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 11 Allowance Plan for Employees Represented by Local 85 of the Amalgamated Transit Union

12 UNITED STATES DISTRICT COURT
 13 NORTHERN DISTRICT OF CALIFORNIA

14	THE PORT AUTHORITY OF ALLEGHENY)	Case No.: 3:08-cv-02046-SI
14	COUNTY RETIREMENT AND DISABILITY)	
15	ALLOWANCE PLAN FOR EMPLOYEES)	
15	REPRESENTED BY LOCAL 85 OF THE)	STIPULATION TO STAY AND
15	AMALGAMATED TRANSIT UNION)	[PROPOSED] CASE MANAGEMENT
16)	ORDER
16	Plaintiff,)	
17	vs.)	Judge: The Honorable Susan Illston
18	L. STEPHEN SMITH, DAVID H. KATKOV,)	
18	DONALD P. LOFE, JR., JOHN D. ROACH,)	
19	RONALD H. ZECH, WAYNE E. HEDIEN, MARY)	
19	LEE WIDENER, CARMINE GUERRO, JOSE H.)	
20	VILLARREAL, RAYMOND L. OCAMPO JR.,)	
20	LOUIS G. LOWER II, W. ROGER HAUGHTON,)	
21	VICTOR J. BACIGALUPI, BRADLEY M.)	
21	SHUSTER, KENNETH T. ROSEN, JAMES C.)	
22	CASTLE, MARIANN BYERWALTER, and)	
22	STEVEN L. SCHEID,)	
23	Defendants,)	
24	-and -)	
25	PMI GROUP, INC.,)	
26	Nominal Defendant)	
27)	

28 STIPULATION TO STAY AND [PROPOSED] CASE MANAGEMENT ORDER
 Case No.: 3:08-cv-02046-SI

1 Plaintiff, the Port Authority of Allegheny County Retirement and Disability Allowance
2 Plan for Employees Represented by Local 85 of the Amalgamated Transit Union ("Plaintiff" or
3 "ATU 85"), and defendants L. Stephen Smith, W. Roger Haughton, David H. Katkov, Donald P.
4 Lofe, Jr., Mariann Byerwalter, Dr. James C. Castle, Carmine Guerro, Wayne E. Heiden, Louis G.
5 Lower, II, Raymond L. Ocampo, Jr., John D. Roach, Dr. Kenneth T. Rosen, Steven L. Scheid,
6 Jose H. Villarreal, Mary Lee Widener, and Ronald H. Zech (collectively, the "Individual
7 Defendants"), and nominal defendant, The PMI Group, Inc., ("PMI" or the "Company") hereby
8 submit the following Stipulation and [Proposed] Case Management Order ("Order"):

9
10 1. On April 18, 2008, Plaintiff ATU 85 filed a shareholder derivative action on
11 behalf of PMI against certain of its officers and directors seeking to remedy Defendants' alleged
12 violations of federal law, including breaches of fiduciary duty, waste of corporate assets and
13 unjust enrichment (the "Federal Derivative Action").

14 2. On April 17, 2008, a shareholder derivative action based on similar factual
15 allegations and asserting substantially similar claims was filed in the Superior Court of the State
16 of California, County of Contra Costa, *Jorge Torres v. L. Stephen Smith, et al.*, Case No. C08-
17 01068 (the "State Derivative Action").

18 3. On March 1, 2010, Plaintiff ATU 85 filed an Amended Shareholder Derivative
19 Complaint ("Amended Complaint") in the Federal Derivative Action.

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21 4. On May 12, 2010, pursuant to the stipulation of the parties to this action and the
22 State Derivative Action, this Court temporarily stayed this action so that the parties could engage
23 in mediation with (Ret.) Judge Layn Phillips.

24 5. Thereafter, the parties in the Federal Derivative Action and the State Derivative
25 Actions (collectively "Actions") engaged in all day long mediation sessions with (Ret.) Judge
26 Layn Phillips on June 10, 2010 and July 13, 2010 and conducted numerous follow-up telephonic
27 conferences.
28

1 6. After unsuccessful efforts to settle the Actions via mediation, the parties renewed
2 litigation. To that end, Defendants filed and served their motion to dismiss the Amended
3 Complaint on November 1, 2010, setting a hearing date for April 8, 2011. The deadline for
4 Plaintiff to file any opposition to Defendant's motion to dismiss is currently scheduled for
5 December 16, 2010.

