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22 Co-Lead Counsel in the *Luther*
 23 and *Western Conference* actions

Lead Counsel in the *Maine State* action only

25 UNITED STATES DISTRICT COURT
 26 CENTRAL DISTRICT OF CALIFORNIA

27 MAINE STATE RETIREMENT) No. 2:10-cv-00302-MRP(MANx)
 28 SYSTEM, Individually and On Behalf)

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of All Others Similarly Situated,

Plaintiff,

vs.

COUNTRYWIDE FINANCIAL
CORPORATION, et al.,

Defendants.

[Caption continued on following page.]

) CLASS ACTION
)
) **DECLARATION OF GREGG A.**
) **SCHOCHENMAIER, GENERAL**
) **COUNSEL FOR IOWA PUBLIC**
) **EMPLOYEES' RETIREMENT**
) **SYSTEM, IN SUPPORT OF (I)**
) **PLAINTIFFS' MOTION FOR**
) **FINAL APPROVAL OF CLASS**
) **ACTION SETTLEMENT AND**
) **PLAN OF ALLOCATION AND (II)**
) **PLAINTIFFS' COUNSEL'S**
) **MOTION FOR ATTORNEYS' FEES**
) **AND REIMBURSEMENT OF**
) **LITIGATION EXPENSES**

1 WESTERN CONFERENCE OF) No. 2:12-cv-05122-MRP(MANx)
 2 TEAMSTERS PENSION TRUST)
 3 FUND, Individually and On Behalf of) CLASS ACTION
 4 All Others Similarly Situated,)
 5)
 6 Plaintiff,)

7 vs.)
 8)
 9)
 10 COUNTRYWIDE FINANCIAL)
 11 CORPORATION, et al.,)
 12)
 13 Defendants.) No. 2:12-cv-05125-MRP(MANx)

14) CLASS ACTION
 15 DAVID H. LUTHER, et al.,)
 16 Individually and On Behalf of All)
 17 Others Similarly Situated,)
 18)
 19 Plaintiff,)

20 vs.)
 21)
 22)
 23 COUNTRYWIDE FINANCIAL)
 24 CORPORATION, et al.,)
 25)
 26 Defendants.)

27)
 28)

1 I, Gregg A. Schochenmaier, declare as follows:

2 1. I am General Counsel for the Iowa Public Employees' Retirement
3 System ("IPERS") the Court-appointed Lead Plaintiff pursuant to the PSLRA.¹ My
4 duties as General Counsel specifically include monitoring and supervising securities-
5 related litigation, such as the *Maine State* Action and I have done so here, including
6 approving all major litigation decisions since IPERS sought appointment as Lead
7 Plaintiff on April 2, 2010.

8 2. IPERS is a public pension fund that operates for the benefit of current
9 and former employees of the state of Iowa and has approximately \$23 billion in assets
10 under management. IPERS invests on behalf of over 335,000 beneficiaries.

11 3. IPERS seeks to protect the assets of its members by taking an active role
12 in securities litigation where its losses are sufficiently large and its involvement can
13 help to secure a greater recovery for investors. IPERS has served as a Lead Plaintiff in
14 several other securities class actions and, thus, has experience in supervising counsel
15 in class action litigation.

16 4. I am aware of and understand the requirements and responsibilities of a
17 representative plaintiff in a securities class action including those set forth in the
18 Private Securities Litigation Reform Act of 1995. Throughout the course of this
19 litigation, I have taken those duties and responsibilities seriously and executed them to
20 the best of my ability.

21 5. I submit this Declaration on behalf of IPERS and as the Lead Plaintiff in
22 support of (a) Plaintiffs' Motion for Final Approval of the proposed \$500 million
23 Settlement (the "Settlement") and Plan of Allocation and (b) Plaintiffs' Counsel's
24 Motion for Attorneys' Fees and Reimbursement of Litigation Expenses. I have

25
26 ¹ Unless otherwise defined herein, capitalized terms have the meanings ascribed to
27 them in the Stipulation and Agreement of Settlement ("Stipulation"), previously filed
28 with the Court on July 9, 2013. *Maine State Ret. Sys. v. Countrywide Financial Corp.*,
2:10-cv-00302-MRP-MAN, Dkt. #408.

1 knowledge of the matters set forth in this Declaration, based on my involvement in
2 monitoring and overseeing both (a) the prosecution of the *Maine State* Action and (b)
3 the negotiations leading to the Settlement. I could and would testify competently to
4 the matters set forth herein if called upon to do so.

5 **I. Work Performed by IPERS on Behalf of the Class**

6 6. In fulfillment of its responsibilities as the Court-appointed Lead Plaintiff
7 and class representative, and on behalf of all Class Members, IPERS supervised
8 counsel in major litigation decisions, participated in the discovery process for class
9 certification, and directed negotiations with respect to the settlement of the *Maine*
10 *State* litigation. Based on IPERS' extensive involvement in every aspect of the
11 litigation as well as its understanding of the rulings and settlements in other MBS-
12 related litigation, I believe the settlement achieved provides the best outcome for the
13 class IPERS sought to represent.

