

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

NEW JERSEY CARPENTERS HEALTH FUND, ET AL.,

Plaintiffs,

v.

RESIDENTIAL CAPITAL, LLC, ET AL.,

Defendants.

Civ. No. 08-8781-HB

**NOTICE OF PENDENCY OF CLASS ACTION
AND PROPOSED SETTLEMENT, SETTLEMENT FAIRNESS
HEARING AND MOTION FOR REIMBURSEMENT OF LITIGATION EXPENSES**

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

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned class action lawsuit pending in this Court (the "Action") if you purchased or otherwise acquired beneficial interests in any of the following Certificates and were allegedly damaged thereby: Residential Accredit Loans, Inc. ("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-QS15.¹

NOTICE OF SETTLEMENT: Please also be advised that Lead Plaintiff, New Jersey Carpenters Health Fund (the "Lead Plaintiff"), on behalf of the Settlement Class (as defined in paragraph 1 below), have reached a proposed settlement (the "Settlement") of the Action for a total of \$100 million in cash that will resolve all claims in the Action against defendants Residential Capital, LLC, Residential Funding Company, LLC, Residential Accredit Loans, Inc., Bruce J. Paradis, Kenneth M. Duncan, Davee L. Olson, Ralph T. Flees, Lisa R. Lundsten, James G. Jones, David M. Bricker, James N. Young and Residential Funding Securities Corporation n/k/a Ally Securities, LLC (collectively, the "Settling Defendants") on the terms set forth below.

This Notice explains important rights you may have, including your possible receipt of cash from the Settlement. Your legal rights will be affected whether or not you act. PLEASE READ THIS NOTICE CAREFULLY!

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of a class action lawsuit with only the Settling Defendants. The Settlement does not affect or compromise any claims asserted and ongoing against Non-Settling Defendants.² The proposed Settlement, if approved by the Court, will apply to the following Class (the "Settlement Class"): all persons or entities who purchased or otherwise acquired beneficial interests in any of the following Certificates and were allegedly damaged thereby: 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

¹ All capitalized terms that are not defined herein shall have the meaning ascribed to them in the Stipulation and Agreement of Settlement with Certain Defendants (the "Stipulation").

² The Non-Settling Defendants are: Goldman Sachs & Co. ("GSC"); Deutsche Bank Securities Inc. ("DBS"); Citigroup Global Markets Inc. ("CITI"); and UBS Securities LLC ("UBS") as well as any other defendant(s) later brought into the case.

2. **Statement of Settlement Class's Recovery:** Subject to Court approval, and as described more fully in paragraphs 55-57 below, Lead Plaintiff, on behalf of the Settlement Class, has agreed to settle all Released Claims against the Settling Defendants and other Released Parties in exchange for a settlement payment of \$100 million in cash (the "Settlement Amount") to be deposited into an interest-bearing escrow account (the "Gross Settlement Fund") and certain other terms. The Settlement Fund less all taxes, Notice and Administration Costs, and attorneys' fees and litigation expenses awarded to Lead Counsel (the "Net Settlement Fund") will be distributed to Class Members in accordance with a plan of allocation (the "Plan of Allocation") that will be submitted and approved by the Court at a later time. **In order to avoid duplicative expenses to the Class, it is the Lead Plaintiff's intention to hold the Settlement Amount less costs associated with notice and administration, in escrow until such time as there are additional funds available for distribution or a determination is made that no further funds will be available for distribution to the Class. Thus, the Net Settlement Fund will not be distributed until after the Settlement becomes final and after the Court approves final settlements or other dispositions against or in favor of the Non-Settling Defendants. At that time, Lead Plaintiff will seek Court approval of a Plan of Allocation, which will set forth how all settlement funds (including the Net Settlement Fund and any other funds later recovered) are to be allocated among members of the Settlement Class.**

3. **Statement of Average Distribution Per \$1,000 in Initial Certificate Value:** The Gross Settlement Fund consists of \$100 million plus interest earned. Based on the total initial face dollar value of the Certificates as stated in the prospectus supplements (without subtracting the principal pay downs received on the Certificates), and assuming all purchasers of the initially offered certificates elect to participate, the estimated average distribution before reimbursement of litigation expenses, as discussed below, is \$2.76 per \$1,000 in initial certificate value of the RALI Certificates. Class Members 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 value of the certificates on the applicable date of first suit, the number of Class Members who timely file Claims and the Plan of Allocation, as more fully described below in this Notice.