6 7. Subsequent to the filing of Defendant's motion to dismiss, the parties to the
7 Federal Derivative Action and the State Derivative Action participated in a further telephonic
8 mediation with additional assistance from Judge Phillips, culminating on November 23, 2010 in
9 the execution of a Memorandum of Understanding by duly authorized Counsel.

10 8. The parties are now preparing for execution a formal Stipulation of Settlement
11 which will be followed by the preparation and filing of a motion for preliminary approval of the
12 settlement and Notice.

13 9. It is anticipated that the Stipulation of Settlement will be completed and executed
14 early in the first quarter of 2011 and that the Plaintiffs shall be in a position to move for
15 preliminary approval of the settlement and Notice within the first quarter 2011.

16 10. In light of the Memorandum of Understanding, Defendants have agreed to
17 withdraw their pending motion to dismiss, without prejudice to re-filing in the event that the
18 settlement is not approved, and that the hearing date on and deadline for filing Plaintiffs
19 opposition to the motion should be vacated.

20 **NOW THEREFORE**, the undersigned parties hereby stipulate and agree, and respectfully
21 request that the Court enter an order as follows:

22 1. Defendants' motion to dismiss the Plaintiff's Amended Complaint is withdrawn,
23 without prejudice to re-filing in the event that the settlement is not approved, and the April 8,
24 2011 date for hearing on the motion and the December 16, 2010 deadline for any opposition to
25 the motion are vacated;

1 DATED: November 30, 2010

O'MELVENY & MYERS LLP
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/s/ PETER T. SNOW
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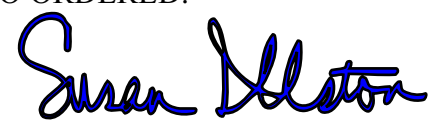
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Ocampo, Jr., John D. Roach, Dr. Kenneth T.
Rosen, Steven L. Scheid, Jose H. Villarreal,
Mary Lee Widener, and Ronald H. Zech*

* * *

ORDER

PURSUANT TO STIPULATION, IT IS SO ORDERED.



DATED: _____, 2010

THE HONORABLE SUSAN ILLSTON
United States District Judge

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CERTIFICATE OF SERVICE

The Port Authority Of Allegheny County Retirement and Disability Allowance Plan for Employees represented by Local 85 of the Amalgamated Transit Union v. PMI Group, Inc., et. al.

Case No.: CV082046

I, the undersigned, state that I am employed in the City and County of San Diego, State of California; that I am over the age of eighteen (18) years and not a party to the within action; that I am employed at Barrack, Rodos & Bacine, 600 West Broadway, Suite 900, San Diego, California 92101; and that on November 30, 2010, I served a true copy of the attached:

STIPULATION TO STAY AND [PROPOSED] CASE MANAGEMENT ORDER

to the parties listed on the attached Service List by the following means of service:

- BY E-FILE:** I electronically filed 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 have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Service List.
- BY E-MAIL:** I e-mailed a true copy addressed as indicated in the attached Service List, on the above-mentioned date.
- BY MAIL:** I placed a true copy in a sealed envelope with postage thereon fully prepaid and addressed to the parties listed on the attached Service List, on the above-mentioned date. I am familiar with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. Postal Service on that same day in the ordinary course of business and there is a regular communication by mail between the place of mailing and the place so addressed.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 30th day of November, 2010.

/s/ SAMUEL M. WARD
SAMUEL M. WARD

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SERVICE LIST

Attorneys for Defendants L. Stephen Smith, W. Roger Haughton, David H. Katkov, Donald P Lofe, Jr., Mariann Byerwalter, Dr. James C. Castle, Carmine Guerro, Wayne E. Hedien, Louis G. Lower, II, Raymond L. Ocampo Jr., John D. Roach, Dr. Kenneth T. Rosen, Steven L. Scheid, Jose H. Villarreal, Mary Lee Widener, and Ronald H. Zech and Nominal Defendant, PMI Group, Inc.

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