14 7. Since being appointed by this Court as a Lead Plaintiff on May 14, 2010,
15 IPERS has expended considerable time and effort for the benefit of the Class as
16 detailed herein.

17 8. On behalf of IPERS, I and other IPERS personnel have: (a) reviewed
18 and approved all pleadings filed in the *Maine State* Action, including three amended
19 complaints and oppositions to motions to dismiss, the class certification motion, and
20 the renewed motion for modification of the Court's orders resolving motions to
21 dismiss in light of *NECA-IBEW Health & Welfare Fund v. Goldman Sachs & Co.*; (b)
22 had extensive and regular communications with Lead Counsel (primarily through
23 direct communications with Julie Goldsmith Reiser and Steven J. Toll of Cohen
24 Milstein Sellers & Toll PLLC) regarding discovery, strategy and developments in the
25 *Maine State* and *Luther* Actions as well as other MBS-related litigation, to stay
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1 apprised of rulings by district and appellate courts that bear on MBS-related issues²;
 2 (c) sent out litigation hold letters internally and to IPERS' external asset managers,
 3 responded to and approved at least six sets of discovery requests from defendants,
 4 produced tens of thousands of documents, and prepared for and participated in a
 5 September 15, 2011 deposition in connection with the Plaintiffs' class certification
 6 motion, which the Court certified on October 12, 2011 (Dkt. #327); and (e) consulted
 7 with Cohen Milstein during the course of their 9-month effort to mediate a successful
 8 settlement of all claims asserted in the Actions on behalf of the Class, including
 9 reviewing and approving the mediation statement, settlement term sheet and plan of
 10 allocation, as well as speaking directly with the mediator, Eric Green.

11 9. In numerous conversations with Cohen Milstein, I personally directed
 12 counsels' negotiations concerning what IPERS believed would be an appropriate
 13 range for settling the various claims asserted in the Actions and arriving at an
 14 equitable plan for allocating the settlement proceeds to the Class.³

15 II. IPERS' Support for the Settlement Achieved

16 10. Based on its involvement and oversight of the *Maine State* litigation,
 17 IPERS approved the decisions to enter into the Settlement and to tier the Plan of

18
 19 ² Cohen Milstein regularly provided me with updates regarding the status of the
 20 *Luther* Action. In addition, I factored the following decisions into my assessment of
 21 the appropriate settlement amount for the *Maine State*, *Luther* and *Western Teamsters*
 22 actions: *NECA-IBEW Health & Welfare Fund v. Goldman Sachs & Co.*, 693 F.3d 145
 23 (2d Cir. 2012), cert. denied, --- S. Ct. ---, 2013 WL 1091772 (Mar. 18, 2013); *FDIC*
 24 *as Receiver for Strategic Capital Bank v. Countrywide Fin'l Corp.*, 2012 WL 5900973
 (Nov. 21, 2012); *Police & Fire Ret. Sys. of the City of Detroit v. IndyMac MBS, Inc.*,
 F.3d ___, No. 11-2999-cv (2d Cir., June 27, 2013). Further, I understand that if the
 BNYM Settlement is approved by the court, some class members may be entitled to
 benefits from the settlement payment of \$8.5 billion that will be distributed to the 530
 Countrywide MBS trusts included in that settlement.

25 ³ In assessing the proper allocation, I considered the following MBS settlements that
 26 allocated settlement proceeds to impaired, as well as non-impaired, claims: *See In re*
 27 *Wells Fargo Mortg.-Backed Certificates Litig.*, Dkt. No. 446, No. 09-CV-1376-LHK
 (PSG) (N.D. Cal. July 25, 2011); *In re Lehman Bros. Mortg.-Backed Sec. Litig.*, Dkt.
 28 No. 181, No. 08-CV-6762-LAK (S.D.N.Y. Jan. 13, 2012).

1 Allocation. In this regard, I have continually been apprised of the merits and risks
2 accompanying this litigation, as set forth above.

3 11. Beyond considering the varying rulings of district and appellate courts
4 nationwide on the appropriate scope of standing and tolling, I also was apprised
5 regarding the amounts of other mortgage-backed securities settlements. Additionally,
6 I considered the potential that Bank of America would put Countrywide into
7 bankruptcy before any judgment could be collected from this litigation. These factors,
8 as well as risks of the Court or jury finding in favor of defendants on loss causation
9 and negative causation, enabled me to form the opinion that the \$500 million
10 Settlement represented a fair, reasonable and adequate result for the Class. While I
11 recognized that the Settlement would release class members' ability to appeal certain
12 decisions made in the course of the *Maine State* litigation, in my judgment, the
13 uncertainties of further years' worth of protracted litigation before an appeal could be
14 taken—including the substantial risk that Plaintiffs and the Class would recover
15 significantly less than \$500 million (or even nothing at all), made the decision to settle
16 now a logical and reasonable result, rather than continuing to pursue appeals when
17 they became ripe.