4. **Statement of the Parties' Position on Damages:** Settling Defendants deny all claims of wrongdoing and deny that they are liable to the Plaintiffs and/or the Settlement Class or that the Plaintiffs or other members of the Settlement Class suffered any injury. Moreover, the parties do not agree on the amount of recoverable damages or on the average amount of damages per certificate that would be recoverable if Lead Plaintiff were to prevail on each of the claims. The issues on which the parties disagree include, but are not limited to: (1) whether the statements made or facts allegedly omitted were material, false or misleading; (2) whether the Settling Defendants are otherwise liable under the securities laws for those statements or omissions; and (3) whether all or part of the damages allegedly suffered by the Plaintiffs or members of the Settlement Class were caused by economic conditions or factors other than the allegedly false or misleading statements or omissions.

5. **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 Settlement Fund. In addition, Lead Counsel also will apply for the reimbursement of Litigation Expenses paid or incurred by Plaintiffs' Counsel in connection with the prosecution and resolution of the Action plus interest earned at the same rate and for the same period as earned by the Settlement Fund. Litigation Expenses may include reimbursement of the expenses of the named Plaintiffs in accordance with 15 U.S.C. § 77z-1(a)(4).

As noted above, in order to avoid duplication of expenses to the Class, Plaintiffs intend to delay distribution of the Settlement Fund until not only after the Settlement becomes final but also after the Court approves final settlements or other dispositions against or in favor of the Non-Settling Defendants. As such, Lead Counsel does not intend to request payment of their fees at this time. Rather, at this time Lead Counsel will request only that the Court allow Lead Counsel to receive reimbursement of prior expenses up to \$1 million. Lead Counsel also reserves the right to apply to the Court on a periodic basis for reimbursement of future case related expenses, actually incurred in an amount not to exceed \$2 million.

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

³ Excluded from the Class are Defendants, 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 have or had a controlling interest, provided that any Investment Vehicle shall not be deemed an excluded person or entity by definition. Also excluded from the Class are any persons or entities who exclude themselves by filing a valid request for exclusion in accordance with the requirements set forth in the Notice and all persons or entities defined as Private Securities Claimants in the Supplemental Term Sheet attached as Exhibit B to the Plan Support Agreement.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:

<p>REMAIN A MEMBER OF THE CLASS.</p>	<p>This is the only way to get a payment. If you wish to obtain a payment as a member of the Settlement Class, you do not need to take any steps now, but upon further notice, will need to file a claim form (the "Claim Form"). If you fail to complete the Claim Form at that time, you will get no payment, but remain a class member and give up your rights.</p> <p>In the interim, we advise that you provide updated contact information to the Claims Administrator at the email or address below.</p>
<p>EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN SEPTEMBER 16, 2013.</p>	<p>Receive no payment pursuant to this Settlement. This is the only option that allows you to ever be part of any other lawsuit against any of the Settling Defendants or the other Released Parties concerning the claims that were, or could have been, asserted in this case.</p> <p>If you choose to opt out and have not filed a proof of claim in the ResCap Chapter 11 Case before the bar date, upon the confirmation and effectiveness of the ResCap Chapter 11 Plan, your claims may be released. See paragraph 61 below.</p>
<p>OBJECT TO THE SETTLEMENT BY SUBMITTING WRITTEN OBJECTIONS SO THAT THEY ARE RECEIVED NO LATER THAN SEPTEMBER 25, 2013.</p>	<p>Write to the Court and explain why you do not like the proposed Settlement or any request for reimbursement of expenses. You cannot object to the Settlement unless you are a Class Member and do not exclude yourself.</p> <p>If you object to or request exclusion from the Settlement without also seeking and obtaining a stay of the effectiveness of the ResCap Chapter 11 Plan, any objection may be rendered moot and no remedy will be available in connection with an appeal of any order and judgment approving the Settlement. See paragraph 62 below.</p>
<p>GO TO THE HEARING ON OCTOBER 7, 2013 AT 9:30 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN SEPTEMBER 25, 2013.</p>	<p>Ask to speak in Court about the fairness of the Settlement or any request for reimbursement of expenses.</p>

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WHY DID I GET THIS NOTICE?

7. 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 the securities described above. The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlement of this case. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights.

8. 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, the 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 Class, please read “What If I Do Not Want To Be A Part Of The 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 against Defendants on behalf of investors in the mortgage-backed securities described above.

