

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

NEW JERSEY CARPENTERS HEALTH FUND, ET AL.,  
Plaintiffs,  
v.  
RESIDENTIAL CAPITAL, LLC, ET AL.,  
Defendants.

No. 08-cv-8781 (KPF)

**NOTICE OF: (I) PENDENCY OF CLASS ACTION; (II) PROPOSED \$235 MILLION SETTLEMENT WITH THE UNDERWRITER DEFENDANTS; (III) SETTLEMENT HEARING; (IV) PLAN OF ALLOCATION FOR DISTRIBUTION OF BOTH THE \$235 MILLION SETTLEMENT WITH THE UNDERWRITER DEFENDANTS AND PREVIOUSLY APPROVED \$100 MILLION SETTLEMENT WITH THE RESCAP DEFENDANTS, THE INDIVIDUAL DEFENDANTS, AND ALLY SECURITIES; AND (V) LEAD COUNSEL'S MOTION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

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

**NOTICE OF PENDENCY OF CLASS ACTION AND SETTLEMENT WITH THE UNDERWRITER DEFENDANTS:** Please be advised that your rights may be affected by the above-captioned class action lawsuit (the "Action") if you purchased or otherwise acquired interests in any mortgage asset-backed pass-through certificates issued by any of the following twenty (20) RALI trusts: RALI Series 2006-QH1, RALI Series 2006-QO1, RALI Series 2006-QO2, RALI Series 2006-QO3, RALI Series 2006-QO5, RALI Series 2006-QS7, RALI Series 2006-QO6, RALI Series 2006-QS8, RALI Series 2006-QO7, RALI Series 2006-QS15, RALI Series 2006-QO10, RALI Series 2007-QS1, RALI Series 2007-QS2, RALI Series 2007-QS5, RALI Series 2007-QH1, RALI Series 2007-QH2, RALI Series 2007-QH3, RALI Series 2007-QH4, RALI Series 2007-QH5, and RALI Series 2007-QH6 (the "Offerings"). Lead plaintiff, New Jersey Carpenters Health Fund (the "Lead Plaintiff") and additional Named Plaintiffs,<sup>1</sup> on behalf of the Underwriter Settlement Class (as defined in ¶ [1] below), have reached a proposed settlement (the "Underwriter Settlement") of the Action for a total of \$235 million in cash that will resolve all claims in the Action against defendants Citigroup Global Markets Inc. ("Citigroup"), Goldman, Sachs & Co. ("GS&Co."), and UBS Securities LLC ("UBS" and, together with Citigroup and GS&Co., the "Underwriter Defendants"). The terms of the Underwriter Settlement are set forth in the Underwriter Stipulation that has been filed with the Court.

**NOTICE OF PLAN OF ALLOCATION FOR DISTRIBUTION OF BOTH THE \$235 MILLION UNDERWRITER SETTLEMENT AND THE PREVIOUSLY APPROVED \$100 MILLION SETTLEMENT WITH THE RESCAP DEFENDANTS, THE INDIVIDUAL DEFENDANTS, AND ALLY SECURITIES:** Please be advised that, in addition to containing a plan of allocation for the \$235 million Underwriter Settlement, this Notice also contains a plan of allocation pertaining to funds from a previously approved \$100 million settlement (the "ResCap Settlement," with the \$100 million constituting the "Gross ResCap Settlement Fund") with the ResCap Defendants, the Individual Defendants, and Ally Securities, pertaining to mortgage asset-backed pass-through certificates issued by the following fifty-nine (59) RALI trusts: RALI Series 2007-QS1, RALI Series 2007-QO4, RALI Series 2007-QH4, RALI Series 2006-QO7, RALI Series 2007-QS5, RALI Series 2006-QS7, RALI Series 2007-QO2, RALI Series 2006-QS11, RALI Series 2007-QS4, RALI Series 2006-QA4, RALI Series 2006-QA6, RALI Series 2006-QA7, RALI Series 2006-QA8, RALI Series 2006-QA10, RALI Series 2006-QA11, RALI Series 2007-QA1, RALI Series 2007-QA2, RALI Series 2007-QO3, RALI Series 2007-QA3, RALI Series 2007-QA5, RALI Series 2007-QH8, RALI Series 2007-QH9, RALI Series 2007-QO5, RALI Series 2007-QS11, RALI Series 2007-QS6, RALI Series 2006-QS8, RALI Series 2006-QS9, RALI Series 2007-QS7, RALI Series 2007-QH2, RALI Series 2007-QH5, RALI Series 2007-QH6, RALI Series 2006-QS18, RALI Series 2006-QO10, RALI Series 2006-QO3, RALI Series 2006-QO6, RALI Series 2007-QH3, RALI Series 2007-QS2, RALI Series 2006-QO9, RALI Series 2006-QO8, RALI Series 2006-QO5, RALI Series 2006-QA5, RALI Series 2006-QA9, RALI Series 2006-QH1, RALI Series 2006-QO4, RALI Series 2006-QS5, RALI Series 2006-QS16, RALI Series 2006-QS17, RALI Series 2007-QH1, RALI Series 2007-QO1, RALI Series 2007-QS3, RALI Series 2007-QA4, RALI Series 2007-QH7, RALI Series 2007-QS8, RALI Series 2007-QS10, RALI Series 2006-QS12, RALI Series 2006-QS13, RALI Series 2006-QS6, RALI Series 2007-QS9, and RALI Series 2006-QS15 (the "ResCap Settlement Offerings," with their constituent certificates constitute the "ResCap Settlement Certificates").

The \$235 million Underwriter Settlement, subject to the Underwriter Stipulation, together with the \$100 million ResCap Settlement, subject to the Stipulation and Agreement of Settlement with the ResCap Defendants, dated June 14, 2013 (the "ResCap Stipulation"), is referred to herein as the Global Settlement Fund, totaling \$335 million. The Global Settlement Fund will be distributed in accordance with the Global Settlement Plan of Allocation detailed below.

**NOTICE OF LEAD COUNSEL'S MOTION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES:** Please be advised that prior to final distribution of funds for the Underwriter Settlement and the ResCap Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees from the Global Settlement Fund in an amount not to exceed 20.75% of the Global Settlement Fund (or \$69,512,500), net of Court-approved Litigation Expenses, plus interest at the same rate and for the same period as earned by the Global Settlement Fund. In addition, Lead Counsel also will apply for the reimbursement of certain Litigation Expenses paid or incurred in connection with the prosecution and resolution of the Action in an amount not to exceed \$5.5 million, plus interest at the same rate and for the same period as earned by the Global Settlement Fund.

<sup>1</sup> All capitalized terms that are not defined herein shall have the meaning ascribed to them in the Agreement of Settlement, dated February 11, 2015 (the "Underwriter Stipulation"), which is available on the website for the Action at [www.RALIMBSLitigation.com](http://www.RALIMBSLitigation.com).

**This Notice explains important rights you may have, including your possible receipt of cash from the Underwriter Settlement and the ResCap Settlement. Your legal rights will be affected whether or not you act.**

**PLEASE READ THIS NOTICE CAREFULLY!**

1. **Description of the Action and the Underwriter Settlement Class:** The Underwriter Settlement, if approved by the Court, will apply to the following class (the "Underwriter Settlement Class"): All Persons who purchased or otherwise acquired interests in the Certificates on or before the date when a claim concerning those Certificates was first asserted in the Action (*i.e.*, the "Date of First Suit").<sup>2</sup> Excluded from the Underwriter Settlement Class are those Persons who have filed a timely and valid request for exclusion in accordance with the requirements set forth in this Notice. Also excluded from the Underwriter Settlement Class are the Underwriter Defendants.

2. **Statement of the Underwriter Settlement Class's Recovery:** Subject to Court approval, and as described more fully in ¶¶ [84-93] below, Plaintiffs, on behalf of the Underwriter Settlement Class, have agreed to settle all Released Claims (as defined in ¶ [86] below) against the Underwriter Defendants and other Released Underwriter Defendant Parties (as defined in ¶ [87] below) in exchange for a settlement payment of \$235 million in cash (the "Gross Underwriter Settlement Fund") to be deposited into an interest-bearing escrow account and certain other terms. Each of the Underwriter Defendants may withdraw from the Underwriter Settlement if certain conditions set forth in the Underwriter Stipulation are met. If one or more of the Underwriter Defendants withdraw from the Underwriter Settlement, then the \$235 million Gross Underwriter Settlement Fund will be reduced as set forth in the Underwriter Stipulation. If you acquired Certificates issued in an Offering that was not underwritten by an Underwriter Defendant that remains a party to the Underwriter Settlement, then you will receive a notice informing you that you are no longer a member of the Underwriter Settlement Class. If the Certificates you acquired were issued in an Offering underwritten by an Underwriter Defendant that remains a party to the Underwriter Settlement, then you will receive a new notice explaining the terms of the revised settlement with the remaining Underwriter Defendant(s). That notice to members of the revised settlement class will set forth the date for a new settlement hearing and provide a schedule under which you will be given an opportunity to object to the revised settlement or exclude yourself from that settlement.

The Gross Underwriter Settlement Fund and the Gross ResCap Settlement Fund shall constitute a "Gross Global Settlement Fund" of \$335 million. The Gross Global Settlement Fund less all Taxes, Tax Expense, and Notice and Administration Costs (as defined in the Underwriter Stipulation and ResCap Stipulation), and all attorneys' fees and Litigation Expenses awarded by the Court (including those already distributed) (the "Net Global Settlement Fund"), will be distributed to all members of the Underwriter Settlement Class and members of the class certified pursuant to the ResCap Settlement in accordance with a plan of allocation (the "Global Settlement Plan of Allocation") that will be submitted for approval by the Court. The proposed Global Settlement Plan of Allocation is included in this Notice, and may be modified by the Court without further notice.

3. **Statement of Average Distribution Per \$1,000 in Initial Certificate Value For the Gross Global Settlement Fund Prior to Payment of Court-Approved Attorneys' Fees and Expenses:** The Gross Global Settlement Fund shall be divided as follows:

For the Gross Underwriter Settlement Fund, based on the total original principal balances as stated in the prospectus supplements for the Offerings (without subtracting the principal pay downs received, but subtracting the Certificates retained by the Underwriter Defendants) and the \$235 million in the Gross Underwriter Settlement Fund prior to payment of Court-approved attorneys' fees and expenses, the estimated average distribution is approximately \$24.85 per \$1,000 in original principal balance for the Underwriter Settlement Ten Trading Day Claimants (as defined in ¶ [5] below), approximately \$3.29 per \$1,000 in original principal balance for the Underwriter Settlement Outside Ten Trading Day Claimants (as defined in ¶ [5] below), and approximately \$1.33 per \$1,000 in original principal balance for the Underwriter Settlement Dismissed Claimants (as defined in ¶ [5] below).

For the Gross ResCap Settlement Fund, based on the total original principal balances as stated in the prospectus supplements for the ResCap Settlement Offerings (without subtracting the principal pay downs received, but subtracting the ResCap Settlement Certificates retained by the Underwriter Defendants) and the \$100 million in the Gross ResCap Settlement Fund prior to payment of Court-approved attorneys' fees and expenses, the estimated average distribution is approximately \$7.47 per \$1,000 in original principal balance for the ResCap Settlement Ten Trading Day Claimants (as defined in ¶ [6] below), approximately \$1.03 per \$1,000 in original principal balance for the ResCap Settlement Outside Ten Trading Day Claimants (as defined in ¶ [6] below), and approximately \$0.06 per \$1,000 in original principal balance for the ResCap Settlement Dismissed Claimants (as defined in ¶ [6] below).

Some claimants may qualify for an award from both the Gross Underwriter Settlement Fund and Gross ResCap Settlement Fund. For instance, a claimant who qualifies as a Underwriter Settlement Ten Trading Day Claimant may also qualify as a ResCap Settlement Ten Trading Day Claimant, meaning that claimant would receive an estimated average distribution of approximately \$24.85 per \$1,000 in original principal balance from the Gross Underwriter Settlement Fund and an estimated average distribution of approximately \$7.47 per \$1,000 in original principal balance from the Gross ResCap Settlement Fund for a total of approximately \$32.32 per \$1,000 in original principal balance from the Gross Global Settlement Fund.

---

<sup>2</sup> The Date of First Suit is September 22, 2008 for the Certificates issued by the RALI Series 2006-QO1, RALI Series 2006-QO2, RALI Series 2006-QO3, RALI Series 2006-QO5, RALI Series 2006-QO6, RALI Series 2006-QO7, and RALI Series 2006-QO10 trusts and May 18, 2009 for the Certificates issued by the RALI Series 2006-QH1, RALI Series 2006-QS7, RALI Series 2006-QS8, RALI Series 2006-QS15, RALI Series 2007-QS1, RALI Series 2007-QS2, RALI Series 2007-QS5, RALI Series 2007-QH1, RALI Series 2007-QH2, RALI Series 2007-QH3, RALI Series 2007-QH4, RALI Series 2007-QH5, and RALI Series 2007-QH6 trusts.

All claimants may receive more or less than the Average Distribution Per \$1,000 in Initial Certificate Value, depending on, among other facts, when their Certificates and/or ResCap Settlement Certificates were purchased or sold, the amount of principal that has been repaid, the value of those Certificates and/or ResCap Settlement Certificates on the applicable date a claim relating to those Certificates and/or ResCap Settlement Certificates was first asserted in the lawsuit, the number of class members who timely submit a Proof of Claim Form, the Global Settlement Plan of Allocation, and their Group status as more fully described below in this Notice.

