nor did the*  
14 *Luther Consolidated Complaint include allegations identifying the specific*  
15 *securities purchased by the named plaintiffs.*

16 25. On January 14, 2010, after being dismissed due to lack of subject  
17 matter jurisdiction in state court, counsel for the Luther Plaintiffs filed *Maine State*  
18 *Retirement System v. Countrywide Financial Corporation, et al.*, Civ. No. 10-  
19 00302-MRP-MAN (C.D. Cal. Jan. 14, 2010) (the “Federal Action” or “Federal  
20 Complaint”). Maine State Retirement System was the sole named plaintiff in the  
21 Federal Complaint, which set forth identical allegations regarding the same 428  
22 Countrywide Offerings as the Luther Consolidated Complaint. **See SAC**  
23 **Appendix Exhibit C.** All 427 Offerings in the FAC were included in the Federal  
24 Complaint. The Offerings included in the Federal Complaint are set forth in **SAC**  
25 **Appendix Exhibit D**, annexed hereto. *Annexed to the Federal Complaint was*  
26 *the Certification of Maine State Retirement System which set forth the specific*  
27 *Countrywide MBS which Maine had purchased.*

28 26. The Luther Plaintiffs also appealed their dismissal by the Superior

1 Court to the California Court of Appeals (Second Appellate District). That appeal  
2 remains pending.

3 27. There were no PSLRA Certifications or allegations setting forth  
4 precisely which Offerings the remaining five Luther Plaintiffs (*i.e.*, MASH, PTOE,  
5 OEAP, Washington State and Vermont) purchased until the filing of the motions  
6 for lead plaintiff in this action on April 2, 2010. *See* Dkt. Nos. 86-89. Moreover,  
7 the specific Countrywide Certificates purchased by the named plaintiff in the  
8 Luther Action, David Luther, have never been publicly disclosed or set forth in any  
9 previous complaints in this action. In fact, this information was only obtained  
10 from Mr. Luther's counsel in response to a request from Plaintiffs' Counsel.  
11 Ultimately, on May 17, 2010, IPERS was appointed as Lead Plaintiff in the action.

12 28. On July 13, 2010, IPERS, along with additional named Plaintiffs  
13 OCERS, OPERS and GBPHB, filed the FAC in the Federal Action. The FAC  
14 asserted claims on behalf of a class of all purchasers of 427 Offerings of  
15 Countrywide MBS issued between January 2005 and December 2007 pursuant to  
16 19 separate Shelf Registration Statements. ***See* SAC Appendix Exhibit C.** The  
17 Offerings included in the FAC are set forth in ***SAC Appendix Exhibit D***, annexed  
18 hereto. Thereafter, Defendants moved to dismiss the FAC. By Opinion and Order  
19 dated November 4, 2010, the Court granted Defendants' motions to dismiss with  
20 leave to replead in accordance with the Countrywide Tolling Decision. This SAC  
21 is filed in compliance therewith.

#### 22 **IV. PARTIES**

##### 23 **A. Plaintiffs**

24 29. **Iowa Public Employees' Retirement System** ("IPERS") is a public  
25 pension fund for employees of the State of Iowa. IPERS acquired its Certificates  
26 pursuant and traceable to one or more Shelf Registration Statements, Original  
27 Basic Prospectuses and later-filed Prospectus Supplements. The Offering  
28 Documents were rendered materially misleading as a consequence of the same

1 course of conduct with respect to each Offering by Defendants. A Certification  
2 documenting IPERS' transactions in the Certificates was filed with IPERS' motion  
3 for appointment as lead plaintiff on April 2, 2010. *See* Dkt. No. 80. As set forth in  
4 ¶¶60-83, directly below, IPERS purchased the Certificates pursuant and traceable  
5 to the Offering Documents and has been damaged thereby.

6       **30. General Board of Pension and Health Benefits of the United**  
7 **Methodist Church** ("GBPHB") is the pension fund for the active and retired  
8 clergy and lay employees of the United Methodist Church. GBPHB acquired its  
9 Certificates pursuant and traceable to one or more Shelf Registration Statements,  
10 Original Basic Prospectuses and later-filed Prospectus Supplements. The Offering  
11 Documents were rendered materially misleading as a consequence of the same  
12 course of conduct with respect to each Offering by Defendants. A Certification  
13 documenting GBPHB's transactions in the Certificates was filed with GBPHB's  
14 motion for appointment as lead plaintiff on April 2, 2010. *See* Dkt. No. 85. As set  
15 forth in ¶¶60-83, directly below, GBPHB purchased its Certificates pursuant and  
16 traceable to the Offering Documents and has been damaged thereby.

17       **31. Orange County Employees' Retirement System** ("OCERS") is a  
18 public pension fund for the employees of Orange County, California. OCERS  
19 acquired its Certificates pursuant and traceable to one or more Shelf Registration  
20 Statements, Original Basic Prospectuses and later-filed Prospectus Supplements.  
21 The Offering Documents were rendered materially misleading as a consequence of  
22 the same course of conduct with respect to each Offering by Defendants. A  
23 Certification documenting OCERS' transactions in the Certificates and willingness  
24 to serve as a representative party in this litigation was annexed to and filed with the  
25 FAC on July 13, 2010. *See* Dkt. No. 122. As set forth in ¶¶60-83, directly below,  
26 OCERS purchased its Certificates pursuant and traceable to the Offering  
27 Documents and has been damaged thereby.

1           32.   **State of Oregon, by and through the Oregon State Treasurer and**  
2 **the Oregon Public Employee Retirement Board on behalf of the Oregon**  
3 **Public Employee Retirement Fund (“OPERS”)** is a public pension fund for  
4 employees of the State of Oregon. OPERS acquired its Certificates pursuant and  
5 traceable to one or more Shelf Registration Statements, Original Basic  
6 Prospectuses and later-filed Prospectus Supplements. The Offering Documents  
7 were rendered materially misleading as a consequence of the same course of  
8 conduct with respect to each Offering by Defendants. A Certification documenting  
9 OPERS’ transactions in Countrywide MBS and willingness to serve as a  
10 representative party in this litigation was annexed to and filed with the FAC on  
11 July 13, 2010. *See* Dkt. No. 122. As set forth in ¶¶60-83, directly below, OPERS  
12 purchased its Certificates pursuant and traceable to the Offering Documents and  
13 has been damaged thereby.

14           **B.   Defendants**

15           33.   Plaintiffs allege that each and every Defendant is, to the maximum  
16 extent permitted by law, jointly and severally liable for the misconduct alleged in  
17 this Complaint.

18                 **1.   Countrywide Defendants**

19           34.   Defendant **Countrywide Financial Corporation (“CFC”)** was, at  
20 times relevant to this Complaint, a Delaware corporation with its principal  
21 executive offices located at 4500 Park Granada, Calabasas, California. CFC was a  
22 holding company which, through its subsidiaries, was engaged in mortgage lending  
23 and other real estate finance related businesses, including mortgage banking,  
24 banking and mortgage warehouse lending, dealing in securities and insurance  
25 underwriting. The Company operated through five business segments: Mortgage  
26 Banking, which originated, purchased, sold and serviced non-commercial  
27 mortgage loans nationwide; Banking, which took deposits and invested in  
28 mortgage loans and home equity lines of credit; Capital Markets, which operated



1 an institutional broker-dealer that primarily specialized in trading and underwriting  
2 MBS; Insurance, which offered property, casualty, life and disability insurance as  
3 an underwriter and as an insurance agency; and Global Operations, which licensed  
4 and supported technology for mortgage lenders in the United Kingdom. As  
5 discussed below, CFC merged with and became Bank of America in 2008. The  
6 Issuer Defendants, as set forth below, were controlled directly by the Individual  
7 Defendants and CFC, including by the appointment of CFC executives as directors  
8 and officers of these entities. Revenues flowing from the issuance and sale of  
9 MBS issued by CWALT, CWMBS, CWABS and CWHEQ and the Issuing Trusts  
10 were passed through to CFC and consolidated into CFC's financial statements.  
11 Defendant CFC, therefore, exercised actual day-to-day control over Defendants  
12 CWALT, CWMBS, CWABS, and CWHEQ. Defendant CFC was a named  
13 defendant in the Washington State Complaint, the Amended Luther Complaint, the  
14 Consolidated Luther Complaint, the Federal Complaint and the FAC. These  
15 complaints alleged that CFC's role relating to the creation and sale of MBS  
16 violated the Securities Act. The claims asserted in this SAC as they relate to CFC  
17 were tolled under the Countrywide Tolling Decision for the Offerings set forth in  
18 **SAC Appendix Exhibits E & F.**

19 35. Defendant **Countrywide Securities Corporation** ("CSC") is a  
20 broker-dealer within CFC. According to CFC's Form 10-K for the year ended  
21 December 31, 2007, filed with the SEC on February 29, 2008 ("2007 Form 10-K"),  
22 CSC "primarily specializes in trading and underwriting MBS." The financial  
23 results of CSC are set forth in the Capital Markets section of CFC's financial  
24 statements. CFC further stated in its 2007 Form 10-K that it was "ranked fourth  
25 among Non-Agency MBS Underwriters" for 2007. Defendant CSC was a named  
26 defendant in the Initial Luther Complaint, the Washington State Complaint, the  
27 Amended Luther Complaint, the Consolidated Luther Complaint, the Federal  
28 Complaint and the FAC. These complaints alleged that CSC's conduct relating to

1 the creation and sale of MBS violated the Securities Act. The claims asserted in  
2 this SAC as they relate to CFC were tolled under the Countrywide Tolling  
3 Decision for the Offerings set forth in SAC Appendix Exhibits E & F. Defendant

4       36. **Countrywide Home Loans, Inc. ("CHL")** was, at times relevant to  
5 this Complaint, a direct wholly-owned subsidiary of CFC. CHL was engaged in  
6 the mortgage banking business, and originated, purchased, sold and serviced  
7 mortgage loans. CHL's principal executive offices were located at 4500 Park  
8 Granada, Calabasas, California, the same location as CFC. CHL served as the  
9 "Sponsor" or "Seller" of the Certificates, meaning that it played a central role in  
10 providing the pools of mortgage loans to the Issuing Trusts upon which the  
11 Certificates were based. Defendant CHL was a named defendant in the Initial  
12 Luther Complaint, the Washington State Complaint, the Amended Luther  
13 Complaint, the Consolidated Luther Complaint, the Federal Complaint and the  
14 FAC. These complaints alleged that CHL's conduct relating to the creation and  
15 sale of MBS violated the Securities Act. The claims asserted in this SAC as they  
16 relate to CHL were tolled under the Countrywide Tolling Decision for the  
17 Offerings set forth in **SAC Appendix Exhibits E & F.**

18       37. Defendant **Countrywide Capital Markets ("CCM")** was, at times  
19 relevant to this Complaint, a direct wholly-owned subsidiary of CFC. CCM's  
20 principal executive offices were located at 4500 Park Granada, Calabasas,  
21 California, the same location as CFC. CCM operated through its two main wholly-  
22 owned subsidiaries, CSC and Countrywide Servicing Exchange. According to  
23 CFC's 2007 Form 10-K, "Capital Markets participates in both competitive bid and  
24 negotiated underwritings and performs underwriting services for CHL,  
25 Countrywide Bank and third parties." The financial results of CCM were set forth  
26 in the Capital Markets section of CFC's financial statements. Defendant CCM was  
27 a named defendant in the Consolidated Luther Complaint, the Federal Complaint  
28 and the FAC. These complaints alleged that CCM's conduct relating to the

1 creation and sale of MBS violated the Securities Act. The claims asserted in this  
2 SAC as they relate to CCM were tolled under the Countrywide Tolling Decision  
3 for the Offerings set forth in **SAC Appendix Exhibits E & F.**

4 38. Defendant **Bank of America Corp.** ("Bank of America") is a  
5 successor to Defendant CFC, having *de facto* merged with CFC. On July 1, 2008,  
6 Defendant CFC completed a merger with Red Oak Merger Corporation ("Red  
7 Oak"), a wholly-owned subsidiary of Bank of America, pursuant to the terms of an  
8 Agreement and Plan of Merger, dated as of January 11, 2008, by and among Bank  
9 of America, Red Oak, and CFC. The acquisition was through an all-stock  
10 transaction involving a Bank of America subsidiary that was created for the sole  
11 purpose of facilitating the acquisition of CFC. The Countrywide brand was retired  
12 shortly after the merger and currently CFC's former website redirects to the Bank  
13 of America website. Moreover, Bank of America has assumed CFC's liabilities,  
14 having paid to resolve other litigation arising from misconduct such as predatory  
15 lending allegedly committed by CFC. *See, e.g.,* Shayndi Raice and Marshall  
16 Eckblad, Countrywide's Mess Billed to Bank of America, *Wall St. J.* (June 7,  
17 2010). Substantially all of Countrywide's assets were transferred to Bank of  
18 America on November 7, 2008, in connection with Countrywide's integration with  
19 Bank of America's other businesses and operations, along with certain of  
20 Countrywide's debt securities and related guarantees. CFC ceased filing its own  
21 financial statements in November 2008, and instead its assets and liabilities have  
22 been included in Bank of America's financial statements. Further, many of the  
23 same locations, employees, assets and business operations that were formerly CFC  
24 continue under the Bank of America Home Loans brand. CSC, CHL and CCM  
25 likewise are now part of Bank of America. As noted above, Defendant CFC, of  
26 which Bank of America is a successor in interest, was a named defendant in the  
27 Washington State Complaint, the Amended Luther Complaint, the Consolidated  
28 Luther Complaint, the Federal Complaint and the FAC. These complaints alleged

1 that CFC's conduct relating to the creation and sale of MBS violated the Securities  
2 Act. The claims asserted in this SAC as they relate to CFC were tolled under the  
3 Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix**  
4 **Exhibits E & F.**

5 39. Defendant **NB Holdings Corporation** is one of the shell entities used  
6 to effectuate the Bank of America-CFC merger, and is a successor to Defendant  
7 CHL. On July 3, 2008, Defendant CHL completed the sale of substantially all of  
8 its assets to NB Holdings Corporation, a wholly-owned subsidiary of Bank of  
9 America. As noted above, Defendant CHL, of which Defendant NB Holdings is a  
10 successor in interest, was a named defendant in the Initial Luther Complaint, the  
11 Washington State Complaint, the Amended Luther Complaint, the Consolidated  
12 Luther Complaint, the Federal Complaint and the FAC. These complaints alleged  
13 that CHL's conduct relating to the creation and sale of MBS violated the Securities  
14 Act. The claims asserted in this SAC as they relate to CHL were tolled under the  
15 Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix**  
16 **Exhibits E & F.** CFC, CSC, CCM, CHL, Bank of America and NB Holdings  
17 Corp. are collectively referred to as the "Countrywide Defendants."

18 **2. The Issuer Defendants**

19 40. Defendant CFC structured Defendants CWALT, CWMBBS, CWABS,  
20 and CWHEQ as limited purpose, wholly-owned, finance subsidiaries to facilitate  
21 its issuance and sale of the MBS. CWALT, CWMBBS, CWABS, and CWHEQ  
22 were controlled directly by CFC, including by the appointment of CFC executives  
23 as directors and officers of these entities. Revenues flowing from the issuance and  
24 sale of MBS issued by CWALT, CWMBBS, CWABS and CWHEQ and the Issuing  
25 Trusts were passed through to CFC and consolidated into CFC's financial  
26 statements. Defendant CFC, therefore, exercised actual day-to-day control over  
27 Defendants CWALT, CWMBBS, CWABS, and CWHEQ.

28 41. Defendant **CWALT, Inc.** was, at times relevant to this Complaint, a

Delaware corporation and a limited purpose financing subsidiary of CFC. CWALT's principal executive offices were located at 4500 Park Granada, Calabasas, California, the same location as CFC. Defendant CWALT served in the role of the "Depositor" in the securitization of the Issuing Trusts as identified in **SAC Appendix Exhibit A** and was an "Issuer" of the Certificates within the meaning of the Securities Act, 15 U.S.C. § 77b(a)(4), traceable to the following amended Registration Statements it filed with the SEC:

File No.	Amount Registered	Issuer	Date	No. of Offerings in SAC
333-110343	\$19,000,000,000	CWALT, Inc.	January 13, 2004	0
333-117949	\$24,126,942,035	CWALT, Inc.	September 23, 2004	0
333-123167	\$22,731,808,071	CWALT, Inc.	April 21, 2005	2
333-125902	\$45,335,287,290	CWALT, Inc.	July 25, 2005	0
333-131630	\$100,271,785,327	CWALT, Inc.	March 6, 2006	0
333-140962	\$103,095,483,061	CWALT, Inc.	April 24, 2007	0

Defendant CWALT was a named defendant in the Initial Luther Complaint, the Washington State Complaint, the Amended Luther Complaint, the Consolidated Luther Complaint, the Federal Complaint and the FAC. These complaints alleged that CWALT's conduct relating to the creation and sale of MBS violated the Securities Act. The claims asserted in this SAC as they relate to CWALT were tolled under the Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix Exhibits E & F**.

42. Defendant **CWHEQ, Inc.** was, at times relevant to this Complaint, a Delaware corporation and a limited purpose financing subsidiary of CFC. CWHEQ's principal executive offices were located at 4500 Park Granada,

Calabasas, California, the same location as CFC. Defendant CWHEQ served in the role of the “Depositor” in the securitization of the Issuing Trusts as identified in **SAC Appendix Exhibit A** and was an “Issuer” of the Certificates within the meaning of the Securities Act, 15 U.S.C. § 77b(a)(4), traceable to the following amended Registration Statements it filed with the SEC:

File No.	Amount Registered	Issuer	Date	No. of Offerings in SAC
333-121378 <sup>2</sup>	\$20,000,000,000	CWHEQ, Inc.	December 17, 2004	0
333-126790	\$30,685,000,000	CWHEQ, Inc.	August 4, 2005	1
333-132375	\$26,572,949,813	CWHEQ, Inc.	April 12, 2006	2
333-139891	\$31,717,192,508	CWHEQ, Inc.	May 22, 2007	0

Defendant CWHEQ was a named defendant in the Washington State Complaint, the Amended Luther Complaint, the Consolidated Luther Complaint, the Federal Complaint and the FAC. These complaints alleged that CWHEQ’s conduct relating to the creation and sale of MBS violated the Securities Act. The claims asserted in this SAC as they relate to CWHEQ were tolled under the Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix Exhibits E & F**.

43. Defendant **CWABS, Inc.** was, at times relevant to this Complaint, a Delaware corporation and a limited purpose financing subsidiary of CFC. CWABS’ principal executive offices were located at 4500 Park Granada, Calabasas, California, the same location as CFC. Defendant CWABS served in the role of the “Depositor” in the securitization of the Issuing Trusts as identified in **SAC Appendix Exhibit A** and was an “Issuer” of the Certificates within the

<sup>2</sup> There were no Offerings included in the FAC issued pursuant to this Shelf Registration Statement.

meaning of the Securities Act, 15 U.S.C. § 77b(a)(4), traceable to the following amended Registration Statements it filed with the SEC:

File No.	Amount Registered	Issuer	Date	No. of Offerings in SAC
333-118926	\$60,598,485,932	CWABS, Inc.	October 18, 2004	0
333-125164	\$46,598,657,434	CWABS, Inc.	June 10, 2005	2
333-131591	\$34,327,892,523	CWABS, Inc.	February 21, 2006	4
333-135846	\$40,000,000,000	CWABS, Inc.	August 8, 2006	2
333-140960	\$113,336,555,700	CWABS, Inc.	April 24, 2007	0

Defendant CWABS was a named defendant in the Washington State Complaint, the Amended Luther Complaint, the Consolidated Luther Complaint, the Federal Complaint and the FAC. These complaints alleged that CWABS' conduct relating to the creation and sale of MBS violated the Securities Act. The claims asserted in this SAC as they relate to CWABS were tolled under the Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix Exhibits E & F**.

44. Defendant **CWMBS, Inc.** was, at times relevant to this Complaint, a Delaware corporation and a limited purpose financing subsidiary of CFC. CWMBS' principal executive offices were located at 4500 Park Granada, Calabasas, California, the same location as CFC. Defendant CWMBS served in the role of the "Depositor" in the securitization of the Issuing Trusts as identified in **SAC Appendix Exhibit A** and was an "Issuer" of the Certificates within the meaning of the Securities Act, 15 U.S.C. § 77b(a)(4), traceable to the following amended Registration Statements it filed with the SEC:

File No.	Amount Registered	Issuer	Date	No. of Offerings in SAC
333-100418	\$14,978,548,884	CWMBS, Inc.	October 28, 2002	0
333-121249	\$20,863,464,518	CWMBS, Inc.	February 8, 2005	0
333-125963	\$40,742,304,251	CWMBS, Inc.	July 25, 2005	0
333-131662	\$60,846,662,430	CWMBS, Inc.	March 6, 2006	1
333-140958	\$144,647,113,029	CWMBS, Inc.	April 24, 2007	0

Defendant CWMBS was a named defendant in the Washington State Complaint, the Amended Luther Complaint, the Consolidated Luther Complaint, the Federal Complaint and the FAC. These complaints alleged that CWMBS' conduct relating to the creation and sale of MBS violated the Securities Act. The claims asserted in this SAC as they relate to CWMBS were tolled under the Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix Exhibits E & F**.

45. CWALT, CWMBS, CWABS and CWHEQ are collectively referred to herein as the "Issuer Defendants."

### 3. The Underwriter Defendants

46. As set forth above, Defendant CSC is an affiliate of CFC, and acted as an underwriter for the Certificates identified in **SAC Appendix Exhibit B** within the meaning of the Securities Act, 15 U.S.C. § 77b(a)(11), and drafted and disseminated the Prospectus Supplements pursuant to which the MBS were sold to Plaintiffs. As set forth above, Defendant CSC now operates as Bank of America. Defendant CSC, was a named defendant in the Initial Luther Complaint, the Washington State Complaint, the Amended Luther Complaint, the Consolidated Luther Complaint, the Federal Complaint and the FAC. These complaints alleged that CSC's conduct relating to the creation and sale of MBS violated the Securities Act. The claims asserted in this SAC as they relate to CSC were tolled under the



Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix Exhibits E & F.**

47. Defendant **Deutsche Bank Securities Inc.** ("Deutsche Bank") acted as an underwriter for the Certificates identified in **SAC Appendix Exhibit B** within the meaning of the Securities Act, 15 U.S.C. § 77b(a)(11), and drafted and disseminated the Prospectus Supplements pursuant to which the MBS were sold to Plaintiffs. Defendant Deutsche Bank was a named defendant in the Initial Luther Complaint, the Washington State Complaint, the Amended Luther Complaint, the Consolidated Luther Complaint, the Federal Complaint and the FAC. These complaints alleged that Deutsche Bank's conduct relating to the creation and sale of MBS violated the Securities Act. The claims asserted in this SAC as they relate to Deutsche Bank were tolled under the Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix Exhibits E & F.**

48. Defendant **UBS Securities LLC** ("UBS") acted as an underwriter for the MBS identified in **SAC Appendix Exhibit B** within the meaning of the Securities Act, 15 U.S.C. § 77b(a)(11), and drafted and disseminated the Prospectus Supplements pursuant to which the MBS were sold to Plaintiffs. Defendant UBS was a named defendant in the Initial Luther Complaint, the Washington State Complaint, the Amended Luther Complaint, the Consolidated Luther Complaint, the Federal Complaint and the FAC. These complaints alleged that UBS' conduct relating to the creation and sale of MBS violated the Securities Act. The claims asserted in this SAC as they relate to UBS were tolled under the Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix Exhibits E & F.**

49. Defendant **Morgan Stanley & Co., Inc.** ("Morgan Stanley") acted as an underwriter for the Certificates identified in **SAC Appendix Exhibit B** within the meaning of the Securities Act, 15 U.S.C. § 77b(a)(11), and drafted and disseminated the Prospectus Supplements pursuant to which the MBS were sold to

1 Plaintiffs. Defendant Morgan Stanley was a named defendant in the Initial Luther  
2 Complaint, the Washington State Complaint, the Amended Luther Complaint, the  
3 Consolidated Luther Complaint, the Federal Complaint and the FAC. These  
4 complaints alleged that Morgan Stanley's conduct relating to the creation and sale  
5 of MBS violated the Securities Act. The claims asserted in this SAC as they relate  
6 to Morgan Stanley were tolled under the Countrywide Tolling Decision for the  
7 Offerings set forth in **SAC Appendix Exhibits E & F.**

8 50. Defendant **Goldman, Sachs & Co.** ("Goldman Sachs") acted as an  
9 underwriter for the Certificates identified in **SAC Appendix Ex. B** within the  
10 meaning of the Securities Act, 15 U.S.C. § 77b(a)(11), and drafted and  
11 disseminated the Prospectus Supplements pursuant to which the MBS were sold to  
12 Plaintiffs. Defendant Goldman Sachs was a named defendant in the Initial Luther  
13 Complaint, the Washington State Complaint, the Amended Luther Complaint, the  
14 Consolidated Luther Complaint, the Federal Complaint and the FAC. These  
15 complaints alleged that Goldman Sachs' conduct relating to the creation and sale  
16 of MBS violated the Securities Act. The claims asserted in this SAC as they relate  
17 to Goldman Sachs were tolled under the Countrywide Tolling Decision for the  
18 Offerings set forth in **SAC Appendix Exhibits E & F.**

19 51. Defendant **RBS Securities Inc. f/k/a RBS Greenwich Capital d/b/a**  
20 **Greenwich Capital Markets, Inc.** ("RBS") acted as an underwriter for the  
21 Certificates identified in **SAC Appendix Exhibit B** within the meaning of the  
22 Securities Act, 15 U.S.C. § 77b(a)(11), and drafted and disseminated the  
23 Prospectus Supplements pursuant to which the MBS were sold to Plaintiffs.  
24 Defendant RBS was a named defendant in the Initial Luther Complaint, the  
25 Washington State Complaint, the Amended Luther Complaint, the Consolidated  
26 Luther Complaint, the Federal Complaint and the FAC. These complaints alleged  
27 that RBS' conduct relating to the creation and sale of MBS violated the Securities  
28 Act. The claims asserted in this SAC as they relate to RBS were tolled under the

1 Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix**  
2 **Exhibits E & F.**

3 52. Defendant **Barclays Capital, Inc.** ("Barclays") acted as an  
4 underwriter for the Certificates identified in **SAC Appendix Exhibit B** within the  
5 meaning of the Securities Act, 15 U.S.C. § 77b(a)(11), and drafted and  
6 disseminated the Prospectus Supplements pursuant to which the MBS were sold to  
7 Plaintiffs. Defendant Barclays was a named defendant in the Initial Luther  
8 Complaint, the Washington State Complaint, the Amended Luther Complaint, the  
9 Consolidated Luther Complaint, the Federal Complaint and the FAC. These  
10 complaints alleged that Barclays' conduct relating to the creation and sale of MBS  
11 violated the Securities Act. The claims asserted in this SAC as they relate to  
12 Barclays were tolled under the Countrywide Tolling Decision for the Offerings set  
13 forth in **SAC Appendix Exhibits E & F.**

14 53. Defendant **HSBC Securities (USA) Inc.** ("HSBC") acted as an  
15 underwriter for the Certificates identified in **SAC Appendix Exhibit B** within the  
16 meaning of the Securities Act, 15 U.S.C. § 77b(a)(11), and drafted and  
17 disseminated the Prospectus Supplements pursuant to which the MBS were sold to  
18 Plaintiffs. Defendant HSBC was a named defendant in the Washington State  
19 Complaint, the Amended Luther Complaint, the Consolidated Luther Complaint,  
20 the Federal Complaint and the FAC. These complaints alleged that HSBC's  
21 conduct relating to the creation and sale of MBS violated the Securities Act. The  
22 claims asserted in this SAC as they relate to HSBC were tolled under the  
23 Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix**  
24 **Exhibits E & F.**

25 54. Defendants CSC, Deutsche Bank, UBS, Morgan Stanley, Goldman  
26 Sachs, RBS, Barclays and HSBC are referred to herein as the "Underwriter  
27 Defendants." "Underwriter Defendants" also includes Defendant Bank of America  
28 as successor in interest as set forth above. Furthermore, Defendants CSC and UBS

are referred to herein at times as the “**Section 12 Underwriter Defendants.**”

**4. The Individual Defendants**

55. Defendant **Stanford L. Kurland** (“Kurland”) was, at relevant times, the Chief Executive Officer (“CEO”), President and Chairman of the Board of Directors for CWALT, CWMBS, CWABS and CWHEQ. Defendant Kurland signed all seven (7) Shelf Registration Statements at issue herein. Defendant Kurland was concurrently the Executive Vice President and Chief Operating Officer (“COO”) of Defendant CFC. Defendant Kurland was a named defendant in the Initial Luther Complaint, the Washington State Complaint, the Amended Luther Complaint, the Consolidated Luther Complaint, the Federal Complaint and the FAC. These complaints alleged that Kurland’s conduct relating to the creation and sale of MBS violated the Securities Act. The claims asserted in this SAC as they relate to Kurland were tolled under the Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix Exhibits E & F.**

56. Defendant **David A. Spector** (“Spector”) was, at relevant times, Vice President and a member of the Board of Directors for CWALT, CWMBS, CWABS and CWHEQ. Defendant Spector signed all seven (7) Shelf Registration Statements at issue herein. Defendant Spector was concurrently the Senior Managing Director of Secondary Marketing of Defendant CFC. Defendant Spector was a named defendant in the Initial Luther Complaint, the Washington State Complaint, the Amended Luther Complaint, the Consolidated Luther Complaint, the Federal Complaint and the FAC. These complaints alleged that Spector’s conduct relating to the creation and sale of MBS violated the Securities Act. The claims asserted in this SAC as they relate to Spector were tolled under the Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix Exhibits E & F.**

57. Defendant **Eric P. Sieracki** (“Sieracki”) was, at relevant times, the Executive Vice President, CFO, Treasurer and member of the Board of Directors

1 for CWALT, CWMBBS, CWABS and CWHEQ. Defendant Sieracki signed all  
2 seven (7) Shelf Registration Statements at issue herein. Defendant Sieracki was  
3 concurrently the Executive Vice President and CFO of Defendant CFC. Defendant  
4 Sieracki was a named defendant in the Initial Luther Complaint, the Washington  
5 State Complaint, the Amended Luther Complaint, the Consolidated Luther  
6 Complaint, the Federal Complaint and the FAC. These complaints alleged that  
7 Sieracki's conduct relating to the creation and sale of MBS violated the Securities  
8 Act. The claims asserted in this SAC as they relate to Sieracki were tolled under  
9 the Countrywide Tolling Decision for the Offerings set forth in **SAC Appendix**  
10 **Exhibits E & F.**

11 58. Defendants Kurland, Spector and Sieracki, are collectively referred to  
12 hereinafter as the "Individual Defendants."

13 **5. David A. Sambol**

14 59. Defendant David A. Sambol ("Sambol") was, at relevant times, the  
15 President and COO of Defendant CFC. Defendant Sambol was a control person of  
16 the Countrywide Defendants and the Issuing Defendants. . Defendant Sambol was  
17 a named defendant in the Washington State Complaint, the Amended Luther  
18 Complaint, the Consolidated Luther Complaint, the Federal Complaint and the  
19 FAC. These complaints alleged that Sambol's role relating to the creation and sale  
20 of MBS violated the Securities Act. The claims asserted in this SAC as they relate  
21 to Sambol were tolled under the Countrywide Tolling Decision for the Offerings  
22 set forth in **SAC Appendix Exhibits E & F.**

23 **C. The Issuing Trust Non-Parties**

24 The Issuing Trusts were set up by Defendants CWALT, CWMBBS, CWABS  
25 and CWHEQ to issue hundreds of billions of dollars worth of Certificates pursuant  
26 to the Offering Documents. **Exhibits A and B** of the SAC Appendix, annexed  
27 hereto, identify (1) each Issuing Trust, (2) the stated value of the Certificates it  
28 issued, (3) the Registration Statements and Prospectus Supplements pursuant to

1 which the Certificates were issued and sold, and (4) the identities of the  
2 Underwriters, Sponsor/Seller, and Depositor/Issuer for each issuance.

3 **V. TOLLING OF THE STATUTE OF LIMITATIONS**

4 **A. Defendant CWALT Offerings**

5 60. Defendant CWALT issued \$163,499,734,519.00 of Countrywide  
6 MBS in 226 separate Offerings between January 2005 and December 2007  
7 pursuant to six Shelf Registration Statements, Original Basic Prospectuses and  
8 later-filed Prospectus Supplements as set forth above in ¶41 and in the FAC at ¶34.  
9 The Luther Consolidated Complaint, the Federal Complaint and the FAC all  
10 included claims on behalf of 226 CWALT Offerings issued between January 2005  
11 and December 2007. *See SAC Appendix Exhibit D.*

12 61. Pursuant to the Court's November 4, 2010 Countrywide Tolling  
13 Decision, the allegations set forth herein are limited to those Offerings which the  
14 Luther Plaintiffs had standing to pursue while the case was pending in California  
15 state court. As a result, Plaintiffs maintain standing to pursue Securities Act claims  
16 on two (2) Countrywide MBS Offerings issued pursuant to one (1) CWALT  
17 Registration Statement, as set forth in detail below.