9. 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.*, Civil Action No. 08 Civ. 08781 (HB) (the “Action”). The Judge presiding over this case is the Honorable Harold Baer, 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, on behalf of itself and the Class, and the defendants are certain investment banks that underwrote the Offerings (the “Underwriter Defendants”), and the Settling Defendants. This Settlement is with the RALI Defendants only which includes Residential Capital, LLC, Residential Funding Company, LLC, Residential Accredited Loans, Inc., Bruce J. Paradis, Kenneth M. Duncan, Davee L. Olson, Ralph T. Flees, Lisa R. Lundsten, James G. Jones, David M. Bricker, James N. Young and Residential Funding Securities Corporation n/k/a Ally Securities, LLC. The action against the Underwriter Defendants continues. The Underwriter Defendants include Goldman Sachs & Co., Deutsche Bank Securities, Inc., Citigroup Global Markets Inc. and UBS Securities LLC.

10. This Notice explains the lawsuit, the 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 Settlement if you wish to do so. It also is being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness and adequacy of the proposed Settlement and the application by Lead Counsel for reimbursement of expenses incurred to date (the “Settlement Hearing”).

11. The Settlement Hearing will be held on October 7, 2013, at 9:30 a.m., before the Honorable Harold Baer, at the United States District Court for the Southern District of New York, 500 Pearl Street, Courtroom 23B, New York, New York 10007, to determine:

- (i) whether the proposed Settlement on the terms and conditions provided for in the Stipulation and Agreement of Settlement (the “Stipulation”) is fair, reasonable and adequate, and should be approved by the Court;
- (ii) whether a judgment should be entered dismissing the Action as to the Settling Defendants, on the merits and with prejudice, and whether the release by the Settlement Class of the Released Claims against the Released Parties should be ordered; and
- (iii) whether Lead Counsel’s application for reimbursement of litigation expenses incurred approved by the Court.

12. 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 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?

13. This action arises from the sale of 59 mortgage-backed certificates that were issued by Residential Accredited Loans, Inc. (“RALI”) and sold by Residential Funding Securities Corporation and the Underwriter Defendants.

14. On September 22, 2008, the Carpenters Health Fund filed a complaint against the Settling Defendants, and certain other defendants, in the New York State Supreme Court, New York County, Index No. 2008/602727, asserting claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 (the “Securities Act”). The Action was removed to the Southern District of New York on October 14, 2008, Case No. 08-8781 (HB) and the Carpenters Health Fund was appointed Lead Plaintiff and Cohen Milstein was appointed Lead Counsel.

15. On May 18, 2009, Lead Plaintiff filed the Consolidated First Amended Securities Class Action Complaint (the “First Amended Complaint”) which asserted claims on 59 RALI Offerings and named Lead Plaintiff, Boilermaker-Blacksmith National Pension Trust (“Boilermaker Pension Trust”) and New Jersey Carpenters Vacation Fund (the “Carpenters Vacation Fund”) (collectively, the “Original Plaintiffs”) as plaintiffs. The defendants named in the First Amended Complaint were the Settling Defendants, and underwriters who variously participated in the 59 offerings.

16. On March 31, 2010, the Court granted in part and denied in part the Defendants’ motions to dismiss holding that plaintiffs’ had adequately alleged violations of the Securities Act but dismissing claims based on offerings in which no named plaintiff purchased securities and all claims based on allegations that credit rating models were outdated, that credit enhancements were inadequate and that defendants omitted disclosure of material conflicts of interest with the rating agencies.

17. On May 26, 2010, the Settling Defendants and Remaining Underwriter Defendants filed their answers to the First Amended Complaint.

18. Between July 13, 2010 and July 30, 2010, in light of the Court's first motion to dismiss decision Midwest Operating Engineers Pension Trust Fund ("Midwest OE"), Police and Fire Retirement System of the City of Detroit ("Detroit PFRS"), Iowa Public Employees' Retirement System ("IPERS") and Orange County Employees Retirement System ("OCERS") (collectively, the "Intervenor Plaintiffs" and together with the Original Plaintiffs, the "Plaintiffs") moved to intervene in this Action on behalf of certain offerings (the "Intervenor Offerings"). Their motions were granted on December 22, 2010.

19. On January 3, 2011, Plaintiffs filed the Consolidated Second Amended Securities Class Action Complaint ("Second Amended Complaint"). The Second Amended Complaint named as defendants the Settling Defendants, Goldman Sachs & Co., Citigroup Global Markets Inc. and UBS Securities LLC and asserted claims as to the four Original Offerings, RALI Series 2007-QS1, RALI Series 2007-QO4, RALI Series 2007-QH4 and RALI Series 2006-QO7 and the five Intervenor Offerings.