4. **Statement of the Settling Parties' Position on Damages:** The Underwriter Defendants deny all claims of wrongdoing, fault, or liability to the Plaintiffs and/or the Underwriter Settlement Class or that the Plaintiffs or other members of the Underwriter Settlement Class suffered any damages. Moreover, the Plaintiffs and the Underwriter Defendants do not agree on the amount of recoverable damages or the average amount of damages per Certificate that would be recoverable if Plaintiffs were to prevail on each of their claims. Other issues on which the Plaintiffs and the Underwriter Defendants disagree include, but are not limited to: (i) whether the Offering Materials for the Certificates were materially false or misleading or omitted material information; (ii) whether the Underwriter Defendants are otherwise liable under the securities laws for the allegedly false or misleading statements or omissions; (iii) whether all or part of the damages allegedly suffered by Plaintiffs or members of the Underwriter Settlement Class were caused by economic conditions or factors other than the allegedly false or misleading statements or omissions; (iv) whether Plaintiffs and/or other members of the Underwriter Settlement Class knew or had reason to know of any alleged misstatements or omissions; and (v) whether Underwriter Defendants performed adequate due diligence on the mortgage collateral underlying the Certificates.

5. **The Plan of Allocation Pertaining to the Underwriter Settlement:** The \$235 million Gross Underwriter Settlement Fund and the interest earned thereon while it is held in escrow before distribution, less all Taxes, Tax Expenses, Notice and Administration Costs, and attorneys' fees and Litigation Expenses awarded to Lead Counsel (the "Net Underwriter Settlement Fund"), shall be distributed based on the acceptable Proof of Claim Forms submitted by members of the Underwriter Settlement Class ("Authorized Underwriter Fund Claimants") as follows:

Underwriter Settlement Group 1 (the "Underwriter Settlement Ten Trading Day Claimants") will be composed of those members of the Underwriter Settlement Class who purchased or otherwise acquired Certificates issued by any of the following sixteen (16) RALI trusts — RALI Series 2006-QO3, RALI Series 2006-QO5, RALI Series 2006-QS7, RALI Series 2006-QO6, RALI Series 2006-QS8, RALI Series 2006-QO7, RALI Series 2006-QS15, RALI Series 2006-QO10, RALI Series 2007-QS1, RALI Series 2007-QS2, RALI Series 2007-QS5, RALI Series 2007-QH2, RALI Series 2007-QH3, RALI Series 2007-QH4, RALI Series 2007-QH5, and RALI Series 2007-QH6 — directly from an underwriter or its agent within ten (10) trading days of the date when their Certificates were first publicly offered (the "Ten Trading Day Period") except for the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Housing Finance Agency acting as conservator for either such entity;

Underwriter Settlement Group 2 (the "Underwriter Settlement Outside Ten Day Trading Day Claimants") will be composed of those members of the Underwriter Settlement Class who purchased or otherwise acquired Certificates issued by any of the following sixteen (16) RALI trusts — RALI Series 2006-QO3, RALI Series 2006-QO5, RALI Series 2006-QS7, RALI Series 2006-QO6, RALI Series 2006-QS8, RALI Series 2006-QO7, RALI Series 2006-QS15, RALI Series 2006-QO10, RALI Series 2007-QS1, RALI Series 2007-QS2, RALI Series 2007-QS5, RALI Series 2007-QH2, RALI Series 2007-QH3, RALI Series 2007-QH4, RALI Series 2007-QH5, and RALI Series 2007-QH6 — but who (i) either did not purchase their Certificates directly from an underwriter or its agent, or who purchased their Certificates outside the Ten Day Trading Period, or both or (ii) are the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal House Finance Agency acting as conservator for either such entity; and

Underwriter Settlement Group 3 (the "Underwriter Settlement Dismissed Claimants") will be composed of those members of the Underwriter Settlement Class who purchased or otherwise acquired Certificates issued by any of the following four (4) RALI trusts — RALI Series 2006-QH1, RALI Series 2007-QH1, RALI Series 2006-QO1, and RALI Series 2006-QO2.

Purchasers in Underwriter Settlement Group 1, or the Underwriter Settlement Ten Trading Day Claimants, will receive their proportionate share of approximately \$207.227 million of the \$235 million Gross Underwriter Settlement Fund or an average of approximately \$24.85 per \$1,000 of original principal balance before payment of Court-approved attorneys' fees and expenses.

Purchasers in Underwriter Settlement Group 2, or the Underwriter Settlement Outside Ten Trading Day Claimants, will receive their proportionate share of approximately \$24.568 million of the \$235 million Gross Underwriter Settlement Fund or an average of approximately \$3.29 per \$1,000 of original principal balance of the Certificates before payment of Court-approved attorneys' fees and expenses.

Purchasers in Underwriter Settlement Group 3, or the Underwriter Settlement Dismissed Claimants, will receive their proportionate share of approximately \$3.205 million of the \$235 million Gross Underwriter Settlement Fund or an average of approximately \$1.33 per \$1,000 of original principal balance of the Certificates before payment of Court-approved attorneys' fees and expenses.

Members of the Underwriter Settlement Class should note, however, that these are only estimates. Members of the Underwriter Settlement Class may recover more or less than this amount depending on, among other factors, when their Certificates were purchased or sold, the amount of principal that has been repaid, the amount of principal that has been written off, the estimated value of the Certificates on the date a claim concerning those Certificates was first asserted in the Action as indicated in the table listing the Date of First Suit found at [www.RALIMBSLitigation.com](http://www.RALIMBSLitigation.com), the number of Underwriter Settlement Class members who submit timely Proof of Claim Forms, and the amount of such claims, and the Gross Settlement Plan of Allocation, as more fully described below in this Notice. In addition, the actual recovery of members of the Underwriter Settlement Class may be further reduced by the payment of

Court-approved attorneys' fees and expenses from the Gross Underwriter Settlement Fund. You should visit the settlement website, [www.RALIMBSLitigation.com](http://www.RALIMBSLitigation.com), to determine which of the three Groups described above your Certificates are in.

6. **The Plan of Allocation Pertaining to the ResCap Settlement:** On June 14, 2013 and in consideration for the payment of \$100 million in cash, the claims in the Action against the ResCap Defendants, the Individual Defendants, Ally Securities, and other released parties, were settled, as described in the ResCap Stipulation, as to the ResCap Settlement Offerings. The Gross ResCap Settlement Fund, less all Taxes, Tax Expenses, Notice and Administration Costs (as defined in the ResCap Stipulation), and attorneys' fees and Litigation Expenses awarded to Lead Counsel (the "Net ResCap Settlement Fund"), shall be distributed based on the acceptable Proof of Claim Forms submitted by members of the class certified pursuant to the ResCap Settlement ("Authorized ResCap Fund Claimants") as follows:

ResCap Settlement Group 1 will be composed of those ResCap Settlement Certificate holders (the "ResCap Settlement Ten Trading Day Claimants") who purchased or otherwise acquired ResCap Settlement Certificates issued by any of the following twenty two (22) RALI trusts: RALI Series 2007-QS5, RALI Series 2007-QH2, RALI Series 2007-QH5, RALI Series 2007-QH6, RALI Series 2006-QO10, RALI Series 2007-QH3, RALI Series 2007-QS2, RALI Series 2006-QS15, RALI Series 2006-QS7, RALI Series 2006-QS8, RALI Series 2006-QO3, RALI Series 2006-QO6, RALI Series 2006-QO5, RALI Series 2007-QO2, RALI Series 2007-QS4, RALI Series 2007-QS7, RALI Series 2006-QS18, RALI Series 2006-QS11, RALI Series 2006-QS9, RALI Series 2006-QO7, RALI Series 2007-QH4, and RALI Series 2007-QS1, directly from Defendants or their agents within ten (10) trading days of the date when their ResCap Settlement Certificates were first publicly offered (the "Ten Trading Day Period") except for the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Housing Finance Agency acting as conservator for either such entity;

ResCap Settlement Group 2 will be composed of those ResCap Settlement Certificate holders (the "ResCap Settlement Outside Ten Trading Day Claimants") who purchased or acquired ResCap Settlement Certificates issued by any of the following twenty two (22) RALI trusts: RALI Series 2007-QS5, RALI Series 2007-QH2, RALI Series 2007-QH5, RALI Series 2007-QH6, RALI Series 2006-QO10, RALI Series 2007-QH3, RALI Series 2007-QS2, RALI Series 2006-QS15, RALI Series 2006-QS7, RALI Series 2006-QS8, RALI Series 2006-QO3, RALI Series 2006-QO6, RALI Series 2006-QO5, RALI Series 2007-QO2, RALI Series 2007-QS4, RALI Series 2007-QS7, RALI Series 2006-QS18, RALI Series 2006-QS11, RALI Series 2006-QS9, RALI Series 2006-QO7, RALI Series 2007-QH4, and RALI Series 2007-QS1, but who (i) either did not purchase their ResCap Settlement Certificates directly from Defendants or their agents, or who purchased their Certificates outside the Ten Day Trading Period, or both or (ii) are the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal Housing Finance Agency acting as conservator for either such entity; and

ResCap Settlement Group 3 will be composed of those ResCap Settlement Certificate holders ("ResCap Settlement Dismissed Claimants") who purchased or acquired ResCap Settlement Certificates issued by any of the following thirty seven (37) RALI trusts: RALI Series 2007-QS10, RALI Series 2007-QA4, RALI Series 2006-QA9, RALI Series 2007-QO1, RALI Series 2006-QA10, RALI Series 2006-QA11, RALI Series 2007-QA1, RALI Series 2007-QA2, RALI Series 2007-QO3, RALI Series 2007-QA3, RALI Series 2007-QA5, RALI Series 2007-QH8, RALI Series 2007-QH9, RALI Series 2007-QO4, RALI Series 2007-QO5, RALI Series 2007-QS11, RALI Series 2007-QS6, RALI Series 2007-QH1, RALI Series 2007-QS9, RALI Series 2006-QO8, RALI Series 2006-QO9, RALI Series 2007-QH7, RALI Series 2006-QS17, RALI Series 2006-QS16, RALI Series 2007-QS3, RALI Series 2007-QS8, RALI Series 2006-QA4, RALI Series 2006-QA6, RALI Series 2006-QA7, RALI Series 2006-QA8, RALI Series 2006-QS12, RALI Series 2006-QS13, RALI Series 2006-QS6, RALI Series 2006-QH1, RALI Series 2006-QS5, RALI Series 2006-QA5, and RALI Series 2006-QO4.

Purchasers in ResCap Settlement Group 1 or the ResCap Settlement Ten Trading Day Claimants, will receive their proportionate share of approximately \$88.182 million of the \$100 million Gross ResCap Settlement Fund or an average of approximately \$7.47 per \$1,000 of original principal balance of the ResCap Settlement Certificates before payment of Court-approved attorneys' fees and expenses.

Purchasers in ResCap Settlement Group 2, or the ResCap Settlement Outside Ten Trading Day Claimants, will receive their proportionate share of approximately \$10.454 million of the \$100 million Gross ResCap Settlement Fund or an average of approximately \$1.03 per \$1,000 of original principal balance of the ResCap Settlement Certificates before payment of Court-approved attorneys' fees and expenses.

Purchasers in ResCap Settlement Group 3, or the ResCap Settlement Dismissed Claimants, will receive their proportionate share of approximately \$1.364 million of the \$100 million Gross ResCap Settlement Fund or an average of approximately \$0.06 per \$1,000 of original principal balance of the ResCap Settlement Certificates before payment of Court-approved attorneys' fees and expenses.

Members of the ResCap Settlement Class should note, however, that these are only estimates. Members of the ResCap Settlement Class may recover more or less than this amount depending on, among other factors, when their ResCap Settlement Certificates were purchased or sold, the amount of principal that has been repaid, the amount of principal that has been written off, the estimated value of the ResCap Settlement Certificates on the date a claim concerning those ResCap Settlement Certificates was first asserted in the Action as indicated in the table listing the Date of First Suit found at [www.RALIMBSLitigation.com](http://www.RALIMBSLitigation.com), the number of ResCap Settlement Class members who submit timely Proof of Claim Forms, and the amount of such claims, and the Global Settlement Plan of Allocation, as more fully described below in this Notice. In addition, the actual recovery of ResCap Settlement Class members may be further reduced by the payment of Court-approved attorneys' fees and expenses from the Gross ResCap Settlement Fund. You should visit the settlement website, [www.RALIMBSLitigation.com](http://www.RALIMBSLitigation.com), to determine which of the three Groups described above your ResCap Settlement Certificates are in.