18 62. As set forth below, and also in the Certification annexed hereto,  
19 OPERS purchased the **CWALT 2005-62 ("2005-62") Certificates, Class 2A1**,  
20 pursuant and traceable to the misleading Offering Documents:

21

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWALT 2005-62, Class 2A1	8,446,540.84	\$1.0003	August 4, 2006	Deutsche Bank

22  
23  
24  
25

26 Plaintiff OPERS was named as a representative Plaintiff in the Federal Action for  
27 the first time on July 13, 2010 when the FAC was filed. OPERS' Section 11 and  
28 15 claims on behalf of all purchasers of the 2005-62 Certificates were tolled in  
accordance with the Countrywide Tolling Decision since at least June 12, 2008

1 when Washington State was named as a plaintiff in the Washington State  
2 Complaint. According to the Certification filed with its motion for lead plaintiff  
3 on April 2, 2010, Washington State purchased the 2005-62 Certificates and had  
4 standing to assert Securities Act claims in connection therewith. Each complaint  
5 filed subsequent to the Washington State Complaint, including the Amended  
6 Luther Complaint, the Luther Consolidated Complaint, the Federal Complaint and  
7 the FAC, included a named plaintiff that had standing to assert the 2005-62 claims.  
8 **See SAC Appendix Exhibit E.** As such, Plaintiff OPERS derives tolling from  
9 Washington State's standing to pursue those claims.<sup>3</sup> **See SAC Appendix Exhibit**  
10 **F.** As of the date of the filing of the Federal Action in January 2010, the value of  
11 the Certificates had diminished considerably, and according to OPERS' custodial  
12 statements, was priced at \$0.5718, causing OPERS to suffer injury as a result.

13 63. As set forth below, and also in the Certification annexed hereto,  
14 OPERS purchased the **CWALT 2005-72 ("2005-72") Certificates, Class A1**, on  
15 the Offering and directly from the underwriter, Defendant UBS, pursuant to the  
16 misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWALT 2005-72, Class A1	16,930,000.00	\$1.0000	November 21, 2005	UBS
CWALT 2005-72, Class A1	13,024,000.00	\$1.0000	December 15, 2005	UBS

17 Plaintiff OPERS was named as a representative Plaintiff in the Federal Action for  
18 the first time on July 13, 2010 when the FAC was filed. OPERS' Sections 12(a)(2)  
19 and 15 claims on behalf of all purchasers of the 2005-72 Certificates were tolled in  
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27 <sup>3</sup> In addition to Washington State's standing to pursue the 2005-62 claims,  
28 OPERS relies on the standing of MASH as of the filing of the Amended Luther  
Complaint. According to the Certification filed with its motion for lead plaintiff  
on April 2, 2010, MASH purchased the 2005-62 Certificates and had standing to  
assert Securities Act claims in connection therewith.

1 accordance with the Countrywide Tolling Decision since at least September 9,  
2 2008 when PTOE was added as a named plaintiff to the Amended Luther  
3 Complaint. According to the Certification filed with its motion for lead plaintiff  
4 on April 2, 2010, PTOE purchased the 2005-72 Certificates and had standing to  
5 assert Securities Act claims in connection therewith. Each complaint filed  
6 subsequent to the Amended Luther Complaint, including the Luther Consolidated  
7 Complaint, the Federal Complaint and the FAC, included a named plaintiff that  
8 had standing to assert the 2005-72 claims. **See SAC Appendix Exhibit E.** As  
9 such, Plaintiff OPERS derives tolling from PTOE's standing to pursue those  
10 claims. **See SAC Appendix Exhibit F.** As of the date of the filing of the Federal  
11 Action in January 2010, the value of the Certificates had diminished considerably,  
12 and according to OPERS' custodial statements, was priced at \$0.6001, causing  
13 OPERS to suffer injury as a result.

14 **B. Defendant CWHEQ Offerings**

15 64. Defendant CWHEQ issued \$50,303,553,300.00 of Countrywide MBS  
16 in 39 separate Offerings between August 26, 2005 and August 14, 2007 pursuant to  
17 four Shelf Registration Statements, Original Basic Prospectuses and later-filed  
18 Prospectus Supplements as set forth above in ¶42 and in the FAC at ¶35. All 39  
19 Offerings were included for the first time in the Washington State Complaint. **See**  
20 **SAC Appendix Exhibit D.**

21 65. Pursuant to the Court's Countrywide Tolling Decision, the allegations  
22 set forth herein are limited to those CWHEQ Offerings which the Luther Plaintiffs  
23 had standing to pursue while the case was pending in California state court. As a  
24 result, Plaintiffs maintain standing to pursue Securities Act claims on three (3)  
25 Countrywide MBS Offerings issued pursuant to two (2) CWHEQ Registration  
26 Statements, as set forth in detail below.

27 66. As set forth below, and also in the Certification annexed hereto,  
28 OPERS purchased the **CWL 2005-H ("2005-H") Certificates, Class 2A**, on the



Offering and directly from the underwriter, Defendant CSC, pursuant to the misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWL 2005-H, Class 2A	1,200,000	\$1.0000	September 27, 2005	CSC

Plaintiff OPERS was named as a representative Plaintiff in the Federal Action for the first time on July 13, 2010 when the FAC was filed. OPERS' Sections 12(a)(2) and 15 claims on behalf of all purchasers of the 2005-H Certificates were tolled in accordance with the Countrywide Tolling Decision since at least September 9, 2008 when PTOE was added as a named plaintiff to the Amended Luther Complaint. According to the Certification filed with its motion for lead plaintiff on April 2, 2010, PTOE purchased the 2005-H Certificates and had standing to assert Securities Act claims in connection therewith. Each complaint filed subsequent to the Amended Luther Complaint, including the Luther Consolidated Complaint, the Federal Complaint and the FAC, included a named plaintiff that had standing to assert the 2005-H Claims. **See SAC Appendix Exhibit E.** As such, Plaintiff OPERS derives tolling from PTOE's standing to pursue those claims. **See SAC Appendix Exhibit F.** OPERS disposed of the 2005-H Certificates in the open market on October 19, 2007 at a price of \$0.9700, and suffered injury as a result.

67. As set forth below, and also in the Certification annexed hereto, IPERS purchased the **CWL 2006-S3 ("2006-S3") Certificates, Class A2**, on the Offering and directly from the Underwriter, Defendant CSC, pursuant to the misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWL 2006-S3, Class A2	1,999,956.46	\$1.0000	June 16, 2006	CSC

Lead Plaintiff IPERS was named as a representative Plaintiff in the Federal Action

for the first time on July 13, 2010, when the FAC was filed. IPERS' Sections 11, 12(a)(2) and 15 claims on behalf of all purchasers of the 2006-S3 Certificates were tolled in accordance with the Countrywide Tolling Decision since at least June 12, 2008 – the date the Washington State Complaint was filed. According to the Certification filed with its motion for lead plaintiff on April 2, 2010, Washington State purchased the 2006-S3 Certificates and had standing to assert Securities Act claims in connection therewith. Each complaint filed subsequent to the Washington State Complaint, including the Amended Luther Complaint, the Luther Consolidated Complaint, the Federal Complaint and the FAC, included a named plaintiff that had standing to assert the 2006-S3 claims. *See SAC Appendix Exhibit E.* As such, IPERS derives tolling from Washington State's standing to pursue those claims.<sup>4</sup> *See SAC Appendix Exhibit F.* As of the date of the filing of the Federal Action in January 2010, the value of the Certificates had diminished considerably, and according to IPERS' custodial statements, was priced at \$0.6300, causing IPERS to suffer injury as a result.

68. As set forth below, and also in the Certification annexed hereto, IPERS purchased the **CWL 2006-S9 ("2006-S9") Certificates, Class A2**, on the Offering and directly from the Underwriter, Defendant CSC, pursuant to the misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWL 2006-S9, Class A2	1,845,000.00	\$1.0000	December 14, 2006	CSC

Lead Plaintiff IPERS was named as a representative Plaintiff in the Federal Action for the first time on July 13, 2010 when the FAC was filed. IPERS' Sections 11,

<sup>4</sup> In addition to Washington State's standing to pursue the 2006-S3 claims, IPERS relies on the standing of Vermont as of the filing of the Amended Luther Complaint. According to the Certification filed with its motion for lead plaintiff on April 2, 2010, Vermont purchased the 2006-S3 Certificates and had standing to assert Securities Act claims in connection therewith.

12(a)(2) and 15 claims on behalf of all purchasers of the 2006-S9 Certificates were tolled in accordance with the Countrywide Tolling Decision since at least June 12, 2008 – the date the Washington State Complaint was filed. According to the Certification filed with its motion for lead plaintiff on April 2, 2010, Washington State purchased the 2006-S9 Certificates and had standing to assert Securities Act claims in connection therewith. Each complaint filed subsequent to the Washington State Complaint, including the Amended Luther Complaint, the Luther Consolidated Complaint, the Federal Complaint and the FAC, included a named plaintiff that had standing to assert the 2006-S9 claims. *See SAC Appendix Exhibit E.* As such, IPERS derives tolling from Washington State’s standing to pursue those claims.<sup>5</sup> *See SAC Appendix Exhibit F.* As of the date of the filing of the Federal Action in January 2010, the value of the Certificates had diminished considerably, and according to IPERS’ custodial statements, was priced at \$0.6318, causing IPERS to suffer injury as a result.

**C. Defendant CWABS Offerings**

69. Defendant CWABS issued \$82,129,061,400.00 of Countrywide MBS in 76 separate Offerings between June 2005 and October 2007 pursuant to four Shelf Registration Statements, Original Basic Prospectuses and later-filed Prospectus Supplements as set forth above in ¶43 and in the FAC at ¶36. All 76 Offerings were included, for the first time, in the Washington State Complaint and thereafter included in the Luther Amended Complaint, Consolidated Luther Complaint, Federal Complaint and FAC. *See SAC Appendix Exhibit D.*

70. Pursuant to the Court’s Countrywide Tolling Decision, the allegations set forth herein are limited to those CWABS Offerings which the Luther Plaintiffs had standing to pursue while the case was pending in California state court. As a

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<sup>5</sup> In addition to Washington State’s standing to pursue the 2006-S9 claims, IPERS relies on the standing of Vermont as of the filing of the Amended Luther Complaint. According to the Certification filed with its motion for lead plaintiff on April 2, 2010, Vermont purchased the 2006-S9 Certificates and had standing to assert Securities Act claims in connection therewith.

1 result, Plaintiffs maintain standing to pursue Securities Act claims on eight (8)  
2 Countrywide MBS Offerings issued pursuant to three (3) CWABS Registration  
3 Statements, as set forth in detail below.

4 71. As set forth below, and also in the Certification annexed hereto,  
5 GBPHB purchased the **CWL 2005-11 ("2005-11") Certificates, Class AF3**, on  
6 the Offering and directly from the Underwriter, Defendant CSC, pursuant to the  
7 misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWL 2005- 11, Class AF3	1,000,000.00	\$1.0000	September 12, 2005	CSC

11 Plaintiff GBPHB was named as a representative Plaintiff in the Federal Action for  
12 the first time on July 13, 2010 when the FAC was filed. GBPHB's Sections  
13 12(a)(2) and 15 claims on behalf of all purchasers of the 2005-11 Certificates were  
14 tolled in accordance with the Countrywide Tolling Decision since at least  
15 September 9, 2008 when PTOE was added as a named plaintiff to the Amended  
16 Luther Complaint. According to the Certification filed with its motion for lead  
17 plaintiff on April 2, 2010, PTOE purchased the 2005-11 Certificates and had  
18 standing to assert Securities Act claims in connection therewith. Each complaint  
19 filed subsequent to the Amended Luther Complaint, including the Luther  
20 Consolidated Complaint, the Federal Complaint and the FAC, included a named  
21 plaintiff that had standing to assert the 2005-11 claims. **See SAC Appendix**  
22 **Exhibit E.** As such, Plaintiff GBPHB derives tolling from PTOE's standing to  
23 pursue those claims. **See SAC Appendix Exhibit F.** GBPHB disposed of the  
24 2005-11 Certificates in the open market on September 28, 2009 at a price of  
25 \$0.7500, and suffered injury as a result.

26 72. As set forth below, and also in the Certification annexed hereto,  
27 OCERS purchased the **CWHL 2005-HYB9 ("2005-HYB9") Certificates, Class**  
28 **3A2A**, on the Offering and directly from the Underwriter, Defendant CSC,

pursuant to the misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWHL 2005-HYB9, Class 3A2A	400,000.00	\$0.9972	November 28, 2005	CSC

73. Plaintiff OCERS was named as the Lead Plaintiff in the Federal Action for the first time on July 13, 2010 when the FAC was filed. OCERS' Section 12(a)(2) and Section 15 claims on behalf of all purchasers of the 2005-HYB9 Certificates were tolled in accordance with the Countrywide Tolling Decision since at least October 16, 2008 when Maine was added as a named plaintiff to the Luther Consolidated Complaint. According to the Certification filed with its motion for lead plaintiff on April 2, 2010, Maine purchased the 2005-HYB9 Certificates and had standing to assert Securities Act claims in connection therewith. Each complaint filed subsequent to the Luther Consolidated Complaint, including the Federal Complaint and the FAC, included a named plaintiff that had standing to assert the 2005-HYB9 claims. *See SAC Appendix Exhibit E.* As such, Plaintiff OCERS derives tolling from Maine's standing to pursue those claims. *See SAC Appendix Exhibit F.* As of the date of the filing of the Federal Action in January 2010, the value of the Certificates had diminished considerably, and according to OCERS' custodial statements, was priced at \$0.6772, causing OCERS to suffer injury as a result.

74. As set forth below, and also in the Certification annexed hereto, GBPHB purchased the **CWL 2006-3 ("2006-3") Certificates, Class 2A2** pursuant and traceable to the misleading Offering Documents, and **Class M2** on the Offering and directly from the Underwriter, Defendant CSC, pursuant to the misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWL 2006-3, Class 2A2	1,030,000.00	\$0.9938	July 23, 2007	CSC
CWL 2006-3, Class M2	2,500,000.00	\$1.0000	February 16, 2006	CSC

Plaintiff GBPHB was named as a representative Plaintiff in the Federal Action for the first time on July 13, 2010 when the FAC was filed. GBPHB's Sections 11, 12(a)(2) and 15 claims on behalf of all purchasers of the 2006-3 Certificates were tolled in accordance with the Countrywide Tolling Decision since at least October 16, 2008 when Maine was added as a named plaintiff to the Luther Consolidated Complaint. According to the Certification filed with its motion for lead plaintiff on April 2, 2010, Maine purchased the 2006-3 Certificates and had standing to assert Securities Act claims in connection therewith. Each complaint filed subsequent to the Luther Consolidated Complaint, including the Federal Complaint and the FAC, included a named plaintiff that had standing to assert the 2006-3 claims. **See SAC Appendix Exhibit E.** As such, Plaintiff GBPHB derives tolling from Maine's standing to pursue those claims. **See SAC Appendix Exhibit F.** As of the date of the filing of the Federal Action in January 2010, the values of the Class 2A2 and Class M2 Certificates had diminished considerably, and according to GBPHB's custodial statements, were priced at \$0.8216 and \$0.0383, respectively, causing GBPHB to suffer injury as a result.

75. As set forth below, and also in the Certification annexed hereto, GBPHB purchased the **CWL 2006-6 ("2006-6") Certificates, Class 2A2** pursuant and traceable to the misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWL 2006-6, Class 2A2	1,290,000.00	\$0.9938	July 23, 2007	CSC

Plaintiff GBPHB was named as a representative Plaintiff in the Federal Action for the first time on July 13, 2010 when the FAC was filed. GBPHB's Sections 11 and

15 claims on behalf of all purchasers of the 2006-6 Certificates were tolled in accordance with the Countrywide Tolling Decision since at least October 16, 2008 when Maine was added as a named plaintiff to the Luther Consolidated Complaint. According to the Certification filed with its motion for lead plaintiff on April 2, 2010, Maine purchased the 2006-6 Certificates and had standing to assert Securities Act claims in connection therewith. Each complaint filed subsequent to the Luther Consolidated Complaint, including the Federal Complaint and the FAC, included a named plaintiff that had standing to assert the 2006-6 claims. *See SAC Appendix Exhibit E.* As such, Plaintiff GBPHB derives tolling from Maine's standing to pursue those claims. *See SAC Appendix Exhibit F.* As of the date of the filing of the Federal Action in January 2010, the value of the Certificates had diminished considerably, and according to GBPHB's custodial statements, was priced at \$0.7697, causing GBPHB to suffer injury as a result.

76. As set forth below, and also in the Certification annexed hereto, GBPHB purchased the **CWL 2006-9 ("2006-9") Certificates, Class 1AF3 and Class 1AF6** pursuant and traceable to the misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWL 2006-9, Class 1AF3	1,000,000.00	\$1.0048	April 27, 2007	BOAS
CWL 2006-9, Class 1AF6	500,000.00	\$1.0150	April 5, 2007	JPMSI

Plaintiff GBPHB was named as a representative Plaintiff in the Federal Action for the first time on July 13, 2010 when the FAC was filed. GBPHB's Sections 11 and 15 claims on behalf of all purchasers of the 2006-9 Certificates were tolled in accordance with the Countrywide Tolling Decision since at least September 9, 2008 when Vermont was added as an additional named plaintiff to the Amended Luther Complaint. According to the Certification filed with its motion for lead plaintiff on April 2, 2010, Vermont purchased the 2006-9 Certificates and had standing to assert Securities Act claims in connection therewith. Each complaint

1 filed subsequent to the Amended Luther Complaint, including the Luther  
2 Consolidated Complaint, the Federal Complaint and the FAC, included a named  
3 plaintiff that had standing to assert the 2006-9 claims. **See SAC Appendix**  
4 **Exhibit E.** As such, Plaintiff GBPHB derives tolling from Vermont's standing to  
5 pursue those claims. **See SAC Appendix Exhibit F.** GBPHB disposed of the  
6 2006-9 Class 1AF3 Certificates in the open market on April 15, 2009 at a price of  
7 \$0.3075, and suffered injury as a result. Furthermore, GBPHB disposed of the  
8 2006-9 Class 1AF6 Certificates in the open market on March 27, 2009 at a price of  
9 \$0.3300, and suffered injury as a result.

10 77. As set forth below, and also in the Certification annexed hereto,  
11 GBPHB purchased the **CWL 2006-11 ("2006-11") Certificates, Class 1AF3 and**  
12 **Class 1AF4** pursuant and traceable to the misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWL 2006- 11, Class 1AF3	595,000.00	\$0.9900	September 14, 2007	BOAS
CWL 2006- 11, Class 1AF4	1,000,000.00	\$1.0264	September 28, 2006	Stifel Nicolaus

18 Plaintiff GBPHB was named as a representative Plaintiff in the Federal Action for  
19 the first time on July 13, 2010 when the FAC was filed. GBPHB's Sections 11 and  
20 15 claims on behalf of all purchasers of the 2006-11 Certificates were tolled in  
21 accordance with the Countrywide Tolling Decision since at least June 12, 2008  
22 when Washington State was named as a plaintiff in the Washington State  
23 Complaint. According to the Certification filed with its motion for lead plaintiff  
24 on April 2, 2010, Washington State purchased the 2006-11 Certificates and had  
25 standing to assert Securities Act claims in connection therewith. Each complaint  
26 filed subsequent to the Washington State Complaint, including the Amended  
27 Luther Complaint, the Luther Consolidated Complaint, the Federal Complaint and  
28 the FAC, included a named plaintiff that had standing to assert the 2006-11 claims.



1 **See SAC Appendix Exhibit E.** As such, Plaintiff GBPHB derives tolling from  
2 Washington State's standing to pursue those claims.<sup>6</sup> **See SAC Appendix Exhibit**  
3 **F.** GBPHB disposed of the 2006-11 Class 1AF3 and 1AF4 Certificates in the open  
4 market on April 23, 2009 at prices of \$0.3200 and \$0.2244, respectively, and  
5 suffered injury as a result.

6 78. As set forth below, and also in the Certification annexed hereto,  
7 GBPHB purchased the **CWL 2006-15 ("2006-15") Certificates, Class A1** on the  
8 Offering and directly from the Underwriter, Defendant CSC, pursuant to the  
9 misleading Offering Documents, and **Class A6** pursuant and traceable to the  
10 misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWL 2006- 15, Class A1	1,400,000.00	\$1.0000	August 23, 2006	CSC
CWL 2006- 15, Class A1	224,912.98	\$0.9964	October 4, 2007	JPMSI
CWL 2006- 15, Class A6	350,000.00	\$1.0086	January 3, 2007	BOAS

17 Plaintiff GBPHB was named as a representative Plaintiff in the Federal Action for  
18 the first time on July 13, 2010 when the FAC was filed. GBPHB's Sections 11,  
19 12(a)(2) and 15 claims on behalf of all purchasers of the 2006-15 Certificates were  
20 tolled in accordance with the Countrywide Tolling Decision since at least June 12,  
21 2008 when Washington State was named as a plaintiff in the Washington State  
22 Complaint. According to the Certification filed with its motion for lead plaintiff  
23 on April 2, 2010, Washington State purchased the 2006-15 Certificates and had  
24 standing to assert Securities Act claims in connection therewith. Each complaint  
25 filed subsequent to the Washington State Complaint, including the Amended

26 <sup>6</sup> In addition to Washington State's standing to pursue the 2006-11 claims,  
27 GBPHB relies on the standing of Vermont as of the filing of the Amended Luther  
28 Complaint. According to the Certification filed with its motion for lead plaintiff  
on April 2, 2010, Vermont purchased the 2006-11 Certificates and had standing to  
assert Securities Act claims in connection therewith.

1 Luther Complaint, the Luther Consolidated Complaint, the Federal Complaint and  
2 the FAC, included a named plaintiff that had standing to assert the 2006-15 claims.  
3 **See SAC Appendix Exhibit E.** As such, Plaintiff GBPHB derives tolling from  
4 Washington State's standing to pursue those claims.<sup>7</sup> **See SAC Appendix Exhibit**  
5 **F.** As of the date of the filing of the Federal Action in January 2010, the value of  
6 the Class A1 Certificates had diminished considerably, and according to GBPHB's  
7 custodial statements, was priced at \$0.9698, causing GBPHB to suffer injury as a  
8 result. GBPHB disposed of the 2006-15 Class A6 Certificates in the open market  
9 on April 8, 2009 at a price of \$0.4113, and suffered injury as a result.

10 79. As set forth below, and also in the Certification annexed hereto,  
11 GBPHB purchased the **CWL 2006-24 ("2006-24") Certificates, Class 2A1**  
12 pursuant and traceable to the misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWL 2006- 24, Class 2A1	385,809.66	\$0.9927	October 12, 2007	Morgan Stanley

16 80. Plaintiff GBPHB was named as a representative Plaintiff in the  
17 Federal Action for the first time on July 13, 2010 when the FAC was filed.  
18 GBPHB's Sections 11 and 15 claims on behalf of all purchasers of the 2006-24  
19 Certificates were tolled in accordance with the Countrywide Tolling Decision since  
20 at least September 9, 2008 when Vermont was added as an additional named  
21 plaintiff to the Amended Luther Complaint. According to the Certification filed  
22 with its motion for lead plaintiff on April 2, 2010, Vermont purchased the 2006-24  
23 Certificates and had standing to assert Securities Act claims in connection  
24 therewith. Each complaint filed subsequent to the Amended Luther Complaint,  
25 including the Luther Consolidated Complaint, the Federal Complaint and the FAC,

26 <sup>7</sup> In addition to Washington State's standing to pursue the 2006-15 claims,  
27 GBPHB relies on the standing of Vermont as of the filing of the Amended Luther  
28 Complaint. According to the Certification filed with its motion for lead plaintiff  
on April 2, 2010, Vermont purchased the 2006-15 Certificates and had standing to  
assert Securities Act claims in connection therewith.

1 included a named plaintiff that had standing to assert the 2006-24 claims. *See*  
2 **SAC Appendix Exhibit E.** As such, Plaintiff GBPHB derives tolling from  
3 Vermont's standing to pursue those claims. *See SAC Appendix Exhibit F.* As of  
4 the date of the filing of the Federal Action in January 2010, the value of the  
5 Certificates had diminished considerably, and according to GBPHB's custodial  
6 statements, was priced at \$0.9428, causing GBPHB to suffer injury as a result.

7 **D. Defendant CWMBBS Offerings**

8 81. Defendant CWMBBS issued \$56,178,680,394 of Countrywide MBS in  
9 87 separate Offerings between June 2005 and October 2007 pursuant to five Shelf  
10 Registration Statements, Original Basic Prospectuses and later-filed Prospectus  
11 Supplements as set forth above in ¶44 herein and in the FAC at ¶37. All 87  
12 Offerings were included, for the first time, in the Washington State Complaint and  
13 thereafter included in the Luther Amended Complaint, Consolidated Luther  
14 Complaint, Federal Complaint and FAC. *See SAC Appendix Exhibit D.*

15 82. Pursuant to the Court's Countrywide Tolling Decision, the allegations  
16 set forth herein are limited to those CWMBBS Offerings which the Luther Plaintiffs  
17 had standing to pursue while the case was pending in California state court. As a  
18 result, Plaintiffs maintain standing to pursue Securities Act claims on one (1)  
19 Countrywide MBS Offering issued pursuant to one (1) CWMBBS Registration  
20 Statement, as set forth in detail below.

21 83. As set forth below, and also in the Certification annexed hereto,  
22 OPERS purchased the **CWHL 2006-HYB3 ("2006-HYB3") Certificates, Class**  
23 **2A1A**, pursuant and traceable to the misleading Offering Documents:

Certificates Purchased	Units Purchased	Price Per Unit	Date of Purchase(s)	Purchased From
CWHL 2006- HYB3, Class 2A1A	1,076,000.00	\$1.0002	April 27, 2006	CSS
CWHL 2006- HYB3, Class 2A1A	154,493.47	\$0.9919	August 21, 2007	CSC

1 Plaintiff OPERS was named as a representative Plaintiff in the Federal Action for  
2 the first time on July 13, 2010 when the FAC was filed. OPERS' Sections 11 and  
3 15 claims on behalf of all purchasers of the 2006-HYB3 Certificates were tolled in  
4 accordance with the Countrywide Tolling Decision since at least June 12, 2008  
5 when Washington State was named as a plaintiff in the Washington State  
6 Complaint. According to the Certification filed with its motion for lead plaintiff  
7 on April 2, 2010, Washington State purchased the 2006-HYB3 Certificates and had  
8 standing to assert Securities Act claims in connection therewith. Each complaint  
9 filed subsequent to the Washington State Complaint, including the Amended  
10 Luther Complaint, the Luther Consolidated Complaint, the Federal Complaint and  
11 the FAC, included a named plaintiff that had standing to assert the 2006-HYB3  
12 Claims. **See SAC Appendix Exhibit E.** As such, Plaintiff OPERS derives tolling  
13 from Washington State's standing to pursue those claims.<sup>8</sup> **See SAC Appendix**  
14 **Exhibit F.** As of the date of the filing of the Federal Action in January 2010, the  
15 value of the Certificates had diminished considerably, and according to OPERS'  
16 custodial statements, was priced at \$0.6877, causing OPERS to suffer injury as a  
17 result.

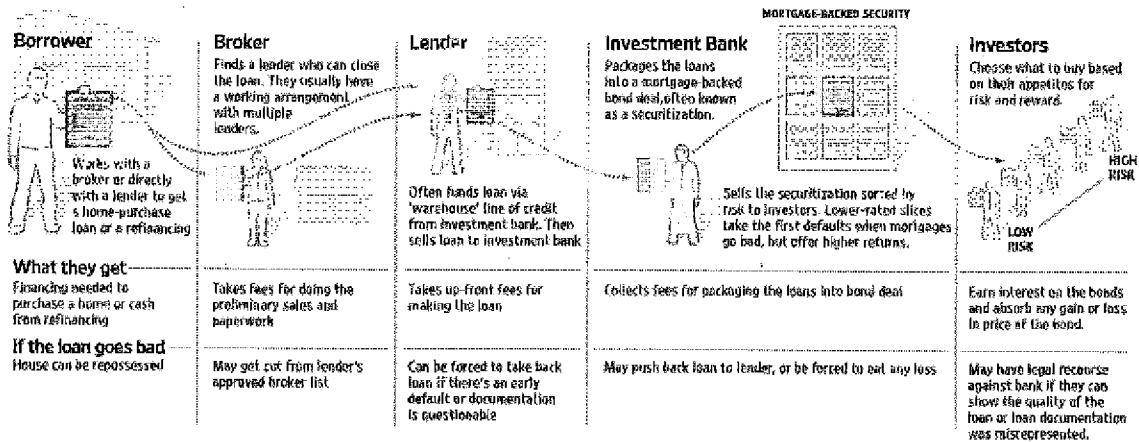
## 18 VI. BACKGROUND

### 19 A. Countrywide Was a Leading Issuer and Underwriter of 20 Mortgage-Backed Securities

21  
22 84. As illustrated below, a mortgage securitization is where mortgage  
23 loans are acquired, pooled together, and then sold to investors, who acquire rights  
24 in the income flowing from the mortgage pools.

25  
26 <sup>8</sup> In addition to Washington State's standing to pursue the 2006-HYB3 claims,  
27 OPERS relies on the standing of MASH as of the filing of the Amended Luther  
28 Complaint. According to the Certification filed with its motion for lead plaintiff  
on April 2, 2010, MASH purchased the 2006-HYB3 Certificates and had standing  
to assert Securities Act claims in connection therewith.

**Follow the Mortgage** What happens to your mortgage after you sign on the dotted line



85. When mortgage borrowers make interest and principal payments, the cash flow is distributed to the holders of MBS certificates in order of priority, based on the specific tranche held. The highest tranche (also referred to as the senior tranche) is first to receive its share of the mortgage proceeds and is also the last to absorb any losses should mortgage borrowers become delinquent or default on their mortgages. Because the lower tranches are designed to provide a cushion, diminished cash flows to the lower tranches results in impaired value of the higher tranches, as, among other reasons, there is less certainty of the continued cash flows to the higher tranches.

86. The securitization of loans fundamentally shifts the risk of loss from mortgage loan originators to investors who purchase an interest in the securitized pool of loans. When the originator holds a mortgage through the term of the loan, it profits from the borrower's payment of interest and repayment of principal, but it also bears the risk of loss if the borrower defaults and the property value is not sufficient to repay the loan. As a result, traditionally, the originator was economically vested in establishing the creditworthiness of the borrower and the true value of the underlying property through appraisal before issuing the mortgage loans. In securitizations where the originator immediately sells the loan to an investment bank, it does not have the same economic interest in establishing

1 borrower creditworthiness or a fair appraisal value of the property in the loan  
2 origination process.

3 87. In the 1980s and 1990s, securitizations were generally within the  
4 domain of Government Sponsored Enterprises ("GSE"), *i.e.*, the Federal National  
5 Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage  
6 Corporation ("Freddie Mac"), which would purchase loans from originators.  
7 Investors in these early GSE securitizations were provided protections since the  
8 underlying loans were originated pursuant to strict underwriting guidelines.

9 88. Between 2001 and 2006, however, there was dramatic growth in non-  
10 GSE loan originations and securitizations such that non-GSE securitizations grew  
11 330%, becoming a \$1.48 trillion industry.

12 89. The market for adjustable rate mortgages ("ARMs"), including  
13 interest-only and negative amortization loans, grew concurrently with the boom in  
14 subprime and Alt-A loan originations and securitizations. ARMs increased from  
15 \$355 billion in 2001 to \$1.3 trillion in 2006. Mortgage Market Statistical Annual,  
16 Vol. 1 (2007), at 4. Such growth coincided with the increase in popularity of so-  
17 called "exotic" or non-traditional ARMs which had fixed interest rates for a limited  
18 period before "resetting" during the life of the loan to significantly higher  
19 adjustable rates. These non-traditional ARMs included "2/28 or 3/27 ARMs"  
20 (many with below-market teaser rates for two or three years before conversion to  
21 the fully-indexed rate); interest-only ARMs (permitting interest-only payments for  
22 a set period of time during which the rate may fluctuate, resulting in negative  
23 amortization and rising principal); option payment ARMs (offering up to four  
24 payment options, including minimum and interest-only payments, which, if  
25 chosen, result in negative amortization and rising principal); and 40-year ARMs (in  
26 which payments are calculated based on a 40-year payment term but where the  
27 loan terminates in 30 years, resulting in a final balloon payment). Origination of  
28 non-traditional ARMs increased 278% between 2004 and 2006 – from \$205 billion

1 to \$775 billion. Mortgage Market Statistical Annual, Vol. 1 (2007), at 6.

2 90. Here, the Certificate collateral was composed of a substantial number  
3 of non-traditional adjustable mortgages, interest-only and negative amortization  
4 loans. These types of loans presented the greatest potential for “payment shock” to  
5 the borrower since they provided for initially small monthly payments based on  
6 low fixed rates which then reset thereafter to significantly higher monthly payment  
7 amounts based on adjustable interest rates. Although these loans were not  
8 traditional, the underwriting guidelines still required the loans to be originated  
9 responsibly and in accordance with those guidelines. Yet, Countrywide would  
10 routinely provide loans to borrowers who could only afford the short-term “teaser”  
11 rates (or, even to those that could not even afford the teaser rates) – not the full  
12 payments that would be required after the short-term rates reset. Although these  
13 types of loans were designed for high net worth investors who were capable of  
14 earning higher returns through investment than in making interest and principal  
15 payments upfront, Countrywide routinely sold these loans to unsophisticated  
16 borrowers who were unable to make the required payments after the loans reset –  
17 and frequently, to those who could not even make the “teaser” payments, leading  
18 to early defaults on the loans.