20. On August 16, 2010, after conducting substantial discovery, subpoenaing numerous entities for trading records, and reviewing thousands of pages of documents produced by the Remaining Defendants Plaintiffs moved to certify a class of purchasers in the four Original Offerings.

21. On January 18, 2011, the Court issued an Opinion and Order denying the first Class Certification motion. While the Court found that the Original Plaintiffs had satisfied all of the Rule 23(a) factors, including numerosity, commonality, adequacy and typicality, the Court also found that individual issues of knowledge predominated, thereby defeating class certification. On February 29, 2011, Plaintiffs were granted permission to appeal the District Court's denial of class certification to the Second Circuit Court of Appeals.

22. At the same time, on January 25, 2011, the Defendants moved to dismiss the Intervenor Plaintiffs' claims asserted in the Second Amended Complaint.

23. On April 28, 2011, the Court issued an Opinion and Order granting in part and denying in part Defendants' motions to dismiss the Intervenor Plaintiffs' claims. The Court dismissed the Intervenor Plaintiffs' Section 12 claims because the Intervenor Plaintiffs did not allege that they purchased their Certificates from one of the Remaining Defendants. The Court also dismissed the Intervenor Plaintiffs' Section 15 claims and OCERS' claims relating to RALI Series 2006-QO6. The Court denied the motions to dismiss in all other respects and sustained the Intervenor Plaintiffs' Section 11 claims on five of the Intervenor Offerings.

24. On April 30, 2012, the Second Circuit affirmed the District Court's denial of Class Certification "without prejudice to further motion practice in the District Court." The Second Circuit held that the District Court did not abuse its discretion by denying class certification but limited its review only to the class definition that the District Court rejected, and to the record as it stood at the time of the First Class Certification.

25. On May 7, 2012, the District Court granted Lead Counsel's request for additional discovery and set an August 6, 2012 deadline for the submission of any additional class certification motions. As a result, Lead Counsel took the depositions of each of the Remaining Underwriters for the Original Offerings.

26. On May 14, 2012, the Debtors (defined below) filed voluntary petitions under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court. The Debtors Chapter 11 cases are being jointly administered as *In Re Residential Capital, LLC, et al.*, Case No. 12-12020-mg (Bankr. Ct. S.D.N.Y. 2012) (the "ResCap Chapter 11 Case").

27. On August 6, 2012, the Original Plaintiffs filed their renewed motion for Class Certification.

28. On October 15, 2012, in light of the expanded record created by the additional discovery, the Court granted in part the Second Class Certification Motion and appointed Carpenters Health Fund and Carpenters Vacation Fund as the class representatives ("Class Representatives") for the four Original Offerings (the "Second Class Certification Order"). The Court limited the Class definition to those purchasers who bought the securities on the date of offering directly from the issuers.

29. On November 5, 2012, the Original Plaintiffs' sought reconsideration of the Second Class Certification Order seeking to expand the Class to include those who purchased Certificates on the offering date or up to ten trading days after.

30. On November 16, 2012, Plaintiffs sought reconsideration of the Court's decision on Defendants' first motion to dismiss in light of the recent Second Circuit authority in *NECA-IBEW Health & Welfare Fund v. Goldman Sachs & Co.*, 693 F.3d 145 (2d Cir. 2012) ("NECA-IBEW"), which held, in part, that a plaintiff had class standing to assert claims on behalf of offerings in which the named plaintiff did not participate under certain circumstances. As a result, Plaintiffs' reconsideration motion sought to reinstate claims with respect to all 59 Offerings originally at issue in the First Amended Complaint that shared a common originator in Homecomings Financial, LLC. Also on November 16, 2012, Ally Securities and the Remaining Underwriter Defendants sought to dismiss the Intervenor Offerings as barred by the statute of repose, and sought to stay the proceedings in light of the ResCap Chapter 11 Case.

31. On November 16, 2012, the Carpenters Health Fund and the Carpenters Vacation Fund filed class proofs of claim numbers 4805, 4806 and 4807 against the Debtor Defendants in the ResCap Chapter 11 Case (the "Bankruptcy Proofs of Claim").