Please Note: As set forth in the Global Settlement Plan of Allocation below, only those members of the ResCap Settlement Class who purchased or otherwise acquired an interest in their ResCap Settlement Certificates on or before the date when a claim concerning their ResCap Settlement Certificates was first asserted in the Action are eligible to potentially recover from the Net ResCap Settlement Fund.<sup>3</sup>

7. **Statement of Attorneys' Fees and Litigation Expenses Sought:** Prior to final distribution of funds, Lead Counsel will apply to the Court for an award of attorneys' fees from the Gross Global Settlement Fund in an amount not to exceed 20.75% of the Gross Global Settlement Fund (or \$69,512,500), net of Court-approved Litigation Expenses, plus interest at the same rate and for the same period as earned by the Gross Global Settlement Fund. In addition, Lead Counsel also will apply for the reimbursement of certain Litigation Expenses paid or incurred in connection with the prosecution and resolution of the Action in an amount not to exceed \$5.5 million, plus interest at the same rate and for the same period as earned by the Gross Global Settlement Fund.<sup>4</sup> Seventy and fifteen-hundredths percent (70.15%) of the aggregate attorneys' fees awarded and Litigation Expenses reimbursed shall be deemed paid from the Gross Underwriter Settlement Fund and 29.85% deemed paid from the Gross ResCap Settlement Fund (in proportion to the principal amounts of the respective settlement funds). Litigation Expenses may include reimbursement of the expenses of Plaintiffs in accordance with 15 U.S.C. §77z-1a(4). Based on the total initial dollar value of the Certificates and/or the ResCap Settlement Certificates as stated in the prospectus supplements for the Offerings and/or the ResCap Settlement Offerings (without subtracting the principal pay downs received on the Certificates and/or the ResCap Settlement Certificates), and assuming all purchasers of the initially offered Certificates and/or ResCap Settlement Certificates elect to participate, if the Court approves Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expense, the estimated average cost is approximately \$1.92 per \$1,000 in original principal balance of the ResCap Settlement Certificates in the three ResCap Settlement Groups described herein as well as RALI Series 2006-QO1 and RALI Series 2006-QO2, which also includes the smaller original principal balance of the Certificates in the three Underwriter Settlement Groups. The actual cost may be more or less than this amount depending on, among other factors, when their Certificates and/or ResCap Settlement Certificates were purchased or sold, the amount of principal that has been repaid, the estimated value of the Certificates and/or the ResCap Settlement Certificates on the applicable date claims relating to those Certificates and/or ResCap Settlement Certificates were first asserted in the Action, the number of class members who timely submit Proof of Claim Forms, and the Global Settlement Plan of Allocation, as more fully described below in this Notice.

8. **Identification of Attorneys' Representatives:** Lead Plaintiff, the Underwriter Settlement Class, and the ResCap Settlement Class are being represented by Cohen Milstein Sellers & Toll PLLC ("Cohen Milstein"). Any questions regarding the Underwriter Settlement should be directed to Joel P. Laitman (jlaitman@cohenmilstein.com); Christopher Lometti (clometti@cohenmilstein.com); Michael Eisenkraft (meisenkraft@cohenmilstein.com) or Daniel B. Rehns (drehns@cohenmilstein.com) at Cohen Milstein, 88 Pine Street, 14th Floor, New York, New York, 10005; (212) 838-7797.

---

<sup>3</sup> Claims were first asserted for the ResCap Settlement Certificates issued by the RALI Series 2006-QO3, RALI Series 2006-QO4, RALI Series 2006-QO5, RALI Series 2006-QO6, RALI Series 2006-QO7, RALI Series 2006-QO10, RALI Series 2007-QO1, RALI Series 2007-QO2, RALI Series 2007-QO3, RALI Series 2007-QO4, and RALI Series 2007-QO5 trusts on September 22, 2008. Claims were first asserted for the ResCap Settlement Certificates issued by the RALI Series 2007-QS10, RALI Series 2006-QA10, RALI Series 2006-QA11, RALI Series 2006-QA4, RALI Series 2006-QA5, RALI Series 2006-QA6, RALI Series 2006-QA7, RALI Series 2006-QA8, RALI Series 2006-QA9, RALI Series 2006-QH1, RALI Series 2006-QO8, RALI Series 2006-QO9, RALI Series 2006-QS11, RALI Series 2006-QS12, RALI Series 2006-QS13, RALI Series 2006-QS15, RALI Series 2006-QS16, RALI Series 2006-QS17, RALI Series 2006-QS18, RALI Series 2006-QS5, RALI Series 2006-QS6, RALI Series 2006-QS7, RALI Series 2006-QS8, RALI Series 2006-QS9, RALI Series 2007-QA1, RALI Series 2007-QA2, RALI Series 2007-QA3, RALI Series 2007-QA4, RALI Series 2007-QA5, RALI Series 2007-QH1, RALI Series 2007-QH2, RALI Series 2007-QH3, RALI Series 2007-QH4, RALI Series 2007-QH5, RALI Series 2007-QH6, RALI Series 2007-QH7, RALI Series 2007-QH8, RALI Series 2007-QH9, RALI Series 2007-QS1, RALI Series 2007-QS11, RALI Series 2007-QS2, RALI Series 2007-QS3, RALI Series 2007-QS4, RALI Series 2007-QS5, RALI Series 2007-QS6, RALI Series 2007-QS7, RALI Series 2007-QS8, and RALI Series 2007-QS9 trusts on May 18, 2009.

<sup>4</sup> A partial payment of \$882,000 in Litigation Expenses was previously paid to counsel in December of 2013 with the approval of the Court in connection with the ResCap Settlement. Those monies and the expenses they reimbursed will not be included in the current application for reimbursement of Litigation Expenses.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE UNDERWRITER SETTLEMENT AND PROCEEDS FROM THE NET GLOBAL SETTLEMENT FUND:</b>	
<b>REMAIN A MEMBER OF THE UNDERWRITER SETTLEMENT CLASS AND SUBMIT A PROOF OF CLAIM FORM.</b>	This is the only way to receive a payment in the Underwriter Settlement. If you wish to obtain a payment as a member of the Underwriter Settlement Class, you will need to submit a Proof of Claim Form, which is included with this Notice, postmarked no later than <b>July 3, 2015</b> .
<b>SUBMIT A PROOF OF CLAIM FORM AS A MEMBER OF THE RESCAP SETTLEMENT CLASS.</b>	This is the only way to receive a payment in the ResCap Settlement. If you have not excluded yourself from the ResCap Settlement and wish to obtain a payment as a member of the ResCap Settlement Class, you will need to submit a Proof of Claim Form, which is included with this Notice, postmarked no later than <b>July 3, 2015</b> .
<b>EXCLUDE YOURSELF FROM THE UNDERWRITER SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JUNE 22, 2015.</b>	Receive no payment pursuant to the Underwriter Settlement. If you exclude yourself from the Underwriter Settlement Class, you may be able to seek recovery against the Underwriter Defendants or other Released Underwriter Defendant Parties through other litigation. If, however, you have not brought suit yourself within three years of the offering date of the Certificates you purchased, your ability to bring claims under the Securities Act may be barred by its statute of repose. See <i>Police &amp; Fire Ret. Sys. v. Indymac MBS, Inc.</i> , 721 F.3d 95 (2d Cir. 2013).
<b>OBJECT TO THE UNDERWRITER SETTLEMENT BY SUBMITTING WRITTEN OBJECTIONS SO THAT THEY ARE RECEIVED NO LATER THAN JULY 1, 2015.</b>	Write to the Court and explain why you do not like the Underwriter Settlement. You cannot object to the Underwriter Settlement unless you are a member of the Underwriter Settlement Class and do not validly exclude yourself.
<b>OBJECT TO THE GLOBAL SETTLEMENT PLAN OF ALLOCATION OR LEAD COUNSEL'S MOTION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES BY SUBMITTING WRITTEN OBJECTIONS SO THAT THEY ARE RECEIVED NO LATER THAN JULY 1, 2015.</b>	Write to the Court and explain why you do not like the proposed Global Settlement Plan of Allocation or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses from the Gross Global Settlement Fund. You cannot object to the Global Settlement Plan of Allocation or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses from the Gross Global Settlement Fund unless you are a member of the Underwriter Settlement Class and/or the ResCap Settlement Class and do not validly exclude yourself.
<b>GO TO THE HEARING ON JULY 31, 2015 AT 2:30 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JULY 1, 2015.</b>	Ask to speak in Court about the fairness of the Underwriter Settlement, the proposed Global Settlement Plan of Allocation, or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses from the Gross Global Settlement Fund.
<b>DO NOTHING.</b>	Receive no payment and remain a member of the Underwriter Settlement Class and/or the ResCap Settlement Class. If you are a member of the Underwriter Settlement Class you will be giving up your rights and will be bound by the Order and Final Judgment entered by the Court if it approves the Underwriter Settlement, including the release of the Released Claims. If you are a member of the ResCap Settlement Class you are bound by the Order and Final Judgment entered by the Court on <b>October 8, 2013</b> .

**WHAT THIS NOTICE CONTAINS**

Why Did I Get This Notice? ..... Page 7

What Is This Case About? What Has Happened So Far? ..... Page 7

How Do I Know If I Am Affected By The Underwriter And/Or The ResCap Settlement? ..... Page 10

What Are The Plaintiffs' Reasons For The Underwriter Settlement? ..... Page 10

What Might Happen If There Were No Underwriter Settlement? ..... Page 11

How Much Will My Payment Be? When Will I Receive It?..... Page 11

What Rights Am I Giving Up By Agreeing To The Underwriter Settlement? ..... Page 15

What Payment Are The Attorneys For The Underwriter Settlement Class And The ResCap Settlement Class Seeking? How Will The Attorneys Be Paid? ..... Page 17

How Do I Participate In The Underwriter Settlement And/Or The ResCap Settlement? What Do I Need To Do?..... Page 17

What If I Do Not Want To Be Part Of The Underwriter Settlement? How Do I Exclude Myself? ..... Page 18

When And Where Will The Court Decide Whether To Approve The Underwriter Settlement? ..... Page 18

Do I Have To Come To The Hearing? May I Speak At The Hearing If I Don't Like The Underwriter Settlement, The Global Settlement Plan of Allocation, Or Lead Counsel's Motion For Attorneys' Fees And/Or Reimbursement of Litigation Expenses? ..... Page 18

What If I Bought Certificates And/Or ResCap Settlement Certificates On Someone Else's Behalf? ..... Page 20

Can I See The Court File? Who Should I Contact If I Have Questions? ..... Page 20

## WHY DID I GET THIS NOTICE?

9. This Notice is being sent to you pursuant to an order of the United States District Court for the Southern District of New York (the "Court") because you or someone in your family may have purchased or otherwise acquired an interest in one or more of the Certificates and/or the ResCap Settlement Certificates described above. The Court has directed us to send you this Notice because, as a potential member of the Underwriter Settlement Class and/or the ResCap Settlement Class, you have a right to know about your options before the Court rules on the Underwriter Settlement in this case, as well as the Global Settlement Plan of Allocation and the attorneys' fees and Litigation Expenses that may be awarded from the Gross Global Settlement Fund. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights.

10. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. In a class action lawsuit, a court selects one or more people, known as class representatives or lead plaintiffs, to sue on behalf of all people with similar claims, commonly known as the class or the class members. Once the class is certified, the court must resolve all issues on behalf of the class members, except for any persons who choose to exclude themselves from the class. (For more information on excluding yourself from the Underwriter Settlement Class, please read "What If I Do Not Want To Be A Part Of The Underwriter Settlement? How Do I Exclude Myself?" located below.) In the Action, the Court has directed that Lead Plaintiff and Lead Counsel have primary responsibility for prosecuting all claims in the Action on behalf of investors in the Certificates and/or the ResCap Settlement Certificates described above.

11. The Court in charge of this case is the United States District Court for the Southern District of New York, and the case is known as *New Jersey Carpenters Health Fund, et al., v. Residential Capital, LLC, et al.*, No. 08-cv-8781 (S.D.N.Y.) (KPF). The Judge currently presiding over this case is the Honorable Katherine Polk Failla, United States District Judge. The people who are suing are called plaintiffs, and those who are being sued are called defendants. In this case, the primary plaintiff is referred to as the Lead Plaintiff and the defendants are certain investment banks that underwrote the Offerings (*i.e.*, the Underwriter Defendants), and certain entities and persons that were involved in sponsoring or underwriting the ResCap Settlement Certificates (*i.e.*, the ResCap Defendants, the Individual Defendants, and Ally Securities). The Underwriter Settlement is with the Underwriter Defendants only, *i.e.*, Citigroup, GS&Co., and UBS. Litigation against the ResCap Defendants, the Individual Defendants, and Ally Securities was concluded by the ResCap Settlement on or about October 8, 2013. The Underwriter Settlement and the ResCap Settlement together are referred to as the "Global Settlement."

12. This Notice explains the lawsuit, the Underwriter Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Underwriter Settlement if you wish to do so. It is being sent to inform you of the terms of the Underwriter Settlement and of a hearing to be held to consider the fairness, reasonableness, and adequacy of the Underwriter Settlement. It is also being sent to you to inform potential members of the Underwriter Settlement Class and/or the ResCap Settlement Class of a hearing to be held by the Court to consider the fairness and reasonableness of the Global Settlement Plan of Allocation and consider Lead Counsel's motion for attorneys' fees and for the reimbursement of Litigation Expenses (the "Settlement Hearing").

13. The Settlement Hearing will be held on July 31, 2015, at 2:30 p.m., before the Honorable Katherine Polk Failla, at the United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, New York, NY 10007, to determine:

- i. whether the Underwriter Settlement is fair, reasonable, and adequate, and should be finally approved by the Court;
- ii. whether the Order and Final Judgment as provided for under the Underwriter Stipulation should be entered, dismissing the Action, on the merits and with prejudice, and whether the releases set forth in the Underwriter Stipulation should be ordered;
- iii. whether the Global Settlement Plan of Allocation is fair and reasonable, and should be approved by the Court; and
- iv. whether Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved.

14. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Underwriter Settlement. Any distribution will not be paid until after the completion of all claims processing. Please be patient.

## WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

15. On September 22, 2008, Lead Plaintiff commenced the Action by filing a complaint styled *New Jersey Carpenters Health Fund v. RALI Series 2006-QO1, et al.*, Index No. 2008/602727 (the "State Court Complaint"), in the New York State Supreme Court, New York County. The State Court Complaint asserted claims under Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the "Securities Act") for alleged misstatements and omissions in the Offering Materials for 13 offerings of mortgage asset-backed pass-through certificates.