19 **B. Countrywide’s Origination and Securitization Operations**

20 91. CFC set up Defendants CWALT, CWMBS, CWABS, and CWHEQ,  
21 the Depositors in this case, as “limited purpose finance entities” solely for the  
22 purpose of facilitating the issuance of the Certificates. CHL acted as the servicer  
23 of the mortgages and CSC, Countrywide’s underwriting division, along with the  
24 other Underwriter Defendants, marketed and sold the securities. Although  
25 Defendants CWALT, CWMBS, CWABS, and CWHEQ served as the Depositors  
26 for the Issuing Trusts and issued the Registration Statements, this process was  
27 directed and controlled by the Countrywide Defendants, the Individual Defendants,  
28 and Sambol.

1           92. With respect to the Certificates at issue here, the Registration  
2 Statements and each of the Prospectus Supplements contained material  
3 misstatements concerning, *inter alia*, the quality of the loans supporting the MBS  
4 associated with each trust, including, specifically, statements about (1) the  
5 underwriting process and standards by which mortgages held by the Issuing Trusts  
6 were originated, and (2) the values of the real estate securing the mortgages pooled  
7 in the Issuing Trusts, expressed in part as the average LTV ratios of the underlying  
8 mortgages and the appraisal standards by which such real estate values were  
9 obtained.

10           93. Each MBS sold to Plaintiffs was sold pursuant to a Registration  
11 Statement. The Prospectus Supplements, which were filed at the time that the  
12 Certificates were sold to Plaintiffs, incorporated by reference each of the  
13 Registration Statements they were issued pursuant to. The Prospectus  
14 Supplements contained specific disclosures concerning each Issuing Trust.  
15 Nonetheless, in each Prospectus Supplement, as set forth herein, the Issuer  
16 Defendants and the Underwriter Defendants made the same representations  
17 concerning CHL's standards in originating the mortgages and valuing the  
18 properties underlying the Issuing Trusts.

19           94. CWALT filed six Registration Statements with the SEC, *see* SAC  
20 **Appendix Exhibit C**, registering mortgage-backed securities backed primarily by:

- 21           a) first lien mortgage loans secured by one- to four-family residential  
22 properties;
- 23           b) mortgage loans secured by first liens on small multi-family residential  
24 properties, such as residential apartment buildings or projects  
25 containing five to fifty residential units;
- 26           c) collections arising from one or more types of the loans described  
27 above which are not used to make payments on securities issued by a  
28 trust fund, including excess servicing fees and prepayment charges;



- d) mortgage pass-through securities issued or guaranteed by Ginnie Mae, Fannie Mae, or Freddie Mac; or
- e) mortgage-backed securities evidencing an interest in, or secured by, loans of the type that would otherwise be eligible to be loans included in a trust fund and issued by entities other than Ginnie Mae, Fannie Mae, or Freddie Mac.

95. CWHEQ filed four Registration Statements with the SEC, *see* SAC **Appendix Exhibit C**, registering mortgage-backed securities backed primarily by:

- a) first lien mortgage loans secured by first and/or subordinate liens on one- to four-family residential properties;
- b) closed-end and/or revolving home equity loans, secured in whole or in part by first and/or subordinate liens on one- to four-family residential properties; or
- c) home improvement loans, secured by first or subordinate liens on one- to four-family residential properties or by personal property security interests, and home improvement sales contracts, secured by personal property security interests.

96. CWABS filed five Registration Statements with the SEC *see* SAC **Appendix Exhibit C**, registering mortgage-backed securities backed primarily by:

- a) first lien mortgage loans secured by one- to four-family residential properties;
- b) mortgage loans secured by first liens on small multi-family residential properties, such as residential apartment buildings or projects containing five to fifty residential units;
- c) closed-end and/or revolving home equity loans, secured in whole or in part by first and/or subordinate liens on one- to four-family residential properties; or

- 1           d)     home improvement loans, secured by first or subordinate liens on one-  
2                 to four-family residential properties or by personal property security  
3                 interests, and home improvement sales contracts, secured by personal  
4                 property security interests.

5           97.    CWMBS filed five Registration Statements with the SEC, *see SAC*  
6    **Appendix Exhibit C**, registering mortgage-backed securities backed primarily by:

- 7           a)     first lien mortgage loans secured by one- to four-family residential  
8                 properties or participations in that type of loan;  
9           b)     mortgage pass-through securities issued or guaranteed by Ginnie Mae,  
10                Fannie Mae, or Freddie Mac; or  
11           c)     private mortgage-backed securities backed by first lien mortgage  
12                 loans secured by one- to four-family residential properties or  
13                 participations in that type of loan.

14          98.    Prior to securitization, Countrywide sent the "Loan Level File" to the  
15    Rating Agencies to enable them to rate the Certificates. Upon receipt of the "Loan  
16    Level File," S&P would run the loan tape through both its "LEVELS" and  
17    "SPIRE" Models. Moody's would run the loan tape through its M-3 Model.  
18    These models analyzed 50-80 loan characteristics (*e.g.*, FICO score, LTV ratio,  
19    property location, etc.), in order to estimate the number of loans that were likely to  
20    default and the corresponding amount of the dollar loss resulting from such default.

21          99.    As a condition to the issuance of the Certificates, the Rating Agencies  
22    had to assign pre-determined ratings to the Certificates. Yet, as detailed herein, the  
23    ratings at the time of issuance were vastly higher than they should have been and  
24    failed to represent the true value of the Certificates due to incorrect information  
25    provided by Countrywide and widespread misrepresentations in the origination  
26    process. Accordingly, despite the fact that the Rating Agencies assigned  
27    investment-grade ratings, the Certificates were far riskier than other investments  
28    with the same ratings.

100. The models purported to calculate the amount of “credit enhancement” required to assign a specific set of Certificates “AAA” ratings. As a result of relatively low levels of credit enhancement being required, as reflected in **SAC Appendix Exhibit G**, 90% of the Certificates were assigned AAA/maximum safety ratings.

101. These ratings, although based on inaccurate assumptions, were critical to institutional investors – public pension funds, banks, insurance companies and mutual funds – whose investment guidelines restrict investments based on a security’s rating.

VII. Evidence of SYstemic Disregard of Stated Loan Origination Guidelines  
Contained IN Offering documents

**A. Exponential Increase in Certificate Default Rates in Months After Issuance No Matter When Offering Occurred Evidences Disregard of Origination Guidelines**

102. The defective nature of the mortgage collateral underlying the Certificates is reflected by the recurring pattern of exponential increases in borrower delinquencies in the months after each of the Offerings was commenced.

103. Four months after each of the Offerings was commenced, borrower delinquency and default rates on the underlying mortgage collateral had increased by a staggering 1,816% – from an average of 0.14% to over 2.7% of the mortgage loan balance. By the sixth month after issuance of the Certificates, delinquency and default rates had increased 3,064% to an average of 4.5% of the mortgage loan balance. And shockingly, by 12 months after the Offering date, delinquency and default rates had increased 8,508% from issuance to 12.1% of the mortgage loan balance. Borrower default and delinquency rates in the underlying mortgage collateral have continued to increase.

104. These early payment defaults and delinquency rates are reflective of a systematic disregard for underwriting guidelines. As reported by the Federal

1 Bureau of Investigation ("FBI") in its 2006 and 2007 Mortgage Fraud Reports, a  
2 study of three million residential mortgage loans found that between 30% and 70%  
3 of early payment defaults were linked to significant misrepresentations in the  
4 original loan applications. The study cited by the FBI and conducted by Base  
5 Point Analytics found that loans that contained egregious misrepresentations were  
6 five times more likely to default in the first six months than loans that did not. The  
7 misrepresentations included income inflated by as much as 500%, appraisals that  
8 overvalued the property by 50% or more and fictitious employers and falsified tax  
9 returns. The 2006 FBI report also cited studies by a leading provider of mortgage  
10 insurance, Radian Guaranty Inc., in concluding that the top states for mortgage  
11 fraud – including the states where the MBS collateral was principally originated –  
12 were also the top states with the highest percentage of early payment defaults.

13 105. As set forth above, it is now apparent that Countrywide mortgage  
14 originators routinely encouraged such misstatements in loan applications.  
15 Unsurprisingly, this has resulted in dismal performance of the loans. As of the  
16 filing of the Amended Luther Complaint in October 2008, borrower delinquency  
17 and default rates had risen to an average of approximately 42% of the mortgage  
18 loan collateral underlying the Certificates, forcing the Rating Agencies to  
19 downgrade substantially all of the Certificates to at or near junk bond status. As of  
20 the date of the filing of the complaint in the above-captioned action in January  
21 2010, *over 59%* of mortgage collateral was considered to be in some form of  
22 delinquency or default, with *over 85%* of the mortgage loans underlying the  
23 Offerings issued by Defendant CWALT at issue herein being delinquent or in  
24 default.

25 106. Despite assurances by the Defendants in the Offering Documents that  
26 the mortgage loans collateralizing the Certificates were originated pursuant to  
27 Countrywide's stated guidelines, nothing could have been further from the truth.  
28

**B. Rating Agencies Collapsed Certificate Ratings to "Junk Bond" Levels Due to Undisclosed "Aggressive Underwriting" Practices**

107. The Rating Agencies rated the Certificates pursuant to the following twenty-three (23) level rating system:

		Definition	Moody's	S & P	Fitch
		<b>Investment Grade</b>			
	10.0	US Treasuries	***	***	***
	9.5	Prime, maximum safety	Aaa	AAA	AAA
	9.0	Very high grade/quality	Aa1	AA+	AA+
	8.5	"	Aa2	AA	AA
	8.0	"	Aa3	AA-	AA-
	7.5	Upper medium quality	A1	A+	A+
	7.0	"	A2	A	A
	6.5	"	A3	A-	A-
	6.0	Lower medium grade	Baa1	BBB+	BBB+
	5.5	"	Baa2	BBB	BBB
	5.0	"	Baa3	BBB-	BBB-
Color code	Number	Definition	Moody's	S & P	Fitch
		<b>Speculative grade</b>			
	4.5	Speculative	Ba1	BB+	BB+
	4.0	"	Ba2	BB	BB
	3.5	"	Ba3	BB-	BB-
	3.0	Highly speculative	B1	B+	B+
	2.5	"	B2	B	B
	2.0	"	B3	B-	B-
	1.5	Substantial risk	Caa1	CCC+	CCC+
	1.0	In poor standing	Caa2	CCC	CCC
	0.5	"	Caa3	CCC-	CCC-
	0.0	Extremely speculative	Ca	CC	CC
	0.0	Maybe in or extremely close to default	C	C+,C,C-	C+,C,C-
	0.0	Default		D	D

108. As noted above, the Rating Agencies initially assigned the highest ratings of AAA/maximum safety to 90%, or \$16.03 billion, of the Certificates at issue herein.

109. As of the filing of this Complaint, as set forth directly above, the underlying collateral has largely failed, with **over 60%** of the total mortgage loan balance now severely delinquent, in default, repossessed, in bankruptcy or in foreclosure. This performance was an indication to the Rating Agencies, including

1 S&P and Moody's, of pervasive underwriting failures in the origination of the  
2 collateral which ultimately led to widespread and deep downgrades of most of the  
3 Certificate classes.

4 110. On or about July 10, 2007, S&P publicly announced it was revising  
5 the methodologies used to rate numerous Certificates because the performance of  
6 the underlying collateral "called into question" the accuracy of the loan data. This  
7 announcement triggered several government investigations which only began  
8 reporting their findings in 2008. Specifically, S&P announced that it was revising  
9 its methodology assumption to require increased "credit protection" for rated  
10 transactions. S&P reiterated that it would also seek in the future to review and  
11 minimize the incidence of potential underwriting abuse given "the level of  
12 *loosened underwriting* at the time of loan origination, misrepresentation and  
13 speculative borrower behavior reported for the 2006 ratings."

14 111. One day later, on July 11, 2007, Moody's announced it was also  
15 revising its methodology used to rate the Certificates, and anticipated Certificate  
16 downgrades in the future. Moody's did in fact significantly downgrade most of the  
17 Certificate classes, noting "aggressive underwriting" used in the origination of the  
18 collateral.

19 112. As a result, the Certificates were downgraded as many as 22 levels  
20 with, for example, 90%, or \$14.5 billion, of the total \$16.03 billion of Certificates  
21 initially rated AAA/maximum safety now having been downgraded from AAA to  
22 "Ba1" or below, meaning these Certificates were not only designated "junk  
23 bonds," but were assessed to be in danger of "imminent default." Over 93%, or  
24 \$16.6 billion, of the Certificate tranches have now been downgraded, with 91%, or  
25 \$16.2 billion, of the total Certificates at issue having now been downgraded to  
26 speculative "junk" status.

27 113. Countrywide's systematic disregard for its underwriting guidelines led  
28 to dramatic downgrades of the Certificates as set forth directly above. Currently,

1 91% (\$14.5 billion) of the \$17.83 billion of Certificates initially rated  
2 AAA/maximum safety have been downgraded to speculative “junk” status or  
3 below. Delinquency and default rates on the Countrywide loans in the Certificates  
4 have risen exponentially by over 41,000% since issuance of the Certificates – from  
5 0.14% as of the respective Offering dates to **over 60%** as of May 2010.

6 114. Further, as set forth more fully below, disclosures emerged well after  
7 the issuance of the Certificates with respect to the loan originators which further  
8 evidenced that they had engaged in underwriting practices which were wholly  
9 inconsistent with the guidelines set forth in the Registration Statements and  
10 Prospectus Supplements.

11 C. Numerous Government Investigations Reveal the Falsity of the  
12 Offering Documents

13 115. Although the poor performance of the MBS alone strongly suggests  
14 that Countrywide’s lending practices were far from was disclosed in the Prospectus  
15 Supplements, there is substantial additional evidence that also indicates that the  
16 statements in the Prospectus Supplements about loan quality and loan underwriting  
17 practices were materially inaccurate. Among this evidence are statements by  
18 former Countrywide employees, facts which have emerged in ongoing litigation  
19 involving the SEC (including a recent judicial opinion dealing with disclosures by  
20 Countrywide), facts set out in complaints filed by state attorneys general, facts set  
21 out in filings by private litigants and information from press reports and other  
22 sources.

23 116. Taken together, these facts indicate that, while the Offering  
24 Documents represented that Countrywide’s underwriting of mortgages was  
25 designed to ensure the borrower’s ability to repay the mortgage and the adequacy  
26 of the collateral supporting the mortgage, in reality Countrywide’s underwriting  
27 practices were actually designed to originate as many mortgage loans as possible  
28 without regard to the ability of borrowers to afford such mortgages. Indeed,

1 contrary to the representations in the Registration Statements and Prospectus  
2 Supplements, it has now been revealed that Countrywide's loan originators  
3 systemically disregarded and/or manipulated the income, assets and employment  
4 status of borrowers seeking mortgage loans in order to qualify these borrowers for  
5 mortgages that were then pooled and used as collateral for the MBS sold to  
6 Plaintiffs. In many instances, this was done by inflating borrowers' stated income,  
7 or facilitating income inflation by encouraging ineligible borrowers to resort to "no  
8 documentation loans" and "stated income loans." In other cases, Countrywide  
9 customers were steered to more expensive, higher interest loans, such as subprime  
10 and "alternative" mortgages, which they would not likely be able to repay, because  
11 making such loans allowed Countrywide to increase the number of attractive  
12 mortgages it could sell to the secondary mortgage markets. As set forth below,  
13 Countrywide's notorious origination practices were pervasive throughout the  
14 United States and throughout the time period during which the Offerings were  
15 issued.

16 117. On or about March 10, 2008, the FBI disclosed that it had initiated a  
17 probe into Countrywide's mortgage lending practices, including manipulation of  
18 the subprime and non-traditional loan markets, knowledge of and disregard for  
19 underwriting inaccuracies and misrepresentations, and Countrywide's specific  
20 instructions to underwriters not to scrutinize certain types of loans it issued. The  
21 next day, *The Wall Street Journal* published an article detailing the FBI  
22 investigation of Countrywide's lending practices. According to the sources  
23 interviewed by *The Wall Street Journal*, federal investigators were finding that  
24 "Countrywide's loan documents often were marked by dubious or erroneous  
25 information about its mortgage clients, according to people involved in the matter.  
26 The company packaged many of those mortgages into securities and sold them to  
27 investors, raising the additional question of whether Countrywide understated the  
28 risks such investments carried." Subsequently, on April 2, 2008, a federal



1 bankruptcy judge overseeing the proceedings of more than 300 Countrywide-  
2 related bankruptcies ordered a further inquiry into the misconduct, and specifically,  
3 the illegal inflation of fees throughout the loan process that had been occurring at  
4 Countrywide.

5 118. On June 4, 2009, the SEC filed a complaint against Mozilo,  
6 Countrywide's former Chief Executive Officer, and against two Defendants in this  
7 case, Sambol and Sieracki (the "SEC Complaint"). The SEC Complaint alleges  
8 that the defendants in that case made material false statements in Countrywide's  
9 SEC filings and in other forums about the quality of Countrywide's residential  
10 mortgage loans and about the underwriting process for those loans. According to  
11 the SEC, the underwriting process for Countrywide loans was far less rigorous than  
12 what the defendants in that case had stated and, consequently, the quality of  
13 Countrywide's loans was much poorer than was indicated by those public  
14 statements.

15 119. The basis for the allegations in the SEC Complaint – that  
16 Countrywide and its officers substantially overstated the quality of the company's  
17 residential mortgage loan underwriting and, as a result, issued mortgage loans of a  
18 far worse quality than Countrywide publicly disclosed – are materially similar to  
19 the allegations made by Plaintiffs in this case. Although the statements targeted by  
20 the SEC were made to Countrywide's shareholders in SEC filings, statements  
21 made in Offering Documents for securities that securitized the mortgage collateral  
22 were similarly false and misleading to MBS investors.

23 120. The SEC Complaint alleges, among other things:

- 24
- 25 • Countrywide embarked on a strategy of underwriting a  
26 higher number of exception loans. The SEC alleges that  
27 "[t]he elevated number of exceptions resulted largely  
28 from Countrywide's use of exceptions as part of its  
matching strategy to introduce new guidelines and  
product changes." SEC Complaint, ¶ 29. By February

1 2007, internal risk management “noted that the  
2 production divisions continued to advocate for, and  
3 operated pursuant to, an approach based upon the  
4 matching strategy alone. ... Additionally, [a senior risk  
5 management employee warned [Sambol] that, ‘I doubt  
6 this approach would play well with regulators, investors,  
7 rating agencies etc. *To some, this approach might seem  
like we’ve simply ceded our risk standards and balance  
sheet to whoever has the most liberal guidelines.*” SEC  
Complaint, ¶ 44 (emphasis added).

- 8 • Countrywide’s risk management reported to the credit  
9 risk committee on June 28, 2005, that there was  
10 “evidence of borrowers misrepresenting their income and  
11 occupation on reduced documentation loan applications.”  
SEC Complaint, ¶ 37.
- 12 • By June 2006 “both Mozilo and Sambol were aware ...  
13 that a significant percentage of borrowers who were  
14 taking out stated income loans were engaged in mortgage  
15 fraud.” SEC Complaint, ¶ 40. For example, “[o]n June  
16 2, 2006, Sambol received an email reporting on the  
17 results of a quality control audit at Countrywide Bank  
18 that showed that 50% of the stated income loans audited  
by the bank showed a variance in income from the  
borrowers’ IRS filings of greater than 10%. Of those,  
69% had an income variance of greater than 50%.” *Id.*
- 19 • Angelo Mozilo, Countrywide’s CEO, noted in an April  
20 13, 2006 email “that he had ‘personally observed a  
21 serious lack of compliance within our origination system  
22 as it relates to documentation and generally a  
23 deterioration in the quality of loans originated versus the  
pricing of those loan [sic].” SEC Complaint, ¶ 49.
- 24 • A December 13, 2007 internal Countrywide  
25 memorandum reveals, “Countrywide had reviewed  
26 limited samples of first- and second-trust-deed mortgages  
27 originated by Countrywide Bank during the fourth  
28 quarter of 2006 and the first quarter of 2007 in order to  
get a sense of the quality of file documentation and  
underwriting practices, and to assess compliance with  
internal policies and procedures. The review resulted in

1 ... the finding that borrower repayment capacity was not  
2 adequately assessed by the bank during the underwriting  
3 process for home equity loans. More specifically, debt-  
4 to-income (DTI) ratios did not consider the impact of  
principal [negative] amortization or any increase in  
interest.” SEC Complaint, ¶ 56.

- 5 • A senior risk management employee warned defendant  
6 Sambol on May 22, 2005 “of the likelihood of  
7 significantly higher default rates in loans made on an  
8 exception basis: ‘[t]he main issue is to make sure  
9 everyone’s aware that we will see higher default rates.’”  
10 SEC Complaint, ¶ 54. According to the SEC Complaint,  
11 the senior risk management employee explained to  
12 Sambol “that exceptions are generally done at terms more  
13 aggressive than our guidelines,” and continued that  
14 ‘[g]iven the expansion in guidelines and the growing  
15 likelihood that the real estate market will cool, this seems  
16 like an appropriate juncture to revisit our approach to  
17 exceptions.’ [The senior risk management employee  
18 further] warned [Sambol] that increased defaults would  
19 cause repurchase and indemnification requests to rise and  
20 the performance of Countrywide-issued MBS to  
21 deteriorate.” *Id.*

18 121. On November 3, 2009 U.S. District Judge John Walter denied in their  
19 entirety defendants’ motions to dismiss the SEC Complaint, holding, among other  
20 things, that the SEC had adequately alleged that defendants in that case had made  
21 statements that materially exaggerated the quality of Countrywide’s residential  
22 mortgage-backed loans.

23 122. There was apparently no dispute in the SEC litigation that defendants  
24 in that case, like Defendants here, had repeatedly made statements asserting that  
25 Countrywide’s residential mortgage loans were of high quality. The defendants  
26 did not dispute that they had made the statements that the SEC said they had made  
27 – many of these statements were in SEC filings that the defendants had  
28 indisputably filed or caused to be filed. Defendants did, however, ask the court to  
take judicial notice of numerous other SEC filings containing additional

1 information relating to Countrywide's loans, a request that was granted. Notably,  
2 defendants used the judicially noticed documents they had brought to the court's  
3 attention to "argue that the majority of the misstatements and omissions were not  
4 material or misleading as a matter of law in light of Countrywide's extensive  
5 disclosures and the context of the alleged misstatements or omissions." *SEC v.*  
6 *Mozilo*, CV 09-3994-JFW (MANx), 2009 U.S. Dist. LEXIS 104689, at \*25-26  
7 (C.D. Cal. Nov. 3, 2009).

8 123. Judge Walter flatly rejected this argument, explaining that "neither  
9 Countrywide's disclosures nor a careful review of the context of the statements  
10 convince this Court that the alleged omissions or misstatements were immaterial or  
11 not misleading as a matter of law. Accordingly, the Court concludes that the SEC  
12 on the whole has adequately alleged that Defendants have made false or  
13 misleading statements or omissions of material fact." *Id.* at \*26.

14 124. In addition, numerous attorneys general have initiated investigations  
15 into Countrywide's lending practices and also have alleged that Countrywide  
16 systematically departed from the underwriting standards it professed to use to  
17 originate residential loans.

18 125. The Illinois Attorney General initiated a lawsuit against Countrywide  
19 and Mozilo, contending that the company and its executives sold borrowers costly  
20 and defective loans that quickly went into foreclosure. *See People of the State of*  
21 *Illinois v. Countrywide Fin. Corp.*, No. 08CH22994 (Cook County Ch. Ct.) (the  
22 "First Illinois AG Complaint").

23 126. Additionally, the First Illinois AG Complaint alleges, based on  
24 evidence from Countrywide employees whom the Illinois Attorney General  
25 interviewed, that Countrywide employees were incentivized to increase the number  
26 of loan originations without concern for whether the borrower was able to repay  
27 the loan. Countrywide employees did not properly ascertain whether a potential  
28 borrower could afford the offered loan, and many of Countrywide's stated income

1 loans were based on inflated estimates of borrowers' income. For example,  
2 according to the First Illinois AG Complaint: (1) a Countrywide employee  
3 estimated that approximately 90% of all reduced documentation loans sold out of a  
4 Chicago office had inflated incomes; and (2) one of Countrywide's mortgage  
5 brokers, One Source Mortgage Inc., routinely doubled the amount of the potential  
6 borrower's income on stated income mortgage applications. Furthermore, to  
7 supplement an employee's judgment as to whether a potential borrower's income  
8 was "reasonable," Countrywide required its employees to utilize a website,  
9 www.salary.com. Even if the stated salary was outside of the range provided by  
10 the website, Countrywide employees could still approve the loan. The Illinois  
11 Attorney General alleged that the "reasonableness" test contravened proper  
12 underwriting practices.

13 127. As the Illinois Attorney General explained, "[t]his mounting disaster  
14 has had an impact on individual homeowners statewide and is having an impact on  
15 the global economy." *The New York Times* reported that the complaint, derived  
16 from 111,000 pages of Countrywide documents and interviews with former  
17 employees, "paints a picture of a lending machine that was more concerned with  
18 volume of loans than quality." See Gretchen Morgenson, "Illinois to Sue  
19 Countrywide," *N.Y. Times* (June 25, 2008).

20 128. In a second complaint filed on June 29, 2010, the Illinois Attorney  
21 General further enumerated the problems with Countrywide's origination practices,  
22 including that Countrywide engaged in discriminatory and predatory lending. See  
23 *People of the State of Illinois v. Countrywide Fin. Corp.*, No. 10CH27929 (Cook  
24 County Ch. Ct.) (the "Second Illinois AG Complaint"). There, the Illinois  
25 Attorney General sets forth how CFC incentivized its employees to sell riskier  
26 subprime loans with higher spreads, paying its brokers more for those riskier loans  
27 than for originating prime loans.

28 129. California's Attorney General also commenced an investigation into

1 Countrywide's lending activities and filed a complaint in the Northwest District of  
2 the Superior Court for Los Angeles County, entitled *People of the State of*  
3 *California v. Countrywide Fin. Corp.*, No. LC081846 (Los Angeles Super. Ct.)  
4 (the "California AG Complaint"). The California AG Complaint also alleged that  
5 Countrywide routinely departed from its stated underwriting standards.

6 130. For example, the California AG Complaint alleged that employees  
7 were incentivized to make exceptions to underwriting standards and failed to verify  
8 borrower documentation and information. According to the California AG  
9 Complaint, Countrywide used a system called CLUES (Countrywide Loan  
10 Underwriting Expert System), to provide a loan analysis report that indicated  
11 whether the loan was within Countrywide's underwriting guidelines. CLUES  
12 reports indicating a loan was not originated within the purview of Countrywide's  
13 underwriting guidelines often were ignored in order to effectuate the loan.

14 131. Further, consistent with the allegations of the Illinois Attorney  
15 General, California Countrywide employees cited in the California AG Complaint  
16 also claimed to have utilized the website [www.salary.com](http://www.salary.com) to purportedly confirm a  
17 borrower's stated income. However, according to the California AG Complaint,  
18 California employees would know ahead of time the range of salaries that  
19 [www.salary.com](http://www.salary.com) would provide for a particular job and, therefore, know by how  
20 much they could overstate a borrower's income. A former California loan officer  
21 for Countrywide further explained that its loan officers typically told potential  
22 borrowers that "with your credit score of X, for this house, and to make X  
23 payment, X is the income that you need to make"; after which the borrower would  
24 state that he or she made X amount of income.

25 132. Likewise, the Connecticut Attorney General filed a complaint in  
26 Superior Court, Judicial District of Hartford, entitled *State of Connecticut v.*  
27 *Countrywide Fin. Corp.*, No. CV08-40390945 (Hartford Super. Ct.), alleging that  
28 Countrywide's employees inflated borrowers' incomes in order to qualify them for

1 loans they otherwise would not have received.

2 133. Investigations in other states such as Washington, West Virginia,  
3 Indiana and Florida have confirmed many of the allegations in the Illinois,  
4 California, and Connecticut complaints.

5 134. Further, the Massachusetts Attorney General set forth details of  
6 Underwriter Defendant Morgan Stanley's subprime conduct in a settlement  
7 agreement entered on June 24, 2010 in which Morgan Stanley agreed to pay \$102  
8 million in compensation to homeowners and the Commonwealth of Massachusetts.  
9 Although Morgan Stanley denied all wrongdoing, the Massachusetts Attorney  
10 General set out that Morgan Stanley routinely ignored warning reports from  
11 Clayton Holdings, Inc. ("Clayton"), a due diligence firm, showing that mortgages  
12 originated by another defunct subprime originator, New Century Financial ("New  
13 Century"), did not meet their underwriting guidelines. Despite being advised by  
14 Clayton of underwriting guideline violations, Morgan Stanley repeatedly  
15 purchased and securitized New Century loans that did not have sufficient  
16 compensating factors to offset their failure to meet the underwriting guidelines.  
17 Widespread government investigations suggest that Morgan Stanley was typical of  
18 banks such as the Underwriter Defendants in ignoring warnings from due diligence  
19 firms like Clayton.

20 135. On July 24, 2008, *The Los Angeles Times* reported that "three big  
21 Southland lenders (are) under federal investigation; Sources say IndyMac,  
22 Countrywide and New Century [have been] subpoenaed." *The Los Angeles Times*  
23 further reported that officials have begun to investigate the value of mortgage-  
24 backed securities:

25  
26 A federal grand jury in Los Angeles has begun probing  
27 three of the nation's largest subprime mortgage lenders  
28 in the clearest sign yet that prosecutors are investigating  
whether fraud and other crimes contributed to the  
mortgage debacle.

1        *Grand jury subpoenas have been issued in recent*  
2        *weeks and months to Countrywide Financial Corp.,*  
3        New Century Financial Corp. and IndyMac Federal  
4        Bank seeking a wide range of information, according to  
5        sources with direct knowledge of the subpoenas.

6        Officials have said they are beginning to investigate  
7        whether securities investors were defrauded about the  
8        value of subprime mortgages they purchased, as well as  
9        other possible crimes such as insider trading by  
10       corporate officials who sold stock knowing their  
11       holdings were about to deflate in value.

12       (emphasis added).

13       136. On October 6, 2008, certain of the Countrywide Defendants settled  
14       lawsuits brought by eleven attorneys general. The settlement, valued at **\$8.4**  
15       **billion**, detailed a program whereby existing loans would be modified:

16       [B]orrowers were placed in the riskiest loans, including  
17       adjustable-rate mortgages whose interest rates reset  
18       significantly several years after the loans were made.  
19       Pay-option mortgages, under which a borrower must  
20       pay only a small fraction of the interest and principal,  
21       thereby allowing the loan balance to increase, also are  
22       included in the modification.

23       **D. Allegations in Numerous Other Civil Lawsuits Show the Falsity of**  
24       **the Offering Documents**

25       137. On February 15, 2008, Countrywide shareholders filed a consolidated  
26       complaint in the U.S. District Court for the Central District of California alleging  
27       derivative claims against the officers and directors of Countrywide, in an action  
28       styled *In re Countrywide Fin. Corp. Derivative Litig.*, No. 07-CV-06923-MRP-  
(MANx) (C.D. Cal.) (the "Derivative Complaint"). The derivative litigation was  
subsequently dismissed because of the plaintiffs' lack of standing

138. The Derivative Complaint cited information obtained from several  
confidential sources who were former Countrywide employees who stated that the  
vast majority of Countrywide's loans were underwritten in contravention of the



1 company's stated underwriting standards. According to one of the confidential  
2 sources in that complaint, a former "Underwriter II" (a Countrywide employment  
3 classification) based in a Jacksonville, Florida processing center between June  
4 2006 and April 2007, because of a campaign by Countrywide to increase the  
5 volume of loan originations, as much as 80% of the loans originated by  
6 Countrywide in that office involved significant variations from Countrywide's  
7 normal underwriting standards.

8 139. According to another confidential witness cited in the Derivative  
9 Complaint, a Senior Underwriter in Roseville, California, from September 2002 to  
10 September 2006, Countrywide would regularly label loans as "prime" even if made  
11 to unqualified borrowers (including those who had recently gone through a  
12 bankruptcy and were still having credit problems). According to that confidential  
13 witness, Countrywide's lending practices became riskier in 2006 and Countrywide  
14 more lax in enforcing its underwriting policies.

15 140. Another confidential witness cited in the Derivative Complaint, an  
16 Executive Vice President of Production Operations and later an Executive Vice  
17 President of Process Improvement who worked at Countrywide for 17 years before  
18 leaving in October 2005, disclosed that Countrywide created a computer system  
19 (or "rules engine") that routed highly risky loans out of the normal loan approval  
20 process to a central underwriting group for evaluation. The system was called the  
21 Exception Processing System. According to that source, the Exception Processing  
22 System identified loans that violated Countrywide's underwriting requirements.  
23 However, according to the same source, loans identified by the Exception  
24 Processing System as violating underwriting standards were *not* rejected. Rather,  
25 Countrywide executives wanted the company's Central Underwriting group to  
26 review such loans to evaluate whether these loans should require a higher price  
27 (upfront points) or a higher interest rate in light of the violation at issue. Central  
28 Underwriting entered information into the Exception Processing System about its

1 decisions to approve such loans and charge additional fees to the borrower.

2 141. Yet another confidential source in the Derivative Complaint, an  
3 underwriter from Long Island, New York at Countrywide between March 2000  
4 and January 2007, stated that Countrywide extended loans to individuals with  
5 increasing debt-to-income ratios. Initially, Countrywide limited debt-to-income  
6 ratios to 38%, but this rose to 50%. According to this source, Countrywide branch  
7 managers' compensation was tied to loan origination volume and not the quality of  
8 the loans. Thus, according to this source, branch managers pushed originators to  
9 sell more loans despite the riskiness of these loans. Additional confidential sources  
10 in the Derivative Complaint confirmed this.