32. On January 3, 2013, the Court denied Ally Securities' and the Remaining Underwriter Defendants' motion to dismiss and motion for a stay, and denied Plaintiff's motion for reconsideration under *NECA-IBEW* without prejudice for renewal following resolution of the proceedings before the U.S. Supreme Court. The Court, however, granted Plaintiff's application for modification of the class definition (the "Amended Second Class Certification Order"). The Court expressly modified the class definition to include initial

purchasers that bought the securities directly from the underwriters or their agents no later than ten trading days after the applicable offering date and appointed New Jersey Carpenters Health Fund and New Jersey Carpenters Vacation Fund as class representatives.

33. On October 31, 2012 and January 18, 2013, Ally Securities and the Remaining Underwriter Defendants petitioned the Second Circuit for permission to appeal the District Court's Second Class Certification Order and Amended Second Class Certification pursuant to Fed. R. Civ. P. 23(f). The Second Circuit denied the petition on March 26, 2013.

34. On April 30, 2013, following the U.S. Supreme Court's denial of the petition for Certiorari in *NECA-IBEW*, the Court granted in part and denied in part Plaintiffs' motion for reconsideration of the Court's decision on the First Motion to Dismiss. As a result, the Court reinstated 37 of the original 59 offerings. The five Intervenor Offerings that were previously reinstated pursuant to the Court's December 22, 2010 order on intervention were included in the 37 of the 59 offerings (the "Reinstated Offerings").

35. On May 10, 2013, Plaintiffs filed the Third Amended Complaint asserting claims against the Settling Defendants, the Remaining Underwriter Defendants and DBS.

36. In or around April 2013, Lead Counsel began participating in mediations in the ResCap Chapter 11 Case that had commenced in January, 2013 by order of the Bankruptcy Court and which were supervised by court-appointed mediator, the Honorable James M. Peck. Lead Counsel participated in several in-person mediation sessions, including a full day session on May 20, 2013, and numerous follow-up conference calls.

37. Throughout the mediation, there were ongoing negotiations between, among other parties, Lead Counsel, the Settling Defendants, the Debtors and the Official Committee of Unsecured Creditors appointed in the ResCap Chapter 11 Case (the "Creditors' Committee"), in the context of achieving a global resolution in the ResCap Chapter 11 Case. Because of the pending ResCap Chapter 11 Case, and its interrelationship with the claims asserted in this Action against the Settling Defendants, the Lead Plaintiffs conducted parallel settlement negotiations with both counsel for the Settling Defendants and counsel for various participants in the ResCap Chapter 11 Case.

38. As a result of the mediation sessions, on May 14, 2013, the Debtors, Creditors' Committee, certain creditors in the ResCap Chapter 11 Case (the "Consenting Creditors") and Ally Financial Inc. ("AFI") and its non-debtor subsidiaries and affiliates, including Ally Securities (collectively, "Ally"), executed a chapter 11 plan support agreement (the "Plan Support Agreement"), which outlined the terms of the ResCap Chapter 11 Plan agreed upon by the parties to the Plan Support Agreement.

39. On May 23, 2013, the Debtors filed a motion in the Bankruptcy Court to approve the Plan Support Agreement.

40. Also on May 23, 2013, the Settling Parties executed a letter agreement setting forth certain terms of the Settlement subject to the completion of definitive documentation.

41. Lead Counsel has conducted discovery relating to the claims and the underlying events and transactions alleged in the Third Amended Complaint. Lead Counsel has analyzed evidence adduced in discovery, including analyzing nearly one million pages of documents produced by Defendants and third parties and examining witnesses, and has researched the applicable law with respect to the claims of Plaintiffs and the Settlement Class against Defendants, as well as the potential defenses thereto.

42. Based upon its investigation, Lead Counsel has concluded that the terms and conditions of the Settlement are fair, reasonable and adequate to Lead Plaintiff and the Settlement Class.

43. On June 28, 2013, the Court authorized this Notice to be sent to potential Class Members, certified the class for purposes of settlement and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement.

WHAT ARE THE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENT?

44. Lead Plaintiff and Lead Counsel believe that the claims asserted against the Settling Defendants have merit. Lead Plaintiff and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Settling Defendants through trial and appeals, as well as the difficulties in establishing liability. Lead Plaintiff and Lead Counsel have considered the uncertain outcome of trial and appellate risk in complex lawsuits like this one. Lead Plaintiff and Lead Counsel have also considered the benefit of a settlement now, in light of the risks that the Settling Defendants, especially the Debtors, or their insurers could not satisfy a judgment materially larger than the Settlement Amount, and of their evaluation of the reduced amount of assets that may be available to the Settling Defendants after trial.