16. On October 14, 2008, the Action was removed to the Court.

17. On November 12, 2008, notice of the Action was published pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA"), notifying eligible purchasers of the certificates about their right to move for appointment as lead plaintiff. On June 30, 2009, the Court appointed the New Jersey Carpenters Health Fund as lead plaintiff and approved Cohen Milstein Sellers & Toll PLLC as lead counsel.

18. On May 18, 2009, Lead Plaintiff and the Original Named Plaintiffs filed a Consolidated First Amended Securities Class Action Complaint styled *New Jersey Carpenters Health Fund, et al. vs. Residential Capital, LLC, et al.*, No. 08-cv-8781 (S.D.N.Y.) (the "First Amended Complaint"), with the Court. The defendants named in the First Amended Complaint included the ResCap Defendants, the Individual Defendants, Ally Securities, the Underwriter Defendants, and the Dismissed Underwriter Defendants. The First Amended Complaint asserted claims under Sections 11, 12(a)(2), and 15 of the Securities Act for alleged misstatements and omissions in the Offering Materials for 59 offerings of mortgage asset-backed pass-through certificates (11 of which were previously identified in the State Court Complaint).

19. On July 17, 2009, the Defendants moved to dismiss the First Amended Complaint (the "First Motions to Dismiss").

20. On March 31, 2010, the Court granted in part and denied in part the First Motions to Dismiss (the "First Motion to Dismiss Order"). The Court found that Lead Plaintiff and the Original Named Plaintiffs had standing to assert claims only in connection with the four offerings as to which they purchased certificates (the "Four Offerings"). The Court dismissed for lack of standing all claims arising from the 55 other offerings as to which Lead Plaintiff and the Original Named Plaintiff did not purchase certificates. As a result, the Dismissed Underwriter Defendants were dismissed from the Action.

21. On May 26, 2010, the ResCap Defendants, the Individual Defendants, Ally Securities, and the Underwriter Defendants answered the First Amended Complaint.

22. Between June 10, 2010 and July 30, 2010, the Intervenor Plaintiffs and Mississippi Public Employees' Retirement System ("MissPERS") moved to intervene (the "Motions to Intervene") in the Action to represent purchasers of certificates from seven offerings (the Court had held in the First Motion to Dismiss Order that Lead Plaintiff and the Original Named Plaintiffs lacked standing to pursue claims arising from six of those offerings). On December 22, 2010, the Court granted the Motions to Intervene, restoring to the Action claims arising from those six offerings as to which the Court had held that Lead Plaintiff and the Original Named Plaintiffs lacked standing, including claims against Deutsche Bank Securities Inc. ("DBSI") as an underwriter for two of those offerings.

23. On August 16, 2010, Lead Plaintiff and the Original Named Plaintiffs moved to certify a putative class of purchasers of certificates issued in the Four Offerings, to certify Lead Plaintiff and the Original Named Plaintiffs as class representatives, and to appoint Lead Counsel as class counsel (the "First Class Certification Motion").

24. On January 3, 2011, Plaintiffs filed the Consolidated Second Amended Securities Class Action Complaint ("Second Amended Complaint"), which, inter alia, added the claims of the Intervenor Plaintiffs.

25. On January 18, 2011, the Court denied the First Class Certification Motion (the "First Class Certification Order"). While the Court found that the proposed class satisfied each factor of Rule 23(a) of the Federal Rules of Civil Procedure, including numerosity, commonality, adequacy, and typicality, it found pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure that individual issues of investor knowledge predominated and that a class action was not the superior method of adjudication, thus precluding class certification.

26. On January 24, 2011, Lead Plaintiff and the Original Named Plaintiffs petitioned the United States Court of Appeals for the Second Circuit (the "Second Circuit"), pursuant to Rule 23(f) of the Federal Rules of Civil Procedure, for permission to appeal the First Class Certification Order. On February 29, 2011, the Second Circuit granted that petition.

27. On January 25, 2011, the ResCap Defendants, the Individual Defendants, Ally Securities, the Underwriter Defendants, and DBSI moved to dismiss the Intervenor Plaintiffs' claims asserted in the Second Amended Complaint and MissPERS from the Action (the "Second Motion to Dismiss").

28. On April 28, 2011, the Court granted in part and denied in part the Second Motion to Dismiss (the "Second Motion to Dismiss Order"). The Court dismissed the Intervenor Plaintiffs' Section 12(a)(2) claims. The Court further dismissed MissPERS and all claims related to the certificates issued by the RALI Series 2006-QO6 Trust from the Action.

29. On April 30, 2012, the Second Circuit affirmed the First Class Certification Order without prejudice to further consideration by the Court of class certification.

30. On May 14, 2012, the ResCap Defendants filed voluntary petitions under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York, in a proceeding styled *In re Residential Capital, LLC, et al.*, No. 12-bk-12020 (Bankr. S.D.N.Y. 2012).

31. On August 6, 2012, Lead Plaintiff and the Original Named Plaintiffs filed a renewed motion for class certification in connection with the Four Offerings (the "Second Class Certification Motion"). The Second Class Certification Motion sought, inter alia, certification of a putative class with a restricted temporal scope encompassing only purchases of the certificates made prior to any ratings downgrades of the certificates and excluding the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation from the class definition.

32. On October 15, 2012, the Court granted in part the Second Class Certification Motion and appointed Lead Plaintiff and the Original Named Plaintiffs as class representatives for a class of purchasers who bought certificates that were issued in the Four Offerings on their respective offering dates directly from the issuers (the "Second Class Certification Order").

33. On November 5, 2012, Lead Plaintiff and the Original Named Plaintiffs moved for reconsideration of the Second Class Certification Order, seeking to expand the class to include those initial purchasers who bought certificates that were issued in the Four Offerings from the respective underwriters or their agents no later than ten (10) trading days after those certificates' respective offering dates (the "First Class Definition Modification Motion").

34. On November 16, 2012, Plaintiffs sought reconsideration of the First Motion to Dismiss Order in light of the Second Circuit's ruling in *NECA-IBEW Health & Welfare Fund v. Goldman, Sachs & Co.*, 693 F.3d 145 (2d Cir. 2012) (the "NECA Reconsideration Motion"). The NECA Reconsideration Motion sought to reinstate certain claims arising from the 55 offerings that had been dismissed in the First Motion to Dismiss Order.

35. On November 16, 2012, the Individual Defendants, Ally Securities, the Underwriter Defendants, and DBSI moved, *inter alia*, to dismiss claims asserted by the Intervenor Plaintiffs as barred by the statute of repose set forth in Section 13 of the Securities Act (the "Third Motion to Dismiss").

36. On January 3, 2013, the Court (i) denied the Third Motion to Dismiss, (ii) denied the NECA Reconsideration Motion without prejudice to its renewal following the resolution of the certiorari petition pending before the United States Supreme Court in the NECA case, (iii) granted the First Class Definition Modification Motion, and (iv) appointed Lead Plaintiff and New Jersey Carpenters Vacation Fund as class representatives of the modified class (the "First Class Definition Modification Order").

37. On October 31, 2012 and January 18, 2013, the Individual Defendants, Ally Securities, and the Underwriter Defendants petitioned the Second Circuit for permission to appeal the Second Class Certification Order and First Class Definition Modification Order, respectively, pursuant to Rule 23(f) of the Federal Rules of Civil Procedure. On March 26, 2013, the Second Circuit denied those petitions.

38. On April 30, 2013, following the United States Supreme Court's denial of the certiorari petition in NECA, the Court granted in part and denied in part the NECA Reconsideration Motion (the "Reinstatement Order"), and reinstated claims arising from 37 offerings that were dismissed from the Action in the First Motion to Dismiss Order.

39. On May 10, 2013, Plaintiffs filed a Consolidated Third Amended Securities Class Action Complaint (the "Third Amended Complaint"), which named the Individual Defendants, Ally Securities, the Underwriter Defendants, and DBSI as defendants and asserted claims arising from 41 offerings.

40. On June 10, 2013, the Underwriter Defendants answered the Third Amended Complaint.

41. On June 25, 2013, Plaintiffs moved to modify the class to encompass the 41 offerings identified in the Third Amended Complaint and to appoint New Jersey Carpenters Health Fund, New Jersey Carpenters Vacation Funds, and Local 74 USWU Welfare Fund as class representatives (the "Second Class Definition Modification Motion").

42. On June 28, 2013, the Court preliminarily approved a settlement between Plaintiffs, on behalf of a settlement class, and the ResCap Defendants, the Individual Defendants, and Ally Securities (the "ResCap Settlement").

43. On August 6, 2013, the Underwriter Defendants and DBSI moved to revisit the First Class Definition Modification Order and the Reinstatement Order (the "IndyMac Motion") in light of the Second Circuit's ruling in *Police & Fire Ret. Sys. of City of Detroit v. IndyMac MBS, Inc.*, 721 F.3d 95 (2d Cir. 2013), cert. dismissed, 135 S.Ct. 42 (2014).

44. On October 8, 2013, the Court issued an order and final judgment, which included a bar order and judgment reduction provision, approving the ResCap Settlement.

45. On October 15, 2013, Plaintiffs filed a supplemental memorandum of law in support of the Second Class Definition Modification Motion, in which Plaintiffs sought to expand the class to cover all purchasers who bought certificates on or before October 17, 2007, pursuant or traceable to 22 offerings underwritten by the Underwriter Defendants or DBSI.

46. On December 18, 2013, the Court granted in part the IndyMac Motion and dismissed DBSI and all claims arising from the offerings underwritten by DBSI from the Action.

47. On December 27, 2013, the Court granted in part the Second Class Definition Modification Motion (the "Second Class Definition Modification Order"). The Court denied Plaintiffs' request to expand the class definition beyond the definition set forth in the First Class Definition Modification Order except the Court expanded the class to encompass 16 offerings underwritten by the Underwriter Defendants and designated New Jersey Carpenters Health Fund and New Jersey Carpenters Vacation Fund as class representatives. Of the 16 offerings at issue in the Second Class Definition Modification Order, Citigroup underwrote certificates in four of those offerings, GS&Co. underwrote certificates in ten, and UBS underwrote certificates in three. Certain tranches of one of those offerings (RALI Series 2006-QS15) were underwritten by UBS, while others were underwritten by GS&Co.

48. On January 10, 2014, the Underwriter Defendants petitioned the Second Circuit for permission to appeal the Second Class Definition Modification Order pursuant to Rule 23(f) of the Federal Rules of Civil Procedure. On May 28, 2014, the Second Circuit denied that petition.

49. On October 17, 2014, Plaintiffs moved, inter alia, for partial summary judgment and to strike certain of the Underwriter Defendants' proffered expert reports.

50. On October 17, 2014, the Underwriter Defendants moved for summary judgment and to exclude in part the testimony of certain of Plaintiffs' proffered experts.

51. On or about November 18, 2014, after extensive arm's-length negotiations, on multiple occasions, in person and by exchange of proposals, with the assistance of the Honorable Daniel Weinstein (Retired), Lead Plaintiff and the Underwriter Defendants reached an agreement in principle to settle the Action.

52. On November 21, 2014, Lead Counsel and counsel for the Underwriter Defendants notified the Court of the agreement in principle to settle the Action.

53. On February 19, 2015, the Court authorized this Notice to be sent to potential members of the Underwriter Settlement Class and ResCap Settlement Class, provisionally certified the Underwriter Class for purposes of the Underwriter Settlement, and scheduled the Settlement Hearing to consider whether to grant final approval of the Underwriter Settlement, the Global Settlement Plan of Allocation, and Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses.

#### **HOW DO I KNOW IF I AM AFFECTED BY THE UNDERWRITER SETTLEMENT AND/OR THE RESCAP SETTLEMENT?**

54. If you are a member of the Underwriter Settlement Class, you are subject to the Underwriter Settlement unless you timely and validly request to be excluded. The Underwriter Settlement Class consists of:

All Persons who purchased or otherwise acquired interests in the Certificates on or before the date when a claim concerning those Certificates was first asserted in the Action (*i.e.*, the Date of First Suit).

Excluded from the Underwriter Settlement Class are those Persons who have filed a timely and valid request for exclusion in accordance with the requirements set forth in this Notice. Also excluded from the Underwriter Settlement Class are the Underwriter Defendants.

