

1 JOSEPH W. COTCHETT (#36324; jcotchett@cpmlegal.com)
 2 NANCY L. FINEMAN (#124870; nfineman@cpmlegal.com)
 3 STEVEN N. WILLIAMS (#175489; swilliams@cpmlegal.com)
COTCHETT, PITRE & McCARTHY
 4 San Francisco Airport Office Center
 840 Malcolm Road, Suite 200
 Burlingame, California 94010
 Telephone (650) 697-6000

5 *Counsel for Lead Plaintiff CalSTRS*
 6 *and the Class*

7
 8 **UNITED STATES DISTRICT COURT**
 9 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**
 10 **WESTERN DIVISION**

12 **In re HOMESTORE.COM, INC.)**
SECURITIES LITIGATION

Master File No. 01-CV-11115 RSWL
 (CWx)

14 _____
 15 This Document Relates To:
 16 ALL ACTIONS.
 17 _____

ORDER APPROVING:

- 18 **(1) FINAL CLASS SETTLEMENT**
- 19 **WITH CENDANT AND RICHARD A.**
- 20 **SMITH**
- 21 **(2) PLAN OF ALLOCATION;**
- 22 **(3) AWARD OF ATTORNEYS' FEES**
- 23 **AND REIMBURSEMENT OF**
- 24 **EXPENSES;**
- 25 **(4) DISTRIBUTION OF CLAIMS**
- 26 **ADMINISTRATION FUNDS; AND**
- 27 **(5) TIMING OF DISTRIBUTION**

28 **Date: March 16, 2009**
Time: 10:00 a.m.
Judge: Hon. Ronald S.W. Lew
Courtroom: 21, 312 North Spring St.
Los Angeles, CA 90012

1 Lead Plaintiff California State Teachers' Retirement System's motion for (1)
2 Final Approval of Partial Class Settlement with Cendant Corporation (now known
3 as Avis Budget, Inc. ("Cendant"), and Richard A. Smith ("Smith"); (2) Approval
4 of Plan of Allocation; (3) Approval of Award of Attorneys' Fees and
5 Reimbursement of Expenses; (4) Approval to Distribute Claims Administration
6 Funds; and (5) Approval of Timing of Distribution, in the above-captioned matter,
7 came on for hearing on March 16, 2009 before the Honorable Ronald S.W. Lew of
8 the above-entitled Court, pursuant to the prior Order of this Court, which gave
9 preliminary approval of the Stipulations and Agreements of Settlement
10 ("Settlements") and directed that notice be mailed to all Class members.

11 WHEREAS plaintiffs filed a class action complaint for securities fraud
12 against several defendants, including defendants Cendant and Smith (the "Settling
13 Defendants"); and

14 WHEREAS the action was vigorously litigated for several years, including
15 an appeal to the Supreme Court; and

16 WHEREAS Lead Plaintiff's Counsel conducted a thorough examination and
17 evaluation of the relevant law and facts to assess the merits of their claims and to
18 determine how best to serve the interests of Lead Plaintiff and the Class; in the
19 course of their examination, Lead Plaintiff's Counsel undertook extensive
20 discovery; and

21 WHEREAS based upon their discovery, investigation and evaluation of the
22 facts and law relating to the matters alleged in the pleadings, Lead Plaintiff has
23 agreed to settle the action with the Settling Defendants, after considering factors
24 including: (1) the substantial benefits to Lead Plaintiff and the Class under the
25 terms of the proposed Settlements; (2) the substantial expense and uncertainties
26 associated with continued litigation of the claims; and (3) the desirability of
27 consummating the Settlements promptly, in order to provide effective relief to
28 Lead Plaintiff and the Class; and

1 WHEREAS the proposed Settlements with the Settling Defendants are fair,
2 reasonable, and adequate because they provide substantial benefits to the Class and
3 are in the best interests of the Class; and