11 142. Indeed, according to yet another confidential source in the Derivative  
12 Complaint, Countrywide simply "didn't turn down loans." Rather, Countrywide  
13 "did whatever they had to do to close loans' including making exceptions to  
14 underwriting guidelines – everyone was motivated to increase loan volume and  
15 'approv[e] things that should not have been approved.'"

16 143. On January 6, 2009, purchasers of Countrywide common shares filed  
17 a second amended complaint in the U.S. District Court for the Central District of  
18 California, captioned *In re Countrywide Fin. Corp. Sec. Litig.*, No. 07-CV-05295-  
19 MRP-(MANx) (C.D. Cal.) (the "Securities Complaint"). Facts set forth in the  
20 Securities Complaint confirm major, systematic irregularities in Countrywide's  
21 loan origination practices. The Securities Complaint cited information obtained  
22 from several confidential sources who were former Countrywide employees who  
23 stated that the vast majority of Countrywide's loans were underwritten in  
24 contravention of the company's stated underwriting standards. The securities  
25 litigation recently settled for \$624 million.

26 144. Among numerous internal Countrywide sources cited in the Securities  
27 Complaint, one, a supervising underwriter at Countrywide until mid-2005 who  
28 oversaw the company's underwriting operations in several states (the "Supervising

Underwriter”), stated that the underwriting guidelines were repeatedly lowered, and “very loose and lax” and designed to help Countrywide make more loans (as opposed to protecting the entity that ended up taking on the credit risk that the borrower would default on the mortgage).

145. The Supervising Underwriter further stated that from late 2004, Countrywide’s Structured Loan Desks employed the Exception Processing System in order to obtain approval for loans that were exceptions to and should have been rejected by Countrywide’s underwriting standards. As many as 15% to 20% of the loans generated each day at the Company’s Structured Loan Desks were run through the Exception Processing System and very few were ever rejected.

146. The Supervising Underwriter further stated that if a potential borrower applying for a stated income, stated asset (“SISA”) loan provided a bank name, address and account number for asset verification, it was the practice at Countrywide not to verify the bank balance.

147. According to another confidential source identified in the Securities Complaint, and confirmed by an April 6, 2008 article in *The New York Times*, even though Countrywide had the right to verify stated income on an application through the Internal Revenue Service (“IRS”) (and this check took less than one day to complete), income was verified with the IRS on only 3%-5% of all loans funded by Countrywide in 2006.

148. The Securities Complaint also details that the appraisals obtained by Countrywide underwriters were not independent or accurate. For example, since at least 2005, loan officers from all of Countrywide’s origination divisions were permitted to (i) hire appraisers of their own choosing, (ii) discard appraisals that did not support loan transactions, and (iii) substitute more favorable appraisals by replacement appraisers when necessary to obtain a more favorable LTV ratio so as to qualify the loan for approval. Countrywide loan officers were allowed to lobby appraisers to assign particular values to a property in order to support the closing

1 of a loan.

2 149. Further, according to allegations made by Capitol West Appraisals  
3 LLC ("Capitol West") a real estate appraisal company cited in the Securities  
4 Complaint, "Countrywide engaged in a pattern and practice of pressuring real  
5 estate appraisers to artificially increase appraisal values for properties underlying  
6 mortgages Countrywide originated and/or underwrote. Capitol West stated that  
7 Countrywide loan officers sought to pressure Capitol West to increase appraisal  
8 values for three separate loan transactions. When Capitol West refused to vary the  
9 appraisal values from what it independently determined was appropriate,  
10 Countrywide retaliated...."

11 150. According to Capitol West's allegations in the Securities Complaint,  
12 "Countrywide maintained a database titled the 'Field Review List' containing the  
13 names of appraisers whose reports Countrywide would not accept unless the  
14 mortgage broker also submitted a report from a second appraiser. Capitol West  
15 was placed on the Field Review List after refusing to buckle under pressure to  
16 inflate real estate values. The practical effect of being placed on the Field Review  
17 List was to be blacklisted as no mortgage broker would hire an appraiser appearing  
18 on the Field Review List to appraise real estate for which Countrywide would be  
19 the lender because neither the broker nor the borrower would pay to have two  
20 appraisals done. Instead, the broker would simply retain another appraiser who  
21 was not on the Field Review List." The Securities Complaint further sets forth  
22 Capitol West's descriptions of the additional steps Countrywide took to enforce its  
23 blacklisting of appraisers that refused to artificially inflate their appraisals.

24 151. On September 30, 2008, MBIA Insurance Corp. ("MBIA"), one of the  
25 largest providers of bond insurance, filed a complaint against Countrywide in New  
26 York state court, entitled *MBIA Ins. Corp. v. Countrywide*, No. 08/602825 (N.Y.  
27 Sup. Ct.) (the "MBIA Complaint"). The MBIA Complaint alleges that  
28 Countrywide fraudulently induced MBIA to provide insurance for certain

1 investment certificates, including those contained in the following trusts: CWHEQ  
2 2005-E; CWHEQ 2005-I; CWHEQ 2005-M; CWHEQ 2006-E; CWHEQ 2006-G;  
3 CWHEQ 2006-S8; CWHEQ 2007-E; CWHEQ 2007-S1; CWHEQ 2007-S2; and  
4 CWHEQ 2007-S3.

5 152. MBIA was able to obtain approximately 19,000 loan files for the  
6 Certificates it insured as a result of its contractual agreements with Countrywide.  
7 After reviewing the portfolios and re-underwriting each loan provided by  
8 Countrywide, MBIA discovered that there was “*an extraordinarily high incidence*  
9 *of material deviations from the underwriting guidelines Countrywide represented*  
10 *it would follow.*” MBIA Complaint, ¶ 78 (emphasis added). MBIA discovered  
11 that many of the loan applications “lack[ed] key documentation, such as a  
12 verification of borrower assets or income; include[d] an invalid or incomplete  
13 appraisal; demonstrate[d] fraud by the borrower on the face of the application; or  
14 reflect[ed] that any of borrower income, FICO score, or debt, or DTI [debt-to-  
15 income] or CLTV, fail[ed] to meet stated Countrywide guidelines (without any  
16 permissible exception).” MBIA Complaint, ¶ 79. Significantly, “MBIA’s re-  
17 underwriting review ... revealed that almost 90% of defaulted or delinquent loans  
18 in the Countrywide Securitizations show material discrepancies.” On April 27,  
19 2010, the Supreme Court of the State of New York, although determining that  
20 MBIA did not have a legal claim for negligent misrepresentation, denied a motion  
21 to dismiss MBIA’s claims of fraud against several Countrywide entities and Bank  
22 of America.

23 153. On April 11, 2008, an amended complaint for violations of the federal  
24 securities laws was filed against Countrywide in the U.S. District Court for the  
25 Central District of California. *See Argent Classic Convertible Arbitrage Fund LP*  
26 *v. Countrywide Fin. Corp.*, No. 07-CV-7097-MRP-(MANx) (C.D. Cal.). The  
27 complaint identified specific deviations from Countrywide’s stated underwriting  
28 guidelines. For example, in connection with the “No Income/No Asset

1 Documentation Program,” Countrywide represented that “[t]his program is limited  
2 to borrowers with excellent credit histories.” However, Countrywide routinely  
3 extended these loans to borrowers with weak credit and knew that such “low doc”  
4 or “no doc” loans, particularly when coupled with nontraditional products like  
5 ARMs, likely contained misinformation from the borrower, such as overstated  
6 incomes, that increased the likelihood of defaults. Because borrowers were  
7 advised that their representations on loan applications would not be verified,  
8 Countrywide employees referred to these products as “liar loans.”

9 154. Furthermore, in an action commenced against Countrywide for  
10 wrongful termination, styled *Zachary v. Countrywide Fin. Corp.*, No. 4:08-cv-  
11 00214, currently pending in the U.S. District Court for the Southern District of  
12 Texas, the plaintiff, Mark Zachary (“Zachary”), a Regional Vice President of  
13 Countrywide KB Home Loans, Inc. (“CWKB”), alleged that CWKB, a 50-50 joint  
14 venture between Countrywide and KB Home Loans (“KB Home”), engaged in a  
15 host of mortgage origination and underwriting activities that did not comport with  
16 stated and standard practices. Zachary described how loan officers would go so far  
17 as to help the loan applicant submit a loan application with false income amounts,  
18 so that the applicant would get the loan under false pretenses.

19 155. According to Zachary, one of these practices involved CWKB’s  
20 practice of “flipping” a loan application from a “full documentation” loan program  
21 to a “stated income” or “no income, no asset” loan program. He learned that loans  
22 were being canceled at the prime regional operations center as full documentation  
23 loans and transferred to the subprime operations center in Plano, Texas, as stated  
24 asset, stated income (“SISA”) loans, a “low-doc” loan, or no income, no assets  
25 (“NINA”) loans, a “no-doc” loan. Otherwise known as “liar loans,” NINA loans  
26 allowed a borrower to simply state their income without providing any  
27 documentation or proof of this income. Thus, rather than denying an applicant  
28 based on the information revealed in the original mortgage application,

1 Countrywide pretended that it did not see the disqualifying information, such as  
2 insufficient income or assets, and instead, allowed applicants to apply for a no  
3 documentation loan, implicitly encouraging them to lie on these renewed  
4 applications.

5 156. Furthermore, Zachary explained that while a material number of  
6 Countrywide's loan applicants were not eligible for any loan program requiring  
7 documentation based on the applicant's verified income level and/or job status,  
8 CWKB loan officers would (1) cancel the application for the loan program that  
9 required documentation, (2) re-do the application as a SISA or a NINA loan  
10 through the company's subprime originators in Plano, Texas, and (3) coach the  
11 loan applicant as to what income level he or she would need to have in order to  
12 qualify for the low-doc or no-doc loan.

13 157. Moreover, according to Zachary, Countrywide blatantly ignored its  
14 underwriting policies and procedures. Zachary stated that there was a problem  
15 with appraisals performed on homes being purchased with Countrywide loans.  
16 According to Zachary, the appraiser was being strongly encouraged to inflate  
17 appraisal values by as much as 6% to allow the homeowner to "roll up" all closing  
18 costs. According to Zachary, this inflated value put the buyer "upside down" on  
19 the home immediately after purchasing it, *i.e.*, the borrower owed more than the  
20 home's worth. Thus, the borrower was more susceptible to default. It also put the  
21 lender and secondary market investor at risk because they were unaware of the true  
22 value of their asset. According to Zachary, Countrywide performed an audit into  
23 these matters in January 2007 which corroborates his story.

24 158. Another civil complaint, *Zaldana v. KB Home*, No. CV 08-3399  
25 (EDL), currently pending in the U.S. District Court for the Northern District of  
26 California (the "Zaldana Complaint"), further details Countrywide's failure to  
27 follow standard appraisal practices. The Zaldana Complaint described a process  
28 whereby KB Home paid Countrywide to make loans with subsidized initial

1 payments to KB borrowers, thereby allowing KB to prop up the ostensible sales  
2 prices of KB homes and sell to buyers who would not otherwise be able to afford  
3 or qualify for the monthly mortgage payments. In turn, Countrywide would have  
4 its appraisers ignore the subsidies in order to appraise the home at the full stated  
5 sales price, thereby inflating the actual value of the home (*i.e.*, the price that a  
6 buyer was truly willing to pay for it).

7 **E. Underwriter Defendants “Contracted Out” and Failed to Conduct**  
8 **Required Due Diligence of Loan Underwriting Guidelines**  
9 **Contained in Offering Documents**

10 159. Prior to securitization, a process of cursory “due diligence” on the  
11 mortgage loans was conducted. The review’s ostensible purpose was to determine  
12 whether the loans contained the requisite legal documentation, were based on an  
13 independent appraisal and were originated in accordance with Countrywide’s loan  
14 underwriting guidelines, which were detailed in the Offering Documents. The due  
15 diligence review that was conducted on the mortgage collateral was not specific to  
16 any securitized pool of mortgage loans. Rather, the due diligence was periodically  
17 performed on a small sample of Countrywide’s entire “warehouse” of mortgage  
18 loans.

19 160. The Underwriter Defendants contracted out the inspection of loans for  
20 compliance with the Originator’s underwriting guidelines to outside firms –  
21 Clayton and The Bohan Group (“Bohan”) – and then conducted limited oversight  
22 of these subcontractors’ activities.

23 161. As disclosed as part of an ongoing investigation of investment  
24 banking misconduct in underwriting MBS being conducted by, among others, the  
25 New York Attorney General (the “NYAG”) and the Massachusetts Attorney  
26 General, Clayton and Bohan routinely provided investment banks with detailed  
27 reports of loans non-compliant with underwriting guidelines, but the investment  
28 banks just as routinely disregarded the non-compliant loans and included them in



1 securitization pools anyway. Further, the President of Bohan stated that, by the  
2 time the Offerings of the Certificates took place, investment banks were requiring a  
3 review of only 5% to 7% of the entire loan pools.

4 162. The Underwriter Defendants contracted their due diligence work to  
5 Clayton and Bohan. The outside firms were supposed to examine the loans for  
6 conformity with Countrywide's guidelines, as detailed in the Offering Documents.  
7 Each loan reviewed was rated as category "1," "2" or "3." Category "3" loans  
8 were defective and recommended for exclusion from securitization, however such  
9 loans were routinely included in securitizations despite being defective. Because  
10 the risk of default was passed on to investors in the Certificates rather than held by  
11 the Underwriter Defendants or Countrywide, there was no incentive to remove  
12 such category "3" loans from the Offerings, because if the Underwriter Defendants  
13 rejected any significant portion of the loans, the size of the securitization, and thus  
14 the size of the fees derived from the securitization, would decrease significantly.

15 163. In June 2007, the NYAG subpoenaed documents from Clayton and  
16 Bohan related to their due diligence efforts on behalf of the investment banks, such  
17 as Bear Stearns, that underwrote mortgage-backed securities. The NYAG, along  
18 with Massachusetts and Connecticut attorneys general and the SEC (all of which  
19 also subpoenaed documents), are investigating whether investment banks held  
20 back information they should have provided in the disclosure documents related to  
21 the sale of mortgage-backed securities to investors.

22 164. In a December 6, 2007 article published in *The New York Times*, it  
23 was reported that:

24 Andrew Cuomo, the New York attorney-general, has  
25 subpoenaed RBS and about 15 of Wall Street's biggest  
26 sub-prime mortgage bond underwriters, such as Bear  
27 Stearns and Merrill Lynch, requesting information that  
28 will help to determine how much due diligence was  
conducted on the home loan-backed securities that they  
issued.

\* \* \*

Mr. Cuomo is also examining the relationship between mortgage lenders, third party-due diligence firms, the credit rating agencies and the underwriting banks to see if they colluded to ignore risks.

Wall Street firms made hefty fees from buying high-risk sub-prime mortgages and packaging them into bonds backed by the home loans' interest payments. Investors, including Wall Street giants such as Citigroup, as well as hedge funds and pension funds, have collectively lost more than \$50 billion this year on sub-prime-backed bonds after a surge in defaults on high-risk home loans forced down their valuations.

Many of Wall Street's underwriters relied heavily on third-party vendors to examine the home loans that were used to back the mortgage bonds. This helped them to determine how reliable an income stream the underlying mortgages would produce and, in turn, how likely it was that the bonds' interest payments would be met.

Since bond underwriters have an obligation to make sure that the statements made in the securities' Offering Documents are accurate, Mr. Cuomo is investigating how much, if any, due diligence they conducted themselves. He is also seeking to determine whether they should have done more.

165. In a January 12, 2008 article titled "Inquiry Focuses on Withholding of Data on Loans," *The New York Times* further reported:

An investigation into the mortgage crisis by New York State prosecutors is now focusing on whether Wall Street banks withheld crucial information about the risks posed by investments linked to subprime loans.

Reports commissioned by the banks raised red flags about high-risk loans known as exceptions, which failed to meet even the lax credit standards of subprime mortgage companies and the Wall Street firms. But the

1 banks did not disclose the details of these reports to  
2 credit-rating agencies or investors.

3 The inquiry, which was opened last summer by New  
4 York's attorney general, Andrew M. Cuomo, centers on  
5 how the banks bundled billions of dollars of exception  
6 loans and other subprime debt into complex mortgage  
investments, according to people with knowledge of the  
matter. Charges could be filed in coming weeks.

7 \* \* \*

8 The inquiries highlight Wall Street's leading role in  
9 igniting the mortgage boom that has imploded with a  
10 burst of defaults and foreclosures. The crisis is sending  
11 shock waves through the financial world, and several big  
12 banks are expected to disclose additional losses on  
mortgage-related investments when they report earnings  
next week.

13 As plunging home prices prompt talk of a recession, state  
14 prosecutors have zeroed in on the way investment banks  
15 handled exception loans. In recent years, lenders, with  
16 Wall Street's blessing, routinely waived their own credit  
guidelines, and the exceptions often became the rule.

17 It is unclear how much of the \$1 trillion subprime  
18 mortgage market is composed of exception loans. Some  
19 industry officials say such loans made up a quarter to a  
20 half of the portfolios they saw. In some cases, the loans  
21 accounted for as much as 80 percent. While exception  
22 loans are more likely to default than ordinary subprime  
23 loans, it is difficult to know how many of these loans  
have soured because banks disclose little information  
about them, officials say.

24 Wall Street banks bought many of the exception loans  
25 from subprime lenders, mixed them with other mortgages  
26 and pooled the resulting debt into securities for sale to  
investors around the world.

27 \* \* \*

1 Mr. Cuomo, who declined to comment through a  
2 spokesman, subpoenaed several Wall Street banks last  
3 summer, including Lehman Brothers and Deutsche Bank,  
4 which are big underwriters of mortgage securities; the  
5 three major credit-rating companies: Moody's Investors  
6 Service, Standard & Poor's and Fitch Ratings; and a  
7 number of mortgage consultants, known as due diligence  
8 firms, which vetted the loans, among them Clayton  
9 Holdings in Connecticut and the Bohan Group, based in  
10 San Francisco. Mr. Blumenthal said his office issued up  
11 to 30 subpoenas in its investigation, which began in late  
12 August.

13 \* \* \*

14 To vet mortgages, Wall Street underwriters hired outside  
15 due diligence firms to scrutinize loan documents for  
16 exceptions, errors and violations of lending laws. But  
17 Jay H. Meadows, the chief executive of Rapid Reporting,  
18 a firm based in Fort Worth that verifies borrowers'  
19 incomes for mortgage companies, said ***lenders and  
investment banks routinely ignored concerns raised by  
these consultants.***

20 "Common sense was sacrificed on the altar of  
21 materialism," Mr. Meadows said. "We stopped  
22 checking."

23 (emphasis added).

24 166. On January 27, 2008, Clayton revealed that it had entered into an  
25 agreement with the NYAG for immunity from civil and criminal prosecution in the  
26 State of New York in exchange for agreeing to provide additional documents and  
27 testimony regarding its due diligence reports, including copies of the actual reports  
28 provided to its clients. Both *The New York Times* (J. Anderson and V. Bajaj,  
"Reviewer of Subprime Loans Agrees to Aid Inquiry of Banks," *N.Y. Times*, (Jan.  
27, 2008)) and *The Wall Street Journal* (A. Efrati and R. Simon, "Due Diligence  
Firm to Aid New York Subprime Probe," *Wall St. J.* (Jan. 29, 2008)) ran articles  
describing the nature of the NYAG's investigation and Clayton's testimony. *The*

1 *Wall Street Journal* reported that the NYAG's investigation was focused on "the  
2 broad language written in prospectuses about the risky nature of these securities,"  
3 which "changed little in recent years, even as due diligence reports noted that the  
4 number of exception loans backing the securities was rising." According to the  
5 *New York Times* article, Clayton told the NYAG "that starting in 2005, it saw a  
6 significant deterioration of lending standards and a parallel jump in lending  
7 expectations" and "some investment banks directed Clayton to halve the sample of  
8 loans it evaluated in each portfolio."

9 167. A March 23, 2008 *Los Angeles Times* article reported that Clayton and  
10 Bohan employees "raised plenty of red flags about flaws [in subprime home loans]  
11 so serious that mortgages should have been rejected outright – such as borrowers'  
12 incomes that seemed inflated or documents that looked fake – but the problems  
13 were glossed over, ignored or stricken from reports" as follows:

14 The reviewers' role was just one of several safeguards –  
15 including home appraisals, lending standards and ratings  
16 on mortgage-backed bonds – that were built into the  
country's mortgage-financing system.

17 But in the chain of brokers, lenders and investment banks  
18 that transformed mortgages into securities sold  
19 worldwide, no one seemed to care about loans that  
20 looked bad from the start. Yet profit abounded until  
21 defaults spawned hundreds of billions of dollars in losses  
on mortgage-backed securities.

22 "The investors were paying us big money to filter this  
23 business," said loan checker Cesar Valenz. "It's like  
24 with water. If you don't filter it, it's dangerous. And it  
didn't get filtered."

25 As foreclosures mount and home prices skid, the loan-  
26 review function, known as "due diligence," is gaining  
27 attention.

28 The FBI is conducting more than a dozen investigations  
into whether companies along the financing chain

1 concealed problems with mortgages. And a presidential  
2 working group has blamed the subprime debacle in part  
3 on a lack of due diligence by investment banks, rating  
outfits and mortgage-bond buyers.

4 E. Scott Reckard, "Subprime Watchdogs Ignored," *L.A. Times* (Mar. 23, 2008).

5 **F. Additional Government Investigations Further Confirm Systemic**  
6 **Disregard for Mortgage Loan Underwriting Guidelines**

7 168. In August 2007, following reports of defaults in mortgage loans  
8 underlying various MBS, downgrades of such MBS and potential downgrades of  
9 additional MBS in the future, and the resulting illiquidity in the credit markets, the  
10 President of the United States commissioned the Secretary of the Treasury, the  
11 SEC and the Commodities Futures Trading Commission ("CFTC") (hereinafter  
12 referred to as the "President's Working Group" or the "PWG") to investigate the  
13 causes of the market turmoil. After a seven-month investigation, the PWG issued  
14 its report on March 13, 2008. The PWG found as follows:

- 15
- 16 • A significant erosion of market discipline by those  
17 involved in the securitization process, including  
18 *originators, underwriters, credit rating agencies, and*  
19 *global investors*, related in part to failures to provide or  
20 obtain adequate risk disclosures;
  - 21 • The turmoil in financial markets clearly was triggered by  
22 a *dramatic weakening of underwriting standards for*  
23 *U.S. subprime mortgages...*

24 (emphasis added).

25 169. In December 2007, the Massachusetts Attorney General launched an  
26 investigation into Wall Street's securitization of subprime loans. The investigation  
27 focused on the industry practices involved in the issuance and securitization of  
28 subprime loans to Massachusetts consumers. According to a press release issued  
by the Massachusetts Attorney General's Office,

1 The Office is investigating whether securitizers may have:

- 2 • facilitated the origination of “unfair” loans under  
3 Massachusetts law;  
4 • failed to ascertain whether loans purchased from  
5 originators complied with the originators’ stated  
6 underwriting guidelines;  
7 • failed to take sufficient steps to avoid placing problem  
8 loans in securitization pools;  
9 • been aware of allegedly unfair or problem loans;  
10 • failed to make available to potential investors certain  
11 information concerning allegedly unfair or problem  
12 loans, including information obtained during loan  
diligence and the pre-securitization process, as well as  
information concerning their practices in making  
repurchase claims relating to loans both in and out of  
securitizations.

13 170. On January 30, 2008, the FBI and SEC launched a joint investigation  
14 into 14 investment banks, loan providers and developers as part of a crackdown  
15 focusing on the subprime mortgage crisis. According to the *Los Angeles Times*:

16 We’re looking at the whole range of those involved – including the  
17 investment banks and other entities that bundled the loans up for sale  
18 and the institutions that held them and reported [to investors] on their  
19 value...

20 **G. Underwriter Defendants Employed Rating Shopping Practices to**  
21 **Ensure Inflated Investment Grade Ratings for All the Certificates**

22 171. The Underwriter Defendants derived their profits from the sale of the  
23 Certificates for a price in excess of the amount paid for the underlying mortgage  
24 loans. For the Certificates to sell profitably, approximately 80% of the  
25 securitization had to be assigned the highest AAA rating by the Rating Agencies.

26 172. As set forth above, the Underwriter Defendants ultimately engaged  
27 the Rating Agencies through a “ratings shopping” process. Initially, a collateral  
28 analyst would send the preliminarily structured deal to the Rating Agencies for  
feedback. The Underwriter Defendants’ in-house rating agency personnel would

1 oversee the communications with the Rating Agencies. Then S&P, for example,  
2 would run the loan tape through both its LEVELS and SPIRE Models again and  
3 provide the Underwriter Defendants with the results in an effort to obtain the  
4 ratings engagement. Through the LEVELS Model, S&P would advise the  
5 Underwriter Defendants responsible for each deal, for example, that 94.25% of the  
6 Certificates would be rated AAA as long as 5.75% of the total collateral balance  
7 supporting those Certificates was subordinate. This 5.75% was the amount of loss  
8 coverage required. The Underwriter Defendants would then again “negotiate” with  
9 the Rating Agencies before they were hired, in order to get them to agree to the  
10 least amount of loss coverage and credit enhancement, and the highest percentage  
11 of AAA-designated Certificates.

12 173. The Underwriter Defendants used this “ratings shopping” process to  
13 obtain the most profitable structure on the Offerings. Ratings shopping resulted in  
14 *over 90%* of the Certificates being initially awarded the AAA/maximum-security  
15 rating.

16 174. Finally however, in 2008, the practice was effectively ended by way  
17 of an agreement entered into between the Rating Agencies and the NYAG. In June  
18 2008, the NYAG announced that after an investigation of the Rating Agencies, it  
19 had reached an agreement with S&P, Moody’s and Fitch which contemplated a  
20 complete overhaul of the then-current ratings procedures and guidelines and put an  
21 end to what had been termed “ratings shopping.” Instead of investment banks  
22 looking to issue mortgage-backed bonds going to all three agencies for a review,  
23 but only using, and paying for, the most optimistic rating, the Rating Agencies  
24 would now be paid upfront regardless of whether they were hired to assign a  
25 rating, a move expected to remove any potential for conflicts of interest.



**VIII. THE OFFERING DOCUMENTS CONTAINED MATERIAL MISSTATEMENTS AND OMISSIONS REGARDING STATED UNDERWRITING AND APPRAISAL STANDARDS**

175. Countrywide was a principal originator for all 14 of the Offerings complained of herein. The total value of the 14 Offerings for which Countrywide was the principal originator was \$17.83 billion, of which the Rating Agencies assigned initial ratings of AAA/maximum safety to over 90%.

176. Each Registration Statement at issue herein for the Issuing Trusts contained an illustrative form of a Prospectus Supplement for use in the offering of the Certificates. Each Registration Statement was prepared by the Issuer Defendants and signed by the Individual Defendants. At the effective date of the offering of the Certificates, a final Prospectus Supplement was filed with the SEC containing a description of the mortgage pool underlying the Certificates and the underwriting standards by which the mortgages were originated. The Underwriter Defendants sold the Certificates pursuant to the Prospectus Supplements.

177. Countrywide made clear in the Offering Documents that exceptions were made to the underwriting guidelines but only where "compensating factors were demonstrated by the borrowers. Each Registration Statement filed by CWALT and CWMBS at issue herein, as well as the Prospectus Supplements issued pursuant to those Registration Statements, contained the following language concerning the underwriting standards by which the mortgages pooled into CWALT and CWMBS Offerings were originated:

All of the Mortgage Loans have been originated or acquired by Countrywide Home Loans, Inc., in accordance with its credit, appraisal and underwriting standards.... Countrywide Home Loans' underwriting standards are applied in accordance with applicable federal and state laws and regulations.

Countrywide Home Loans' underwriting standards are applied, by or on behalf of Countrywide Home Loans to

1 evaluate the prospective borrower's credit standing and  
2 repayment ability and the value and adequacy of the  
3 mortgaged property as collateral. Under those standards,  
4 a prospective borrower must generally demonstrate that  
5 the ratio of the borrower's monthly housing expenses  
6 (including principal and interest on the proposed  
7 mortgage loan and, as applicable, the related monthly  
8 portion of property taxes, hazard insurance and mortgage  
9 insurance) to the borrower's monthly gross income and  
10 the ratio of total monthly debt to the monthly gross  
11 income (the "debt-to-income" ratios) are within  
12 acceptable limits. The maximum acceptable debt-to-  
13 income ratio, which is determined on a loan-by-loan  
14 basis, varies depending on a number of underwriting  
15 criteria, including the Loan-to-Value Ratio, loan purpose,  
16 loan amount and credit history of the borrower. In  
17 addition to meeting the debt-to-income ratio guidelines,  
18 each prospective borrower is required to have sufficient  
19 cash resources to pay the down payment and closing  
20 costs. *Exceptions to Countrywide Home Loans'*  
21 *underwriting guidelines may be made if compensating*  
22 *factors are demonstrated by a prospective borrower.*

23 *See SAC Appendix Exhibit H; see also Exhibit I.*

24 178. The above statements concerning Countrywide's adherence to its  
25 underwriting standards and to federal and state underwriting standards, with  
26 respect to mortgages pooled into CWALT and CWMBS Issuing Trusts, contained  
27 material misstatements when made because:

28 a. Defendants failed to disclose that Countrywide systematically  
ignored underwriting standards imposed by state and federal law in issuing  
the mortgages pooled into the Issuing Trusts;

b. Countrywide did not, contrary to its statement above, properly  
"evaluate the prospective borrower's credit standing and repayment ability  
and the value and adequacy of the mortgaged property as collateral."  
Rather, as alleged herein, Countrywide systematically ignored borrowers'

1 repayment ability and the value and adequacy of mortgaged property used as  
2 collateral in issuing loans; and

3 c. Countrywide's underwriting standards did not require that a  
4 borrower "generally demonstrate that the ratio of the borrower's monthly  
5 housing expenses (including principal and interest on the proposed mortgage  
6 loan and, as applicable, the related monthly portion of property taxes, hazard  
7 insurance and mortgage insurance) to the borrower's monthly gross income  
8 and the ratio of total monthly debt to the monthly gross income (the 'debt-  
9 to-income' ratios) are within acceptable limits." Instead, Countrywide's  
10 underwriting included the following practices, described *supra* at ¶¶91-101,  
11 151-75, that disregarded a borrowers' ability to pay by:

- 12  
13 • Coaching borrowers to misstate their income on loan  
14 applications to qualify for mortgage loans under  
15 Countrywide's underwriting standards, including  
16 directing applicants to no-documentation loan programs  
17 when their income was insufficient to qualify for full  
18 documentation loan programs;
- 19 • Steering borrowers to more expensive loans that  
20 exceeded their borrowing capacity;
- 21 • Encouraging borrowers to borrow more than they could  
22 afford by suggesting NINA and SISA loans when they  
23 could not qualify for full documentation loans based on  
24 their actual incomes;
- 25 • Approving borrowers based on "teaser rates" for loans  
26 despite knowing that the borrower would not be able to  
27 afford the "fully indexed-rate" when the adjustable rate  
28 adjusted;
- Allowing non-qualifying borrowers to be approved for  
loans under exceptions to Countrywide's underwriting  
standards based on so-called "compensating factors"  
without requiring documentation for such compensating  
factors;

- Incentivizing its employees to approve borrowers under exceptions to Countrywide's underwriting policies; and
- Systematically overriding flags identified by the CLUES system that was meant to weed out non-qualifying loans and nonetheless approving such loans.

179. Each Registration Statement and Prospectus Supplement issued by CWABS and CWHEQ at issue herein contained the following language concerning the underwriting standards by which the mortgages pooled into the Issuing Trusts were originated:

Credit Blemished Mortgage Loans. The following is a description of the underwriting procedures customarily employed by Countrywide Home Loans with respect to credit blemished mortgage loans.... Countrywide Home Loans produces its credit blemished mortgage loans through its Consumer Markets, Full Spectrum Lending, Correspondent Lending and Wholesale Lending Divisions. Prior to the funding of any credit blemished mortgage loan, Countrywide Home Loans underwrites the related mortgage loan in accordance with the underwriting standards established by Countrywide Home Loans. In general, the mortgage loans are underwritten centrally by a specialized group of underwriters who are familiar with the unique characteristics of credit blemished mortgage loans. In general, Countrywide Home Loans does not purchase any credit blemished mortgage loan that it has not itself underwritten.

Countrywide Home Loans' underwriting standards are primarily intended to evaluate the value and adequacy of the mortgaged property as collateral for the proposed mortgage loan and the borrower's credit standing and repayment ability. On a case by case basis, Countrywide Home Loans may determine that, based upon compensating factors, a prospective borrower not strictly qualifying under the underwriting risk category guidelines described below warrants an underwriting exception. *Compensating factors may include low loan-*

1 *to-value ratio, low debt-to-income ratio, stable*  
2 *employment, time in the same residence or other*  
3 *factors. It is expected that a significant number of the*  
4 *Mortgage Loans will have been originated based on*  
5 *such underwriting exceptions.*

6 Each prospective borrower completes an application  
7 which includes information with respect to the  
8 applicant's assets, liabilities income and employment  
9 history, as well as certain other personal information.  
10 Countrywide Home Loans requires an independent credit  
11 bureau report on the credit history of each applicant in  
12 order to evaluate the applicant's prior willingness and/or  
13 ability to repay. The report typically contains information  
14 relating to credit history with local and national  
15 merchants and lenders, installment debt payments and  
16 any record of defaults, bankruptcy, repossession, suits or  
17 judgments, among other matters. After obtaining all  
18 applicable employment, credit and property information,  
19 Countrywide Home Loans uses a debt-to-income ratio to  
20 assist in determining whether the prospective borrower  
21 has sufficient monthly income available to support the  
22 payments of principal and interest on the mortgage loan  
23 in addition to other monthly credit obligations. The  
24 "debt-to-income ratio" is the ratio of the borrower's total  
25 monthly credit obligations to the borrower's gross  
26 monthly income. The maximum monthly debt-to-income  
27 ratio varies depending upon a borrower's credit grade  
28 and documentation level (as described below) but does  
not generally exceed 50%. Variations in the monthly  
debt-to-income ratios limit are permitted based on  
compensating factors.