55. If you are a member of the ResCap Settlement Class, you are subject to the ResCap Settlement unless you timely filed a request to be excluded in response to the notice issued to potential members of the ResCap Settlement Class on or after July 10, 2013 pertaining to the ResCap Settlement. The ResCap Settlement Class, consists of all persons or entities who purchased certificates or otherwise acquired beneficial interests in any of the following fifty-nine (59) RALI trusts: RALI Series 2007-QS1, RALI Series 2007-QO4, RALI Series 2007-QH4, RALI Series 2006-QO7, RALI Series 2007-QS5, RALI Series 2006-QS7, RALI Series 2007-QO2, RALI Series 2006-QS11, RALI Series 2007-QS4, RALI Series 2006-QA4, RALI Series 2006-QA6, RALI Series 2006-QA7, RALI Series 2006-QA8, RALI Series 2006-QA10, RALI Series 2006-QA11, RALI Series 2007-QA1, RALI Series 2007-QA2, RALI Series 2007-QO3, RALI Series 2007-QA3, RALI Series 2007-QA5, RALI Series 2007-QH8, RALI Series 2007-QH9, RALI Series 2007-QO5, RALI Series 2007-QS11, RALI Series 2007-QS6, RALI Series 2006-QS8, RALI Series 2006-QS9, RALI Series 2007-QS7, RALI Series 2007-QH2, RALI Series 2007-QH5, RALI Series 2007-QH6, RALI Series 2006-QS18, RALI Series 2006-QO10, RALI Series 2006-QO3, RALI Series 2006-QO6, RALI Series 2007-QH3, RALI Series 2007-QS2, RALI Series 2006-QO9, RALI Series 2006-QO8, RALI Series 2006-QO5, RALI Series 2006-QA5, RALI Series 2006-QA9, RALI Series 2006-QH1, RALI Series 2006-QO4, RALI Series 2006-QS5, RALI Series 2006-QS16, RALI Series 2006-QS17, RALI Series 2007-QH1, RALI Series 2007-QO1, RALI Series 2007-QS3, RALI Series 2007-QA4, RALI Series 2007-QH7, RALI Series 2007-QS8, RALI Series 2007-QS10, RALI Series 2006-QS12, RALI Series 2006-QS13, RALI Series 2006-QS6, RALI Series 2007-QS9, and RALI Series 2006-QS15, and who failed to timely submit a request to be excluded. Excluded from the ResCap Settlement Class are the Defendants (as defined in the ResCap Stipulation), and their respective officers, affiliates and directors at all relevant times, members of their immediate families and their legal representatives, executors, estates, administrators, successors and assigns, insurers, and any entity in which any Defendants (as defined in the ResCap Stipulation) have or had a controlling interest, provided that any Investment Vehicle (as defined in the ResCap Stipulation) shall not be deemed an excluded person or entity by definition.

56. RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A MEMBER OF THE UNDERWRITER SETTLEMENT CLASS AND/OR THE RESCAP SETTLEMENT CLASS OR THAT YOU ARE ELIGIBLE TO RECEIVE PROCEEDS FROM THE NET GLOBAL SETTLEMENT FUND. IF YOU WISH TO PARTICIPATE IN THE GLOBAL SETTLEMENT, YOU MUST SUBMIT THE ENCLOSED PROOF OF CLAIM FORM POSTMARKED NO LATER THAN JULY 3, 2015.

#### **WHAT ARE THE PLAINTIFFS' REASONS FOR THE UNDERWRITER SETTLEMENT?**

57. Plaintiffs and Lead Counsel believe that the claims asserted against the Underwriter Defendants have merit. Plaintiffs and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Underwriter Defendants through trial and appeals, as well as the difficulties in establishing liability. Plaintiffs and Lead Counsel have considered the uncertain outcome of trial and appellate risk in complex lawsuits like this one.

58. In light of the risks of continued litigation, Plaintiffs and Lead Counsel believe that the Underwriter Settlement is fair, reasonable, and adequate, and in the best interests of the Underwriter Settlement Class. Plaintiff and Lead Counsel also believe that the Underwriter Settlement provides a substantial benefit now, namely the Underwriter Defendants' payment of \$235 million (less the

various deductions described in this Notice and the Underwriter Stipulation), as compared to the risk that the claims would produce a similar, smaller, or no recovery after summary judgment, trial, and appeals, possibly years in the future.

59. The Underwriter Defendants have entered into the Underwriter Settlement to eliminate the burden, expense, uncertainty, distraction, and risk of further litigation. The Underwriter Defendants have denied and continue to deny any fault, liability, or wrongdoing of any kind and that the evidence developed supports in any way the claims asserted in the Action. The Underwriter Defendants also have denied and continue to deny each and all of the claims and contentions alleged by Plaintiffs on behalf of the Underwriter Settlement Class, including all claims in the Third Amended Complaint. The Underwriter Defendant have denied and continue to deny, among other things, the allegation that the Offering Materials for, or in connection with the offering or sale of, the Certificates made any misstatements or omissions. The Underwriter Defendants further have denied and continue to deny that Plaintiffs or any member of the Underwriter Settlement Class was harmed or suffered any loss as a result of any of the conduct alleged in the Action, including all of the conduct alleged in the Third Amended Complaint.

60. Judge Weinstein, who mediated the Underwriter Settlement, is of the opinion that: “the proposed Underwriter Settlement is the result of vigorous arm’s length negotiations by the Plaintiffs and the Underwriter Defendants.” Moreover, based on his extensive discussions with the Plaintiffs and the Underwriter Defendants and their counsel and the information made available to him both before and during the mediation sessions, his opinion is that “the Settlement was negotiated in good faith and that the Underwriter Settlement is fair and reasonable.”

#### **WHAT MIGHT HAPPEN IF THERE WERE NO UNDERWRITER SETTLEMENT?**

61. If there were no Underwriter Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against the Underwriter Defendants, neither Plaintiffs nor members of the Underwriter Settlement Class would recover anything from the Underwriter Defendants. Also, if the Underwriter Defendants were successful in proving any of their defenses, the Underwriter Settlement Class likely would recover substantially less than the amount provided in the Underwriter Settlement, or nothing at all.

#### **HOW MUCH WILL MY PAYMENT BE? WHEN WILL I RECEIVE IT?**

### **I. THE PROPOSED PLAN OF ALLOCATION OF THE GLOBAL SETTLEMENT PROCEEDS: GENERAL PROVISIONS**

62. The Underwriter Defendants have agreed to pay a total of \$235 million in cash no later than fifteen (15) days after preliminary approval of the Underwriter Settlement by the Court into escrow for the benefit of the Underwriter Settlement Class. The proceeds of the ResCap Settlement have been in escrow since deposit of those settlement proceeds according to the terms of the ResCap Stipulation. At this time, it is not possible to make any determination as to how much individual members of the Underwriter Settlement Class and/or the ResCap Settlement Class may receive from the Net Global Settlement Fund. Each of the Underwriter Defendants may withdraw from the Underwriter Settlement if certain conditions set forth in the Underwriter Stipulation are met. If one or more of the Underwriter Defendants withdraw from the Underwriter Settlement, then the \$235 million Gross Underwriter Settlement Fund will be reduced as set forth in the Underwriter Stipulation. If you acquired Certificates issued in an Offering that was not underwritten by an Underwriter Defendant that remains a party to the Underwriter Settlement, then you will receive a notice informing you that you are no longer a member of the Underwriter Settlement Class. If the Certificates you acquired were issued in an Offering underwritten by an Underwriter Defendant that remains a party to the Underwriter Settlement, then you will receive a new notice explaining the terms of the revised settlement with the remaining Underwriter Defendant(s). That notice to members of the revised settlement class will set forth the date for a new settlement hearing and provide a schedule under which you will be given an opportunity to object to the revised settlement or exclude yourself from that settlement.

63. The Gross Global Settlement Fund, less all Taxes, Tax Expenses, Notice and Administration Costs (as defined in the Underwriter Stipulation and the ResCap Stipulation), and attorneys’ fees and Litigation Expenses awarded to Lead Counsel (the “Net Global Settlement Fund”), shall be distributed based on the acceptable Proof of Claim Forms submitted by members of the Underwriter Settlement Class and the ResCap Settlement Class (“Authorized Claimants”). The Net Global Settlement Fund will be distributed to Authorized Claimants who timely submit acceptable Proof of Claim Forms under the Global Settlement Plan of Allocation described below, or as otherwise ordered by the Court.

64. Your share of the Net Global Settlement Fund will depend on the aggregate number of Certificates and ResCap Settlement Certificates (represented by valid and acceptable Proof of Claim Forms) that members of the Underwriter Settlement Class and the ResCap Settlement Class submit to the Claims Administrator, relative to the Net Global Settlement Fund; which Certificates and/or ResCap Settlement Certificates you purchased and when you purchased them; how many Certificates and/or ResCap Settlement Certificates you purchased; whether the claims related to those Certificates and/or ResCap Settlement Certificates have been dismissed; whether you held or sold those Certificates and/or ResCap Settlement Certificates; the date on which you sold those Certificates and/or ResCap Settlement Certificates; and the price at which you sold them, among other factors. At this time, it is not possible to determine how much individual members of the Underwriter Settlement Class and/or the ResCap Settlement Class may receive from the Global Settlement.

65. A payment to any Authorized Claimant that would amount to less than \$10.00 in total will not be included in the calculation of the Net Global Settlement Fund, and no payment to those Authorized Claimants will be made.

66. To determine the amount that an Authorized Claimant may recover under the Global Settlement Plan of Allocation, Lead Counsel conferred with a valuation consultant who estimated the values of the Certificates and ResCap Settlement Certificates. The proposed Global Settlement Plan of Allocation is generally based upon the statutory measure of damages for claims asserted with respect to material misstatements or omissions in the offering documents issued in connection with the Certificates and ResCap Settlement Certificates. This Global Settlement Plan of Allocation concerns damages under Section 11 of the Securities Act. Section

11 concerns liability for untrue statements and omissions in a registration statement, under which losses are calculated as the “difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and (1) the value thereof at the time such suit was brought, or (2) the price at which such security shall have been disposed of in the market before suit, or (3) the price at which such security shall have been disposed of after suit but before judgment if such damages shall be less than the damages representing the difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and the value thereof as of the time such suit was brought.” Securities Act of 1933, Section 11(e).

67. Lead Counsel also submitted the Global Settlement Plan of Allocation to the neutral mediator in the case, the Honorable Daniel Weinstein (Ret.), who endorsed it as fair and reasonable.

68. For each Authorized Claimant, a “Recognized Claim” will be calculated. The calculation of a “Recognized Claim,” as defined in ¶ [79] below, is not intended to be an estimate of, nor does it indicate, the amount that a class member might have been able to recover after a trial. Nor is the calculation of a Recognized Claim pursuant to the Global Settlement Plan of Allocation an estimate of the amount that will be paid to Authorized Claimants from the Net Global Settlement Fund, which would depend on the total amount of all Recognized Claims. The Recognized Claim formula provides the basis for proportionately allocating the Net Global Settlement Fund to Authorized Claimants. That computation is only a method to weigh class members’ claims against one another. Each Authorized Claimant will receive a pro rata share of the Net Global Settlement Fund based on his, her, or its Recognized Claim.

69. The District Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any member of the Underwriter Settlement Class and/or the ResCap Settlement Class. The Court may approve this Global Settlement Plan of Allocation as proposed or it may modify it without further notice.

## II. CALCULATION OF RECOGNIZED LOSS OR GAIN AMOUNTS

70. A “Recognized Loss or Gain Amount” should be calculated for each purchase or other acquisition of a Certificate or a ResCap Settlement Certificate. The calculation of the Recognized Loss or Gain Amount will depend on several factors, including (i) which Certificate or ResCap Settlement Certificate was purchased or otherwise acquired, (ii) when the Certificate or the ResCap Settlement Certificate was purchased or otherwise acquired, (iii) whether it was sold, and if so, when it was sold (*i.e.*, before or after suit) and for how much, and (iv) the value of the Certificate or the ResCap Settlement Certificate on its applicable “Date of First Suit.”<sup>5</sup>

71. The Recognized Loss or Gain Amount will be calculated solely on the outstanding “Face Value” (*i.e.*, the principal amount) for each Certificate or ResCap Settlement Certificate at the time of sale, or if not sold, the outstanding Face Value as of the applicable Date of First Suit *i.e.*, Authorized Claimants will not be allocated damages related to principal and interest payments they received prior to the Date of First Suit. In each calculation of Recognized Loss or Gain Amount, the Face Value Sold will be limited to 100% of the Face Value Purchased.

72. The percentage of the original aggregate principal balance that remains to be distributed in a mortgage-backed security is known as the “Mortgage Factor.” The percentage of the original aggregate principal balance that has been written off is defined as the “Distribution Factor.” The Mortgage Factor and Distribution Factor for a specific Certificate or ResCap Settlement Certificate on any date will be calculated as follows:

$$\text{Mortgage Factor} = (\text{Certificate's or ResCap Settlement Certificate's Outstanding Aggregate Principal Balance} / \text{Certificate's or ResCap Settlement Certificate's Original Aggregate Principal Balance})$$

$$\text{Distribution Factor} = (\text{Certificate's or ResCap Settlement Certificate's Cumulative Principal Distributions} / \text{Certificate's or ResCap Settlement Certificate's Original Aggregate Principal Balance})$$

The *Mortgage Factor* and *Distribution Factor* for each Certificate or ResCap Settlement Certificate for each month and on the applicable Date of First Suit is set forth on the settlement website, [www.RALIMBSLitigation.com](http://www.RALIMBSLitigation.com).

73. For each calculation of the Recognized Loss or Gain Amount, the purchase price used for the calculation may not exceed the price at which the Certificate or the ResCap Settlement Certificate was offered to the public. Thus, if the actual purchase price exceeds the price at which the Certificate or the ResCap Settlement Certificate was offered to the public, the price at which it was offered to the public will be used as the purchase price. If the sales price or the value as of the applicable Date of First Suit exceeds the purchase price, then the calculation will result in a “Recognized Gain Amount” for that Certificate or ResCap Settlement Certificate. If you have a Recognized Gain Amount for a Certificate or a ResCap Settlement Certificate, you will not receive recovery in the Underwriter Settlement or the ResCap Settlement for that Certificate or ResCap Settlement Certificate.

74. The “Recognized Loss Amount” for each Certificate or ResCap Settlement Certificate is to be calculated in a manner consistent with the calculation of losses embodied in Section 11 of the Securities Act. In no case will the Recognized Loss Amount exceed the loss calculated as of the applicable Date of First Suit.