45. The Settlement is subject to the confirmation of the ResCap Chapter 11 Plan and the occurrence of the Plan Effective Date. Lead Plaintiff and Lead Counsel have considered the attendant risks associated with the Debtors' bankruptcy proceedings and the possibility that Plaintiffs and the class could have been precluded from any recovery from these defendants by virtue of those proceedings.

46. In light of the risks of collecting any sums after trial, after confirmation of the ResCap Chapter 11 Plan, or the occurrence of the Plan Effective Date, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Lead Plaintiff and Lead Counsel also believe that the Settlement provides a substantial benefit now, namely the agreement of the Settling Debtors to provide discovery as well as the Settling Debtors' payment of

\$100 million (less the various deductions described in this Notice), 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.

47. In light of the risks of collecting any sums after trial, or by virtue of the related ResCap Chapter 11 Case and the amount of the Settlement to the Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Lead Plaintiff and Lead Counsel also believe that the Settlement provides a substantial benefit now, namely the payment of \$100 million (less the various deductions described in this Notice), as compared to the risk that the claims against the Settling Defendants would produce a similar, smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future.

48. The Settling Defendants have denied and continue to deny each and all of the claims alleged by Lead Plaintiff in the Action. The Settling Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any and all of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. The Settling Defendants have also contended by way of defense that all or a portion of the alleged damages to the Class were caused by economic conditions or factors other than the allegedly false or misleading statements or omissions asserted in the Action and that such damages are not recoverable. The Settling Defendants have further contended, among other things, that the claims are barred by the statute of limitations as to all or some of the members of the Class. The Settling Defendants also have denied and continue to deny, among other things, the allegations that Lead Plaintiff or the Class have suffered any damage, or that Lead Plaintiff or the Class were harmed by the conduct alleged in the Action. The Settling Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in a complex case such as this. Nonetheless, the Settling Defendants have concluded that further conduct of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

49. If there were no Settlement and Lead Plaintiff continued to litigate against the Settling Defendants, they could miss any opportunity to benefit from the global settlement reached in connection with the ResCap Chapter 11 Plan, which is subject to approval in the Bankruptcy Court. As a result, there would be a substantial possibility that if Lead Plaintiff was able to establish liability and obtain a judgment against the Settling Defendants, the applicable insurance policies and the Settling Defendants' assets would be exhausted, leaving Lead Plaintiff and the Class without any possibility of recovery.

50. Further, if there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of their claims against the Settling Defendants, neither Lead Plaintiff nor the Class would recover anything from the Settling Defendants. Also, if the Settling Defendants were successful in proving any of their defenses, the Class likely would recover substantially less than the amount provided in the Settlement, or nothing at all. Moreover, there is also a risk that there would be no funds available to satisfy any judgment obtained in this case after trial and appeal.

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

51. The Settling Debtors have agreed to pay the Settlement Amount (net of the Notice Amount) in cash within ten (10) business days of the Plan Effective Date. At this time, it is not possible to make any determination as to how much individual Class Members may receive from the Settlement.

52. As noted earlier, in order to avoid duplication of expenses to the Class, Plaintiffs intend to delay distribution of the Settlement Funds until after the Settlement becomes final and the Court approves final settlements or other dispositions against or in favor of the Non-Settling Defendants. At that time, the Court will authorize additional Notice to the Class, including sending Claim Forms that must be completed by eligible Class Members in order to receive recovery under the Settlement.

53. The Settlement Amount, and the interest earned thereon, will constitute the Gross Settlement Fund. The Net Settlement Fund will be distributed based on the acceptable Claim Forms submitted by members of the Settlement Class ("Authorized Claimants") after the final settlement or other disposition of claims against the Non-Settling Defendants. The Net Settlement Fund will be distributed to Authorized Claimants who timely submit acceptable Claim Forms under the Plan of Allocation later approved by the Court.

54. Your share of the Net Settlement Fund will depend on the aggregate number of RALI mortgage pass-through certificates (represented by valid and acceptable Claim Forms) that members of the Settlement Class submit to the Claims Administrator, relative to the Net Settlement Fund; how many mortgage pass-through certificates you purchased; whether you held or sold those certificates; the date on which you purchased and/or sold those certificates; and the price at which you sold them.

