UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

In re Federal National Mortgage Association Securities, Derivative, and "ERISA" Litigation	**MDL No. 1668**
In re Fannie Mae Securities Litigation	**Consolidated Civil Action No. 1:04-cv-01639** **Judge Richard J. Leon**
Fannie Mae v. KPMG	**Civil Action No. 1:06-cv-02111** **Judge Richard J. Leon**
In re Fannie Mae ERISA Litigation	**Consolidated Civil Action No. 1:04-cv-01784** **Judge Richard J. Leon**
Kellmer v. Raines, et al.	**Civil Action No. 1:07-cv-01173** **Judge Richard J. Leon**
Middleton v. Raines, et al.	**Civil Action No. 1:07-cv-01221** **Judge Richard J. Leon**
Arthur v. Mudd, et al.	**Civil Action No. 1:07-cv-02130** **Judge Richard J. Leon**
Agnes v. Raines, et al.	**Civil Action No. 1:08-cv-01093** **Judge Richard J. Leon**

MOTION FOR AN ADDITIONAL STAY OF ALL PROCEEDINGS

For the reasons set forth in the accompanying memorandum of law and the Declaration of Alfred M. Pollard, the Federal Housing Finance Agency ("FHFA"), as conservator for Fannie Mae (the "Conservator"), , hereby moves this Court for an additional 120-day stay of all of the

above-captioned proceedings. The Conservator requests that the stay commence on October 24, 2008, the conclusion of the mandatory 45-day stay entered by the Court pursuant to 12 U.S.C. § 4617 by order dated September 22, 2008, staying all proceedings *nunc pro tunc*. The Conservator specifically requests that the Court order that no depositions or other discovery shall take place during the period of the stay, and that the deadlines set forth in Case Management Order No. 5 [D.E. 640], as modified and extended by the Court's September 22, 2008 Order Granting Stay of All Proceedings Pursuant to 12 U.S.C. § 4617 [D.E. 673], that have not yet passed be extended by an additional 120 days. A proposed order is attached.

By approving and requesting this motion for an additional stay, FHFA does not waive any of its powers, rights, duties or obligations as either Conservator or regulator of Fannie Mae.

Pursuant to Local Civil Rule 7(m), Fannie Mae met and conferred with all parties. Defendants Franklin Raines, Timothy Howard, Leanne Spencer, and KPMG do not oppose this motion. Derivative Plaintiffs in the *Kellmer* and *Agnes* actions do not object to a stay of some length, but do not consent to the request for a stay of 120-days. Lead Plaintiffs oppose the motion.

Dated: October 17, 2008

Respectfully submitted,

/s/ David Felt
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MEMORANDUM OF LAW OF FHFA,
CONSERVATOR FOR FANNIE MAE,
IN SUPPORT OF ITS
MOTION FOR AN ADDITONAL STAY OF ALL PROCEEDINGS

The Court should stay the above-captioned actions for an additional 120 days to allow Fannie Mae and its Conservator sufficient time to assess the status of this litigation, as well as newly-filed litigation, and its impact on Fannie Mae in light of unprecedented operational and market developments. Given the serious nature of this litigation and its importance to the Company, an additional stay is appropriate so that the Company and its Conservator can devote to the litigation the time and resources it deserves. This stay request will not prejudice any party, despite Lead Plaintiffs' opposition. For those reasons and the reasons set forth below, the Court should stay the above-captioned litigation for an additional 120 days.

STATEMENT OF FACTS

On September 6, 2008, pursuant to the Housing and Economic Recovery Act of 2008 ("HERA"), the United States government took the historic and unprecedented step of placing Fannie Mae (and its sister company, Freddie Mac) under the conservatorship of the Federal Housing Finance Agency ("FHFA"), which is itself a new agency established by Congress in the same legislation. (*See Statement of FHFA Director James B. Lockhart*, Fed'l Hous. Fin. Agency (Sep. 7, 2008).) Either of these two actions would have been the largest regulatory take-over in the history of the United States. This small, new agency was required to act as to both on the same day. The Director of FHFA placed each company into conservatorship "to preserve and conserve the Company's assets and property and to put the Company in a sound and solvent condition. The goals of the conservatorship are to help restore confidence in the Company, enhance its capacity to fulfill its mission, and mitigate the systemic risk that has contributed directly to the instability in the current market." (*Fact Sheet: Questions & Answers on Conservatorship*, Sep. 7, 2008, *available at* http://www.ofheo.gov/media/PDF/FHFACONSERVQA.pdf; *see also* Fannie Mae, Current

Report (Form 8-K), at 4 (Sep. 11, 2008).) These complex and unprecedented goals and responsibilities will require a tremendous amount of time and resources.