While more flexible, Countrywide Home Loans' underwriting guidelines still place primary reliance on a borrower's ability to repay; however, Countrywide Home Loans may require lower loan-to-value ratios than for loans underwritten to more traditional standards. Borrowers who qualify generally have payment histories and debt-to-income ratios which would not satisfy more traditional underwriting guidelines and may have a record of major derogatory credit items such as outstanding judgments or prior bankruptcies.

Countrywide Home Loans' credit blemished mortgage loan underwriting guidelines establish the maximum permitted loan-to-value ratio for each loan type based upon these and other risk factors with more risk factors resulting in lower loan-to-value ratios.

*See SAC Appendix Exhibit J; see also Exhibit K.*

180. In addition, the Prospectus Supplements issued pursuant to the CWHEQ Registration Statements at issue herein also contained additional language describing the standards by which CWHEQ's home equity loans and second lien mortgage loans were originated:

The underwriting process is intended to assess the applicant's credit standing and repayment ability, and the value and adequacy of the real property security as collateral for the proposed loan. Exceptions to the applicable originator's underwriting guidelines will be made when compensating actors are present. These factors include the borrower's employment stability, favorable credit history, equity in the related property, and the nature of the underlying first mortgage loan.

*See SAC Appendix Exhibit L.*

181. The Prospectus Supplements for the Offerings issued pursuant to the CWHEQ Registration Statements at issue herein also stated:

After obtaining all applicable income, liability, asset, employment, credit, and property information, the applicable originator generally uses a debt-to-income ratio to assist in determining whether the prospective borrower has sufficient monthly income available to support the payments on the home equity loan in addition to any senior mortgage loan payments (including any escrows for property taxes and hazard insurance premiums) and other monthly credit obligations. The "debt-to-income ratio" is the ratio of the borrower's total monthly credit obligations (assuming the mortgage loan interest rate is based on the applicable fully indexed

1 interest rate) to the borrower's gross monthly income.  
2 Based on this, the maximum monthly debt-to-income  
3 ratio is 45%. Variations in the monthly debt-to-income  
4 ratios limits are permitted based on compensating factors.  
5 The originators currently offer home equity loan products  
6 that allow maximum combined loan-to-value ratios up to  
7 100%.

8 **See SAC Appendix Exhibit M.**

9 182. The above statements contained material misstatements of fact when  
10 made because:

11 a. Contrary to the statements that Countrywide's underwriting  
12 standards were "primarily intended to evaluate the value and adequacy of  
13 the mortgaged property as collateral for the proposed mortgage loan" and to  
14 evaluate "the borrower's credit standing and repayment ability,"  
15 Countrywide subordinated its underwriting standards to originating and  
16 securitizing as many mortgage loans as it could so that it could garner fees  
17 in the secondary mortgage market. As alleged herein, Countrywide  
18 systematically ignored borrowers' repayment ability and the value and  
19 adequacy of mortgaged property used as collateral in issuing loans. Rather,  
20 Countrywide designed its underwriting standards to ensure that it received  
21 the highest possible fees for originating loans without regard to the actual  
22 ability of its borrowers to repay the loan, or whether the mortgaged property  
23 had sufficient value to collateralize the loan.

24 b. Contrary to the representation above that "After obtaining all  
25 applicable employment, credit and property information, Countrywide  
26 Home Loans uses a debt-to-income ratio to assist in determining whether the  
27 prospective borrower has sufficient monthly income available to support the  
28 payments of principal and interest on the mortgage loan in addition to other  
monthly credit obligations," Countrywide's underwriting included the

1 following practices, described *supra* at ¶¶91-101, 151-75, that disregarded a  
2 borrowers' ability to pay by:

- 3 • Coaching borrowers to misstate their income on loan  
4 applications to qualify for mortgage loans under  
5 Countrywide's underwriting standards, including  
6 directing applicants to no-documentation loan programs  
7 when their income was insufficient to qualify for full  
8 documentation loan programs;
- 9 • Steering borrowers to more expensive loans that  
10 exceeded their borrowing capacity;
- 11 • Encouraging borrowers to borrow more than they could  
12 afford by suggesting NINA and SISA loans when they  
13 could not qualify for full documentation loans based on  
14 their actual incomes;
- 15 • Approving borrowers based on "teaser rates" for loans  
16 despite knowing that the borrower would not be able to  
17 afford the "fully indexed rate" when the adjustable rate  
18 adjusted;
- 19 • Allowing non-qualifying borrowers to be approved for  
20 loans under exceptions to Countrywide's underwriting  
21 standards based on so-called "compensating factors"  
22 without requiring documentation for such compensating  
23 factors;
- 24 • Incentivizing its employees to approve borrowers under  
25 exceptions to Countrywide's underwriting policies; and
- 26 • Systematically overriding flags identified by the CLUES  
27 system that were meant to weed out non-qualifying loans  
28 and, despite the flags, approving such loans.

c. Contrary to the statement that "Exceptions to the applicable  
originator's underwriting guidelines will be made when compensating  
factors are present" and that those factors included "the borrower's  
employment stability, favorable credit history, equity in the related property,



1 and the nature of the underlying first mortgage loan,” Countrywide adopted  
2 procedures to incentivize its employees to approve exceptions to loans  
3 regardless of whether any compensating factors were present.

4 183. Each Registration Statement issued by CWALT, CWABS, CWMBS  
5 and CWHEQ at issue herein contained the following statement regarding  
6 Countrywide’s assessment of a prospective borrower:

7  
8 Once all applicable employment, credit and property  
9 information is received, a determination generally is  
10 made as to whether the prospective borrower has  
11 sufficient monthly income available to meet monthly  
12 housing expenses and other financial obligations and  
13 monthly living expenses and to meet the borrower’s  
14 monthly obligations on the proposed mortgage loan  
15 (generally determined on the basis of the monthly  
16 payments due in the year of origination) and other  
17 expenses related to the mortgaged property such as  
18 property taxes and hazard insurance). *The underwriting  
standards applied by sellers, particularly with respect to  
the level of loan documentation and the mortgagor’s  
income and credit history, may be varied in appropriate  
cases where factors as low Loan-to-Value Ratios or  
other favorable credit factors exist.*

19 See SAC Appendix Exhibit N.

20 184. Each Registration Statement issued by CWALT, CWABS, CWMBS  
21 and CWHEQ at issue herein contained the following statement regarding  
22 Countrywide’s review of information provided by a prospective borrower:

23  
24 Under the Stated Income/Stated Asset Documentation  
25 Program, the mortgage loan application is *reviewed to  
26 determine that the stated income is reasonable for the  
27 borrower’s employment and that the stated assets are  
consistent with the borrower’s income.*

28 See SAC Appendix Exhibit O.

1        185. According to the Registration Statement and Prospectus Supplements  
2 issued by CWALT at issue herein, Countrywide originated loans pursuant to a  
3 Preferred Processing Program, pursuant to which documentation requirements  
4 were waived for those applicants with favorable credit histories and higher FICO  
5 scores.

6  
7            Under Countrywide Home Loans' underwriting  
8 guidelines, borrowers possessing higher FICO Credit  
9 Scores, *which indicate a more favorable credit history*,  
10 and who give Countrywide Home Loans the right to  
11 obtain the tax returns they filed for the preceding two  
12 years may be eligible for Countrywide Home Loans'  
13 processing program (the "Preferred Processing  
14 Program"). ...Countrywide Home Loans may waive  
15 some documentation requirements for mortgage loans  
16 originated under the Preferred Processing Program.

17 *See SAC Appendix Exhibit P; see also Exhibit Q.*

18        186. Furthermore, under the CWALT Registration Statement at issue  
19 herein, Countrywide also offered four programs where less than full borrower  
20 documentation of income, assets and employment were required, however, in all  
21 instances credit scores had to be obtained and any deficiencies or derogations fully  
22 explained to the loan officers and, except for the Streamlined Documentation  
23 Program which had limited application, independent appraisals of the mortgage  
24 properties obtained – with all appraisals conforming to Fannie Mae and Freddie  
25 Mac standards:

26            A prospective borrower may be eligible for a loan  
27 approval process that limits or eliminates Countrywide  
28 Home Loans' standard disclosure or verification  
requirements or both. Countrywide Home Loans offers  
the following documentation programs as alternatives to  
its Full Documentation Program: an Alternative  
Documentation Loan Program (the "Alternative  
Documentation Program"), a Reduced Documentation

1 Loan Program (the "Reduced Documentation Program"),  
2 a CLUES Plus Documentation Loan Program (the  
3 "CLUES Plus Documentation Program"), a No  
4 Income/No Asset Documentation Loan Program (the "No  
5 Income/No Asset Documentation Program"), a Stated  
6 Income/Stated Asset Documentation Loan Program (the  
7 "Stated Income/Stated Asset Documentation Program")  
8 and a Streamlined Documentation Loan Program (the  
9 "Streamlined Documentation Program").

10 *For all mortgage loans originated or acquired by*  
11 *Countrywide Home Loans, Countrywide Home Loan*  
12 *obtains a credit report relating to the applicant from a*  
13 *credit reporting company. The credit report typically*  
14 *contains information relating to such matters as credit*  
15 *history with local and national merchants and lenders,*  
16 *installment debt payments and any record of defaults,*  
17 *bankruptcy, dispossession, suits or judgments. All*  
18 *adverse information in the credit report is required to be*  
19 *explained by the prospective borrower to the satisfaction*  
20 *of the lending officer.*

21 *Except with respect to mortgage loans originated*  
22 *pursuant to its Streamlined Documentation Program,*  
23 *Countrywide Home Loans obtains appraisals from*  
24 *independent appraisers or appraisal services for*  
25 *properties that are to secure mortgage loans. The*  
26 *appraisers inspect and appraise the proposed mortgaged*  
27 *property and verify that the property is in acceptable*  
28 *condition. Following each appraisal, the appraiser*  
*prepares a report which includes a market data analysis*  
*based on recent sales of comparable homes in the area*  
*and, when deemed appropriate, a replacement cost*  
*analysis based on the current cost of constructing a*  
*similar home. All appraisals are required to conform to*  
*Fannie Mae or Freddie Mac appraisal standards then*  
*in effect.*

See SAC Appendix Exhibit R; see also Exhibit S.

187. In addition, the Offering Documents for the CWALT Offerings at issue herein stated that the Alternative Documentation Program required, in addition to FICO scores and standard appraisals, W-2 forms instead of tax returns

1 for two years and bank statements instead of deposits and employment verification:

2  
3 The Alternative Documentation Program permits a  
4 borrower to provide W-2 forms instead of tax returns  
5 covering the most recent two years, permits bank  
6 statements in lieu of verification of deposits and permits  
7 alternative methods of employment verification.

8 *See SAC Appendix Exhibit T; see also Exhibit U.*

9 188. The Reduced Documentation Program, according to the CWALT  
10 Offering Documents at issue herein, was only applied where maximum LTV was  
11 equal to or less than 75% including secondary financing as follows:

12 Under the Reduced Documentation Program, some  
13 underwriting documentation concerning income,  
14 employment and asset verification is waived.  
15 Countrywide Home Loans obtains from a prospective  
16 borrower either a verification of deposit or bank  
17 statements for the two-month period immediately before  
18 the date of the mortgage loan application or verbal  
19 verification of employment. Since information relating to  
20 a prospective borrower's income and employment is not  
21 verified, the borrower's debt-to-income ratios are  
22 calculated based on the information provided by the  
23 borrower in the mortgage loan application. The  
24 maximum Loan-to-Value Ratio, including secondary  
25 financing, ranges up to 75%.

26 *See SAC Appendix Exhibit V; see also Exhibit W.*

27 189. Furthermore, the CLUES Plus program also had a 75% LTV limit but  
28 required borrower bank statements and excluded cash out refinancing:

29 The CLUES Plus Documentation Program permits the  
30 verification of employment by alternative means, if  
31 necessary, including verbal verification of employment  
32 or reviewing paycheck stubs covering the pay period  
33 immediately prior to the date of the mortgage loan  
34 application. To verify the borrower's assets and the  
35 sufficiency of the borrower's funds for closing,

1 Countrywide Home Loans obtains deposit or bank  
2 account statements from each prospective borrower for  
3 the month immediately prior to the date of the mortgage  
4 loan application. Under the CLUES Plus Documentation  
5 Program, the maximum Loan-to-Value Ratio is 75% and  
6 property values may be based on appraisals comprising  
only interior and exterior inspections. Cash-out  
refinances and investor properties are not permitted under  
the CLUES Plus Documentation Program.

7 *See SAC Appendix Exhibit X; see also Exhibit Y.*

8 190. Finally, pursuant to the CWALT Offering Documents at issue herein,  
9 the Streamlined Documentation Program offered refinancing for non-delinquent  
10 borrowers who had originated their loans with Countrywide, but this program was  
11 limited:

12  
13 The Streamlined Documentation Program is available for  
14 borrowers who are refinancing an existing mortgage loan  
15 that was originated or acquired by Countrywide Home  
16 Loans provided that, among other things, the mortgage  
17 loan has not been more than 30 days delinquent in  
18 payment during the previous twelve-month period. Under  
19 the Streamlined Documentation Program, appraisals are  
20 obtained only if the loan amount of the loan being  
21 refinanced had a Loan-to-Value Ratio at the time of  
22 origination in excess of 80% or if the loan amount of the  
23 new loan being originated is greater than \$650,000. In  
24 addition, under the Streamlined Documentation Program,  
a credit report is obtained but only a limited credit review  
is conducted, no income or asset verification is required,  
and telephonic verification of employment is permitted.  
The maximum Loan-to-Value Ratio under the  
Streamlined Documentation Program ranges up to 95%.

25 *See SAC Appendix Exhibit Z; see also Exhibit AA.*

26 191. These statements contained material misstatements and omissions of  
27 fact when made because, contrary to its published statement that "a determination  
28 generally is made as to whether the prospective borrower has sufficient monthly  
income available to meet monthly housing expenses and other financial obligations

1 and monthly living expenses and to meet the borrower's monthly obligations on  
2 the proposed mortgage loan," Countrywide implemented policies designed to  
3 extend mortgages to borrowers regardless of whether they were able to meet their  
4 obligations under the mortgage, described *supra* at ¶¶91-101, 151-75, such as:

- 5  
6 • Coaching borrowers to misstate their income on loan  
7 applications to qualify for mortgage loans under  
8 Countrywide's underwriting standards, including  
9 directing applicants to no-documentation loan programs  
10 when their income was insufficient to qualify for full  
11 documentation loan programs;
- 12 • Steering borrowers to more expensive loans that  
13 exceeded their borrowing capacity;
- 14 • Encouraging borrowers to borrow more than they could  
15 afford by suggesting NINA and SISA loans when they  
16 could not qualify for full documentation loans based on  
17 their actual incomes;
- 18 • Approving borrowers based on "teaser rates" for loans  
19 despite knowing that the borrower would not be able to  
20 afford the "fully indexed-rate" when the adjustable rate  
21 adjusted;
- 22 • Allowing non-qualifying borrowers to be approved for  
23 loans under exceptions to Countrywide's underwriting  
24 standards based on so-called "compensating factors"  
25 without requiring documentation for such compensating  
26 factors;
- 27 • Incentivizing its employees to approve borrowers under  
28 exceptions to Countrywide's underwriting policies;
- Systematically overriding flags identified by the CLUES  
system that were meant to weed out non-qualifying loans  
and, despite the flags, approving such loans; and
- Failing to determine whether stated income or stated  
assets were reasonable, failing to inform investors that  
Countrywide employees used [www.salary.com](http://www.salary.com) in order

1 to verify income and, often times, failing to check the  
2 veracity of information that was provided and easily  
3 verified (such as bank account balances).

4 192. Each Registration Statement and Prospectus Supplement issued by  
5 CWALT and CWMBS at issue herein contained the following language  
6 concerning the collateral supporting each mortgage pooled in the Issuing Trusts  
7 and the appraisals by which the collateral was valued:

8 Except with respect to mortgage loans originated  
9 pursuant to its Streamlined Documentation Program,  
10 Countrywide Home Loans obtains appraisals from  
11 independent appraisers or appraisal services for  
12 properties that are to secure mortgage loans. The  
13 appraisers inspect and appraise the proposed mortgaged  
14 property and verify that the property is in acceptable  
15 condition. Following each appraisal, the appraiser  
16 prepares a report which includes a market data analysis  
17 based on recent sales of comparable homes in the area  
18 and, when deemed appropriate, a replacement cost  
analysis based on the current cost of constructing a  
similar home. All appraisals are required to conform to  
Fannie Mae or Freddie Mac appraisal standards then in  
effect.

19 *See SAC Appendix Exhibit BB; see also Exhibit CC.*

20 193. Each Registration Statement and Prospectus Supplement issued by  
21 CWABS and CWHEQ at issue herein contained the following language  
22 concerning the collateral supporting each mortgage pooled in the Issuing Trusts  
23 and the appraisals by which the collateral was valued:

24  
25 Countrywide Home Loans' underwriting standards are  
26 applied in accordance with applicable federal and state  
27 laws and regulations and require an independent  
28 appraisal of the mortgaged property prepared on a  
Uniform Residential Appraisal Report (Form 1004) or  
other appraisal form as applicable to the specific

1 mortgaged property type. Each appraisal includes a  
2 market data analysis based on recent sales of comparable  
3 homes in the area and, where deemed appropriate,  
4 replacement cost analysis based on the current cost of  
5 constructing a similar home and generally is required to  
6 have been made not earlier than 180 days prior to the  
7 date of origination of the mortgage loan.

8 *See SAC Appendix Exhibit DD; see also Exhibit EE.*

9 194. In general, the Prospectus Supplements issued by CWHEQ at issue  
10 herein contained representations concerning the appraisals done with respect to  
11 home equity and second mortgage liens. They stated with respect to home equity  
12 loans:

13 Full appraisals are generally performed on all home  
14 equity loans. These appraisals are determined on the  
15 basis of an applicable originator-approved, independent  
16 third-party, fee-based appraisal completed on forms  
17 approved by Fannie Mae or Freddie Mac. For certain  
18 home equity loans that had at origination a credit limit  
19 between \$100,000 and \$250,000, determined by the  
20 FICO score of the borrower, a drive-by evaluation is  
21 generally completed by a state-licensed, independent  
22 third party, professional appraiser on forms approved by  
23 either Fannie Mae or Freddie Mac. The drive-by  
24 evaluation is an exterior examination of the premises by  
25 the appraiser to determine that the property is in good  
26 condition. The appraisal is based on various factors,  
27 including the market value of comparable homes and the  
28 cost of replacing the improvements, and generally must  
have been made not earlier than 180 days before the date  
of origination of the mortgage loan. For certain home  
equity loans with credit limits between \$100,000 and  
\$250,000, determined by the FICO score of the borrower,  
the applicable originator may have the related mortgaged  
property appraised electronically. The minimum and  
maximum loan amounts for home equity loans are  
generally \$7,500 (or, if smaller, the state-allowed  
maximum) and \$1,000,000, respectively.



1 **See SAC Appendix Exhibit FF.**

2 195. In addition, and sometimes in place of the language directly above,  
3 with respect to closed-end second lien mortgage loans, the Prospectus Supplements  
4 for the CWHEQ Offerings at issue herein stated the following:

5  
6 Full appraisals are generally performed on all closed-end  
7 second lien mortgage loans that at origination had a loan  
8 amount of more than \$100,000. These appraisals are  
9 determined on the basis of a sponsor-approved,  
10 independent third-party, fee-based appraisal completed  
11 on forms approved by Fannie Mae or Freddie Mac. For  
12 certain closed-end second lien mortgage loans that had at  
13 origination a loan amount between \$100,000 and  
14 \$250,000, determined by the FICO score of the borrower,  
15 a drive-by evaluation is generally completed by a state  
16 licensed, independent third-party, professional appraiser  
17 on forms approved by either Fannie Mae or Freddie Mac.  
18 The drive-by evaluation is an exterior examination of the  
19 premises by the appraiser to determine that the property  
20 is in good condition. The appraisal is based on various  
21 factors, including the market value of comparable homes  
22 and the cost of replacing the improvements, and  
23 generally must have been made not earlier than 180 days  
24 before the date of origination of the mortgage loan. For  
25 certain closed-end second lien mortgage loans with loan  
26 amounts less than \$250,000, determined by the FICO  
27 score of the borrower, Countrywide Home Loans may  
28 have the related mortgaged property appraised  
electronically. The minimum and maximum loan  
amounts for closed-end second lien mortgage loans are  
generally \$7,500 (or, if smaller, the state-allowed  
maximum) and \$1,000,000, respectively.

1 **See SAC Appendix Exhibit GG.**

2 196. Finally, with respect to its CWALT Offerings at issue herein,  
3 Countrywide also offered expanded underwriting allowing for higher LTV and  
4 loan amounts though loans would still be subject to certain standards:

1 Mortgage loans which are underwritten pursuant to the  
2 Expanded Underwriting Guidelines may have higher  
3 Loan-to-Value Ratios, higher loan amounts and different  
4 documentation requirements than those associated with  
5 the Standard Underwriting Guidelines. The Expanded  
6 Underwriting Guidelines also permit higher debt-to  
7 income ratios than mortgage loans underwritten pursuant  
8 to the Standard Underwriting Guidelines.

9 Countrywide Home Loans' Expanded Underwriting  
10 Guidelines for conforming balance mortgage loans  
11 generally allow Loan-to-Value Ratios at origination on  
12 owner occupied properties of up to 100% on 1 unit  
13 properties with principal balances up to \$333,700  
14 (\$500,550 in Alaska and Hawaii) and 2 unit properties  
15 with principal balances up to \$427,150 (\$640,725 in  
16 Alaska and Hawaii) and up to 85% on 3 unit properties  
17 with principal balances of up to \$516,300 (\$774,450 in  
18 Alaska and Hawaii) and 4 unit properties with principal  
19 balances of up to \$641,650 (\$962,475 in Alaska and  
20 Hawaii). On second homes, Countrywide Home Loans'  
21 Expanded Underwriting Guidelines for conforming  
22 balance mortgage loans generally allow Loan-to-Value  
23 Ratios at origination of up to 95% on 1 unit properties  
24 with principal balances up to \$333,700 (\$500,550 in  
25 Alaska and Hawaii). Countrywide Home Loans'  
26 Expanded Underwriting Guidelines for conforming  
27 balance mortgage loans generally allow Loan-to-Value  
28 Ratios at origination on investment properties of up to  
90% unit properties with principal balances up to  
\$333,700 (\$500,550 in Alaska and Hawaii) and 2 unit  
properties with principal balances up to \$427,150  
(\$640,725 in Alaska and Hawaii) and up to 85% on 3  
unit properties with principal balances of up to \$516,300  
(\$774,450 in Alaska and Hawaii) and 4 unit properties  
with principal balances of up to \$641,650 (\$962,475 in  
Alaska and Hawaii). Under its Expanded Underwriting  
Guidelines, Countrywide Home Loans generally permits  
a debt-to income ratio based on the borrower's monthly  
housing expenses of up to 36% and a debt-to-income  
ratio based on the borrower's total monthly debt of up to

1 40%; provided, however, that if the Loan-to-Value Ratio  
2 exceeds 80%, the maximum permitted debt-to-income  
ratios are 33% and 38%, respectively.

3 In connection with the Expanded Underwriting  
4 Guidelines, Countrywide Home Loans originates or  
5 acquires mortgage loans under the Full Documentation  
6 Program, the Alternative Documentation Program, the  
7 Reduced Documentation Loan Program, the No  
8 Income/No Asset Documentation Program and the Stated  
9 Income/Stated Asset Documentation Program. Neither  
10 the No Income/No Asset Documentation Program nor the  
11 Stated Income/Stated Asset Documentation Program is  
12 available under the Standard Underwriting Guidelines.  
13 The same documentation and verification requirements  
14 apply to mortgage loans documented under the  
15 Alternative Documentation Program regardless of  
16 whether the loan has been underwritten under the  
17 Expanded Underwriting Guidelines or the Standard  
Underwriting Guidelines

18 *See* **SAC Appendix Exhibit HH.**

19 197. These statements contained material misstatements and omitted  
20 necessary facts when made because they failed to disclose that the value and  
21 adequacy of the mortgaged property was not appraised, on a consistent basis, using  
22 "market data analysis based on recent sales of comparable homes in the area,  
23 where deemed appropriate, replacement cost analysis based on the current costs of  
24 constructing a similar home" or "on the basis of an applicable originator-approved,  
25 independent third-party, fee-based appraisal completed on forms approved by  
26 Fannie Mae or Freddie Mac." Instead, as alleged herein, Countrywide  
27 systematically inflated appraisals for properties used as collateral for mortgage  
28 loans underlying the Issuing Trusts. These inflated appraisals did not conform to

1 the USPAP and were not market data analyses of comparable homes in the area or  
2 analyses of the cost of construction of a comparable home.

3 198. Each Prospectus Supplement at issue herein referenced and  
4 incorporated into each Registration Statement described the LTV ratio of the  
5 mortgages pooled into the Issuing Trusts. The LTV ratio of mortgages in the  
6 Issuing Trusts was described as equal to: (1) the principal balance of the mortgage  
7 loan at the date of origination, divided by (2) the collateral value of the related  
8 mortgaged property, where the "collateral value" was the lesser of either the  
9 appraised value based on an appraisal made for Countrywide by an independent  
10 fee appraiser at the time of the origination of the related mortgage loan, or the sales  
11 price of the mortgaged property at the time of origination. Each Prospectus  
12 Supplement then provided an average LTV ratio of the mortgage loans included in  
13 the Issuing Trusts and a disclosure concerning the maximum LTV ratio of  
14 mortgage loans included in the Issuing Trusts. *See SAC Appendix Exhibit II.*

15 199. The statements concerning the average LTV ratio of mortgages  
16 included in the Issuing Trusts and the maximum LTV ratio of mortgages included  
17 in the Issuing Trusts were materially misstated when made because these ratios  
18 were based on incorrect and/or inflated appraisal values assigned to the collateral  
19 supporting the mortgage loans pooled into each Issuing Trust. For example, as  
20 explained above, the appraisals of the properties underlying the mortgage loans  
21 were inaccurate and inflated. Furthermore, stated sales prices of properties  
22 underlying the mortgage loans did not accurately reflect the true values of the  
23 properties. These inflated appraisals and misleading sales prices were used to  
24 calculate the LTV ratios listed in the Prospectus Supplements. Incorporating an  
25 inflated appraisal into the LTV ratio calculation will result in a lower LTV ratio for  
26 a given loan. For instance, as described above, if a borrower seeks to borrow  
27 \$90,000 to purchase a house worth \$100,000, the LTV ratio is \$90,000/\$100,000  
28 or 90%. If, however, the appraised value of the house is artificially increased to

1 \$120,000, the LTV ratio drops to just 75% (\$90,000/\$120,000). Due to the  
2 inflated appraisals, the LTV ratios listed in the Prospectus Supplements were  
3 artificially low, making it appear that the loans underlying the trusts had greater  
4 collateral and thus were less risky than they actually were.

5 200. The Offering Documents also stated that exceptions to underwriting  
6 standards could be granted if the borrower's loan application reflected  
7 "compensating factors" including "loan-to-value ratio." As detailed above,  
8 however, the LTV ratios were deflated and inaccurate; therefore the use of this  
9 metric as a "compensating factor" further violated the stated underwriting  
10 standards. These statements in the Offering Documents related to Countrywide's  
11 underwriting standards contained material misstatements and omissions because,  
12 as described herein, Countrywide: (1) systematically disregarded its stated  
13 underwriting standards and regularly made exceptions to its underwriting  
14 guidelines in the absence of sufficient compensating factors. Despite assurances  
15 that certain loans were limited to borrowers with excellent credit histories,  
16 Countrywide routinely extended these loans to borrowers with weak credit  
17 histories; and (2) largely disregarded appraisal standards and did not prepare  
18 appraisals in conformity with Fannie Mae or Freddie Mac appraisal standards.

19 **IX. CLASS ACTION ALLEGATIONS**  
20

21 201. Plaintiffs bring this action as a class action pursuant to Federal Rules  
22 of Civil Procedure Rule 23(a) and (b)(3), individually, and on behalf of a class  
23 consisting of all persons or entities who purchased or otherwise acquired beneficial  
24 interests in the Certificates identified herein issued pursuant and/or traceable to the  
25 Offering Documents defined above (the "Class") and were damaged thereby.

26 202. This action is properly maintainable as a class action for the following  
27 reasons:

28 203. The Class is so numerous that joinder of all members is impracticable.

1 While the exact number of Class members is unknown to Plaintiffs at this time and  
2 can only be ascertained through discovery, Plaintiffs believe that there are  
3 thousands of members of the proposed Class, who may be identified from records  
4 maintained by the Issuer Defendants and/or may be notified of this action using the  
5 form of notice customarily used in securities class actions.

6 204. Plaintiffs are committed to prosecuting this action and have retained  
7 competent counsel experienced in litigation of this nature. Plaintiffs' claims are  
8 typical of the claims of the other members of the Class and Plaintiffs have the same  
9 interests as the other members of the Class. All of the tranches for each Certificate  
10 Offering were issued pursuant to a single Prospectus Supplement issued by  
11 Defendants pursuant to a common Shelf Registration Statement. The individual  
12 tranches which made up the Offerings were interconnected by virtue of the credit  
13 enhancement provisions specified in each of the Prospectus Supplements.  
14 Plaintiffs have standing to bring such claims because the Class of purchasers of the  
15 Countrywide Certificates suffered damages from the impairment of the entire  
16 mortgage pools and the value of all tranches in each series of Certificates depended  
17 on the performance of the same pools of mortgages. As such, the impairment of  
18 the collateral underlying a particular Certificate Offering affected all of the  
19 tranches in that Offering. Accordingly, Plaintiffs are adequate representatives of  
20 the Class and will fairly and adequately protect the interests of the Class.

21 205. The prosecution of separate actions by individual members of the  
22 Class would create the risk of inconsistent or varying adjudications with respect to  
23 individual members of the Class, which would establish incompatible standards of  
24 conduct for Defendants, or adjudications with respect to individual members of the  
25 Class which would, as a practical matter, be dispositive of the interests of the other  
26 members not parties to the adjudications or substantially impair or impede their  
27 ability to protect their interests.

28 206. A class action is superior to all other methods for a fair and efficient

1 adjudication of this controversy. There will be no difficulty in the management of  
2 this action as a class action. Furthermore, the expense and burden of individual  
3 litigation make it impossible for members of the Class to individually redress the  
4 wrongs done to them.

5 207. There are questions of law and fact which are common to the Class  
6 and which predominate over questions affecting any individual Class member.  
7 The common questions include, *inter alia*, the following:

- 8 (a) whether Defendants violated the Securities Act;  
9 (b) whether statements made by Defendants to the investing public  
10 in the Registration Statements, Prospectuses and Prospectus Supplements both  
11 omitted and misrepresented material facts about the underlying mortgages; and  
12 (c) the extent and proper measure of the damages sustained by the  
13 members of the Class.

14 **X. STANDING**

15  
16 208. Plaintiffs have constitutional standing to advance the claims alleged  
17 herein. As set forth herein at ¶¶60-83 as well as in Plaintiffs' certifications (*see*  
18 ¶¶29-32), Plaintiffs purchased the Countrywide Certificates and are alleged to have  
19 been damaged by Defendants, and can assert a claim directly against each  
20 Defendant. Accordingly, Plaintiffs have alleged concrete and particularized  
21 invasions of legally protected interests for all of the claims alleged under the  
22 Securities Act.

23 **XI. CLAIMS**

24 **COUNT I**

25 **Violation of Section 11 of the Securities Act Against the Individual**  
26 **Defendants, the Issuer Defendants, and the Underwriter Defendants**

27 209. Plaintiffs repeat and reallege each and every allegation contained  
28 above as if fully set forth herein only to the extent, however, that such allegations

1 do not allege fraud, scienter or the intent of the Defendants to defraud Plaintiffs or  
2 members of the Class. This Count is predicated upon Defendants' strict liability  
3 for material misstatements and omissions in the Offering Documents. This Count  
4 is brought pursuant to Section 11 of the Securities Act, on behalf of the Class,  
5 against the Individual Defendants, the Issuer Defendants, and the Underwriter  
6 Defendants.

7 210. The Offering Documents for the Offerings were materially inaccurate  
8 and misleading, contained untrue statements of material facts, omitted to state  
9 other facts necessary to make the statements not misleading, and omitted to state  
10 material facts required to be stated therein.

11 211. The Defendants named in this Count are strictly liable to Plaintiffs  
12 and the Class under Section 11 of the Securities Act for the misstatements and  
13 omissions contained in the Offering Documents issued in connection with the  
14 following Certificate Offerings:

15

Issuing Trust	Plaintiff	SAC ¶
CWALT 2005-62	OPERS	62
CWL 2006-S3	IPERS	67
CWL 2006-S9	IPERS	68
CWL 2006-3	GBPHB	74
CWL 2006-6	GBPHB	75
CWL 2006-9	GBPHB	76
CWL 2006-11	GBPHB	77
CWL 2006-15	GBPHB	78
CWL 2006-24	GBPHB	79
CWHL 2006-HYB3	OPERS	83

22

23 212. The Individual Defendants signed the Registration Statements for the  
24 Offerings, which were incorporated by reference into the Prospectuses and  
25 Prospectus Supplements, on behalf of the Issuer Defendants.