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

55. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against the Settling Defendants and will provide that Lead Plaintiff and all other Class Members will be deemed to have - and by operation of the Judgment will have - released, dismissed and forever discharged the Released Claims, including Unknown Claims against each and all of the Released Parties. For the avoidance of doubt, the releases provided in the Settlement to the Settling Defendants shall in no way limit the scope of the injunction and releases included in the ResCap Chapter 11 Plan protecting the Settling Defendants from any third-party claims, contribution claims, or indemnification claims related to this Action.

56. There is a risk that Lead Plaintiff and Class Members may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of the Released Claims, but Lead Plaintiff shall expressly fully, finally and forever settle and release – and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Order and Final Judgment shall have fully, finally and forever settled and released – any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, 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. Plaintiffs acknowledge, and Class Members by law and operation of the Order and Final Judgment shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims was separately bargained for and was a material element of the Settlement.

57. The Judgment also will provide that the Settling Defendants and each of the other Released Parties will be deemed to have released, dismissed and forever discharged the Lead Plaintiff, each and all of the Class Members, and Lead Counsel (and other Plaintiffs’ counsel) from all claims (including, without limitation, unknown claims) arising out of, relating to, or in connection with the institution, prosecution, assertion, Settlement or resolution of the Action or the Released Claims.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

58. Lead Counsel has not received any payment for its services in pursuing claims against defendants on behalf of the Class; nor has Lead Counsel been reimbursed for its out-of-pocket expenses. At a later time, Lead Counsel intends to apply to the Court for an award of attorneys’ fees to Lead Counsel from the Settlement Fund.

In order to avoid duplication of expenses to the Class, Plaintiffs intend to delay distribution of the Settlement Amount until after both the Settlement becomes final and the Court approves final settlements or other dispositions against or in favor of the Non-Settling Defendants. As such, Lead Counsel does not intend to request payment of their fees at this time. Lead Counsel will request only that the Court allow Lead Counsel to receive reimbursement of expenses already incurred up to \$1 million. Lead Counsel also reserves the right to apply to the Court on a periodic basis for reimbursement of case related expenses in an amount not to exceed \$2 million.

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

59. Each Class Member will be bound by all determinations and judgments in this lawsuit, including those concerning the Settlement, whether favorable or unfavorable, unless such person or entity mails, by first class mail (or its equivalent outside the U.S.), or otherwise delivers a written Request for Exclusion from the Class, addressed to RALI MBS LITIGATION, c/o The Garden City Group, Inc., EXCLUSIONS, P.O. Box 9991, Dublin, OH 43017-5991. The exclusion request must be *received* no later than September 16, 2013. Each Request for Exclusion must clearly indicate the name, address and telephone number of the person seeking exclusion, that the sender requests to be excluded from the Settlement Class in the *New Jersey Carpenters Health Fund v. Residential Capital, LLC, et al.*, Civil Action No. 08 Civ. 8781 (HB), and must be signed by such person. Such persons requesting exclusion are also directed to provide the following information: (i) the identity and original face value of mortgage pass-through certificates traceable to the Offerings purchased (or otherwise acquired) or sold; (ii) the prices or other consideration paid or received for such mortgage pass-through certificates; (iii) the date of each purchase or sale transaction; and (iv) proper evidence of the transactions. Requests for exclusion 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.

60. If a person or entity requests to be excluded from the Class, that person or entity will not receive any benefit provided for in the Stipulation.

61. In the event you choose to opt out of the Settlement and you have not filed a proof of claim on or before the bar date (November 16, 2012) for the filing of proofs of claim in the ResCap Chapter 11 Case, you will be precluded from obtaining any recovery against the Debtors in the ResCap Chapter 11 Case. In addition, the ResCap Chapter 11 Plan will, among other things, provide the Individual Defendants and Ally global releases of claims by third parties, including full releases for all pending and potential claims held by third parties related to the Debtors that could be brought against Ally, except for securities claims held by the Federal Housing Finance Agency and Federal Deposit Insurance Corporation, as receiver for certain failed banks. Upon the confirmation, and the effectiveness of, the ResCap Chapter 11 Plan, the prosecution of the Released Claims, including those from opt outs, will be enjoined. The Settling Defendants maintain that whether or not you opt out of the Settlement, any payment, if any, on account of your claims against the Settling Defendants, if the ResCap Chapter 11 Plan is confirmed and goes effective, will be paid under the Rescap Chapter 11 Plan confirmed in the ResCap Chapter 11 Case. You are therefore urged to consult your own counsel as well as all relevant documents filed in the ResCap Chapter 11 Case to review and assess the consequences of opting out of the Settlement.