I. FHFA'S ROLE AND RESPONSIBILITIES

In addition to its role as regulator of Fannie Mae and Freddie Mac (collectively "the Enterprises") and the Federal Home Loan Banks, FHFA is acting as conservator to both Enterprises. Since the appointment of the Conservator, FHFA personnel, including examiners, attorneys, and other experts, have been on site at the headquarters and key operational locations of Fannie Mae and Freddie Mac. (*Conservatorship of Fannie Mae & Freddie Mac: Hearing Before the H. Comm. on Fin. Svcs.*, 110th Cong. (Sep. 25, 2008) (statement of James B. Lockhart, Director of FHFA).) FHFA has been working with both enterprises to publicly promote their foreclosure prevention activities and overseeing the publication of quarterly reports on the activities. (*Id.*) On September 24, 2008, FHFA released a Mortgage Metrics Report containing detailed data on residential mortgages serviced on behalf of Fannie Mae and Freddie Mac. (News Release, *FHFA Releases New Mortgage Metrics Report*, FHFA (Sep. 24, 2008).) FHFA has also been working with Fannie Mae's and Freddie Mac's new CEOs to modify business practices. (*Conservatorship of Fannie Mae & Freddie Mac: Hearing Before the H. Comm. on Fin. Svcs.*, 110th Cong. (Sep. 25, 2008) (statement of James B. Lockhart, Director of FHFA).) FHFA has also directed Fannie Mae and Freddie Mac to examine the companies' underwriting standards and pricing. (*Id.*)

II. FANNIE MAE'S REORGANIZATION

In the days since the Conservator's appointment, Fannie Mae's organizational structure has changed dramatically. Immediately upon appointment, the Conservator made sweeping changes to the Company's management, appointing Herbert Allison, the former CEO of TIAA-CREF and, before that, a senior officer at Merrill Lynch, as the new CEO of Fannie Mae.

(*Statement of FHFA Director James B. Lockhart*, FHFA (Sep. 7, 2008); *see also* Fannie Mae, Current Report (Form 8-K), at 10 (Sep. 11, 2008).) The Conservator also announced that then-current CEO, Daniel Mudd, would step aside after ensuring a smooth transition, (*id.*), and Fannie Mae's Board of Directors would be replaced. (*Appointment of FHFA as Conservator for Fannie Mae & Freddie Mac: Hearing Before the Sen. Comm. on Banking, Housing, & Urban Affairs*, 110th Cong. (Sep. 23, 2008) (statement of James B. Lockhart, Director of FHFA); *see also* Fannie Mae, Current Report (Form 8-K), at 10 (Sep. 11, 2008).) Since the appointment of the Conservator, nine of Fannie Mae's twelve outside directors have resigned. (Fannie Mae, Current Reports (Form 8-K) (Sep. 19, 2008; Sep. 24, 2008; Sep. 25, 2008).) On September 16, the Conservator announced that Philip Laskawy, former Chairman and CEO of Ernst & Young, agreed to serve as Chairman of Fannie Mae's reconstituted Board. (News Release, FHFA, *FHFA Announces Appointments of John A. Koskinen and Philip A. Laskawy as Chairmen of the Boards of Freddie Mac and Fannie Mae* (Sep. 16, 2008); *see also* Fannie Mae, Current Report (Form 8-K) (Sep. 18, 2008).) None of the other open seats have been filled.

Less than two weeks after the Conservator's appointment, Fannie Mae announced that it was reorganizing its three lines of business – Single-Family Mortgage Guaranty, Capital Markets, and Housing and Community Development – so that all business lines would report directly to the CEO. (Press Release, Fannie Mae, *Fannie Mae Announces Organizational Changes* (Sep. 19, 2008).) Mr. Allison stated that he would continue to review Fannie Mae's organizational structure and assess whether additional changes would be required. (*Id.*) On the same day, several senior Fannie Mae officers, including the Chief Business Officer, General Counsel, Chief Information Officer, and Senior Vice President for Government and Industry Relations, most of whom had been with the Company for years, resigned from the Company.

(Press Release, Fannie Mae, *Fannie Mae Announces Resignations* (Sep. 19, 2008).) Their positions remain vacant.

III. NEW LAWSUITS

New plaintiffs began filing new securities lawsuits against Fannie Mae and certain of its current and former officers and directors on the day following the Treasury Department's announcement of Fannie Mae's conservatorship.[1] To date, more than a dozen cases have been filed in various courts, including federal court cases filed in Pennsylvania and Florida, and state and federal court cases filed in New York. Current employees who are scheduled to testify in this case may be called to provide testimony in these new cases. Similarly, a number of witnesses scheduled to provide deposition testimony in this case have been named as defendants in these new cases. Neither the Company nor its Conservator has had sufficient time to assess the impact of these new cases on the above-captioned actions. Indeed, new cases are filed weekly, and the issue of lead plaintiff has not yet been addressed, let alone resolved. Finally, in addition to these new private shareholder lawsuits, numerous governmental entities, including the United States Attorney's Office and the Securities and Exchange Commission, have commenced their own investigations of Fannie Mae. (Fannie Mae, Current Report (Form 8-K) (Sep. 29, 2008).) The sheer volume of new litigation and the simultaneous and competing demand for attorneys' time has stretched the resources of Fannie Mae and that of its new Conservator to their limits.