26 213. Defendant CSC, an affiliate of CFC, acted as an underwriter in the  
27 sale of the Issuing Trusts' Certificates, and helped to draft and disseminate the  
28 Offering Documents for the Certificates. Defendant CSC was an underwriter for



1 the Issuing Trusts as shown in **SAC Appendix Exhibit B**. Defendant Bank of  
2 America is successor in interest to CSC.

3 214. Defendant Deutsche Bank acted as an underwriter in the sale of the  
4 Issuing Trusts' Certificates, and helped to draft and disseminate the Offering  
5 Documents for the Certificates. Defendant Deutsche Bank was an underwriter for  
6 the Issuing Trusts as shown in **SAC Appendix Exhibit B**.

7 215. Defendant UBS acted as an underwriter in the sale of the Issuing  
8 Trusts' Certificates, and helped to draft and disseminate the Offering Documents  
9 for the Certificates. Defendant UBS was an underwriter for the Issuing Trusts as  
10 shown in **SAC Appendix Exhibit B**.

11 216. Defendant Morgan Stanley acted as an underwriter in the sale of the  
12 Issuing Trusts' Certificates, and helped to draft and disseminate the Offering  
13 Documents for the Certificates. Defendant Morgan Stanley was an underwriter for  
14 the Issuing Trusts as shown in **SAC Appendix Exhibit B**.

15 217. Defendant Goldman Sachs acted as an underwriter in the sale of the  
16 Issuing Trusts' Certificates, and helped to draft and disseminate the Offering  
17 Documents for the Certificates. Defendant Goldman Sachs was an underwriter for  
18 the Issuing Trusts as shown in **SAC Appendix Exhibit B**.

19 218. Defendant RBS acted as an underwriter in the sale of the Issuing  
20 Trusts' Certificates, and helped to draft and disseminate the Offering Documents  
21 for the Certificates. Defendant RBS was an underwriter for the Issuing Trusts as  
22 shown in **SAC Appendix Exhibit B**.

23 219. Defendant Barclays acted as an underwriter in the sale of the Issuing  
24 Trusts' Certificates, and helped to draft and disseminate the Offering Documents  
25 for the Certificates. Defendant Barclays was an underwriter for the Issuing Trusts  
26 as shown in **SAC Appendix Exhibit B**.

27 220. Defendant HSBC acted as an underwriter in the sale of the Issuing  
28 Trusts' Certificates, and helped to draft and disseminate the Offering Documents

1 for the Certificates. Defendant HSBC was an underwriter for the Issuing Trusts as  
2 shown in **SAC Appendix Exhibit B**.

3 221. The Defendants named in this Count owed to Plaintiffs the duty to  
4 make a reasonable and diligent investigation of the statements contained in the  
5 Registration Statements at the time they became effective to ensure that such  
6 statements were true and correct and that there was no omission of material facts  
7 required to be stated in order to make the statements contained therein not  
8 misleading. The Defendants knew, or in the exercise of reasonable care should  
9 have known, of the material misstatements and omissions contained in or omitted  
10 from the Offering Documents as set forth herein. As such, the Defendants are  
11 liable to the Class.

12 222. None of the Defendants named in this Count made a reasonable  
13 investigation or possessed reasonable grounds for the belief that the statements  
14 contained in the Offering Documents were true or that there was no omission of  
15 material facts necessary to make the statements made therein not misleading.

16 223. The Defendants named in this Count issued and disseminated, caused  
17 to be issued and disseminated, and participated in the issuance and dissemination  
18 of material misstatements to the investing public which were contained in the  
19 Offering Documents, which misrepresented or failed to disclose, *inter alia*, the  
20 facts set forth above.

21 224. By reason of the conduct herein alleged, each of the Defendants  
22 named in this Count violated Section 11 of the Securities Act.

23 225. Plaintiffs acquired the Certificates pursuant and traceable to the  
24 Offering Documents.

25 226. At the time they obtained their Certificates, Plaintiffs and members of  
26 the Class did so without knowledge of the facts concerning the misstatements or  
27 omissions alleged herein.

28 227. This claim is brought within one year after discovery of the untrue

1 statements and omissions in and from the Offering Documents which should have  
2 been made through the exercise of reasonable diligence, and within three years of  
3 the effective date of the Offering Documents.

4 228. Plaintiffs and the Class have sustained damages. The value of the  
5 Certificates has declined substantially, subsequent to, and due to, the violations of  
6 the Defendants named in this Count.

7 229. By virtue of the foregoing, Plaintiffs and the other members of the  
8 Class are entitled to damages under Section 11, as measured by the provisions of  
9 Section 11(e), jointly and severally from each of the Defendants named in this  
10 Count.

## 11 COUNT II

### 12 Violation of Section 12(a)(2) of the Securities Act Against the 13 Issuer Defendants and the Section 12 Underwriter Defendants

14 230. Plaintiffs repeat and reallege each and every allegation contained  
15 above as if fully set forth herein.

16 231. This Count is brought pursuant to Section 12(a)(2) of the Securities  
17 Act on behalf of the Class, against the Issuer Defendants and the Section 12  
18 Underwriter Defendants.

19 232. The Issuer Defendants and the Section 12 Underwriter Defendants  
20 promoted and sold the Certificates pursuant to the defective Offering Documents.  
21 Plaintiffs and members of the Class purchased Certificates directly from the  
22 Section 12 Underwriter Defendants in the Offerings.

23 233. The Offering Documents contained untrue statements of material  
24 facts, omitted to state other facts necessary to make the statements made not  
25 misleading, and concealed and failed to disclose material facts.

26 234. The Issuer Defendants and the Section 12 Underwriter Defendants  
27 owed to Plaintiffs, who purchased the Certificates pursuant to the Offering  
28 Documents, the duty to make a reasonable and diligent investigation of the

statements contained in the Offering Documents, to ensure that such statements were true and that there was no omission to state a material fact required to be stated in order to make the statements contained therein not misleading. The Issuer Defendants and Section 12 Underwriter Defendants knew of, or in the exercise of reasonable care should have known of, the misstatements and omissions contained in the Offering Documents as set forth above.

235. Plaintiffs purchased the following Certificates in the Offerings and directly from the Section 12 Underwriter Defendants as follows:

Issuing Trust	Pro. Supp. Date	Plaintiff	Purchase Date	Purchased From	SAC ¶
CWALT 2005-72	11/29/2005	OPERS	11/21/2005 12/15/2005	UBS	63
CWL 2005-H	9/28/2005	OPERS	9/27/2005	CSC	66
CWL 2005-S3	6/26/2006	IPERS	6/16/2006	CSC	67
CWL 2005-S9	12/28/2006	IPERS	12/14/2006	CSC	68
CWL 2005-11	9/23/2005	GBPHB	9/12/2005	CSC	71
CWHL 2005-HYB9	11/29/2005	OCERS	11/28/2005	CSC	72
CWL 2006-3	2/23/2006	GBPHB	2/16/2006	CSC	74
CWL 2006-15	9/27/2006	GBPHB	8/23/2006	CSC	78

236. Plaintiffs did not know, and in the exercise of reasonable diligence could not have known, of the misrepresentations and omissions contained in the Offering Documents.

237. By reason of the conduct alleged herein, the Issuer Defendants and the Section 12 Underwriter Defendants violated Section 12(a)(2) of the Securities Act. Accordingly, Plaintiffs and members of the Class who purchased the Certificates in the Offering and directly from the Section 12 Underwriter Defendants sustained material damages in connection with their purchases of the Certificates. Plaintiffs and other members of the Class who hold the Certificates issued pursuant to the Offering Documents have the right to rescind and recover the consideration paid for their Certificates, and hereby elect to rescind and tender their securities to the

1 Issuer Defendants and the Section 12 Underwriter Defendants. Class members  
2 who have sold their Certificates are entitled to rescissory damages.

3 238. This claim is brought within three years from the time that the  
4 Certificates upon which this Count is brought were sold to the public, and within  
5 one year from the time when Plaintiffs discovered or reasonably could have  
6 discovered the facts upon which this action is based.

7 **COUNT III**

8 **Violation of Section 15 of the Securities Act Against**  
9 **Sambol and the Countrywide Defendants**

10 239. Plaintiffs repeat and reallege each and every allegation contained  
11 above as if fully set forth herein.

12 240. This count is asserted against CFC, CSC, CCM, CHL, Bank of  
13 America, NB Holdings and Sambol and is based upon Section 15 of the Securities  
14 Act.

15 241. Each of the Countrywide Defendants and Sambol by virtue of their  
16 control, ownership, offices, directorship, and specific acts was, at the time of the  
17 wrongs alleged herein and as set forth herein, a controlling person of the Issuer  
18 Defendants within the meaning of Section 15 of the Securities Act. The  
19 Countrywide Defendants and Sambol had the power and influence and exercised  
20 the same to cause the Issuer Defendants to engage in the acts described herein.  
21 Defendants Bank of America and NB Holdings are successors in interest to CFC,  
22 CSC, CCM, and CHL.

23 242. The Countrywide Defendants' and Sambol's control, ownership and  
24 position made them privy to and provided them with knowledge of the material  
25 facts concealed from Plaintiffs and the Class.

26 243. By virtue of the conduct alleged herein, the Countrywide Defendants  
27 and Sambol are liable for the aforesaid wrongful conduct and are liable to Plaintiffs  
28 and the Class for damages suffered as a result. Defendants Bank of America and

1 NB Holdings are liable for the same conduct as successors in interest to CFC,  
2 CSC, CCM, and CHL.

3  
4 **XII. RELIEF REQUESTED**

5 **WHEREFORE**, Plaintiffs pray for relief and judgment, as follows:

6 (a) declaring this action properly maintainable as a class action and  
7 certifying Plaintiffs as class representatives;

8 (b) awarding compensatory and/or rescissory damages in favor of  
9 Plaintiffs and other Class members against all Defendants, jointly and severally,  
10 for all damages sustained as a result of Defendants' wrongdoing, in an amount to  
11 be proven at trial, including interest thereon;

12 (c) awarding Plaintiffs and the Class their reasonable costs and  
13 expenses incurred in this action, including counsel fees and expert fees; and

14 (d) such other relief as the Court may deem just and proper.

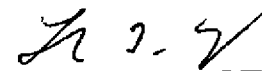
15 **XIII. JURY DEMAND**

16 Plaintiffs hereby demand a trial by jury.

17 Dated: December 6, 2010

Respectfully submitted,

18  
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## **COUNTRYWIDE MBS LITIGATION**

### **APPENDIX TO SECOND AMENDED CLASS ACTION COMPLAINT**



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**SAC Appendix Exhibit A**

**Countrywide MBS Offerings at Issue in the SAC  
as Per the Countrywide Tolling Decision**

Series	Offering Amount	Prospectus Date	Depositor	Registration Statement
CWALT 2005-62	\$1,559,819,100	October 28, 2005	CWALT, Inc.	333-125902
CWALT 2005-72	\$737,628,100	November 29, 2005	CWALT, Inc.	333-125902
CWHEL 2005-H	\$1,771,875,000	September 28, 2005	CWHEQ, Inc.	333-126790
CWL 2006-S3	\$1,000,000,100	June 26, 2006	CWHEQ, Inc.	333-132375
CWL 2006-S9	\$1,000,000,100	December 28, 2006	CWHEQ, Inc.	333-132375
CWL 2005-11	\$1,929,704,100	September 23, 2005	CWABS, Inc.	333-125164
CWHL 2005-HYB9	\$1,088,954,000	November 29, 2005	CWABS, Inc.	333-125164
CWL 2006-3	\$1,361,500,100	February 23, 2006	CWABS, Inc.	333-131591
CWL 2006-6	\$1,762,200,100	March 27, 2006	CWABS, Inc.	333-131591
CWL 2006-9	\$563,832,100	June 29, 2006	CWABS, Inc.	333-131591
CWL 2006-11	\$1,846,600,100	June 28, 2006	CWABS, Inc.	333-131591
CWL 2006-15	\$937,000,100	September 27, 2006	CWABS, Inc.	333-135846
CWL 2006-24	\$1,305,024,100	December 28, 2006	CWABS, Inc.	333-135846
CWHL 2006-HYB3	\$966,897,100	April 26, 2006	CWMBS, Inc.	333-131662

**SAC Appendix Exhibit B**

**Investment Banks that Underwrote Countrywide MBS Offerings at Issue in  
the SAC as Per the Countrywide Tolling Decision**

Series	Prospectus Date	Depositor	Registration Statement	Underwriter(s)		
CWALT 2005-62	October 28, 2005	CWALT, Inc.	333-125902	Deutsche Bank Securities, Inc.		
CWALT 2005-72	November 29, 2005	CWALT, Inc.	333-125902	UBS Securities LLC		
CWHEL 2005-H	September 28, 2005	CWHEQ, Inc.	333-126790	Countrywide Securities Corp.		
CWL 2006-S3	June 26, 2006	CWHEQ, Inc.	333-132375	Countrywide Securities Corp.	Goldman Sachs & Co.	HSBC Securities (USA) Inc.
CWL 2006-S9	December 28, 2006	CWHEQ, Inc.	333-132375	Countrywide Securities Corp.	RBS Greenwich Capital	
CWL 2005-11	September 23, 2005	CWABS, Inc.	333-125164	Countrywide Securities Corp.	Morgan Stanley	RBS Greenwich Capital
CWHL 2005-HYB9	November 29, 2005	CWABS, Inc.	333-125164	Countrywide Securities Corp.		
CWL 2006-3	February 23, 2006	CWABS, Inc.	333-131591	Countrywide Securities Corp.	Barclays Capital Inc.	Deutsche Bank Securities, Inc.
CWL 2006-6	March 27, 2006	CWABS, Inc.	333-131591	Countrywide Securities Corp.		
CWL 2006-9	June 29, 2006	CWABS, Inc.	333-131591	Countrywide Securities Corp.		
CWL 2006-11	June 28, 2006	CWABS, Inc.	333-131591	Countrywide Securities Corp.	Barclays Capital Inc.	UBS Securities LLC
CWL 2006-15	September 27, 2006	CWABS, Inc.	333-135846	Countrywide Securities Corp.		
CWL 2006-24	December 28, 2006	CWABS, Inc.	333-135846	Countrywide Securities Corp.	RBS Greenwich Capital	
CWHL 2006-HYB3	April 26, 2006	CWMBS, Inc.	333-131662	Countrywide Securities Corp.		

**SAC Appendix Exhibit C****Shelf Registration Statements at Issue in SAC, as Per the Countrywide Tolling Decision,  
Including Whether They were Included in Prior Pleadings**

SEC Reg. Statement File No.	Issuer	Date	Included in Initial Luther Complaint (11/14/07)?	Included in Washington State Initial Complaint (6/12/08)?	Included in Amended Luther Complaint (9/9/08)?	Included in Luther Consolidated Complaint (10/16/08)?	Included in Federal Complaint (1/10/10)?	Included in FAC (7/13/10)?	Included in SAC (12/6/10)?
333-110343	CWALT, Inc.	January 13, 2004	NO	YES	YES	YES	YES	YES	NO
333-117949	CWALT, Inc.	September 23, 2004	YES	NO	YES	YES	YES	YES	NO
333-123167	CWALT, Inc.	April 21, 2005	YES	YES	YES	YES	YES	YES	NO
333-125902	CWALT, Inc.	July 25, 2005	YES	YES	YES	YES	YES	YES	YES
333-131630	CWALT, Inc.	March 6, 2006	YES	YES	YES	YES	YES	YES	NO
333-140962	CWALT, Inc.	April 24, 2007	YES	YES	YES	YES	YES	YES	NO
333-100418	CWMBBS, Inc.	October 28, 2002	NO	YES	YES	YES	YES	YES	NO
333-121249	CWMBBS, Inc.	February 8, 2005	NO	YES	YES	YES	YES	YES	NO
333-125963	CWMBBS, Inc.	July 25, 2005	NO	YES	YES	YES	YES	YES	NO
333-131662	CWMBBS, Inc.	March 6, 2006	NO	YES	YES	YES	YES	YES	YES
333-140958	CWMBBS, Inc.	April 24, 2007	NO	YES	YES	YES	YES	YES	NO
333-118926	CWABS, Inc.	October 18, 2004	NO	YES	YES	YES	YES	YES	NO
333-125164	CWABS, Inc.	June 10, 2005	NO	YES	YES	YES	YES	YES	YES
333-131591	CWABS, Inc.	February 21, 2006	NO	YES	YES	YES	YES	YES	YES
333-135846	CWABS, Inc.	August 8, 2006	NO	YES	YES	YES	YES	YES	YES
333-140960	CWABS, Inc.	April 24, 2007	NO	YES	YES	YES	YES	YES	NO
333-121378	CWHEQ, Inc.	December 17, 2004	NO	YES	YES	YES	YES	NO	NO
333-126790	CWHEQ, Inc.	August 4, 2005	NO	YES	YES	YES	YES	YES	YES
333-132375	CWHEQ, Inc.	April 12, 2006	NO	YES	YES	YES	YES	YES	YES
333-139891	CWHEQ, Inc.	May 22, 2007	NO	YES	YES	YES	YES	YES	NO

**SAC Appendix Exhibit D**

**Countrywide MBS Offerings Included in Class Definitions of Prior Complaints**

Offering	Included in Initial Luther Complaint (11/14/08)?	Included in Washington State Complaint (6/12/08)?	Included in Amended Luther Complaint (9/9/08)?	Included in Luther Consolidated Complaint (10/16/08)?	Included in Federal Complaint (1/14/10)?	Included in FAC (7/13/10)?
CWALT 2006-43CB	NO	YES	YES	YES	YES	YES
CWALT 2005-3CB	YES	NO	YES	YES	YES	YES
CWALT 2005-J1	YES	NO	YES	YES	YES	YES
CWALT 2005-1CB	YES	NO	YES	YES	YES	YES
CWALT 2005-2	YES	NO	YES	YES	YES	YES
CWALT 2005-5R	NO	NO	YES	YES	YES	YES
CWALT 2005-6CB	YES	NO	YES	YES	YES	YES
CWALT 2005-7CB	YES	NO	YES	YES	YES	YES
CWALT 2005-4	YES	NO	YES	YES	YES	YES
CWALT 2005-J2	NO	NO	YES	YES	YES	YES
CWALT 2005-13CB	YES	NO	YES	YES	YES	YES
CWALT 2005-9CB	YES	NO	YES	YES	YES	YES
CWALT 2005-10CB	NO	NO	YES	YES	YES	YES
CWALT 2005-14	YES	NO	YES	YES	YES	YES
CWALT 2005-J3	YES	NO	YES	YES	YES	YES
CWALT 2005-18CB	YES	NO	YES	YES	YES	YES
CWALT 2005-J5	YES	NO	YES	YES	YES	YES
CWALT 2005-19CB	YES	NO	YES	YES	YES	YES
CWALT 2005-16	YES	NO	YES	YES	YES	YES
CWALT 2005-21CB	YES	NO	YES	YES	YES	YES
CWALT 2005-22T1	YES	NO	YES	YES	YES	YES
CWALT 2005-23CB	YES	NO	YES	YES	YES	YES
CWALT 2005-11CB	YES	NO	YES	YES	YES	YES
CWALT 2005-25T1	YES	NO	YES	YES	YES	YES
CWALT 2005-26CB	YES	NO	YES	YES	YES	YES
CWALT 2005-29	NO	NO	NO	YES	YES	YES
CWALT 2005-20CB	YES	NO	YES	YES	YES	YES
CWALT 2005-17	YES	NO	YES	YES	YES	YES
CWALT 2005-24	YES	NO	YES	YES	YES	YES
CWALT 2005-J4	YES	NO	YES	YES	YES	YES
CWALT 2005-J6	YES	NO	YES	YES	YES	YES
CWALT 2005-33CB	YES	YES	YES	YES	YES	YES
CWALT 2005-36	YES	YES	YES	YES	YES	YES
CWALT 2005-32T1	NO	YES	YES	YES	YES	YES
CWALT 2005-28CB	YES	YES	YES	YES	YES	YES
CWALT 2005-30CB	YES	YES	YES	YES	YES	YES
CWALT 2005-31	YES	YES	YES	YES	YES	YES
CWALT 2005-27	YES	YES	YES	YES	YES	YES
CWALT 2005-J7	YES	YES	YES	YES	YES	YES
CWALT 2005-J8	YES	YES	YES	YES	YES	YES
CWALT 2005-J9	YES	YES	YES	YES	YES	YES
CWALT 2005-69	YES	YES	YES	YES	YES	YES
CWALT 2005-34CB	YES	YES	YES	YES	YES	YES
CWALT 2005-37T1	YES	YES	YES	YES	YES	YES
CWALT 2005-35CB	YES	YES	YES	YES	YES	YES
CWALT 2005-38	YES	YES	YES	YES	YES	YES
CWALT 2005-41	YES	YES	YES	YES	YES	YES
CWALT 2005-40CB	YES	YES	YES	YES	YES	YES

Offering	Included in Initial Luther Complaint (11/14/08)?	Included in Washington State Complaint (6/12/08)?	Included in Amended Luther Complaint (9/9/08)?	Included in Luther Consolidated Complaint (10/16/08)?	Included in Federal Complaint (1/14/08)?	Included in FAC (7/13/08)?
CWALT 2005-43	YES	YES	YES	YES	YES	YES
CWALT 2005-47CB	YES	YES	YES	YES	YES	YES
CWALT 2005-42CB	YES	YES	YES	YES	YES	YES
CWALT 2005-44	YES	YES	YES	YES	YES	YES
CWALT 2005-45	YES	YES	YES	YES	YES	YES
CWALT 2005-46CB	YES	YES	YES	YES	YES	YES
CWALT 2005-J10	YES	YES	YES	YES	YES	YES
CWALT 2005-48T1	YES	YES	YES	YES	YES	YES
CWALT 2005-52CB	YES	YES	YES	YES	YES	YES
CWALT 2005-49CB	YES	YES	YES	YES	YES	YES
CWALT 2005-50CB	YES	YES	YES	YES	YES	YES
CWALT 2005-54CB	YES	YES	YES	YES	YES	YES
CWALT 2005-53T2	YES	YES	YES	YES	YES	YES
CWALT 2005-55CB	YES	YES	YES	YES	YES	YES
CWALT 2005-56	YES	YES	YES	YES	YES	YES
CWALT 2005-51	YES	YES	YES	YES	YES	YES
CWALT 2005-59	NO	YES	YES	YES	YES	YES
CWALT 2005-J11	YES	YES	YES	YES	YES	YES
CWALT 2005-60T1	YES	YES	YES	YES	YES	YES
CWALT 2005-63	YES	YES	YES	YES	YES	YES
CWALT 2005-61	YES	YES	YES	YES	YES	YES
CWALT 2005-J12	YES	YES	YES	YES	YES	YES
CWALT 2005-J13	YES	YES	YES	YES	YES	YES
CWALT 2005-58	YES	YES	YES	YES	YES	YES
CWALT 2005-64CB	YES	YES	YES	YES	YES	YES
CWALT 2005-57CB	YES	YES	YES	YES	YES	YES
CWALT 2005-62	YES	YES	YES	YES	YES	YES
CWALT 2005-75CB	YES	YES	YES	YES	YES	YES
CWALT 2005-71	YES	YES	YES	YES	YES	YES
CWALT 2005-74T1	YES	YES	YES	YES	YES	YES
CWALT 2005-70CB	YES	YES	YES	YES	YES	YES
CWALT 2005-65CB	YES	YES	YES	YES	YES	YES
CWALT 2005-73CB	YES	YES	YES	YES	YES	YES
CWALT 2005-72	YES	YES	YES	YES	YES	YES
CWALT 2005-J14	YES	YES	YES	YES	YES	YES
CWALT 2005-IM1	YES	YES	YES	YES	YES	YES
CWALT 2005-67CB	YES	YES	YES	YES	YES	YES
CWALT 2005-79CB	YES	YES	YES	YES	YES	YES
CWALT 2005-84	YES	YES	YES	YES	YES	YES
CWALT 2005-77T1	YES	YES	YES	YES	YES	YES
CWALT 2005-82	YES	YES	YES	YES	YES	YES
CWALT 2005-85CB	YES	YES	YES	YES	YES	YES
CWALT 2005-AR1	YES	YES	YES	YES	YES	YES
CWALT 2005-80CB	YES	YES	YES	YES	YES	YES
CWALT 2005-81	YES	YES	YES	YES	YES	YES
CWALT 2005-86CB	YES	YES	YES	YES	YES	YES
CWALT 2005-76	YES	YES	YES	YES	YES	YES
CWALT 2005-83CB	NO	YES	YES	YES	YES	YES
CWALT 2006-HY3	YES	YES	YES	YES	YES	YES
CWALT 2006-OA1	NO	YES	YES	YES	YES	YES
CWALT 2006-2CB	YES	YES	YES	YES	YES	YES
CWALT 2006-OA2	NO	YES	YES	YES	YES	YES
CWMB5 2006-J1	YES	YES	YES	YES	YES	YES
CWALT 2006-4CB	YES	YES	YES	YES	YES	YES
CWALT 2006-5T2	YES	YES	YES	YES	YES	YES

Offering	Included in Initial Luther Complaint (11/14/08)?	Included in Washington State Complaint (6/12/08)?	Included in Amended Luther Complaint (9/9/08)?	Included in Luther Consolidated Complaint (10/16/08)?	Included in Federal Complaint (1/14/08)?	Included in FAC (7/13/08)?
CWALT 2006-8T1	NO	YES	YES	YES	YES	YES
CWALT 2006-11CB	YES	YES	YES	YES	YES	YES
CWALT 2006-12CB	YES	YES	YES	YES	YES	YES
CWALT 2006-OC2	YES	YES	YES	YES	YES	YES
CWALT 2006-HY10	YES	YES	YES	YES	YES	YES
CWALT 2006-J2	YES	YES	YES	YES	YES	YES
CWALT 2006-OA21	YES	YES	YES	YES	YES	YES
CWALT 2006-13T1	YES	YES	YES	YES	YES	YES
CWALT 2006-6CB	YES	YES	YES	YES	YES	YES
CWALT 2006-7CB	YES	YES	YES	YES	YES	YES
CWALT 2006-9T1	YES	YES	YES	YES	YES	YES
CWALT 2006-OA9	YES	YES	YES	YES	YES	YES
CWALT 2006-OA6	YES	YES	YES	YES	YES	YES
CWALT 2006-15CB	YES	YES	YES	YES	YES	YES
CWALT 2006-14CB	YES	YES	YES	YES	YES	YES
CWALT 2006-17T1	YES	YES	YES	YES	YES	YES
CWALT 2006-16CB	YES	YES	YES	YES	YES	YES
CWALT 2006-HY11	YES	YES	YES	YES	YES	YES
CWALT 2006-J3	YES	YES	YES	YES	YES	YES
CWALT 2006-OC3	YES	YES	YES	YES	YES	YES
CWALT 2006-OA8	YES	YES	YES	YES	YES	YES
CWALT 2006-OA7	YES	YES	YES	YES	YES	YES
CWALT 2006-20CB	YES	YES	YES	YES	YES	YES
CWALT 2006-OC4	YES	YES	YES	YES	YES	YES
CWALT 2006-18CB	YES	YES	YES	YES	YES	YES
CWALT 2006-21CB	YES	YES	YES	YES	YES	YES
CWALT 2006-22R	NO	YES	YES	YES	YES	YES
CWALT 2006-OC1	YES	YES	YES	YES	YES	YES
CWALT 2006-23CB	YES	YES	YES	YES	YES	YES
CWALT 2006-HY12	YES	YES	YES	YES	YES	YES
CWALT 2006-19CB	YES	YES	YES	YES	YES	YES
CWALT 2006-24CB	YES	YES	YES	YES	YES	YES
CWALT 2006-OC5	YES	YES	YES	YES	YES	YES
CWALT 2006-J4	YES	YES	YES	YES	YES	YES
CWALT 2006-OA10	YES	YES	YES	YES	YES	YES
CWALT 2006-OA11	YES	YES	YES	YES	YES	YES
CWALT 2006-25CB	YES	YES	YES	YES	YES	YES
CWALT 2006-26CB	YES	YES	YES	YES	YES	YES
CWALT 2006-J5	YES	YES	YES	YES	YES	YES
CWALT 2006-OA12	YES	YES	YES	YES	YES	YES
CWALT 2006-OC6	YES	YES	YES	YES	YES	YES
CWALT 2006-27CB	YES	YES	YES	YES	YES	YES
CWALT 2006-28CB	YES	YES	YES	YES	YES	YES
CWALT 2006-29T1	YES	YES	YES	YES	YES	YES
CWALT 2006-OA16	YES	YES	YES	YES	YES	YES
CWALT 2006-OC7	YES	YES	YES	YES	YES	YES
CWALT 2006-32CB	YES	YES	YES	YES	YES	YES
CWALT 2006-J6	YES	YES	YES	YES	YES	YES
CWALT 2006-30T1	YES	YES	YES	YES	YES	YES
CWALT 2006-31CB	NO	YES	YES	YES	YES	YES
CWALT 2006-34	YES	YES	YES	YES	YES	YES
CWALT 2006-33CB	YES	YES	YES	YES	YES	YES
CWALT 2006-OA17	YES	YES	YES	YES	YES	YES
CWALT 2006-OC8	YES	YES	YES	YES	YES	YES
CWALT 2006-OA14	NO	YES	YES	YES	YES	YES

Offering	Included in Initial Luther Complaint (11/14/08)?	Included in Washington State Complaint (6/12/08)?	Included in Amended Luther Complaint (9/9/08)?	Included in Luther Consolidated Complaint (10/16/08)?	Included in Federal Complaint (1/14/08)?	Included in FAC (7/13/08)?
CWALT 2006-35CB	YES	YES	YES	YES	YES	YES
CWALT 2006-36T2	YES	YES	YES	YES	YES	YES
CWALT 2006-37R	NO	YES	YES	YES	YES	YES
CWALT 2006-J7	YES	YES	YES	YES	YES	YES
CWALT 2006-OA18	YES	YES	YES	YES	YES	YES
CWALT 2006-OC9	YES	YES	YES	YES	YES	YES
CWALT 2006-42	YES	YES	YES	YES	YES	YES
CWALT 2006-40T1	YES	YES	YES	YES	YES	YES
CWALT 2006-39CB	YES	YES	YES	YES	YES	YES
CWALT 2006-41CB	YES	YES	YES	YES	YES	YES
CWALT 2006-OA19	YES	YES	YES	YES	YES	YES
CWALT 2006-OC10	YES	YES	YES	YES	YES	YES
CWALT 2006-OA3	YES	YES	YES	YES	YES	YES
CWALT 2006-J8	YES	YES	YES	YES	YES	YES
CWALT 2006-45T1	YES	YES	YES	YES	YES	YES
CWALT 2006-46	YES	YES	YES	YES	YES	YES
CWALT 2006-OC11	YES	YES	YES	YES	YES	YES
CWALT 2006-HY13	YES	YES	YES	YES	YES	YES
CWALT 2006-OA22	YES	YES	YES	YES	YES	YES
CWALT 2007-1T1	YES	YES	YES	YES	YES	YES
CWALT 2007-2CB	YES	YES	YES	YES	YES	YES
CWALT 2007-HY2	YES	YES	YES	YES	YES	YES
CWALT 2007-OA2	YES	YES	YES	YES	YES	YES
CWALT 2007-3T1	YES	YES	YES	YES	YES	YES
CWALT 2007-5CB	NO	YES	YES	YES	YES	YES
CWALT 2007-6	YES	YES	YES	YES	YES	YES
CWALT 2007-7T2	YES	YES	YES	YES	YES	YES
CWALT 2007-HY3	YES	YES	YES	YES	YES	YES
CWALT 2007-J1	YES	YES	YES	YES	YES	YES
CWALT 2007-OA3	YES	YES	YES	YES	YES	YES
CWALT 2007-10CB	YES	YES	YES	YES	YES	YES
CWALT 2007-8CB	YES	YES	YES	YES	YES	YES
CWALT 2007-OA4	YES	YES	YES	YES	YES	YES
CWALT 2007-11T1	YES	YES	YES	YES	YES	YES
CWALT 2007-9T1	YES	YES	YES	YES	YES	YES
CWALT 2007-HY5R	NO	YES	YES	YES	YES	YES
CWALT 2007-OA7	YES	YES	YES	YES	YES	YES
CWALT 2007-4CB	YES	YES	YES	YES	YES	YES
CWALT 2007-26R	NO	YES	YES	YES	YES	YES
CWALT 2007-13	YES	YES	YES	YES	YES	YES
CWALT 2007-12T1	YES	YES	YES	YES	YES	YES
CWALT 2007-OA6	YES	YES	YES	YES	YES	YES
CWALT 2007-14T2	YES	YES	YES	YES	YES	YES
CWALT 2007-J2	YES	YES	YES	YES	YES	YES
CWALT 2007-OH1	YES	YES	YES	YES	YES	YES
CWALT 2007-15CB	YES	YES	YES	YES	YES	YES
CWALT 2007-HY4	YES	YES	YES	YES	YES	YES
CWALT 2007-AL1	YES	YES	YES	YES	YES	YES
CWALT 2007-20	NO	YES	YES	YES	YES	YES
CWALT 2007-16CB	NO	YES	YES	YES	YES	YES
CWALT 2007-17CB	NO	YES	YES	YES	YES	YES
CWALT 2007-18CB	NO	YES	YES	YES	YES	YES
CWALT 2007-19	NO	YES	YES	YES	YES	YES
CWALT 2007-HY7C	NO	YES	YES	YES	YES	YES
CWALT 2007-OA8	NO	YES	YES	YES	YES	YES