4 WHEREAS Lead Plaintiff and Settling Defendants have entered into
5 Settlements, in which the settling parties have agreed after extensive arms-length
6 negotiations upon settlements of the action subject to the approval and
7 determination of the Court as to the fairness, reasonableness, and adequacy of the
8 Settlements, which, if approved, will result in dismissal of the action against the
9 Settling Defendants with prejudice;

10 WHEREAS no objections to the Settlements were received by the Court
11 ordered deadline of March 3, 2009.

12 NOW, upon reviewing the Settlements, and upon reviewing all prior
13 proceedings held herein, and the matter having come before the Court for hearing
14 following notice to all parties and Class members, and GOOD CAUSE
15 APPEARING, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

16 **Final Approval of Partial Class Settlements**

17 1. After considering a variety of factors, including but not limited to the
18 risks and expenses of litigation, the relative strengths of the case, the defenses
19 thereto, and the extent of Lead Plaintiff's preparation of the case, the Court finds
20 that the Settlements, including all terms pertaining to payment by the Settling
21 Defendants, dismissal of the action against the Settling Defendants with prejudice,
22 and release of claims, is in all respects, fair, reasonable, and adequate to the Class.
23 The Court does hereby finally approve of the Settlements, and dismisses the action
24 with prejudice against the Settling Defendants.

25 2. The Court finds that the Notice given to the Class complied with the
26 Court's Order dated December 11, 2009 and that said Notice (including, but not
27 limited to, the form of notice and methods of identifying and giving notice to the
28 Class) fairly apprised Class members of the terms of the Settlements.

1 **Approval of Plan of Allocation**

2 3. The Court finds that the Plan of Allocation, as detailed in the Court
3 approved Notice sent to Class Members, is equitable to Class Members. The Court
4 approves of the Plan of Allocation.

5 **Approval of Award of Attorneys' Fees and Reimbursement of Expenses**

6 4. Lead Plaintiff's Counsel are hereby granted an award of attorneys'
7 fees in the amount of \$420,000.00, to be paid from the Settlement Fund received
8 from the Settling Defendants.

9 5. Lead Plaintiff's Counsel is hereby granted reimbursement of all
10 expenses incurred to date, to be paid from the Settlement Fund received from the
11 Settling Defendants, in the amount of \$20,994.67. In addition, Lead Plaintiff's
12 counsel may pay for the costs of notice and claims administration up to \$350,000
13 without further Court approval.

14 6. Lead Plaintiff's Counsel is authorized to pay applicable taxes and fees
15 to tax preparers during the time it holds the settlement funds.

16 7. The Court finds that the amount of fees and costs awarded for the
17 Settlements with the Settling Defendants is fair and reasonable to the Class in light
18 of the circumstances of this case, the result achieved, the effort that was spent, the
19 complexity of the issues presented, and the risks faced by Lead Plaintiff's Counsel
20 in obtaining a successful result. The reasonableness of the fee award is confirmed
21 by a cross-check of Lead Plaintiff Counsel's lodestar. The fee award is consistent
22 with both lodestar and percentage of fund benchmarks recognized under federal
23 law.

24 8. This award of fees and expenses is based upon a Settlement Fund
25 created by the Settlements with the Settling Defendants, and shall not affect Class
26 Counsel's right to request a further award of fees and expenses in the future based
27 upon the continuing prosecution of this action, subject to approval by the Court.

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1 **Allowing Plaintiffs to Time the Distribution**

2 10. The Court hereby allows Lead Plaintiff's Counsel to defer distributing
3 the Settlement Fund until there can be simultaneous distribution of the other
4 settlements, which monies are held in trust on behalf of the Class, or distribute the
5 Cendant/Smith settlement monies separately, whichever makes the most sense
6 from a time and cost perspective.

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8 **IT IS SO ORDERED.**

9 Dated: March 23, 2009

/ s /

10 HON. RONALD S.W. LEW
11 SENIOR, U.S. DISTRICT COURT JUDGE
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