18 12. Counsel have advised me that \$500 million is the largest MBS class
19 settlement to date. Overall, IPERS believes that the Settlement represents the best
20 recovery for the Class in the face of substantial litigation risks. Accordingly, IPERS
21 strongly supports counsel's request for approval of the Settlement.

22 13. IPERS is proud to be a part of this recovery on behalf, and for the benefit
23 of, the Class.

24
25 **III. IPERS Supports Plaintiffs' Counsel's Motion for an Award of**
26 **Attorneys' Fees and Reimbursement of Litigation Expenses**
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1 14. Prior to submitting the preliminary approval papers, Cohen Milstein
2 discussed with IPERS all Plaintiffs' Counsel's intention to apply for an award of
3 attorneys' fees not to exceed 17% of the Settlement Fund, as well as reimbursement of
4 litigation expenses not to exceed \$4 million, subject to approval by the Court. I
5 understood that this fee request would apply to all Plaintiffs' Counsel in *Luther*,
6 *Western Conference* and *Maine State*.

7 15. With respect to the reasonableness of Plaintiffs' Counsel's fee request,
8 IPERS recognizes that any determination of fees is left to the discretion of the Court.
9 Nevertheless, IPERS takes its role in supervising counsel seriously and has carefully
10 considered Plaintiffs' Counsel's request.

11 16. In consideration of Counsel's fee application, I have reviewed and
12 considered, *inter alia*, the work performed by Cohen Milstein as set forth in the
13 Declaration of Julie Goldsmith Reiser in Support of *Maine State* Plaintiffs' Motion for
14 Final Approval of Proposed Class Action Settlement and Plan of Allocation, and
15 Petition for Award of Attorneys' Fees and Expenses. I also have reviewed the
16 Memorandum in Support of Plaintiffs' Counsels' Motion for an Award of Attorneys'
17 Fees and Expenses.

18 17. IPERS recognizes that all Plaintiffs' Counsel took on considerable risk in
19 litigating this action. After the motion to dismiss stage in *Maine State*, only eight
20 actionable tranches remained. Nevertheless, Cohen Milstein acted with an unwavering
21 commitment to the class that remained by litigating this action as strenuously as if the
22 scope had been identical to that which is being settled at present. Moreover, IPERS
23 recognizes that *Maine State* proceeded on a faster track than other cases in the MDL
24 and therefore, caused counsel and the Court to consider on first impression several
25 critical issues regarding the scope and merits of the litigation.

26 18. I believe that Cohen Milstein litigated this case aggressively and that the
27 \$500 million settlement is a direct result of Cohen Milstein's commitment to the
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1 litigation despite substantial risks and varying rulings in the MBS actions. Without
2 Cohen Milstein's skill and dedication, this Settlement would not have been achieved.

3 19. IPERS has evaluated Plaintiffs' Counsel's fee request after a careful
4 review of the litigation history, the work performed by Cohen Milstein over the past
5 three years and an understanding of the history of the *Luther* action. In light of the
6 tremendous risk and substantial work performed, plus my understanding of the efforts
7 undertaken by the Robbins Geller and Kessler Topaz firms in the *Luther* action,
8 IPERS believes that the fee request properly compensates Plaintiffs' Counsel for their
9 exhaustive efforts in all three of the Actions being settled.

10 20. In addition, IPERS notes that Cohen Milstein has advanced all expenses
11 of litigating this case, including hosting over 30 million pages of documents for over a
12 year and paying for the services of five experts without receiving any compensation.
13 IPERS also has reviewed all Plaintiffs' Counsel's request for reimbursement of
14 litigation expenses and believes this request represents costs and expenses necessarily
15 incurred in prosecuting and resolving the Action. IPERS therefore, also believes that
16 Plaintiffs' Counsel's expense request is fair and reasonable.

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IV. Conclusion

17. For the foregoing reasons, IPERS supports Class Counsel's request that the Court approve in full (a) Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation and (b) Plaintiffs' Counsel's Motion for Attorneys' Fees and Reimbursement of Litigation Expenses.

18. I declare under penalty of perjury under the laws of the United States of America that that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of IPERS.

Executed this 10th day of September, 2013



Gregg A. Schochenmaier, Esq.

*General Counsel for Iowa Public Employees'
Retirement System*

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CERTIFICATE OF SERVICE

I hereby certify that on September 23, 2013, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I caused to be mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on September 23, 2013.

s/ Spencer A. Burkholz

SPENCER A. BURKHOLZ

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