Offering	Included in Initial Luther Complaint (11/14/08)?	Included in Washington State Complaint (6/12/08)?	Included in Amended Luther Complaint (9/9/08)?	Included in Luther Consolidated Complaint (10/16/08)?	Included in Federal Complaint (1/14/08)?	Included in FAC (7/13/08)?
CWALT 2007-OH2	NO	YES	YES	YES	YES	YES
CWALT 2007-HY6	NO	YES	YES	YES	YES	YES
CWALT 2007-21CB	NO	YES	YES	YES	YES	YES
CWALT 2007-22	NO	YES	YES	YES	YES	YES
CWALT 2007-OA9	NO	YES	YES	YES	YES	YES
CWALT 2007-OH3	NO	YES	YES	YES	YES	YES
CWALT 2007-23CB	NO	YES	YES	YES	YES	YES
CWALT 2007-HY8C	NO	YES	YES	YES	YES	YES
CWALT 2007-OA10	NO	YES	YES	YES	YES	YES
CWALT 2007-24	NO	YES	YES	YES	YES	YES
CWALT 2007-25	NO	YES	YES	YES	YES	YES
CWALT 2007-HY9	NO	YES	YES	YES	YES	YES
CWALT 2007-OA11	NO	YES	YES	YES	YES	YES
CWHEL 2005-C	NO	YES	YES	YES	YES	NO
CWHEL 2005-D	NO	YES	YES	YES	YES	YES
CWHEL 2005-E	NO	YES	YES	YES	YES	YES
CWHEL 2005-F	NO	YES	YES	YES	YES	YES
CWHEL 2005-G	NO	YES	YES	YES	YES	YES
CWHEL 2005-H	NO	YES	YES	YES	YES	YES
CWHEL 2005-I	NO	YES	YES	YES	YES	YES
CWHEL 2005-J	NO	YES	YES	YES	YES	YES
CWHEL 2005-L	NO	YES	YES	YES	YES	YES
CWHEL 2005-K	NO	YES	YES	YES	YES	YES
CWHEL 2005-M	NO	YES	YES	YES	YES	YES
CWHEL 2006-A	NO	YES	YES	YES	YES	YES
CWHEL 2006-B	NO	YES	YES	YES	YES	YES
CWHEL 2006-C	NO	YES	YES	YES	YES	YES
CWHEL 2006-D	NO	YES	YES	YES	YES	YES
CWL 2006-S1	NO	YES	YES	YES	YES	YES
CWL 2006-S2	NO	YES	YES	YES	YES	YES
CWHEL 2006-E	NO	YES	YES	YES	YES	YES
CWL 2006-S3	NO	YES	YES	YES	YES	YES
CWHEL 2006-F	NO	YES	YES	YES	YES	YES
CWHEL 2006-G	NO	YES	YES	YES	YES	YES
CWL 2006-S4	NO	YES	YES	YES	YES	YES
CWL 2006-S5	NO	YES	YES	YES	YES	YES
CWHEL 2006-H	NO	YES	YES	YES	YES	YES
CWL 2006-S6	NO	YES	YES	YES	YES	YES
CWL 2006-S7	NO	YES	YES	YES	YES	YES
CWHEL 2006-I	NO	YES	YES	YES	YES	YES
CWL 2006-S8	NO	YES	YES	YES	YES	YES
CWL 2006-S10	NO	YES	YES	YES	YES	YES
CWL 2006-S9	NO	YES	YES	YES	YES	YES
CWHEL 2007-A	NO	YES	YES	YES	YES	YES
CWL 2007-S1	NO	YES	YES	YES	YES	YES
CWHEL 2007-B	NO	YES	YES	YES	YES	YES
CWHEL 2007-C	NO	YES	YES	YES	YES	YES
CWL 2007-S2	NO	YES	YES	YES	YES	YES
CWL 2007-S3	NO	YES	YES	YES	YES	YES
CWHEL 2007-D	NO	YES	YES	YES	YES	YES
CWHEL 2007-E	NO	YES	YES	YES	YES	YES
CWHEL 2007-G	NO	YES	YES	YES	YES	YES
CWL 2005-BC3	NO	YES	YES	YES	YES	YES
CWL 2005-4	NO	YES	YES	YES	YES	YES
CWL 2005-AB2	NO	YES	YES	YES	YES	YES

Offering	Included in Initial Luther Complaint (11/14/08)?	Included in Washington State Complaint (6/12/08)?	Included in Amended Luther Complaint (9/9/08)?	Included in Luther Consolidated Complaint (10/16/08)?	Included in Federal Complaint (1/14/08)?	Included in FAC (7/13/08)?
CWL 2005-5	NO	YES	YES	YES	YES	YES
CWL 2005-6	NO	YES	YES	YES	YES	YES
CWL 2005-7	NO	YES	YES	YES	YES	YES
CWL 2005-IM1	NO	YES	YES	YES	YES	YES
CWL 2005-8	NO	YES	YES	YES	YES	YES
CWL 2005-10	NO	YES	YES	YES	YES	YES
CWL 2005-AB3	NO	YES	YES	YES	YES	YES
CWL 2005-9	NO	YES	YES	YES	YES	YES
CWL 2005-11	NO	YES	YES	YES	YES	YES
CWL 2005-BC4	NO	YES	YES	YES	YES	YES
CWL 2005-12	NO	YES	YES	YES	YES	YES
CWL 2005-IM2	NO	YES	YES	YES	YES	YES
CWL 2005-13	NO	YES	YES	YES	YES	YES
CWL 2005-AB4	NO	YES	YES	YES	YES	YES
CWHL 2005-HYB9	NO	YES	YES	YES	YES	YES
CWL 2005-14	NO	YES	YES	YES	YES	YES
CWL 2005-IM3	NO	YES	YES	YES	YES	YES
CWL 2005-16	NO	YES	YES	YES	YES	YES
CWL 2005-17	NO	YES	YES	YES	YES	YES
CWL 2005-AB5	NO	YES	YES	YES	YES	YES
CWL 2005-BC5	NO	YES	YES	YES	YES	YES
CWL 2005-15	NO	YES	YES	YES	YES	YES
CWL 2006-IM1	NO	YES	YES	YES	YES	YES
CWL 2006-1	NO	YES	YES	YES	YES	YES
CWL 2006-2	NO	YES	YES	YES	YES	YES
CWL 2006-3	NO	YES	YES	YES	YES	YES
CWL 2006-4	NO	YES	YES	YES	YES	YES
CWL 2006-5	NO	YES	YES	YES	YES	YES
CWL 2006-6	NO	YES	YES	YES	YES	YES
CWL 2006-BC1	NO	YES	YES	YES	YES	YES
CWL 2006-BC2	NO	YES	YES	YES	YES	YES
CWL 2006-7	NO	YES	YES	YES	YES	YES
CWL 2006-8	NO	YES	YES	YES	YES	YES
CWL 2006-SPS1	NO	YES	YES	YES	YES	YES
CWL 2006-13	NO	YES	YES	YES	YES	YES
CWL 2006-ABC1	NO	YES	YES	YES	YES	YES
CWL 2006-11	NO	YES	YES	YES	YES	YES
CWL 2006-10	NO	YES	YES	YES	YES	YES
CWL 2006-12	NO	YES	YES	YES	YES	YES
CWL 2006-9	NO	YES	YES	YES	YES	YES
CWL 2006-BC3	NO	YES	YES	YES	YES	YES
CWL 2006-SPS2	NO	YES	YES	YES	YES	YES
CWL 2006-14	NO	YES	YES	YES	YES	YES
CWL 2006-17	NO	YES	YES	YES	YES	YES
CWL 2006-15	NO	YES	YES	YES	YES	YES
CWL 2006-16	NO	YES	YES	YES	YES	YES
CWL 2006-18	NO	YES	YES	YES	YES	YES
CWL 2006-BC4	NO	YES	YES	YES	YES	YES
CWL 2006-19	NO	YES	YES	YES	YES	YES
CWL 2006-20	NO	YES	YES	YES	YES	YES
CWL 2006-21	NO	YES	YES	YES	YES	YES
CWL 2006-22	NO	YES	YES	YES	YES	YES
CWL 2006-23	NO	YES	YES	YES	YES	YES
CWL 2006-24	NO	YES	YES	YES	YES	YES
CWL 2006-25	NO	YES	YES	YES	YES	YES

Offering	Included in Initial Luther Complaint (11/14/08)?	Included in Washington State Complaint (6/12/08)?	Included in Amended Luther Complaint (9/9/08)?	Included in Luther Consolidated Complaint (10/16/08)?	Included in Federal Complaint (1/14/08)?	Included in FAC (7/13/08)?
CWL 2006-26	NO	YES	YES	YES	YES	YES
CWL 2006-BC5	NO	YES	YES	YES	YES	YES
CWL 2007-1	NO	YES	YES	YES	YES	YES
CWL 2007-2	NO	YES	YES	YES	YES	YES
CWL 2007-BC1	NO	YES	YES	YES	YES	YES
CWL 2007-3	NO	YES	YES	YES	YES	YES
CWL 2007-4	NO	YES	YES	YES	YES	YES
CWL 2007-5	NO	YES	YES	YES	YES	YES
CWL 2007-6	NO	YES	YES	YES	YES	YES
CWL 2007-BC2	NO	YES	YES	YES	YES	YES
CWL 2007-7	NO	YES	YES	YES	YES	YES
CWL 2007-8	NO	YES	YES	YES	YES	YES
CWL 2007-9	NO	YES	YES	YES	YES	YES
CWL 2007-10	NO	YES	YES	YES	YES	YES
CWL 2007-11	NO	YES	YES	YES	YES	YES
CWL 2007-BC3	NO	YES	YES	YES	YES	YES
CWL 2007-12	NO	YES	YES	YES	YES	YES
CWL 2007-13	NO	YES	YES	YES	YES	YES
CWHL 2005-HY10	NO	YES	YES	YES	YES	YES
CWHL 2005-HYB4	NO	YES	YES	YES	YES	YES
CWHL 2005-15	NO	YES	YES	YES	YES	YES
CWHL 2005-J2	NO	YES	YES	YES	YES	YES
CWHL 2005-17	NO	YES	YES	YES	YES	YES
CWHL 2005-16	NO	YES	YES	YES	YES	YES
CWHL 2005-HYB5	NO	YES	YES	YES	YES	YES
CWHL 2005-J3	NO	YES	YES	YES	YES	YES
CWHL 2005-19	NO	YES	YES	YES	YES	YES
CWHL 2005-18	NO	YES	YES	YES	YES	YES
CWHL 2005-20	NO	YES	YES	YES	YES	YES
CWHL 2005-21	NO	YES	YES	YES	YES	YES
CWHL 2005-HYB6	NO	YES	YES	YES	YES	YES
CWHL 2005-27	NO	YES	YES	YES	YES	YES
CWHL 2005-28	NO	YES	YES	YES	YES	YES
CWHL 2005-29	NO	YES	YES	YES	YES	YES
CWHL 2005-23	NO	YES	YES	YES	YES	YES
CWHL 2005-22	NO	YES	YES	YES	YES	YES
CWHL 2005-24	NO	YES	YES	YES	YES	YES
CWHL 2005-25	NO	YES	YES	YES	YES	YES
CWHL 2005-26	NO	YES	YES	YES	YES	YES
CWHL 2005-HYB7	NO	YES	YES	YES	YES	YES
CWHL 2005-J4	NO	YES	YES	YES	YES	YES
CWHL 2005-HYB8	NO	YES	YES	YES	YES	YES
CWHL 2005-30	NO	YES	YES	YES	YES	YES
CWHL 2005-31	NO	YES	YES	YES	YES	YES
CWHL 2006-1	NO	YES	YES	YES	YES	YES
CWHL 2006-HYB1	NO	YES	YES	YES	YES	YES
CWHL 2006-J1	NO	YES	YES	YES	YES	YES
CWHL 2006-3	NO	YES	YES	YES	YES	YES
CWHL 2006-6	NO	YES	YES	YES	YES	YES
CWHL 2006-HYB2	NO	YES	YES	YES	YES	YES
CWHL 2006-J2	NO	YES	YES	YES	YES	YES
CWHL 2006-OA4	NO	YES	YES	YES	YES	YES
CWHL 2006-OA5	NO	YES	YES	YES	YES	YES
CWHL 2006-TM1	NO	YES	YES	YES	YES	YES
CWHL 2006-9	NO	YES	YES	YES	YES	YES

Offering	Included in Initial Luther Complaint (11/14/08)?	Included in Washington State Complaint (6/12/08)?	Included in Amended Luther Complaint (9/9/08)?	Included in Luther Consolidated Complaint (10/16/08)?	Included in Federal Complaint (1/14/08)?	Included in FAC (7/13/08)?
CWHL 2006-10	NO	YES	YES	YES	YES	YES
CWHL 2006-8	NO	YES	YES	YES	YES	YES
CWHL 2006-11	NO	YES	YES	YES	YES	YES
CWHL 2006-HYB3	NO	YES	YES	YES	YES	YES
CWHL 2006-12	NO	YES	YES	YES	YES	YES
CWHL 2006-J3	NO	YES	YES	YES	YES	YES
CWHL 2006-HYB4	NO	YES	YES	YES	YES	YES
CWHL 2006-13	NO	YES	YES	YES	YES	YES
CWHL 2006-HYB5	NO	YES	YES	YES	YES	YES
CWHL 2006-J4	NO	YES	YES	YES	YES	YES
CWHL 2006-14	NO	YES	YES	YES	YES	YES
CWHL 2006-15	NO	YES	YES	YES	YES	YES
CWHL 2006-16	NO	YES	YES	YES	YES	YES
CWHL 2006-17	NO	YES	YES	YES	YES	YES
CWHL 2006-18	NO	YES	YES	YES	YES	YES
CWHL 2006-19	NO	YES	YES	YES	YES	YES
CWHL 2006-20	NO	YES	YES	YES	YES	YES
CWHL 2006-21	NO	YES	YES	YES	YES	YES
CWHL 2007-1	NO	YES	YES	YES	YES	YES
CWHL 2007-HYB1	NO	YES	YES	YES	YES	YES
CWHL 2007-J1	NO	YES	YES	YES	YES	YES
CWHL 2007-3	NO	YES	YES	YES	YES	YES
CWHL 2007-HY1	NO	YES	YES	YES	YES	YES
CWHL 2007-HYB2	NO	YES	YES	YES	YES	YES
CWHL 2007-5	NO	YES	YES	YES	YES	YES
CWHL 2007-2	NO	YES	YES	YES	YES	YES
CWHL 2007-4	NO	YES	YES	YES	YES	YES
CWHL 2007-6	NO	YES	YES	YES	YES	YES
CWHL 2007-7	NO	YES	YES	YES	YES	YES
CWHL 2007-HY3	NO	YES	YES	YES	YES	YES
CWHL 2007-10	NO	YES	YES	YES	YES	YES
CWHL 2007-8	NO	YES	YES	YES	YES	YES
CWHL 2007-9	NO	YES	YES	YES	YES	YES
CWHL 2007-J2	NO	YES	YES	YES	YES	YES
CWHL 2007-11	NO	YES	YES	YES	YES	YES
CWHL 2007-12	NO	YES	YES	YES	YES	YES
CWHL 2007-13	NO	YES	YES	YES	YES	YES
CWHL 2007-J3	NO	YES	YES	YES	YES	YES
CWHL 2007-14	NO	YES	YES	YES	YES	YES
CWHL 2007-15	NO	YES	YES	YES	YES	YES
CWHL 2007-HY5	NO	YES	YES	YES	YES	YES
CWHL 2007-16	NO	YES	YES	YES	YES	YES
CWHL 2007-17	NO	YES	YES	YES	YES	YES
CWHL 2007-18	NO	YES	YES	YES	YES	YES
CWHL 2007-HY4	NO	YES	YES	YES	YES	YES
CWHL 2007-HY6	NO	YES	YES	YES	YES	YES
CWHL 2007-19	NO	YES	YES	YES	YES	YES
CWHL 2007-HY7	NO	YES	YES	YES	YES	YES
CWHL 2007-20	NO	YES	YES	YES	YES	YES
CWHL 2007-21	NO	YES	YES	YES	YES	YES

**SAC Appendix Exhibit E**

**SAC Plaintiffs' Standing to Pursue Claims on Offerings as Derived from the Standing of Named-Plaintiffs in Previously-Filed Complaints as Per the Countrywide Tolling Decision**

*\* Although the Complaints were filed in 2008, the standing of named plaintiffs in the state court proceedings only became known, for the most part, in April 2010 in connection with the PSLRA requirement that lead plaintiff movants identify their investment histories.*

NI = Offering Not Included in Class Definition

--- = Offering Included in Class Definition, Not Purchased by Named Plaintiff

Offering	Plaintiff(s) with Standing in Initial Luther Complaint (11/14/07) (*) <sup>1</sup>	Plaintiff(s) with Standing in Washington State Complaint (6/12/08) (*)	Plaintiff(s) with Standing in Amended Luther Complaint (9/9/08) (*)	Plaintiff(s) with Standing in Luther Consolidated Complaint (10/16/08) (*)	Plaintiff(s) with Standing in Federal Complaint (1/14/10)	Plaintiff(s) with Standing in FAC (7/13/10)	Plaintiff(s) with Standing in SAC (12/6/10)
CWALT 2006-43CB	NI	---	Vermont	Vermont	Vermont	---	NI
CWALT 2005-3CB	---	NI	---	---	---	---	NI
CWALT 2005-J1	---	NI	Vermont	Vermont	Vermont	---	NI
CWALT 2005-1CB	---	NI	---	---	---	---	NI
CWALT 2005-2	---	NI	---	---	---	---	NI
CWALT 2005-5R	NI	NI	---	---	---	---	NI
CWALT 2005-6CB	---	NI	---	---	---	---	NI
CWALT 2005-7CB	---	NI	---	---	---	---	NI
CWALT 2005-4	---	NI	---	---	---	---	NI
CWALT 2005-J2	NI	NI	---	---	---	---	NI
CWALT 2005-13CB	---	NI	---	---	---	---	NI
CWALT 2005-9CB	---	NI	---	---	---	---	NI
CWALT 2005-10CB	NI	NI	---	---	---	---	NI
CWALT 2005-14	---	NI	---	---	---	---	NI
CWALT 2005-J3	---	NI	---	---	---	---	NI
CWALT 2005-18CB	---	NI	---	---	---	---	NI
CWALT 2005-J5	Luther <sup>2</sup>	NI	Luther	Luther	---	---	NI
CWALT 2005-19CB	---	NI	---	---	---	---	NI
CWALT 2005-16	---	NI	---	---	---	---	NI
CWALT 2005-21CB	---	NI	---	---	---	---	NI
CWALT 2005-22T1	---	NI	---	---	---	---	NI
CWALT 2005-23CB	---	NI	---	---	---	---	NI
CWALT 2005-11CB	---	NI	Vermont	Vermont	Vermont	---	NI
CWALT 2005-25T1	---	NI	---	---	---	---	NI
CWALT 2005-26CB	---	NI	Vermont	Vermont	Vermont	---	NI
CWALT 2005-29	NI	NI	NI	---	---	---	NI
CWALT 2005-20CB	---	NI	---	---	---	---	NI

<sup>1</sup> The information necessary to determine which specific Offerings the Luther Plaintiffs had standing to pursue claims on, indicated in the columns with (\*) notations, was not known nor could it have been known by the public until January 14, 2010 with respect to Maine's investments in Countrywide MBS (*see* ¶25), and April 2, 2010 for the remaining Luther Plaintiffs. *See* SAC at ¶¶27, 60-83.

<sup>2</sup> The investments in Countrywide MBS by David Luther, named-plaintiff in the November 14, 2007 Initial Luther Complaint, have yet to be disclosed publicly, and are only now known as a result of a request made to Luther's counsel. *See* SAC at ¶27.

Offering	Plaintiff(s) with Standing in Initial Luther Complaint (11/14/07)	Plaintiff(s) with Standing in Washington State Complaint (6/12/08)	Plaintiff(s) with Standing in Amended Luther Complaint (9/9/08)	Plaintiff(s) with Standing in Luther Consolidated Complaint (10/16/08)	Plaintiff(s) with Standing in Federal Complaint (1/14/10)	Plaintiff(s) with Standing in FAC (7/13/10)	Plaintiff(s) with Standing in SAC (12/6/10)
CWALT 2005-17	---	NI	---	---	---	IPERS, OPERS	NI
CWALT 2005-24	---	NI	---	---	---	IPERS, OPERS	NI
CWALT 2005-J4	---	NI	---	---	---	---	NI
CWALT 2005-J6	---	NI	---	---	---	---	NI
CWALT 2005-33CB	---	---	---	---	---	---	NI
CWALT 2005-36	---	---	---	---	---	---	NI
CWALT 2005-32T1	NI	---	---	---	---	---	NI
CWALT 2005-28CB	---	---	---	---	---	---	NI
CWALT 2005-30CB	---	---	---	---	---	---	NI
CWALT 2005-31	---	---	---	---	---	---	NI
CWALT 2005-27	---	---	---	---	---	---	NI
CWALT 2005-J7	Luther	---	Luther	Luther	---	---	NI
CWALT 2005-J8	---	---	---	---	---	---	NI
CWALT 2005-J9	---	---	---	---	---	---	NI
CWALT 2005-69	---	---	---	---	---	---	NI
CWALT 2005-34CB	---	---	---	---	---	---	NI
CWALT 2005-37T1	---	---	---	---	---	---	NI
CWALT 2005-35CB	---	---	---	---	---	---	NI
CWALT 2005-38	---	---	MASH	MASH	MASH	OPERS	NI
CWALT 2005-41	---	---	---	---	---	---	NI
CWALT 2005-40CB	---	---	---	---	---	---	NI
CWALT 2005-43	---	---	---	---	---	---	NI
CWALT 2005-47CB	---	---	---	---	---	---	NI
CWALT 2005-42CB	---	---	---	---	---	---	NI
CWALT 2005-44	---	---	---	---	---	OPERS	NI
CWALT 2005-45	---	---	---	---	---	---	NI
CWALT 2005-46CB	Luther	---	Luther, Vermont	Luther, Vermont	Vermont	---	NI
CWALT 2005-J10	Luther	---	Luther, Vermont	Luther, Vermont	Vermont	---	NI
CWALT 2005-48T1	---	---	---	---	---	---	NI
CWALT 2005-52CB	---	---	---	---	---	---	NI
CWALT 2005-49CB	---	---	---	---	---	---	NI
CWALT 2005-50CB	---	---	---	---	---	---	NI
CWALT 2005-54CB	---	---	Vermont	Vermont	Vermont	---	NI
CWALT 2005-53T2	---	---	---	---	---	---	NI
CWALT 2005-55CB	---	---	---	---	---	---	NI
CWALT 2005-56	---	---	PTOE	PTOE	PTOE	IPERS	NI
CWALT 2005-51	---	---	MASH	MASH	MASH	---	NI
CWALT 2005-59	NI	---	MASH/PTOE	MASH/PTOE	MASH/PTOE	---	NI
CWALT 2005-J11	---	---	---	---	---	---	NI
CWALT 2005-60T1	---	---	---	---	---	---	NI
CWALT 2005-63	---	WASH	Vermont	WASH, Vermont	WASH, Vermont	---	NI
CWALT 2005-61	---	---	---	---	---	GBPHB	NI
CWALT 2005-J12	---	---	---	---	---	OPERS	NI
CWALT 2005-J13	---	---	---	---	---	---	NI
CWALT 2005-58	---	---	---	---	---	---	NI
CWALT 2005-64CB	---	---	Vermont	Vermont	---	---	NI
CWALT 2005-57CB	---	---	---	---	---	---	NI
CWALT 2005-62	---	WASH	MASH, PTOE	WASH, MASH, PTOE	WASH, MASH, PTOE	OPERS	OPERS

Offering	Plaintiff(s) with Standing in Initial Luther Complaint (11/14/07)	Plaintiff(s) with Standing in Washington State Complaint (6/12/08)	Plaintiff(s) with Standing in Amended Luther Complaint (9/9/08)	Plaintiff(s) with Standing in Luther Consolidated Complaint (10/16/08)	Plaintiff(s) with Standing in Federal Complaint (1/14/10)	Plaintiff(s) with Standing in FAC (7/13/10)	Plaintiff(s) with Standing in SAC (12/6/10)
CWALT 2005-75CB	---	---	---	---	---	---	NI
CWALT 2005-71	---	---	---	---	---	---	NI
CWALT 2005-74T1	---	---	---	---	---	---	NI
CWALT 2005-70CB	---	---	---	---	---	---	NI
CWALT 2005-65CB	---	---	---	---	---	---	NI
CWALT 2005-73CB	---	---	---	---	---	---	NI
CWALT 2005-72	---	---	PTOE	PTOE	PTOE	OPERS	OPERS
CWALT 2005-J14	---	---	---	---	---	---	NI
CWALT 2005-IM1	---	---	---	---	---	---	NI
CWALT 2005-67CB	---	---	---	---	---	---	NI
CWALT 2005-79CB	---	---	---	---	---	---	NI
CWALT 2005-84	---	---	---	---	---	---	NI
CWALT 2005-77T1	---	---	---	---	---	---	NI
CWALT 2005-82	---	---	---	---	---	---	NI
CWALT 2005-85CB	---	---	---	---	---	---	NI
CWALT 2005-AR1	---	---	---	---	---	---	NI
CWALT 2005-80CB	---	---	---	---	---	---	NI
CWALT 2005-81	---	---	---	Maine	Maine	---	NI
CWALT 2005-86CB	---	---	---	---	---	---	NI
CWALT 2005-76	---	---	OEAP, MASH	OEAP, MASH	OEAP, MASH	---	NI
CWALT 2005-83CB	NI	---	---	---	---	---	NI
CWALT 2006-HY3	---	---	---	---	---	---	NI
CWALT 2006-OA1	NI	---	---	---	---	---	NI
CWALT 2006-2CB	---	WASH	Vermont	WASH, Vermont	WASH, Vermont	---	NI
CWALT 2006-OA2	NI	---	---	Maine	Maine	---	NI
CWMBS 2006-J1	---	---	---	---	---	---	NI
CWALT 2006-4CB	---	---	---	---	---	---	NI
CWALT 2006-5T2	---	---	---	---	---	---	NI
CWALT 2006-8T1	NI	---	---	---	---	---	NI
CWALT 2006-11CB	---	---	---	---	---	---	NI
CWALT 2006-12CB	---	---	---	---	---	---	NI
CWALT 2006-OC2	---	---	---	---	---	---	NI
CWALT 2006-HY10	---	---	---	---	---	---	NI
CWALT 2006-J2	---	---	---	---	---	---	NI
CWALT 2006-OA21	---	---	---	---	---	---	NI
CWALT 2006-13T1	---	---	---	---	---	---	NI
CWALT 2006-6CB	---	---	---	---	---	---	NI
CWALT 2006-7CB	---	---	---	---	---	---	NI
CWALT 2006-9T1	---	---	---	---	---	---	NI
CWALT 2006-OA9	---	---	---	---	---	---	NI
CWALT 2006-OA6	---	---	---	---	---	---	NI
CWALT 2006-15CB	---	---	---	---	---	---	NI
CWALT 2006-14CB	---	---	---	---	---	---	NI
CWALT 2006-17T1	---	---	---	---	---	---	NI
CWALT 2006-16CB	---	---	---	---	---	---	NI
CWALT 2006-HY11	---	---	---	---	---	---	NI
CWALT 2006-J3	---	---	---	---	---	---	NI
CWALT 2006-OC3	---	---	---	---	---	---	NI
CWALT 2006-OA8	---	---	---	---	---	---	NI
CWALT 2006-OA7	---	---	---	---	---	---	NI
CWALT 2006-20CB	---	---	---	---	---	---	NI
CWALT 2006-OC4	---	---	---	---	---	---	NI

Offering	Plaintiff(s) with Standing in Initial Luther Complaint (11/14/07)	Plaintiff(s) with Standing in Washington State Complaint (6/12/08)	Plaintiff(s) with Standing in Amended Luther Complaint (9/9/08)	Plaintiff(s) with Standing in Luther Consolidated Complaint (10/16/08)	Plaintiff(s) with Standing in Federal Complaint (1/14/10)	Plaintiff(s) with Standing in FAC (7/13/10)	Plaintiff(s) with Standing in SAC (12/6/10)
CWALT 2006-18CB	---	---	---	---	---	---	NI
CWALT 2006-21CB	---	---	---	---	---	---	NI
CWALT 2006-22R	NI	---	---	---	---	---	NI
CWALT 2006-OC1	---	---	---	---	---	---	NI
CWALT 2006-23CB	---	---	---	---	---	---	NI
CWALT 2006-HY12	---	---	---	Maine	Maine	---	NI
CWALT 2006-19CB	---	---	---	---	---	---	NI
CWALT 2006-24CB	---	---	---	---	---	---	NI
CWALT 2006-OC5	---	---	---	---	---	IPERS	NI
CWALT 2006-J4	---	---	---	---	---	---	NI
CWALT 2006-OA10	---	---	---	---	---	---	NI
CWALT 2006-OA11	---	---	---	---	---	OPERS	NI
CWALT 2006-25CB	---	---	---	---	---	---	NI
CWALT 2006-26CB	---	---	---	---	---	---	NI
CWALT 2006-J5	---	---	---	---	---	---	NI
CWALT 2006-OA12	---	---	---	---	---	---	NI
CWALT 2006-OC6	---	---	---	---	---	---	NI
CWALT 2006-27CB	---	---	---	---	---	---	NI
CWALT 2006-28CB	---	---	MASH	MASH	MASH	---	NI
CWALT 2006-29T1	---	---	---	---	---	---	NI
CWALT 2006-OA16	---	---	---	---	---	---	NI
CWALT 2006-OC7	---	---	---	---	---	---	NI
CWALT 2006-32CB	---	---	---	---	---	---	NI
CWALT 2006-J6	---	---	---	---	---	---	NI
CWALT 2006-30T1	---	---	---	---	---	---	NI
CWALT 2006-31CB	NI	---	---	---	---	---	NI
CWALT 2006-34	---	---	---	---	---	---	NI
CWALT 2006-33CB	---	WASH	Vermont	WASH, Vermont	WASH, Vermont	---	NI
CWALT 2006-OA17	---	---	---	---	---	---	NI
CWALT 2006-OC8	---	---	---	---	---	---	NI
CWALT 2006-OA14	NI	---	---	---	---	---	NI
CWALT 2006-35CB	---	---	---	---	---	---	NI
CWALT 2006-36T2	---	---	---	---	---	---	NI
CWALT 2006-37R	NI	---	---	---	---	---	NI
CWALT 2006-J7	---	---	---	---	---	---	NI
CWALT 2006-OA18	---	---	---	---	---	---	NI
CWALT 2006-OC9	---	---	---	---	---	GBPHB	NI
CWALT 2006-42	---	---	---	---	---	---	NI
CWALT 2006-40T1	---	---	---	---	---	---	NI
CWALT 2006-39CB	---	---	---	---	---	---	NI
CWALT 2006-41CB	---	---	---	---	---	---	NI
CWALT 2006-OA19	---	---	---	---	---	GBPHB	NI
CWALT 2006-OC10	---	---	---	---	---	---	NI
CWALT 2006-OA3	---	---	---	---	---	---	NI
CWALT 2006-J8	---	---	---	---	---	---	NI
CWALT 2006-45T1	---	---	---	---	---	---	NI
CWALT 2006-46	---	---	---	---	---	---	NI
CWALT 2006-OC11	---	---	---	---	---	---	NI
CWALT 2006-HY13	---	---	---	---	---	---	NI
CWALT 2006-OA22	---	---	---	---	---	---	NI
CWALT 2007-1T1	---	---	---	---	---	---	NI
CWALT 2007-2CB	---	---	---	---	---	---	NI
CWALT 2007-HY2	---	---	---	---	---	---	NI