62. Moreover, in the event the releases and injunctions in favor of the Individual Defendants and Ally are approved by the Bankruptcy Court in the ResCap Chapter 11 Case, you will have no remedy against the Individual Defendants and Ally if you object to, or request exclusion from, the Settlement unless the confirmation order from the Bankruptcy Court is stayed pending any appeal. If you object to the Settlement and the ResCap Chapter 11 Plan has been confirmed with no stay issued in connection with that Plan’s effectiveness, then any such objection may be rendered moot and no remedy will be available in connection with an appeal of any order and judgment approving the Settlement in the District Court.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?
DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

63. **If you do not wish to object in person to the proposed Settlement and/or the application for reimbursement of litigation expenses, you do not need to attend the Settlement Hearing. You can object to or participate in the Settlement without attending the Settlement Hearing.**

64. The Settlement Hearing will be held on October 7, 2013, at 9:30 a.m., before the Honorable Harold Baer, at the United States District Court for the Southern District of New York, 500 Pearl Street, Courtroom 23B, New York, New York 10007. The Court reserves the right to approve the Settlement at or after the Settlement Hearing without further notice to the members of the Class.

65. Any Class Member who does not request exclusion in accordance with paragraphs 59-62 above may object to the Settlement or Lead Counsel's request for reimbursement for expenses already incurred. 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 September 25, 2013. You must also serve the papers on Lead Counsel for the Class and counsel for the Settling Defendants at the addresses set forth below so that the papers are *received* on or before September 25, 2013.

Clerk's Office	Lead Counsel for the Class	Counsel For Settling Defendants
UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK 500 Pearl Street New York, New York 10007	COHEN MILSTEIN SELLERS & TOLL PLLC Joel P. Laitman Christopher Lometti Michael Eisenkraft Richard Speirs Daniel B. Rehns Kenneth M. Rehns 88 Pine Street, 14th Floor New York, New York 10005 and Steven J. Toll Joshua S. Devore S. Douglas Bunch 1100 New York Ave, N.W., Ste 500 West Washington, D.C. 20005	CARPENTER LIPPS & LELAND LLP Jeffrey A. Lipps 280 North High Street Columbus, Ohio 43215 and KIRKLAND & ELLIS LLP Michael Keats 601 Lexington Avenue New York, New York 10022

66. Any objection must include: (a) the full name, address, and phone number of the objecting Class Member; (b) a list and documentation evidencing all of the Class Member's transactions involving RALI mortgage pass-through certificates included in the Settlement Class definition, 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; (c) a written statement of all grounds for the objection accompanied by any legal support for the objection; (d) copies of any papers, briefs or other documents upon which the objection is based; (e) a list of all persons who will be called to testify in support of the objection; (f) a statement of whether the objector intends to appear at the Settlement Hearing; (g) a list of other cases in which the objector or the objector's counsel have appeared either as settlement objectors or as counsel for objectors in the preceding five years; and (h) the objector's signature, even if represented by counsel. Persons who intend to object to the Settlement and/or to Lead Counsel's application for an award 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.

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

68. 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.

69. 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 Lead Counsel so that the notice is received on or before September 25, 2013.

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

Unless the Court orders otherwise, any Class Member 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 proposed Settlement or Lead Counsel's request for reimbursement of expenses. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT CERTIFICATES ON SOMEONE ELSE'S BEHALF?

71. If you purchased or otherwise acquired the mortgage pass-through certificates described above for the beneficial interest of a person or organization other than yourself, you must either (i) send a copy of this Notice to the beneficial owner of such certificates, postmarked no later than fourteen (14) days after you receive this Notice, or (ii) provide to RALI MBS Litigation, c/o The Garden City Group, Inc., P.O. Box 9991, Dublin, OH 43017-5991, the names and addresses of such persons no later than fourteen (14) 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.RALIMBSSETTLEMENT.com or from Lead Counsel's website, www.cohenmilstein.com.

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

72. This Notice contains only a summary of the terms of the proposed Settlement. More detailed information about the matters involved in the Action is available at www.RALIMBSSETTLEMENT.com, including, among other documents, copies of the Stipulation and the Third Amended Complaint. All inquiries concerning this Notice should be directed to:

RALI MBS Litigation
c/o The Garden City Group, Inc.
P.O. Box 9991
Dublin, OH 43017-5991

OR

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

Lead Counsel

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

Dated: July 10, 2013

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