---

<sup>5</sup> The Date of First Suit is the date on which a specific Certificate or ResCap Settlement Certificate was first included in the Action. A table listing the Date of First Suit for every Offering and CUSIP can be found at [www.RALIMBSLitigation.com](http://www.RALIMBSLitigation.com).

a. The Recognized Loss is zero if the price at which the Certificate or the ResCap Settlement Certificate was sold or otherwise disposed is greater than the price at which the Certificate or the ResCap Settlement Certificate was offered to the public or the price at which it was purchased or otherwise acquired.

b. The loss or gain of the Certificate's or the ResCap Settlement Certificate's value on the applicable Date of First Suit is calculated as follows:

$$\begin{array}{r}
 \text{Sale proceeds that would have been realized on the applicable Date of First Suit} \\
 \text{Less the purchase amount} \\
 \text{Plus the cumulative principal distributions between the time of the purchase and the applicable Date of First Suit.} \\
 \text{Equals} \\
 \text{[Face Value at applicable date of First Suit x (value at applicable Date of First Suit) / 100]} \\
 \text{Less} \\
 \text{[Face Value at the purchase date x (purchase price / 100)]} \\
 \text{Plus cumulative principal distributions between the date of purchase and Date of First Suit}^6
 \end{array}$$

c. For Certificates or ResCap Settlement Certificate sold whether prior to or after the applicable Date of First Suit, the loss or gain of the Certificate's or the ResCap Settlement Certificate's value is calculated as follows:

$$\begin{array}{r}
 \text{Sale proceeds} \\
 \text{Less the purchase amount} \\
 \text{Plus the cumulative principal distributions between the time of the purchase and sale.} \\
 \text{Equals} \\
 \text{[Face Value on the sale date x (sale price) / 100]} \\
 \text{Less} \\
 \text{[Face Value at the purchase date x (purchase price / 100)]} \\
 \text{Plus cumulative principal distributions between the date of purchase and sale date}^7
 \end{array}$$

If a sale did not result in a complete disposition of an investor's ownership in a particular Certificate or ResCap Settlement Certificate (i.e., only a portion of the investor's ownership in the Certificate or the ResCap Settlement Certificate was sold), a Recognized Loss or Gain Amount, if any, related to the remaining portion of the Certificate or the ResCap Settlement Certificate would be calculated separately.

d. For Certificates or ResCap Settlement Certificate sold prior to the applicable Date of First Suit, the Recognized Loss or Gain Amount is calculated as the loss or gain of the Certificate's or the ResCap Settlement Certificate's value upon sale (i.e., ¶ [74](c) above).

e. For Certificates or ResCap Settlement Certificate sold on or after the applicable Date of First Suit, the Recognized Loss Amount is calculated as the lesser (in absolute value) of the loss of the Certificate's or the ResCap Settlement Certificate's value on the applicable Date of First Suit (i.e., ¶ [74](b) above) or the loss of the Certificate's or the ResCap Settlement Certificate's value upon sale (i.e., ¶ [74](c) above). For Certificates or ResCap Settlement Certificate sold on or after the applicable Date of First Suit, the Recognized Gain Amount is calculated as the greater of the gain of the Certificate's or the ResCap Settlement Certificate's value on the applicable Date of First Suit (i.e., ¶ [74](b) above) or the gain of the Certificate's or the ResCap Settlement Certificate's value upon sale (i.e., ¶ [74](c) above).

f. For Certificates or ResCap Settlement Certificates that were not sold and have been retained, the Recognized Loss or Gain Amount is the loss or gain of the Certificate's or the ResCap Settlement Certificate's value on the applicable Date of First Suit calculated in ¶ [74](b), above.

75. Notwithstanding the above provisions, the Recognized Loss or Gain Amount for any ResCap Settlement Certificate purchases or other acquisitions that occurred after the Date of First Suit is zero.

76. Prior to the date of the Underwriter Settlement, claims relating to Certificates for four (4) of the twenty (20) RALI trusts included in the Underwriter Settlement had been dismissed from the case by the Court or dropped from the case by Plaintiffs ("Dismissed Certificates")<sup>8</sup> and, for Certificates in the remaining sixteen (16) RALI trusts in the Underwriter Settlement, the Court had excluded from the class those persons and entities who purchased those Certificates no later than ten (10) trading days after they were

<sup>6</sup> The Face Value at applicable Date of First Suit is equal to the original face value of the Certificates or the ResCap Settlement Certificates purchased times the Mortgage Factor on the Date of the First Suit. Cumulative Principal Distributions between the date of purchase and Date of First Suit are calculated based on the change in the Distribution Factor between the purchase date and the Date of the First Suit times the original face value of the Certificates or the ResCap Settlement Certificates purchased and sold.

<sup>7</sup> The Face Value at applicable purchase or sale date is equal to the original face value of the Certificates or the ResCap Settlement Certificate purchased times the Mortgage Factor on the purchase or sale date, respectively. Cumulative Principal Distributions between the purchase and sale date are calculated based on the change in the Distribution Factor between the purchase date and the sale date times the original face value of the Certificates or the ResCap Settlement Certificate purchased and sold.

<sup>8</sup> The Certificates issued by the RALI Series 2006-QH1, RALI Series 2007-QH1, RALI Series 2006-QO1, and RALI Series 2006-QO2 trusts.

first publicly offered as well as purchases made by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation. Thus, at the time of Underwriter Settlement, the only certified class consisted of purchasers of Certificates in the sixteen (16) RALI trusts who bought no later than ten (10) trading days after the specific date on which the Certificates were first publicly offered and who were not the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation. Accordingly, the Global Settlement Plan of Allocation distinguishes amongst three groups:

Underwriter Settlement Group 1 (the “Underwriter Settlement Ten Trading Day Claimants”) will be composed of those members of the Underwriter Settlement Class who purchased or otherwise acquired Certificates issued by any of the following sixteen (16) RALI trusts — RALI Series 2006-QO3, RALI Series 2006-QO5, RALI Series 2006-QS7, RALI Series 2006-QO6, RALI Series 2006-QS8, RALI Series 2006-QO7, RALI Series 2006-QS15, RALI Series 2006-QO10, RALI Series 2007-QS1, RALI Series 2007-QS2, RALI Series 2007-QS5, RALI Series 2007-QH2, RALI Series 2007-QH3, RALI Series 2007-QH4, RALI Series 2007-QH5, and RALI Series 2007-QH6 — directly from an underwriter or its agent within ten (10) trading days of the date when their Certificates were first publicly offered (the “Ten Trading Day Period”) except for the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Housing Finance Agency acting as conservator for either such entity;

Underwriter Settlement Group 2 (the “Underwriter Settlement Outside Ten Day Trading Day Claimants”) will be composed of those members of the Underwriter Settlement Class who purchased or otherwise acquired Certificates issued by any of the following sixteen (16) RALI trusts — RALI Series 2006-QO3, RALI Series 2006-QO5, RALI Series 2006-QS7, RALI Series 2006-QO6, RALI Series 2006-QS8, RALI Series 2006-QO7, RALI Series 2006-QS15, RALI Series 2006-QO10, RALI Series 2007-QS1, RALI Series 2007-QS2, RALI Series 2007-QS5, RALI Series 2007-QH2, RALI Series 2007-QH3, RALI Series 2007-QH4, RALI Series 2007-QH5, and RALI Series 2007-QH6 — but who (i) either did not purchase their Certificates directly from an underwriter or its agent, or who purchased their Certificates outside the Ten Day Trading Period, or both or (ii) are the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal Housing Finance Agency acting as conservator for either such entity; and

Underwriter Settlement Group 3 (the “Underwriter Settlement Dismissed Claimants”) will be composed of those members of the Underwriter Settlement Class who purchased or otherwise acquired Certificates in either of the following four RALI trusts — RALI Series 2006-QH1, RALI Series 2007-QH1, and RALI Series 2006-QO1, and RALI Series 2006-QO2.

Of the Underwriter Settlement Fund, approximately 88.18% or \$207.227 million, will be allocated to Underwriter Settlement Ten Trading Day Claimants; approximately 10.45% of the Underwriter Settlement Fund, or \$24.568 million, will be allocated to the Underwriter Settlement Outside Ten Day Trading Day Claimants, and approximately 1.36% of the Underwriter Settlement Fund, or \$3.205 million, will be allocated to the Underwriter Settlement Dismissed Claimants.

77. Prior to the date of the ResCap Settlement, claims relating to ResCap Settlement Certificates issued by thirty seven (37) of the fifty-nine (59) RALI trusts included in the ResCap Settlement had been dismissed from the case by the Court (“ResCap Settlement Dismissed Certificates”). At the point of the ResCap Settlement, the Court had excluded from the class those persons and entities who purchased those ResCap Settlement Certificates no later than ten (10) trading days after they were first publicly offered as well as purchases made by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation. Thus, at the time of ResCap Settlement, the only certified class consisted of purchasers who bought certain ResCap Settlement Certificates no later than ten (10) trading days after the specific date on which those ResCap Settlement Certificates were first publicly offered and who were not the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation. Accordingly, the Global Settlement Plan of Allocation distinguishes amongst three groups:

ResCap Settlement Group 1 will be composed of those ResCap Settlement Certificate holders (the “ResCap Settlement Ten Trading Day Claimants”) who purchased or otherwise acquired ResCap Settlement Certificates issued by any of the following twenty two (22) RALI trusts: RALI Series 2007-QS5, RALI Series 2007-QH2, RALI Series 2007-QH5, RALI Series 2007-QH6, RALI Series 2006-QO10, RALI Series 2007-QH3, RALI Series 2007-QS2, RALI Series 2006-QS15, RALI Series 2006-QS7, RALI Series 2006-QS8, RALI Series 2006-QO3, RALI Series 2006-QO6, RALI Series 2006-QO5, RALI Series 2007-QO2, RALI Series 2007-QS4, RALI Series 2007-QS7, RALI Series 2006-QS18, RALI Series 2006-QS11, RALI Series 2006-QS9, RALI Series 2006-QO7, RALI Series 2007-QH4, and RALI Series 2007-QS1, directly from Defendants or their agents within ten (10) trading days of the date when their ResCap Settlement Certificates were first publicly offered (the “Ten Trading Day Period”) except for the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Housing Finance Agency acting as conservator for either such entity;

ResCap Settlement Group 2 will be composed of those ResCap Settlement Certificate holders (the “ResCap Settlement Outside Ten Trading Day Claimants”) who purchased or otherwise acquired ResCap Settlement Certificates issued by any of the following twenty two (22) RALI trusts: RALI Series 2007-QS5, RALI Series 2007-QH2, RALI Series 2007-QH5, RALI Series 2007-QH6, RALI Series 2006-QO10, RALI Series 2007-QH3, RALI Series 2007-QS2, RALI Series 2006-QS15, RALI Series 2006-QS7, RALI Series 2006-QS8, RALI Series 2006-QO3, RALI Series 2006-QO6, RALI Series 2006-QO5, RALI Series 2007-QO2, RALI Series 2007-QS4, RALI Series 2007-QS7, RALI Series 2006-QS18, RALI Series 2006-QS11, RALI Series 2006-QS9, RALI Series 2006-QO7, RALI Series 2007-QH4, and RALI Series 2007-QS1, but who (i) either did not purchase their ResCap Settlement Certificates directly from Defendants or their agents, or who purchased their ResCap Settlement Certificates outside the Ten Day Trading Period, or both or (ii) are the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal Housing Finance Agency acting as conservator for either such entity; and

Rescap Settlement Group 3 will be composed of those ResCap Settlement Certificate holders ("ResCap Settlement Dismissed Claimants) who purchased or otherwise acquired ResCap Settlement Certificates in any one of the following thirty seven (37) RALI trusts: RALI Series 2007-QS10, RALI Series 2007-QA4, RALI Series 2006-QA9, RALI Series 2007-QO1, RALI Series 2006-QA10, RALI Series 2006-QA11, RALI Series 2007-QA1, RALI Series 2007-QA2, RALI Series 2007-QO3, RALI Series 2007-QA3, RALI Series 2007-QA5, RALI Series 2007-QH8, RALI Series 2007-QH9, RALI Series 2007-QO4, RALI Series 2007-QO5, RALI Series 2007-QS11, RALI Series 2007-QS6, RALI Series 2007-QH1, RALI Series 2007-QS9, RALI Series 2006-QO8, RALI Series 2006-QO9, RALI Series 2007-QH7, RALI Series 2006-QS17, RALI Series 2006-QS16, RALI Series 2007-QS3, RALI Series 2007-QS8, RALI Series 2006-QA4, RALI Series 2006-QA6, RALI Series 2006-QA7, RALI Series 2006-QA8, RALI Series 2006-QS12, RALI Series 2006-QS13, RALI Series 2006-QS6, RALI Series 2006-QH1, RALI Series 2006-QS5, RALI Series 2006-QA5, and RALI Series 2006-QO4.

Of the ResCap Settlement Fund, approximately 88.18% or \$88.182 million, will be allocated to the ResCap Settlement Ten Trading Day Claimants; approximately 10.45% of the ResCap Settlement Fund, or \$10.454 million, will be allocated to the ResCap Settlement Outside Ten Trading Day Claimants, and approximately 1.36% of the Settlement Fund, or \$1.364 million, will be allocated to the ResCap Settlement Dismissed Claimants.