Offering	Plaintiff(s) with Standing in Initial Luther Complaint (11/14/07)	Plaintiff(s) with Standing in Washington State Complaint (6/12/08)	Plaintiff(s) with Standing in Amended Luther Complaint (9/9/08)	Plaintiff(s) with Standing in Luther Consolidated Complaint (10/16/08)	Plaintiff(s) with Standing in Federal Complaint (1/14/10)	Plaintiff(s) with Standing in FAC (7/13/10)	Plaintiff(s) with Standing in SAC (12/6/10)
CWALT 2007-OA2	---	---	---	---	---	---	NI
CWALT 2007-3T1	---	---	---	---	---	---	NI
CWALT 2007-5CB	NI	---	---	---	---	IPERS, OPERS	NI
CWALT 2007-6	---	---	---	---	---	---	NI
CWALT 2007-7T2	---	---	---	---	---	---	NI
CWALT 2007-HY3	---	---	---	---	---	---	NI
CWALT 2007-J1	---	---	---	---	---	IPERS	NI
CWALT 2007-OA3	---	---	---	---	---	---	NI
CWALT 2007-10CB	---	---	---	---	---	---	NI
CWALT 2007-8CB	---	---	---	---	---	---	NI
CWALT 2007-OA4	---	---	---	---	---	---	NI
CWALT 2007-11T1	---	---	---	---	---	---	NI
CWALT 2007-9T1	---	---	---	---	---	---	NI
CWALT 2007-HY5R	NI	---	---	---	---	OPERS, GBPHB	NI
CWALT 2007-OA7	---	---	---	---	---	OCERS	NI
CWALT 2007-4CB	---	---	---	---	---	---	NI
CWALT 2007-26R	NI	---	---	---	---	---	NI
CWALT 2007-13	---	---	---	---	---	---	NI
CWALT 2007-12T1	---	---	---	---	---	---	NI
CWALT 2007-OA6	---	---	---	---	---	---	NI
CWALT 2007-14T2	---	---	---	---	---	---	NI
CWALT 2007-J2	---	---	---	---	---	---	NI
CWALT 2007-OH1	---	---	---	---	---	---	NI
CWALT 2007-15CB	---	---	---	---	---	---	NI
CWALT 2007-HY4	---	---	---	---	---	---	NI
CWALT 2007-AL1	---	---	---	---	---	---	NI
CWALT 2007-20	NI	---	---	---	---	---	NI
CWALT 2007-16CB	NI	---	---	---	---	---	NI
CWALT 2007-17CB	NI	---	Vermont	Vermont	Vermont	---	NI
CWALT 2007-18CB	NI	---	---	---	---	---	NI
CWALT 2007-19	NI	---	Vermont	Vermont	Vermont	---	NI
CWALT 2007-HY7C	NI	---	---	---	---	---	NI
CWALT 2007-OA8	NI	---	---	---	---	---	NI
CWALT 2007-OH2	NI	---	---	---	---	---	NI
CWALT 2007-HY6	NI	---	---	---	---	---	NI
CWALT 2007-21CB	NI	---	---	---	---	---	NI
CWALT 2007-22	NI	---	Vermont	Vermont	Vermont	---	NI
CWALT 2007-OA9	NI	---	---	---	---	---	NI
CWALT 2007-OH3	NI	---	---	---	---	---	NI
CWALT 2007-23CB	NI	---	---	---	---	---	NI
CWALT 2007-HY8C	NI	---	---	---	---	---	NI
CWALT 2007-OA10	NI	---	---	---	---	---	NI
CWALT 2007-24	NI	---	MASH	MASH	MASH	---	NI
CWALT 2007-25	NI	---	---	---	---	---	NI
CWALT 2007-HY9	NI	---	---	---	---	---	NI
CWALT 2007-OA11	NI	---	---	---	---	---	NI
CWHEL 2005-C	NI	---	---	---	---	NI	NI
CWHEL 2005-D	NI	---	---	---	---	---	NI
CWHEL 2005-E	NI	---	---	---	---	---	NI
CWHEL 2005-F	NI	---	---	---	---	OPERS	NI
CWHEL 2005-G	NI	---	---	---	---	OPERS	NI
CWHEL 2005-H	NI	---	PTOE	PTOE	PTOE	OPERS	OPERS

Offering	Plaintiff(s) with Standing in Initial Luther Complaint (11/14/07)	Plaintiff(s) with Standing in Washington State Complaint (6/12/08)	Plaintiff(s) with Standing in Amended Luther Complaint (9/9/08)	Plaintiff(s) with Standing in Luther Consolidated Complaint (10/16/08)	Plaintiff(s) with Standing in Federal Complaint (1/14/10)	Plaintiff(s) with Standing in FAC (7/13/10)	Plaintiff(s) with Standing in SAC (12/6/10)
CWHEL 2005-I	NI	---	---	---	---	---	NI
CWHEL 2005-J	NI	---	---	---	---	---	NI
CWHEL 2005-L	NI	---	---	---	---	---	NI
CWHEL 2005-K	NI	---	---	---	---	GBPHB	NI
CWHEL 2005-M	NI	---	---	---	---	---	NI
CWHEL 2006-A	NI	---	---	---	---	---	NI
CWHEL 2006-B	NI	---	---	---	---	---	NI
CWHEL 2006-C	NI	---	---	---	---	---	NI
CWHEL 2006-D	NI	---	---	---	---	---	NI
CWL 2006-S1	NI	---	---	---	---	---	NI
CWL 2006-S2	NI	---	Vermont	Vermont	Vermont	---	NI
CWHEL 2006-E	NI	---	---	---	---	---	NI
CWL 2006-S3	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	IPERS	IPERS
CWHEL 2006-F	NI	---	---	---	---	---	NI
CWHEL 2006-G	NI	---	---	---	---	---	NI
CWL 2006-S4	NI	---	---	---	---	---	NI
CWL 2006-S5	NI	---	---	---	---	---	NI
CWHEL 2006-H	NI	---	---	---	---	---	NI
CWL 2006-S6	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	---	NI
CWL 2006-S7	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	---	NI
CWHEL 2006-I	NI	---	---	---	---	---	NI
CWL 2006-S8	NI	---	---	---	---	IPERS	NI
CWL 2006-S10	NI	---	---	---	---	---	NI
CWL 2006-S9	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	IPERS	IPERS
CWHEL 2007-A	NI	---	---	---	---	---	NI
CWL 2007-S1	NI	---	---	---	---	OCERS	NI
CWHEL 2007-B	NI	---	---	---	---	---	NI
CWHEL 2007-C	NI	---	---	---	---	---	NI
CWL 2007-S2	NI	---	---	---	---	---	NI
CWL 2007-S3	NI	---	---	---	---	---	NI
CWHEL 2007-D	NI	---	---	---	---	---	NI
CWHEL 2007-E	NI	---	---	---	---	IPERS	NI
CWHEL 2007-G	NI	---	---	---	---	---	NI
CWL 2005-BC3	NI	---	---	---	---	---	NI
CWL 2005-4	NI	---	Vermont	Vermont	Vermont	GBPHB	NI
CWL 2005-AB2	NI	---	---	---	---	---	NI
CWL 2005-5	NI	---	---	Maine	Maine	---	NI
CWL 2005-6	NI	---	---	Maine	Maine	IPERS	NI
CWL 2005-7	NI	WASH	---	WASH	WASH	---	NI
CWL 2005-IM1	NI	---	---	---	---	IPERS	NI
CWL 2005-8	NI	---	---	---	---	---	NI
CWL 2005-10	NI	---	---	---	---	GBPHB	NI
CWL 2005-AB3	NI	---	PTOE	PTOE	PTOE	GBPHB	NI
CWL 2005-9	NI	---	---	Maine	Maine	---	NI
CWL 2005-11	NI	---	PTOE	PTOE	PTOE	GBPHB	GBPHB
CWL 2005-BC4	NI	---	---	---	---	---	NI
CWL 2005-12	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	---	NI
CWL 2005-IM2	NI	---	---	---	---	---	NI
CWL 2005-13	NI	---	---	---	---	GBPHB	NI

Offering	Plaintiff(s) with Standing in Initial Luther Complaint (11/14/07)	Plaintiff(s) with Standing in Washington State Complaint (6/12/08)	Plaintiff(s) with Standing in Amended Luther Complaint (9/9/08)	Plaintiff(s) with Standing in Luther Consolidated Complaint (10/16/08)	Plaintiff(s) with Standing in Federal Complaint (1/14/10)	Plaintiff(s) with Standing in FAC (7/13/10)	Plaintiff(s) with Standing in SAC (12/6/10)
CWL 2005-AB4	NI	---	---	---	---	---	NI
CWHL 2005-HYB9	NI	---	---	Maine	Maine	OCERS	OCERS
CWL 2005-14	NI	---	---	---	---	---	NI
CWL 2005-IM3	NI	---	---	---	---	---	NI
CWL 2005-16	NI	---	---	---	---	---	NI
CWL 2005-17	NI	---	---	---	---	---	NI
CWL 2005-AB5	NI	---	---	---	---	---	NI
CWL 2005-BC5	NI	---	---	---	---	---	NI
CWL 2005-15	NI	---	---	---	---	---	NI
CWL 2006-IM1	NI	---	---	---	---	GBPHB	NI
CWL 2006-1	NI	WASH	---	WASH	WASH	---	NI
CWL 2006-2	NI	---	---	---	---	---	NI
CWL 2006-3	NI	---	---	Maine	Maine	GBPHB	GBPHB
CWL 2006-4	NI	---	---	Maine	Maine	---	NI
CWL 2006-5	NI	---	---	---	---	GBPHB	NI
CWL 2006-6	NI	---	---	Maine	Maine	GBPHB	GBPHB
CWL 2006-BC1	NI	---	---	---	---	GBPHB	NI
CWL 2006-BC2	NI	---	---	---	---	---	NI
CWL 2006-7	NI	---	---	---	---	---	NI
CWL 2006-8	NI	---	---	---	---	---	NI
CWL 2006-SPS1	NI	---	---	---	---	---	NI
CWL 2006-13	NI	---	---	---	---	---	NI
CWL 2006-ABC1	NI	---	---	---	---	---	NI
CWL 2006-11	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	GBPHB	GBPHB
CWL 2006-10	NI	---	---	---	---	---	NI
CWL 2006-12	NI	---	---	---	---	---	NI
CWL 2006-9	NI	---	Vermont	Vermont	Vermont	GBPHB	GBPHB
CWL 2006-BC3	NI	---	---	---	---	---	NI
CWL 2006-SPS2	NI	---	---	---	---	---	NI
CWL 2006-14	NI	---	---	---	---	---	NI
CWL 2006-17	NI	---	---	---	---	---	NI
CWL 2006-15	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	GBPHB	GBPHB
CWL 2006-16	NI	---	---	---	---	---	NI
CWL 2006-18	NI	---	---	---	---	---	NI
CWL 2006-BC4	NI	---	---	---	---	---	NI
CWL 2006-19	NI	---	---	---	---	---	NI
CWL 2006-20	NI	---	---	---	---	---	NI
CWL 2006-21	NI	---	---	---	---	---	NI
CWL 2006-22	NI	---	---	---	---	GBPHB	NI
CWL 2006-23	NI	---	---	---	---	GBPHB	NI
CWL 2006-24	NI	---	Vermont	Vermont	Vermont	GBPHB	GBPHB
CWL 2006-25	NI	---	---	---	---	---	NI
CWL 2006-26	NI	---	---	---	---	---	NI
CWL 2006-BC5	NI	---	---	---	---	---	NI
CWL 2007-1	NI	---	---	---	---	IPERS, OPERS	NI
CWL 2007-2	NI	---	---	---	---	---	NI
CWL 2007-BC1	NI	---	---	---	---	---	NI
CWL 2007-3	NI	---	---	---	---	---	NI
CWL 2007-4	NI	---	---	---	---	---	NI
CWL 2007-5	NI	---	---	---	---	---	NI
CWL 2007-6	NI	---	---	---	---	---	NI

Offering	Plaintiff(s) with Standing in Initial Luther Complaint (11/14/07)	Plaintiff(s) with Standing in Washington State Complaint (6/12/08)	Plaintiff(s) with Standing in Amended Luther Complaint (9/9/08)	Plaintiff(s) with Standing in Luther Consolidated Complaint (10/16/08)	Plaintiff(s) with Standing in Federal Complaint (1/14/10)	Plaintiff(s) with Standing in FAC (7/13/10)	Plaintiff(s) with Standing in SAC (12/6/10)
CWL 2007-BC2	NI	---	---	---	---	---	NI
CWL 2007-7	NI	---	---	---	---	---	NI
CWL 2007-8	NI	---	---	---	---	---	NI
CWL 2007-9	NI	---	---	---	---	---	NI
CWL 2007-10	NI	---	---	---	---	---	NI
CWL 2007-11	NI	---	---	---	---	IPERS	NI
CWL 2007-BC3	NI	---	---	---	---	---	NI
CWL 2007-12	NI	---	---	---	---	---	NI
CWL 2007-13	NI	---	---	---	---	IPERS	NI
CWHL 2005-HY10	NI	---	---	---	---	---	NI
CWHL 2005-HYB4	NI	---	MASH	MASH	MASH	---	NI
CWHL 2005-15	NI	---	---	---	---	---	NI
CWHL 2005-J2	NI	---	---	---	---	---	NI
CWHL 2005-17	NI	---	---	---	---	---	NI
CWHL 2005-16	NI	---	---	---	---	---	NI
CWHL 2005-HYB5	NI	---	---	---	---	---	NI
CWHL 2005-J3	NI	---	---	---	---	---	NI
CWHL 2005-19	NI	---	---	---	---	---	NI
CWHL 2005-18	NI	---	---	---	---	---	NI
CWHL 2005-20	NI	---	---	---	---	---	NI
CWHL 2005-21	NI	---	---	---	---	---	NI
CWHL 2005-HYB6	NI	---	---	---	---	IPERS, OCERS	NI
CWHL 2005-27	NI	---	---	---	---	---	NI
CWHL 2005-28	NI	---	---	---	---	---	NI
CWHL 2005-29	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	---	NI
CWHL 2005-23	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	---	NI
CWHL 2005-22	NI	---	---	---	---	---	NI
CWHL 2005-24	NI	---	---	---	---	---	NI
CWHL 2005-25	NI	---	---	---	---	---	NI
CWHL 2005-26	NI	---	---	---	---	---	NI
CWHL 2005-HYB7	NI	---	---	---	---	---	NI
CWHL 2005-J4	NI	---	---	---	---	---	NI
CWHL 2005-HYB8	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	---	NI
CWHL 2005-30	NI	---	---	---	---	---	NI
CWHL 2005-31	NI	---	---	---	---	OCERS	NI
CWHL 2006-1	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	---	NI
CWHL 2006-HYB1	NI	---	---	---	---	---	NI
CWHL 2006-J1	NI	---	---	---	---	---	NI
CWHL 2006-3	NI	---	MASH	MASH	MASH	IPERS	NI
CWHL 2006-6	NI	---	---	---	---	---	NI
CWHL 2006-HYB2	NI	---	---	---	---	---	NI
CWHL 2006-J2	NI	---	---	---	---	---	NI
CWHL 2006-OA4	NI	---	---	---	---	---	NI
CWHL 2006-OA5	NI	---	---	---	---	IPERS, OPERS	NI
CWHL 2006-TM1	NI	---	---	---	---	---	NI
CWHL 2006-9	NI	---	---	---	---	---	NI
CWHL 2006-10	NI	---	---	---	---	---	NI

Offering	Plaintiff(s) with Standing in Initial Luther Complaint (11/14/07)	Plaintiff(s) with Standing in Washington State Complaint (6/12/08)	Plaintiff(s) with Standing in Amended Luther Complaint (9/9/08)	Plaintiff(s) with Standing in Luther Consolidated Complaint (10/16/08)	Plaintiff(s) with Standing in Federal Complaint (1/14/10)	Plaintiff(s) with Standing in FAC (7/13/10)	Plaintiff(s) with Standing in SAC (12/6/10)
CWHL 2006-8	NI	---	---	---	---	---	NI
CWHL 2006-11	NI	---	---	---	---	---	NI
CWHL 2006-HYB3	NI	WASH	Vermont	WASH, Vermont	WASH, Vermont	OPERS	OPERS
CWHL 2006-12	NI	---	---	---	---	---	NI
CWHL 2006-J3	NI	---	---	---	---	---	NI
CWHL 2006-HYB4	NI	WASH	Vermont, MASH	WASH,MASH, Vermont	WASH, MASH Vermont	---	NI
CWHL 2006-13	NI	---	---	---	---	---	NI
CWHL 2006-HYB5	NI	---	---	---	---	---	NI
CWHL 2006-J4	NI	---	---	---	---	---	NI
CWHL 2006-14	NI	---	---	---	---	---	NI
CWHL 2006-15	NI	---	---	---	---	---	NI
CWHL 2006-16	NI	---	---	---	---	---	NI
CWHL 2006-17	NI	---	---	---	---	---	NI
CWHL 2006-18	NI	---	---	---	---	---	NI
CWHL 2006-19	NI	---	---	---	---	---	NI
CWHL 2006-20	NI	---	---	---	---	---	NI
CWHL 2006-21	NI	---	---	---	---	---	NI
CWHL 2007-1	NI	---	---	---	---	---	NI
CWHL 2007-HYB1	NI	---	---	---	---	IPERS	NI
CWHL 2007-J1	NI	---	---	---	---	---	NI
CWHL 2007-3	NI	---	Vermont	Vermont	Vermont	---	NI
CWHL 2007-HY1	NI	---	---	---	---	OCERS	NI
CWHL 2007-HYB2	NI	---	---	---	---	IPERS	NI
CWHL 2007-5	NI	---	Vermont	Vermont	Vermont	---	NI
CWHL 2007-2	NI	---	---	---	---	---	NI
CWHL 2007-4	NI	---	---	---	---	---	NI
CWHL 2007-6	NI	---	---	---	---	---	NI
CWHL 2007-7	NI	---	---	---	---	---	NI
CWHL 2007-HY3	NI	---	---	---	---	---	NI
CWHL 2007-10	NI	---	---	---	---	OPERS	NI
CWHL 2007-8	NI	---	---	---	---	---	NI
CWHL 2007-9	NI	---	Vermont	Vermont	Vermont	---	NI
CWHL 2007-J2	NI	---	---	---	---	---	NI
CWHL 2007-11	NI	---	---	---	---	---	NI
CWHL 2007-12	NI	---	---	---	---	---	NI
CWHL 2007-13	NI	---	---	---	---	---	NI
CWHL 2007-J3	NI	---	---	---	---	---	NI
CWHL 2007-14	NI	---	---	---	---	---	NI
CWHL 2007-15	NI	---	---	---	---	---	NI
CWHL 2007-HY5	NI	---	---	---	---	---	NI
CWHL 2007-16	NI	---	---	---	---	IPERS, OPERS	NI
CWHL 2007-17	NI	---	---	---	---	---	NI
CWHL 2007-18	NI	---	---	---	---	---	NI
CWHL 2007-HY4	NI	---	---	---	---	---	NI
CWHL 2007-HY6	NI	---	---	---	---	---	NI
CWHL 2007-19	NI	---	---	---	---	---	NI
CWHL 2007-HY7	NI	---	---	---	---	---	NI
CWHL 2007-20	NI	---	---	---	---	---	NI
CWHL 2007-21	NI	---	---	---	---	---	NI

**SAC Appendix Exhibit F****Timeliness of Claims Asserted in the SAC Based on Statutes of Tolling and Repose,  
as Per the Countrywide Tolling Decision**

Offering	Effective Date of Shelf Registration Statement	Effective Date of Prospectus Supplement	Date of Bona Fide Offering to Public for Section 11 Purposes (for Issuers and Underwriters ONLY)	Date of Bona Fide Offering to Public for Section 12(a)(2) Purposes	Date of Pleading on which Plaintiffs base <i>American Pipe</i> Tolling	Luther Plaintiff(s) Standing as of Date Tolling Commenced	Plaintiff(s) with Standing in SAC
CWL 2005-11	June 10, 2005	September 23, 2005	June 10, 2005	September 23, 2005	September 9, 2008	PTOE	GBPHB
CWHL 2005-HYB9	June 10, 2005	November 29, 2005	June 10, 2005	November 29, 2005	October 16, 2008	Maine	OCERS
CWALT 2005-62	July 25, 2005	October 28, 2005	July 25, 2005	October 28, 2005	June 12, 2008	WASH, MASH	OPERS
CWALT 2005-72	July 25, 2005	November 29, 2005	July 25, 2005	November 29, 2005	September 9, 2008	PTOE	OPERS
CWHEL 2005-H	August 4, 2005	September 28, 2005	August 4, 2005	September 28, 2005	September 9, 2008	PTOE	OPERS
CWL 2006-3	February 21, 2006	February 23, 2006	February 23, 2006	February 23, 2006	October 16, 2008	Maine	GBPHB
CWL 2006-6	February 21, 2006	March 27, 2006	March 27, 2006	March 27, 2006	October 16, 2008	Maine	GBPHB
CWL 2006-11	February 21, 2006	June 28, 2006	June 28, 2006	June 28, 2006	June 12, 2008	WASH, Vermont	GBPHB
CWL 2006-9	February 21, 2006	June 29, 2006	June 29, 2006	June 29, 2006	September 9, 2008	Vermont	GBPHB
CWHL 2006-HYB3	March 6, 2006	April 26, 2006	April 26, 2006	April 26, 2006	June 12, 2008	WASH, Vermont	OPERS
CWL 2006-S3	April 12, 2006	June 26, 2006	June 26, 2006	June 26, 2006	June 12, 2008	WASH, Vermont	IPERS
CWL 2006-S9	April 12, 2006	December 28, 2006	December 28, 2006	December 28, 2006	June 12, 2008	WASH, Vermont	IPERS
CWL 2006-15	August 8, 2006	September 27, 2006	September 27, 2006	September 27, 2006	June 12, 2008	WASH, Vermont	GBPHB
CWL 2006-24	August 8, 2006	December 28, 2006	December 28, 2006	December 28, 2006	September 9, 2008	Vermont	GBPHB

**NOTE: Each Individual Defendant signed each Shelf Registration Statement. Because the Individual Defendants signed as officers or directors, in all cases the date of bona fide offering to the public for Section 11 purposes for these Defendants is the effective date of the relevant shelf registration statement. See 17 C.F.R. §§ 230.430B(f)(2), 230.430B(f)(4); *In re Countrywide Fin. Corp. Secs. Litig.*, 2009 WL 943271, at \*6-7 (C.D. Cal. Apr. 26, 2009).**

**SAC Appendix Exhibit G**

**Percentage of Offerings at Issue in the SAC that Initially Were Awarded AAA Ratings**

<b>Series</b>	<b>Total Offering Amount</b>	<b>Initial Amount Rated AAA</b>	<b>Initial Percentage of Total Offering Rated AAA</b>
CWALT 2005-62	\$1,559,819,100	\$1,427,495,100	92%
CWALT 2005-72	\$737,628,100	\$660,862,000	90%
CWHEL 2005-H	\$1,771,875,000	\$1,771,875,000	100%
CWL 2006-S3	\$1,000,000,100	\$1,000,000,100	100%
CWL 2006-S9	\$1,000,000,100	\$1,000,000,100	100%
CWL 2005-11	\$1,929,704,100	\$1,556,688,100	81%
CWHL 2005-HYB9	\$1,088,954,000	\$1,072,675,000	99%
CWL 2006-3	\$1,361,500,100	\$1,109,500,100	81%
CWL 2006-6	\$1,762,200,100	\$1,461,600,100	83%
CWL 2006-9	\$563,832,100	\$484,386,100	86%
CWL 2006-11	\$1,846,600,100	\$1,639,510,100	89%
CWL 2006-15	\$937,000,100	\$826,000,100	88%
CWL 2006-24	\$1,305,024,100	\$1,099,392,100	84%
CWHL 2006-HYB3	\$966,897,100	\$923,706,100	96%

**CITATIONS TO MISSTATEMENTS AND  
OMISSIONS IN THE OFFERING DOCUMENTS**

**SAC Appendix Exhibit H**

<b>Registration Statement</b>	<b>Page Number</b>
333-123902 (CWALT)	S-18-19
333-125963(CWMBS)	S-21

**SAC Appendix Exhibit I**

<b>Series</b>	<b>Page Number</b>	<b>Series</b>	<b>Page Number</b>
CWALT 2005-62	S-54	CWHL 2006-HYB3	S-98
CWALT 2005-72	S-36		

**SAC Appendix Exhibit J**

<b>Registration Statement</b>	<b>Page Number</b>
333-125164 (CWABS)	S-47
333-131591 (CWABS)	S-38-39
333-135846 (CWABS)	S-38-39
333-126790 (CWHEQ)	S-25
333-132375 (CWHEQ)	S-38-39

**SAC Appendix Exhibit K**

<b>Series</b>	<b>Page Number</b>	<b>Series</b>	<b>Page Number</b>
CWL 2005-H	S-21	CWL 2006-6	S-35
CWL 2006-S3	S-25	CWL 2006-9	S-40
CWL 2006-S9	S-31	CWL 2006-11	S-42
CWL 2005-11	S-29-30	CWL 2006-15	S-33-34
CWHL 2005-HYB9	S-43	CWL 2006-24	S-40
CWL 2006-3	S-37-38		

**SAC Appendix Exhibit L**

<b>Series</b>	<b>Page Number</b>	<b>Series</b>	<b>Page Number</b>
CWL 2005-H	S-21	CWL 2006-S9	S-31
CWL 2006-S3	S-25		



**SAC Appendix Exhibit M**

Series	Page Number	Series	Page Number
CWL 2005-H	S-22	CWL 2006-S9	S-32
CWL 2006-S3	S-26-27		

**SAC Appendix Exhibit N**

Registration Statement	Page Number
333-123902 (CWALT)	23
333-126790 (CWHEQ)	23
333-132375 (CWHEQ)	39
333-125164 (CWABS)	18
333-135846 (CWABS)	39
333-131591 (CWABS)	39
333-131662 (CWMBBS)	25

**SAC Appendix Exhibit O**

Registration Statement	Page Number
333-123902 (CWALT)	S-23
333-126790 (CWHEQ)	S-26
333-132375 (CWHEQ)	S-54
333-125164 (CWABS)	S-48
333-135846 (CWABS)	S-40
333-131591 (CWABS)	S-40
333-131662 (CWMBBS)	S-41

**SAC Appendix Exhibit P**

Registration Statement	Page Number
333-123902 (CWALT)	S-19

**SAC Appendix Exhibit Q**

Series	Page Number	Series	Page Number
CWALT 2005-62	S-53	CWALT 2005-72	S-35-36

**SAC Appendix Exhibit R**

Registration Statement	Page Number
333-123902 (CWALT)	S-20

**SAC Appendix Exhibit S**

Series	Page Number	Series	Page Number
CWALT 2005-62	S-55	CWALT 2005-72	S-37

**SAC Appendix Exhibit T**

Registration Statement	Page Number
333-123902 (CWALT)	S-21

**SAC Appendix Exhibit U**

Series	Page Number	Series	Page Number
CWALT 2005-62	S-56	CWALT 2005-72	S-38

**SAC Appendix Exhibit V**

Registration Statement	Page Number
333-123902 (CWALT)	S-21

**SAC Appendix Exhibit W**

Series	Page Number	Series	Page Number
CWALT 2005-62	S-56	CWALT 2005-72	S-38

**SAC Appendix Exhibit X**

Registration Statement	Page Number
333-123902 (CWALT)	S-21

**SAC Appendix Exhibit Y**

Series	Page Number	Series	Page Number
CWALT 2005-62	S-56	CWALT 2005-72	S-38

**SAC Appendix Exhibit Z**

Registration Statement	Page Number
333-123902 (CWALT)	S-21-22

**SAC Appendix Exhibit AA**

Series	Page Number	Series	Page Number
CWALT 2005-62	S-56	CWALT 2005-72	S-38

**SAC Appendix Exhibit BB**

Registration Statement	Page Number
333-123902 (CWALT)	S-20
333-131662 (CWMBS)	S-54

**SAC Appendix Exhibit CC**

Series	Page Number	Series	Page Number
CWALT 2005-62	S-55	CWHL 2006-HYB3	S-99
CWALT 2005-72	S-37		

**SAC Appendix Exhibit DD**

Registration Statement	Page Number
333-125164 (CWABS)	S-47
333-131591 (CWABS)	S-39
333-135846 (CWABS)	S-38-39
333-132375 (CWHEQ)	S-39
333-126790 (CWHEQ)	S-25

**SAC Appendix Exhibit EE**

Series	Page Number	Series	Page Number
CWL 2006-S3	S-26	CWL 2006-6	S-36
CWL 2006-S9	S-31-32	CWL 2006-9	S-40
CWL 2005-11	S-30	CWL 2006-11	S-42-43
CWHL 2005-HYB9	41	CWL 2006-15	S-34
CWL 2006-3	S-38	CWL 2006-24	S-40

**SAC Appendix Exhibit FF**

Series	Page Number	Series	Page Number
CWL 2005-H	S-22	CWL 2006-S3	S-26

**SAC Appendix Exhibit GG**

Series	Page Number	Series	Page Number
CWL 2006-S9	S-32		

**SAC Appendix Exhibit HH**

Series	Page Number	Series	Page Number
CWALT 2005-62	S-57	CWALT 2005-72	S-39

**SAC Appendix Exhibit II**

Series	Page Number	Series	Page Number
CWALT 2005-62	S-55	CWL 2006-3	S-38
CWALT 2005-72	S-37	CWL 2006-6	S-36
CWL 2005-H	S-23	CWL 2006-9	S-40-41
CWL 2006-S3	S-22	CWL 2006-11	S-43
CWL 2006-S9	S-27	CWL 2006-15	S-34
CWL 2005-11	S-23-24	CWL 2006-24	S-41-42
CWL 2005-HYB9	42	CWHL 2006-HYB3	S-99

**PROOF OF SERVICE VIA ELECTRONIC MAIL**

I, the undersigned, say:

I am a citizen of the United States and am employed in the office of a member of the Bar of this Court. I am over the age of 18 and not a party to the within action. My business address is 1801 Avenue of the Stars, Suite 311, Los Angeles, California 90067.

On December 6, 2010, I caused to be served the following document:

**SECOND AMENDED CLASS ACTION COMPLAINT**


By sending this document for receipt electronically by the parties as listed on the attached Service List.

And on the following non-ECF registered party:

Lauren G Kerkhoff  
Robbins Geller Rudman & Dowd LLP  
655 West Broadway Suite 1900  
San Diego, CA 92101-8498

**By Mail:** By placing true and correct copies thereof in individual sealed envelopes, with postage thereon fully prepaid, which I deposited with my employer for collection and mailing by the United States Postal Service. I am readily familiar with my employer's practice for the collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, this correspondence would be deposited by my employer with the United States Postal Service that same day.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on December 6, 2010, at Los Angeles, California.

  
\_\_\_\_\_  
Harry H. Kharadjian

## Mailing Information for a Case 2:10-cv-00302-MRP -MAN

### Electronic Mail Notice List

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azivitz@btkmc.com

#### Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

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Robbins Geller Rudman & Dowd LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101-8498



Name & Address:

Lionel Z. Glancy

GLANCY BINKOW & GOLDBERG LLP

1801 Avenue of the Stars, Suite 311

Los Angeles, CA 90067

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

MAINE STATE RETIREMENT SYSTEM,  
Individually and On Behalf of All Others Similarly  
Situated,

PLAINTIFF(S)

v.

COUNTRYWIDE FINANCIAL CORPORATION;  
COUNTRYWIDE SECURITIES CORPORATION;  
[See Attachment for Additional Defendants]

DEFENDANT(S).

CASE NUMBER

2:10-cv-00302-MRP-MAN

**SUMMONS**

ON SECOND AMENDED CLASS ACTION COMPLAINT

TO: DEFENDANT(S): ALL NAMED DEFENDANTS

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached ☐ complaint ☒ Second amended complaint ☐ counterclaim ☐ cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, Lionel Z. Glancy, whose address is Glancy Binkow & Goldberg LLP, 1801 Ave. of the Stars, Ste 311, Los Angeles, CA 90067. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Clerk, U.S. District Court

DEC - 6 2010

Dated: \_\_\_\_\_

**JULIE PRADO**  
**SEAL**

By: \_\_\_\_\_

Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

Name & Address:

Lionel Z. Glancy

GLANCY BINKOW & GOLDBERG LLP

1801 Avenue of the Stars, Suite 311

Los Angeles, CA 90067

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

MAINE STATE RETIREMENT SYSTEM,  
Individually and On Behalf of All Others Similarly  
Situated,

PLAINTIFF(S)

v.

COUNTRYWIDE FINANCIAL CORPORATION;  
COUNTRYWIDE SECURITIES CORPORATION;  
[See Attachment for Additional Defendants]

DEFENDANT(S).

CASE NUMBER

2:10-cv-00302-MRP-MAN

**SUMMONS**  
ON SECOND AMENDED CLASS ACTION COMPLAINT

TO: DEFENDANT(S): ALL NAMED DEFENDANTS

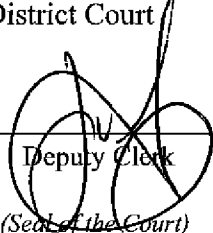
A lawsuit has been filed against you.

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Clerk, U.S. District Court

Dated: DEC - 6 2010

By: \_\_\_\_\_

  
Deputy Clerk  
(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

SUMMONS ON SECOND AMENDED CLASS ACTION COMPLAINT  
2:10-CV-00302-MRP-MAN

[Attachment of Additional Defendants]

COUNTRYWIDE HOME LOANS, INC.; COUNTRYWIDE CAPITAL  
MARKETS; BANK OF AMERICA CORP.; NB HOLDINGS CORPORATION;  
CWALT, INC.; CWMBS, INC.; CWABS, INC.; CWHEQ, INC.; J.P. MORGAN  
SECURITIES, INC.; DEUTSCHE BANK SECURITIES INC.; BEAR, STEARNS  
& CO., INC.; JPMORGAN CHASE, INC.; BANC OF AMERICA SECURITIES  
LLC; UBS SECURITIES LLC; MORGAN STANLEY & CO., INC.; EDWARD  
D. JONES & CO., L.P.; CITIGROUP GLOBAL MARKETS, INC.; GOLDMAN,  
SACHS & CO.; CREDIT SUISSE SECURITIES (USA) LLC; RBS SECURITIES  
INC.; BARCLAY'S CAPITAL, INC.; HSBC SECURITIES (USA) INC.; BNP  
PARIBAS SECURITIES CORP.; MERRILL LYNCH, PIERCE, FENNER &  
SMITH, INC.; STANFORD L. KURLAND; DAVID A. SPECTOR; ERIC P.  
SIERACKI; N. JOSHUA ADLER; RANJIT KRIPALANI; JENNIFER S.  
SANDEFUR; THOMAS KEITH MCLAUGHLIN; THOMAS H. BOONE;  
JEFFREY P. GROGIN; and DAVID A. SAMBOL.