

SEC v. Mozilo Fair Fund

Frequently Asked Questions

1. Why did I receive the Notice?

You or someone in your family may have purchased or otherwise acquired shares of Countrywide Financial Corporation (“Countrywide”) common stock during the period of March 1, 2005 to April 24, 2008 (the “Relevant Period”).

The Notice describes the SEC’s enforcement action, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What are the details of the Action?

In June 2009, the SEC filed a complaint against Angelo Mozilo, David Sambol and Eric Sieracki (“Defendants”) alleging violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder, and Rule 13a-14 under the Exchange Act.

The SEC alleged that Mozilo, Sambol and Sieracki failed to disclose to investors the significant credit risk that Countrywide was taking on as a result of its efforts to build and maintain market share. Investors were allegedly misled by representations assuring them that Countrywide was primarily a prime quality mortgage lender that had avoided the excesses of its competitors.

The SEC further alleged that Mozilo engaged in insider trading in the securities of Countrywide in October, November and December 2006 while he was aware of material, non-public information concerning Countrywide’s increasing credit risk and the risk regarding the poor expected performance of Countrywide-originated loans.

On October 15, 2010, the United States District Court for the Central District of California (the “Court”) entered the Court’s Final Judgment, pursuant to which (i) Mozilo was required to pay a civil penalty of \$22,500,000 and disgorgement of \$45,000,000; (ii) Sambol was required to pay a civil penalty of \$520,000 and disgorgement of \$5,000,000; and (iii) Sieracki was required to pay a civil penalty of \$130,000. Between November 2010 and February 2011, the funds paid by Defendants were deposited into an interest bearing account with the Court Registry Investment System.¹ The Court established a Fair Fund in accordance with Section 308(a) of the Sarbanes-Oxley Act of 2002. These funds, together with any interest and income earned thereon and after deductions expended or to be expended for taxes and administrative fees (the “Net Fair Fund”), will be distributed in accordance with the enclosed Plan of Allocation to the Eligible Claimants. The Plan of Allocation is further explained below in the Answer to Question No. 7.

¹ Angelo Mozilo paid \$25,000,000 of the disgorgement to partially fund the settlement of the action *In re Countrywide Financial Corporation Securities Litigation*.

3. Who is eligible to receive a payment from the Fair Fund?

A Potentially Eligible Claimant is any of the following individuals and entities, subject to certain exceptions (see Question No. 4):

All persons or entities that purchased or otherwise acquired Countrywide Financial Corporation common stock (CUSIP No. 222372104) during the period of March 1, 2005 to April 24, 2008.

4. Who is excluded from receiving a payment from the Fair Fund?

You are **not** a Potentially Eligible Claimant if you are:

a) A current or former Countrywide Financial Corporation officer or director or any of their past or present affiliates (or any of their affiliates, assigns, creditors (provided that such entity shall only be excluded in its capacity as such without regard to whether it may otherwise be an Eligible Claimant), heirs, distributees, spouses, parents, children, or controlled entities) who had access to the allegedly undisclosed information that is the subject of the Action;

b) Any Person who assigned that Person's right to obtain a recovery in the Action;

c) Any assignee of another Person's right to obtain a recovery in the Action, provided, however, this provision shall not be construed to exclude those Persons who obtained such a right by inheritance or devise; or

d) The Distribution Agent, its employees, and those persons assisting the Distribution Agent in its role as Distribution Agent.

5. What do I need to do to receive a payment?

To qualify for a distribution payment, if you did not submit a valid Proof of Claim in the Countrywide Class Action, you **must** file a signed Proof of Claim Form with the Distribution Agent on or before the Claims Filing Deadline, **December 9, 2012**. If you require additional information or forms, you may obtain them from the Fair Fund website at www.MoziloFairFund.com, by calling 1-877-225-9893, or you may submit a written request or email to the Distribution Agent at the address below.