78. A "Total Recognized Loss by CUSIP" will be calculated for each Authorized Claimant on a CUSIP by CUSIP basis. Accordingly, multiple transactions by an Authorized Claimant in a single CUSIP will be netted; *i.e.*, the total Recognized Gain or Loss Amounts for that CUSIP shall be calculated by (1) totaling the Recognized Loss Amounts for that CUSIP; and (2) subtracting from that total Recognized Loss Amount the total of all Recognized Gain Amounts for that CUSIP. A Total Recognized Loss for a CUSIP cannot be less than zero.

79. Each Authorized Participant's "Recognized Claim" is the sum of all that Authorized Claimant's Total Recognized Loss by CUSIPs.

### III. DISTRIBUTION OF THE NET GLOBAL SETTLEMENT FUND

80. The "Recognized Claim" will be used solely to calculate the relative amount of the Net Global Settlement Fund for each Authorized Claimant and does not reflect the actual amount an Authorized Claimant may expect to recover from the Net Global Settlement Fund. The combined Recognized Claims of all Authorized Claimants may be greater than the Net Global Settlement Fund. If this is the case, and subject to the \$10.00 minimum payment requirement described in ¶ [65] above, each Authorized Claimant shall receive his, her, or its pro rata share of the Net Global Settlement Fund, which shall be his, her, or its Recognized Claim divided by the total of all Recognized Claims to be paid, multiplied by the total amount in the Net Global Settlement Fund.

81. Payment pursuant to the Global Settlement Plan of Allocation shall be conclusive against all Authorized Claimants. No Person shall have any claim based on distributions made substantially in accordance with the Underwriter Stipulation and the ResCap Stipulation and the settlements, respectively contained therein, the Global Settlement Plan of Allocation, or further order(s) of the Court against Lead Counsel, Plaintiffs, members of the Underwriter Settlement Class or the ResCap Settlement Class, the Claims Administrator, the Underwriter Defendants, the ResCap Defendants, the Individual Defendants, Ally Securities, the Released Parties (defined below), or any person designated by Lead Counsel. All members of the Underwriter Settlement Class and/or the ResCap Settlement Class who fail to timely submit an acceptable Proof of Claim Form by the deadline set by the Court, or such other deadline as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments from the Net Global Settlement Fund, but will in all other respects be subject to and bound by the terms of the Underwriter Settlement and/or the ResCap Settlement, including the release of the Released Claims (as defined in ¶ [86] below for the Underwriter Settlement and in the ResCap Stipulation for the ResCap Settlement).

82. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any member of the Underwriter Settlement Class and/or the ResCap Settlement Class.

83. The Global Settlement Plan of Allocation set forth herein is the proposed plan submitted by Plaintiffs and Lead Counsel for the Court's approval. The Court may approve this plan as proposed or it may modify it without further notice to the class.

#### WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE UNDERWRITER SETTLEMENT?

84. Unless you exclude yourself, you will stay in the Underwriter Settlement Class, which means that as of the date of the Underwriter Settlement becomes effective under the terms of the Underwriter Stipulation (the "Effective Date"), you will forever give up and release all "Released Claims" (as defined in ¶ [86] below) against the "Released Underwriter Defendant Parties" (as defined in ¶ [87] below). You will not in the future be able to bring a case asserting any of the Released Claims against any of the Released Underwriter Defendant Parties.

85. In addition, the Settling Underwriter Defendants (as defined in ¶ [91] below), as of the Effective Date, will forever give up and release all "Release Underwriter Defendants Claims" (as defined in ¶ [88] below) against the "Released Plaintiff Parties" (as defined in ¶ [89] below).

86. "Released Claims" means, to the fullest extent permitted by law or equity, any and all past, present, and future claims (including Unknown Claims), cross-claims, counterclaims, third-party claims, allegations, rights, issues, causes of action, controversies, remedies, duties, demands, obligations, actions, judgments, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every kind, nature, and description whatsoever, whether known or unknown, whether based on federal, state, local, statutory, common, or foreign law, or any other law, rule, or regulation, whether at law or in equity, fixed or contingent, choate or inchoate, accrued or unaccrued, liquidated or unliquidated, perfected or unperfected, matured or unmatured, whether direct, derivative,

individual, or class in nature, that Plaintiffs or any other Settlement Class Member alleged or which could have been alleged in the Action or in any other forum (including, without limitation, any federal or state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States or elsewhere) or that in any way arise out of, are based upon, relate to, concern, or are in connection with the Offerings, or the purchase, acquisition, holding, ownership, disposition, or sale of, or other transaction in the Certificates or any interest therein, or that in any way, directly or indirectly, arise out of, are based upon, relate to, concern, or are in connection with the claims, allegations, transactions, facts, circumstances, situations, matters, events, disclosures, statements, occurrences, representations, conduct, acts, or omissions or failures to act described in any of the complaints filed in the Action, including the Third Amended Complaint. "Released Claims" include all rights of appeal from any prior decision of the Court in the Action. "Released Claims" do not include (i) claims of any Settlement Class Member against any Non-Settling Underwriter Defendant, or (ii) claims arising out of, based upon, relating to, concerning, or in connection with the interpretation or enforcement of the terms of the Settlement.

87. "Released Underwriter Defendant Parties" means (i) the Settling Underwriter Defendants; (ii) each of the Settling Underwriter Defendants' respective past or present parents, subsidiaries, affiliates, divisions, successors, and predecessors; (iii) each of the respective past or present officers, directors, employees, partners, members, principals, attorneys, advisors, trustees, administrators, fiduciaries, consultants, representatives, accountants and auditors, insurers, and assigns, of the foregoing in (i) and (ii) in their capacities as such; and (iv) any Person which is or was related to or affiliated with any of the Settling Underwriter Defendants or in which any of the Settling Underwriter Defendants has or had a controlling interest.

88. "Released Underwriter Defendants Claims" means, to the fullest extent permitted by law or equity, any and all past, present, and future claims (including Unknown Claims), cross-claims, counterclaims, third-party claims, allegations, rights, issues, causes of action, controversies, remedies, duties, demands, obligations, actions, judgments, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every kind, nature, and description whatsoever, whether known or unknown, whether based on federal, state, local, statutory, common, or foreign law, or any other law, rule, or regulation, whether at law or in equity, fixed or contingent, choate or inchoate, accrued or unaccrued, liquidated or unliquidated, perfected or unperfected, matured or unmatured, whether direct, derivative, individual, or class in nature, that the Settling Underwriter Defendants, or any of them, asserted, or could have asserted, against any of the Released Plaintiff Parties that arise out of, are based upon, relate to, concern, or are in connection with the commencement, prosecution, settlement, or resolution of the Action. "Released Underwriter Defendants Claims" do not include (i) claims of any Non-Settling Underwriter Defendant, or (ii) claims arising out of, based upon, relating to, concerning, or in connection with the interpretation or enforcement of the terms of the Settlement.

89. "Released Plaintiff Parties" means Plaintiffs, Plaintiffs' Counsel, and each and every Settlement Class Member (regardless of whether that Person actually submits a Proof of Claim Form, seeks or obtains a distribution from the Underwriter Defendants Net Settlement Fund, is entitled to receive a distribution under the Plan of Allocation approved by the Court, or has objected to the Settlement, Plan of Allocation, the Final Order and Judgment or any Alternative Judgment, and/or Lead Counsel's motion for attorneys' fees and request for reimbursement of Litigation Expenses), and any of their respective spouses, domestic partners, heirs, predecessors, successors, representatives, agents, trustees, estates, administrators, executors, or assigns.

90. "Released Parties" means the Released Underwriter Defendant Parties and the Released Plaintiff Parties.

91. "Settling Underwriter Defendants" means (i) each Underwriter Defendant that does not terminate the Settlement as to itself pursuant to Paragraphs 36 or 37 of the Underwriter Stipulation, and (ii) any Underwriter Defendant that has terminated the Settlement as to itself pursuant to Paragraph 36 of the Underwriter Stipulation but had such termination retracted or voided as provided for in the Supplemental Agreement (as defined in Paragraph 36 of the Underwriter Stipulation).

92. "Unknown Claims" means any and all claims that any Released Plaintiff Party does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Claims, and any and all claims that any Settling Underwriter Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Underwriter Defendants Claims, which if known to him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including, but not limited to, his, her, or its decision to object or not to object to the Settlement or not to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Claims and Released Underwriter Defendants Claims, the Settling Parties have stipulated and agreed that, upon the Effective Date, each of the Plaintiffs and the Settling Underwriter Defendants shall expressly waive, and each of the Released Plaintiff Parties shall be deemed to have, and by operation of the Order and Final Judgment or any Alternative Judgment shall have, expressly waived and relinquished any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or any other jurisdiction, or principle of common law that is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

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

Any Released Plaintiff Party or Settling Underwriter Defendant may hereafter discover facts, legal theories, or authorities in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Underwriter Defendants Claims, but Plaintiffs and the Settling Underwriter Defendants shall expressly, fully, finally, and forever settle and release, and each Released Plaintiffs Party shall be deemed to have settled and released, and upon the Effective Date and by operation of the Order and Final Judgment or any Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Underwriter Defendants Claims as applicable, known or unknown, suspected or unsuspected, contingent or noncontingent, whether or not concealed or hidden, which have existed or now or will exist, upon any theory of law or equity, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or

a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Settling Parties have acknowledged, and each Released Plaintiff Party by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Underwriter Defendants Claims was separately bargained for and was a key and material element of the Settlement.

93. All capitalized terms in ¶¶ [86-92] that are not defined herein shall have the meaning ascribed to them in the Underwriter Stipulation.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE UNDERWRITER SETTLEMENT CLASS AND THE RESCAP SETTLEMENT CLASS SEEKING? HOW WILL THE ATTORNEYS BE PAID?**

94. Lead Counsel has not received any payment for its services in pursuing claims in the Action on behalf of the Underwriter Settlement Class or the ResCap Settlement Class. However, as set forth above, Lead Counsel has been reimbursed for certain out of pocket expenses incurred in connection with prosecution of the Action up through final approval of the ResCap Settlement. Those expenses were deducted from the Gross ResCap Settlement Fund in the amount of \$882,973.92. Except for this amount, Lead Counsel has not been reimbursed for its out-of-pocket expenses.

95. Before final approval of the Underwriter Settlement, Lead Counsel intends to apply to the Court for an award of attorneys' fees from the Gross Global Settlement Fund in an amount not to exceed 20.75% of the Gross Global Settlement Fund (or \$69,512,500), net of Court-approved Litigation Expenses, plus interest at the same rate and for the same period as earned by the Gross Global Settlement Fund. At the same time, Lead Counsel also intends to apply for the reimbursement of certain Litigation Expenses paid or incurred in connection with the prosecution and resolution of the Action in an amount not to exceed \$5.5 million, plus interest at the same rate and for the same period as earned by the Gross Global Settlement Fund. Litigation Expenses may include reimbursements for, among other things, lost wages and litigation related expenses of Plaintiffs in accordance with 15 U.S.C. § 77z-1a(4). The sums approved by the Court will be paid from the Gross Global Settlement Fund. Seventy and fifteen-hundredths percent (70.15%) of the aggregate attorneys' fees awarded and Litigation Expenses reimbursed shall be deemed paid from the Gross Underwriter Settlement Fund and 29.85% deemed paid from the Gross ResCap Settlement Fund (in proportion to the principal amounts of the respective settlement funds). Members of the Underwriter Settlement Class and/or the ResCap Settlement Class are not personally liable for the payment of these sums.

96. The Underwriter Defendants, the ResCap Defendants, the Individual Defendants, and Ally Securities take no position on Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses or on the allocation of attorneys' fees and expenses among counsel representing the Underwriter Settlement Class and/or the ResCap Settlement Class.

**HOW DO I PARTICIPATE IN THE UNDERWRITER SETTLEMENT AND/OR THE RESCAP SETTLEMENT? WHAT DO I NEED TO DO?**

97. If you purchased or otherwise acquired interests in the Certificates described above, and you are not excluded by the definition of the Underwriter Settlement Class and you do not timely and validly exclude yourself from the Underwriter Settlement Class in the manner provided in this Notice, then you are a member of the Underwriter Settlement Class and you will be bound by the Underwriter Settlement if the Court approves it, the Global Settlement Plan of Allocation if the Court approves it, and by any judgment or determination of the Court affecting the Underwriter Settlement Class.

98. If you purchased or otherwise acquired interests in the ResCap Settlement Certificates described above, and you are not excluded by the definition of the ResCap Settlement Class and you did not timely and validly exclude yourself from the ResCap Settlement Class, then you are a member of the ResCap Settlement Class and you are bound by the previously approved ResCap Settlement and will be bound by the Global Settlement Plan of Allocation if the Court approves it.

99. If you are a member of the Underwriter Settlement Class and/or the ResCap Settlement Class you must submit a Proof of Claim Form and supporting documentation to establish your entitlement to share in the Net Global Settlement Fund. A Proof of Claim Form is included with this Notice, or you may go to the website maintained by the Claims Administrator to download a Proof of Claim Form. The website is [www.RALIMBSLitigation.com](http://www.RALIMBSLitigation.com). You may also request a Proof of Claim Form by calling toll-free (888) 985-9201 or emailing [info@RALIMBSLitigation.com](mailto:info@RALIMBSLitigation.com). Copies of the Proof of Claim Form can also be downloaded from Lead Counsel's website at [www.cohenmilstein.com](http://www.cohenmilstein.com). Those potential members of the Underwriter Settlement Class who exclude themselves from that class, those potential members of the ResCap Settlement Class who have excluded themselves from that class, and those members of either class who do not submit timely and valid Proof of Claim Forms with adequate supporting documentation will not be eligible to share in the Net Global Settlement Fund. Please retain all records of your ownership of, or transactions in, the Certificates and the ResCap Settlement Certificates, as they may be needed to document your claim.

