

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

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SECURITIES AND EXCHANGE COMMISSION	:	:
	:	:
Plaintiff,	:	:
	:	:
v.	:	Civil Action No.
	:	07-CV-1728-RCL
	:	:
FEDERAL HOME LOAN	:	:
MORTGAGE CORPORATION,	:	:
DAVID W. GLENN,	:	:
VAUGHN A. CLARKE,	:	:
ROBERT C. DEAN, and	:	:
NAZIR G. DOSSANI,	:	:
	:	:
Defendants.	:	:
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~~PROPOSED~~ ORDER ESTABLISHING FAIR FUND  
AND APPOINTING DISTRIBUTION AGENT

This cause is before the Court on a Motion <sup>[49]</sup> filed by the Plaintiff, the United States Securities and Exchange Commission (the "SEC" or "Commission"), for the establishment of a Fair Fund under Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, and appointment of a Distribution Agent.

The Court has reviewed the Commission's Motion and its Memorandum of Law in Support of the Motion, and for good cause shown,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted and a Fair Fund is established (the "Freddie Mac Fair Fund" or the "Fair Fund"), the body of which shall consist of funds currently held in an interest-bearing account in the Court Registry Investment System ("CRIS") under the case name

designation "SEC v. Federal Home Loan Mortgage Corporation, David W. Glenn, Vaughn A. Clarke, Robert C. Dean and Nazir G. Dossani" (the "CRIS Account"), including accrued interest.

2. Gilardi & Co., LLC. ("Gilardi") is hereby appointed as Distribution Agent over the Fair Fund.

3. As Distribution Agent, Gilardi is hereby ordered to develop a proposed Distribution Plan acceptable to the Commission which must be approved by the Court; implement the Court-approved Distribution Plan, oversee the administration of the Fair Fund; prepare accountings; cooperate with the Court-appointed Tax Administrator in providing the information necessary to accomplish tax compliance; and maintain accurate records concerning the Fair Fund.

4. The Distribution Agent will act as Escrow Agent for the Fair Fund. Upon Commission motion and order of this Court, the Fair Fund, including any future funds received, will be transferred from the CRIS Account to an escrow bank account for investment and to facilitate the future distribution. Gilardi will ensure the integrity and protection of the Fair Fund so that, (i) upon transfer from the Court's Registry, funds will be held in an escrow account pursuant to an escrow agreement acceptable to the Commission, separate from bank assets and invested in SEC approved Treasury-backed instruments, until presented checks or electronic transfers are approved for payment, at which time funds will be transferred to a distribution checking account for disbursement; (ii) presented checks or electronic transfers will be subject to controls set forth in the escrow agreement before being honored by the bank; and (iii) both the bank and the Distribution Agent will maintain sufficient insurance that covers errors and omissions, misfeasance, and fraud.

5. Within 20 days after the end of each calendar quarter, the Distribution Agent will submit a report to SEC staff showing an accounting of all assets in the Freddie Mac Fair Fund, in

a format to be provided by the Commission staff. The accounting shall inform the SEC of the activities and status of the Fair Fund during the reporting period, and shall specify, at a minimum, the location of the account(s) comprising the Fair Fund, the value of those account(s), all monies earned or received into the account(s), monies distributed to claimants under the Distribution Plan, and any monies expended to satisfy fees, costs, taxes and other expenses incurred. At the conclusion of the distribution, the Distribution Agent will coordinate with the Tax Administrator to provide SEC staff with a final accounting for the Fair Fund, in a format to be provided by the Commission staff.

6. All reasonable fees and expenses of the Distribution Agent and all costs of administering the Distribution Plan, including all taxes and Tax Administrator fees, shall be paid by the Fair Fund.

7. The Distribution Agent is entitled to rely on all outstanding rules of law and Court Orders.

8. The Court will retain exclusive jurisdiction over the distribution, including, but not limited to, claims against the Distribution Agent asserting liability for violation of any duty imposed by the Distribution Plan or other Court Order.

9. The Distribution Agent may be removed at any time by the Court, and replaced with a successor. If the Distribution Agent decides to resign, it must first give written notice to the staff of the SEC and the Court of its intention, and resignation will not be effective until the Court has appointed a successor. The Distribution Agent will then follow instructions from the Court or a successor for turning over management of the Fair Fund, including records maintained by the Distribution Agent in connection with its duties and information relating to Fair Fund monies and property. Unless otherwise ordered, the Distribution Agent will within 30 days of

the notice of resignation or removal, file with the Court a distribution status report and provide a full accounting in accordance with Paragraph 5.

**IT IS SO ORDERED.**

Dated: 9/17/13

  
UNITED STATES DISTRICT JUDGE