Be sure to complete all information requested on the Proof of Claim Form that applies to you including your signature, and include sufficient documentation reflecting your purchases, acquisitions, sales and holdings of Countrywide common stock shares as requested. If you do not provide all required information and sign the Proof of Claim Form, your claim may be rejected.

If you submitted a valid Proof of Claim in the Countrywide Class Action, the trading information you already supplied will be used to determine your Fair Fund claim. Please DO NOT submit another Proof of Claim Form.

6. When is the deadline for sending in my Proof of Claim Form?

Your completed Proof of Claim Form must be postmarked no later than the Claims Filing Deadline of December 9, 2012 and mailed to the following address:

SEC v. Mozilo Fair Fund
c/o Rust Consulting, Inc.
Distribution Agent
P.O. Box 8045
Faribault, MN 55021-9445

7. How much will I receive if my claim is eligible?

A Plan of Allocation has been prepared that provides a mathematical formula for the Distribution Agent to determine each Eligible Claimant's Approved Claim based on each Eligible Claimant's purchases of Countrywide common stock during the Relevant Period. The Net Fair Fund will be allocated to each Eligible Claimant *pro rata* based upon the ratio of the Approved Claim of each Eligible Claimant to the aggregate Approved Claims of all Eligible Claimants.

For more specific information regarding the methodology utilized to determine each Eligible Claimant's Distribution Amount, please review the Plan of Allocation, which is attached to the Notice as Exhibit A, and available for download at www.MoziloFairFund.com.

8. When will I receive my payment?

Processing of the Proof of Claim Forms will require significant time. The Distribution Agent estimates that distributions from the Fair Fund will be made approximately 8 to 10 months after the Claims Filing Deadline, although that estimate is subject to change, depending on various factors.

Potentially Eligible Claimants may obtain updates on the progress of the administration of the Fair Fund by visiting the website at www.MoziloFairFund.com, by calling 1-877-225-9893, by sending an email to info@MoziloFairFund.com, or writing to: SEC v. Mozilo Fair Fund, c/o Rust Consulting, Inc., Distribution Agent, P.O. Box 8045, Faribault, MN 55021-9445.

9. Do I give up any legal rights by submitting a Proof of Claim Form?

By participating in the distribution of the Fair Fund, Eligible Claimants **will not** be releasing any rights or claims they may have against any party, including but not limited to Countrywide and Countrywide's present or former officers and directors.

10. What happens if I do nothing at all?

If you did not submit a Proof of Claim in the Countrywide Class Action, and you do not submit a Proof of Claim Form for this SEC Action, you will not receive any payment in connection with the Fair Fund, regardless of whether you are otherwise a Potentially Eligible Claimant.

11. Are there more details about the Action?

The Notice summarizes the distribution of the Fair Fund. You may obtain copies of the Plan of Distribution and other relevant documents at www.MoziloFairFund.com or you may request copies by writing to SEC v. Mozilo Fair Fund, c/o Rust Consulting, Inc., Distribution Agent, P.O. Box 8045, Faribault, MN 55021-9445.

12. How do I get more information?

You can visit the website at www.MoziloFairFund.com, where you will find answers to common questions about the Distribution, the Proof of Claim Form, plus other information to help you determine whether you are a Potentially Eligible Claimant and whether you are eligible for payment. You can also call 1-877-225-9893 toll-free, write to the SEC v. Mozilo Fair Fund, c/o Rust Consulting, Inc., Distribution Agent, P.O. Box 8045, Faribault, MN 55021-9445, or send an email to info@MoziloFairFund.com.

INQUIRIES

All inquiries concerning the Notice, the Proof of Claim Form, or any other questions by shareholders should be directed to the Distribution Agent as follows:

SEC v. Mozilo Fair Fund
c/o Rust Consulting, Inc.
Distribution Agent
P.O. Box 8045
Faribault, MN 55021-9445

Toll-Free: 1-877-225-9893 — Website: www.MoziloFairFund.com — Email: info@MoziloFairFund.com