100. All Proof of Claim Forms must be submitted to the Claims Administrator, postmarked no later than July 3, 2015. All Proof of Claim Forms shall be deemed to have been submitted when actually received by the Claims Administrator.

101. As a member of the Underwriter Settlement Class and/or the ResCap Settlement Class, you are represented by Lead Plaintiff and Lead Counsel unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance on the counsel listed in the section below entitled, "When and Where Will the Court Decide Whether to Approve the Underwriter Settlement?"

102. If you do not wish to remain a member of the Underwriter Settlement Class, you may exclude yourself from the Underwriter Settlement Class by following the instructions in the section below entitled, "What If I Do Not Want To Be A Part Of The Underwriter Settlement? How Do I Exclude Myself?"

103. If you wish to object to the Underwriter Settlement, the Order and Final Judgment, the Global Settlement Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses, and if you are a member of the Underwriter Settlement Class and do not exclude yourself from that class or if you are a member of the ResCap Settlement Class and have not excluded yourself from that class, you may present your objections by following the instructions in the section below entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?"

**WHAT IF I DO NOT WANT TO BE A PART OF THE UNDERWRITER SETTLEMENT?  
HOW DO I EXCLUDE MYSELF?**

104. Each Underwriter Settlement Class Member will be bound by all orders, determinations, and judgments in the Action, including those concerning the Underwriter Settlement, whether favorable or unfavorable, and all terms of the Underwriter Stipulation and the Underwriter Settlement, including the terms of the Order and Final Judgment or any Alternative Judgment and all releases provided in the Underwriter Stipulation, and will be permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind against any Released Underwriter Defendant Party arising out of, based upon, relating to, concerning, or in connection with any and all of the Released Claims, unless such Person excluded himself, herself, or itself from the Underwriter Settlement Class.

105. Any Person requesting exclusion from the Underwriter Settlement Class must mail, by first class mail (or its equivalent outside the United States), a written Request for Exclusion from the Underwriter Settlement Class, addressed to RALI MBS Litigation, c/o Garden City Group, LLC, P.O. Box 9991, Dublin, Ohio 43017-5991. The exclusion request must be received no later than June 22, 2015. Each Request for Exclusion must clearly indicate the name, address, and telephone number of the Person seeking exclusion, state that the sender requests to be excluded from the Underwriter Settlement Class in the *New Jersey Carpenters Health Fund v. Residential Capital LLC, et al.*, No. 08-cv-8781 (S.D.N.Y.) (KPF), and be signed by such Person. Such Persons requesting exclusion must also provide the following information: (i) the identity and original face value of Certificates purchased (or otherwise acquired) or sold; (ii) the prices or other consideration paid or received for such Certificates; (iii) the date of each purchase or sale transaction; (iv) proper evidence of the transactions; and (v) identity of all legal actions and claims (if any) that the Person requesting exclusion has brought against any of the Underwriter Defendants relating to any of the Certificates. Requests for exclusion from the Underwriter Settlement Class will not be valid if they do not include the information set forth above and are not received within the time stated above, unless the Court otherwise determines. **You cannot exclude yourself by telephone or by email.**

106. Any Person who timely and validly requests to be and is excluded from the Underwriter Settlement Class shall have no rights under the Underwriter Stipulation, shall not be entitled to receive any payment out of the Net Underwriter Settlement Fund as described in this Notice, and shall not be bound by the Underwriter Stipulation, the Order and Final Judgment, or any Alternative Judgment.

107. Each of the Underwriter Defendants may withdraw from and terminate the Underwriter Settlement as to itself if potential members of the Underwriter Settlement Class who purchased in excess of a certain amount of Certificates exclude themselves from the Underwriter Settlement Class. If one or more of the Underwriter Defendants withdraw from the Underwriter Settlement, then the \$235 million Gross Underwriter Settlement Fund will be reduced as set forth in the Underwriter Stipulation. If you acquired Certificates issued in an Offering that was not underwritten by an Underwriter Defendant that remains a party to the Underwriter Settlement, then you will receive a notice informing you that you are no longer a member of the Underwriter Settlement Class. If the Certificates you acquired were issued in an Offering underwritten by an Underwriter Defendant that remains a party to the Underwriter Settlement, then you will receive a new notice explaining the terms of the revised settlement with the remaining Underwriter Defendant(s). That notice to members of the revised settlement class will set forth the date for a new settlement hearing and provide a schedule under which you will be given an opportunity to object to the revised settlement or exclude yourself from that settlement.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE UNDERWRITER SETTLEMENT?  
DO I HAVE TO COME TO THE HEARING?**

**MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE UNDERWRITER SETTLEMENT, THE GLOBAL SETTLEMENT PLAN OF  
ALLOCATION, AND/OR LEAD COUNSEL'S MOTION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION  
EXPENSES?**

108. **If you do not wish to object in person to the Underwriter Settlement, the Order and Final Judgment, the Global Settlement Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses, you do not need to attend the Settlement Hearing. You can participate in the Underwriter Settlement and/or the ResCap Settlement without attending the Settlement Hearing.**

109. The Settlement Hearing will be held on July 31, 2015, at 2:30 p.m., before the Honorable Katherine Polk Failla, at the United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, New York, NY 10007. At the Settlement Hearing, the Court will decide whether to approve the Underwriter Settlement, the Order and Final Judgment, the Global Settlement Plan of Allocation, and an award of attorneys' fees and reimbursement of Litigation Expenses. The Court reserves the right to approve the Underwriter Settlement, the Order and Final Judgment, the Global Settlement Plan of Allocation, and award of attorneys' fees and reimbursement of Litigation Expenses at or after the Settlement Hearing without further notice to the members of the Underwriter Settlement Class or the ResCap Settlement Class.

110. Any member of the Underwriter Settlement Class who does not request exclusion in accordance with ¶ [105] above may object to the Underwriter Settlement, the Order and Final Judgment, the Global Settlement Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses. Any member of the ResCap Settlement Class who did not timely exclude himself, herself, or itself from the ResCap Settlement Class may object to the Global Settlement Plan of Allocation and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses. Objections or oppositions must be in writing. You must file any written objection or opposition, together with copies of all other supporting papers and briefs, with the Clerk's Office at the United States District Court for the Southern District of New York at the address set forth below on or before July 1, 2015. You must also serve the papers on Lead Counsel and the Underwriter Defendants' Counsel at the addresses set forth below so that the papers are *received* on or before July 1, 2015.

**Clerk's Office**

UNITED STATES DISTRICT  
COURT FOR THE SOUTHERN  
DISTRICT OF NEW YORK  
Thurgood Marshall United  
States Courthouse  
40 Foley Square  
New York, NY 10007

**Lead Counsel**

COHEN MILSTEIN SELLERS & TOLL  
Joel P. Laitman  
Christopher Lometti  
Michael Eisenkraft  
Richard Speirs  
Daniel B. Rehns  
88 Pine Street, 14th Floor  
New York, New York 10005  
  
Steven J. Toll  
Joshua S. Devore  
S. Douglas Bunch  
1100 New York Ave, N.W. Ste 500,  
West Tower  
Washington, D.C. 20005

**Underwriter Defendants' Counsel**

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP  
William G. McGuiness  
Israel David  
Alfred L. Fatale III  
One New York Plaza  
New York, New York 10004  
  
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP  
Brad S. Karp  
Daniel J. Kramer  
Richard A. Rosen  
1285 Avenue of the Americas  
New York, New York 10019

111. Any objection must include: (i) the full name, address, and phone number of the objecting member of the Underwriter Settlement Class and/or the ResCap Settlement Class; (ii) a list and documentation evidencing all of the objector's transactions involving the Certificates and/or the ResCap Settlement Certificates, including brokerage confirmation receipts or other competent documentary evidence of such transactions, including the amount and date of each purchase or sale and the prices paid and/or received; (iii) a written statement of all grounds for the objection accompanied by any legal support for the objection; (iv) copies of any papers, briefs, or other documents upon which the objection is based; (v) a list of all persons who will be called to testify in support of the objection; (vi) a statement of whether the objector intends to appear at the Settlement Hearing; and (vii) the objector's signature, even if represented by counsel. Persons who intend to object to the Underwriter Settlement, the Order and Final Judgment, the Global Settlement Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and who desire to present evidence at the Settlement Hearing, must include in their written objections the exhibits they intend to introduce into evidence at the Settlement Hearing.

112. You may not object to the Underwriter Settlement, or any aspect of it, if you excluded yourself from the Underwriter Settlement Class.

113. If you wish to be heard orally at the Settlement Hearing in opposition to the approval of the Underwriter Settlement, the Global Settlement Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you have filed and served a timely written objection as described above, you also must notify the above counsel on or before July 1, 2015, concerning your intention to appear. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objections, the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. If you intend to appear at the Settlement Hearing through counsel, you must also state the identity of all attorneys who will appear on your behalf at the Settlement Hearing.

114. You may file a written objection without having to appear at the Settlement Hearing. You may not appear at the Settlement Hearing to present your objection, however, unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

115. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you decide to hire an attorney, which will be at your own expense, however, he or she must file a notice of appearance with the Court and serve it on the above counsel so that the notice is received on or before July 1, 2015.

116. If you object to the Underwriter Settlement, the Order and Final Judgment, the Global Settlement Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, or otherwise request to be heard at the Settlement Hearing in the manner stated above, you are submitting to the jurisdiction of the Court with respect to the subject matter of your objection, and if you are objecting to the Underwriter Settlement, the subject matter of the Underwriter Settlement, including, but not limited to, enforcement of the terms of the Underwriter Settlement (including, but not limited to, the releases provided for in the Underwriter Stipulation and the Order and Final Judgment). If the Court overrules your objection and approves the Underwriter Settlement, the Global Settlement Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses, you only will potentially share in the Net Global Settlement Fund if you submit a Proof of Claim Form in the manner stated in ¶ [99] above and the Claims Administrator approves your claim.

117. The Settlement Hearing may be adjourned by the Court without further written notice. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

**Unless the Court orders otherwise, any members of the Underwriter Settlement Class and/or the ResCap Settlement Class who does not object in the manner described above will be deemed to have waived any objection and will be forever foreclosed from making any objection to the Underwriter Settlement, the Order and Final Judgment, Global Settlement Plan of Allocation, or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses. Members of the Underwriter Settlement Class and/or the ResCap Settlement Class do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

**WHAT IF I BOUGHT CERTIFICATES AND/OR RESCAP SETTLEMENT CERTIFICATES ON SOMEONE ELSE'S BEHALF?**

118. If you purchased or otherwise acquired the Certificates and/or the ResCap Settlement Certificates described above for the beneficial interest of a person or organization other than yourself, you must either (i) request additional copies of the Notice and send them directly to the beneficial owners by first-class mail, postage prepaid, within fourteen (14) calendar days of the receipt of those copies and, upon such mailing, send a statement to Lead Counsel confirming that the mailing was made as directed, or (ii) provide to RALI MBS Litigation, c/o Garden City Group, LLC, P.O. Box 9991, Dublin Ohio 43017-5991, the names and addresses of such persons no later than fourteen (14) calendar days after you receive this Notice. If you choose the second option, the Claims Administrator will send a copy of the Notice to the beneficial owner. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice may also be obtained by calling Lead Counsel at (212) 838-7797 and may be downloaded from the settlement website, [www.RALIMBSLitigation.com](http://www.RALIMBSLitigation.com) or from Lead Counsel's website, [www.cohenmilstein.com](http://www.cohenmilstein.com).

**CAN I SEE THE COURT FILE? WHO SHOULD I CONTACT IF I HAVE QUESTIONS?**

119. This Notice contains only a summary of the terms of the Underwriter Settlement and the Global Settlement. More detailed information about the matters involved in the Action, and the previously issued notice of the ResCap Settlement is available at [www.RALIMBSLitigation.com](http://www.RALIMBSLitigation.com), including, among other documents, copies of the Underwriter Stipulation, the ResCap Stipulation, a Proof of Claim Form, and the Third Amended Complaint.

120. You may also review the Underwriter Stipulation and/or the ResCap Stipulation filed with the Court and all documents files in the Action during business hours at the Office of the Clerk of the United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, New York, NY 10007.

121. All inquiries concerning this Notice or the Proof of Claim Form should be directed to:

RALI MBS Litigation  
c/o Garden City Group, LLC  
P.O. Box 9991  
Dublin, Ohio 43017-5991  
Toll-free number: (888) 985-9201

**OR**

Joel P. Laitman, Esq.  
Christopher Lometti, Esq.  
Michael Eisenkraft, Esq.  
Daniel B. Rehns, Esq.  
COHEN MILSTEIN SELLERS & TOLL PLLC  
88 Pine Street, 14th Floor  
New York, New York 10005  
(212) 838-7797  
[jlaitman@cohenmilstein.com](mailto:jlaitman@cohenmilstein.com)  
[clometti@cohenmilstein.com](mailto:clometti@cohenmilstein.com)  
[meisenkraft@cohenmilstein.com](mailto:meisenkraft@cohenmilstein.com)  
[drehns@cohenmilstein.com](mailto:drehns@cohenmilstein.com)

**Lead Counsel**

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF COURT REGARDING THIS NOTICE.**

Dated: March 5, 2015

By Order of the Clerk of Court  
United States District Court  
for the Southern District of New York