[1] *See Genovese v. Ashley*, No. 08-7831 (S.D.N.Y. filed Sep. 8, 2008); *Gordon v. Ashley*, No. 08-81007 (S.D. Fla. filed Sep. 11, 2008); *Krausz v. Fed. Nat'l Mortgage Ass'n*, No. 08-08519 (S.D.N.Y. filed Sep. 11, 2008; removed from N.Y. Sup. Ct. Oct. 6, 2008); *Crisafi v. Merrill Lynch*, No. 08- 8008 (S.D.N.Y. filed Sep. 16, 2008); *Fogel Capital Mgmt. v. Fed. Nat'l Home [sic] Mortgage Ass'n*, No. 08-8096 (S.D.N.Y. filed Sep. 18, 2008); *Jesteadt v. Ashley*, No. 08-1335 (W.D. Pa. filed Sep. 24, 2008); *Kramer v. Fannie Mae*, No. L-7398-08 (N.J. Sup. Ct. filed Sep. 26, 2008) ; *Sandman v. JP Morgan Secs.*, No. 08-8353 (S.D.N.Y. filed Sep. 29, 2008); *Jarmain v. Merrill Lynch*, No. 08-8491 (S.D.N.Y. filed Oct. 3, 2008); *Frankfurt v. Lehman Bros., Inc., et al.*, No. 08-8547 (S.D.N.Y. filed Oct. 7, 2008); *Schweitzer v. Merrill Lynch*, No. 08-08609 (S.D.N.Y. filed Oct. 8, 2008); *Williams v. Ashley*, No. 08-8676 (S.D.N.Y. filed Oct. 10, 2008).

Throughout this period of unprecedented change, the Conservator has worked tirelessly to ensure that Fannie Mae's business operations continue functioning normally while at the same time taking necessary steps to preserve and conserve Fannie Mae's assets. But not only is there much to be done, there is also much to be done quickly, not the least of which involves the reconstitution of Fannie Mae's senior management team and Board of Directors, as well as continuing work on developing new regulations to implement new legislation. As this Court noted shortly after Fannie Mae was placed under the conservatorship:

> It seems to me that there is an awful lot of hard thinking that's yet to be done to figure out how to make this all work and how to salvage these institutions in a way that's not going to be harmful to the taxpayers and to the country both, and there is some obviously mega questions as to what this will all mean to litigation like this and other cases and other litigation that they have; and I think out of respect if nothing else of the enormity and the novelty of the situation, the Court even if the statute didn't provide, even if it didn't provide for 45 days, I think the Court would be wise and prudent to grant a stay.

(Hearing Tr. 26:20-27:5, Sep. 8, 2008.) The Conservator respectfully requests this Court stay all proceedings for an additional 120 days because the Conservator needs more time to ensure the continued functioning of Fannie Mae's business operations, determine the impact of the new litigation on the above-captioned actions, reconstitute the senior management team, legal team, and Board of Directors, and conserve Fannie Mae's assets. The interests of all parties to these cases will be best served by permitting the Conservator time to be fully briefed on the pending cases, to analyze their merits and potential liability to the Company, and to determine the appropriate steps to deal with the cases. Forcing the Conservator to proceed on the current litigation schedule will not provide sufficient time for this analysis. In effect, there is now a new party in these complicated cases, who respectfully requests that the Court grant it time to determine how to defend or represent itself.

ARGUMENT

The Court should grant a 120-day stay to allow sufficient time for the Conservator to deal with pressing matters. As this Court aptly noted in the days following the announcement of the conservatorship, "it is still not clear what the seismic outfall will be . . . not only to frankly these two institutions, but to the country." (Hearing Tr. 26:15-17, Sep. 8, 2008.) As the Court recognized, FHFA is not dealing with the fate of two small companies, but with important national economic issues. Now that the 45-day stay has nearly passed, despite the tireless work of the Conservator and Fannie Mae's employees, these important questions have not been resolved. If anything, market conditions over the past 45 days have rapidly deteriorated and significantly increased the Conservator's workload. For these reasons, in addition to the Conservator's need to deal with a conflagration of new, related litigation, an additional stay is in the public interest. Further, a stay is consistent with the Conservator's statutory mandate to preserve assets, because it would serve the dual purpose of reducing the substantial costs of this litigation in the near term while allowing the Conservator and the rest of the parties additional time to evaluate the impact of the conservatorship on the litigation, including whether certain claims should be eliminated or resolved.

I. THE DISTRICT COURT HAS THE INHERENT POWER TO ISSUE A STAY OF PROCEEDINGS.

The District Court has the authority to order a stay of proceedings at any time that circumstances dictate. *Bledsoe v. Crowley*, 849 F.2d 639, 645 (D.C. Cir. 1988) ("There is no question of the District Court's authority to order a stay."). The "power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants. How this can best be done calls for the exercise of judgment, which must weigh competing interests and

maintain an even balance." *Air Line Pilots Ass'n v. Miller*, 523 U.S. 866, 880 n.6 (1998) (citing *Landis v. N. Am. Co.*, 299 U.S. 248, 254-255 (1936)); *see also McSurely v. McClellan*, 426 F.2d 664, 671 (D.C. Cir. 1970) ("Of course the District Court has a broad discretion in granting or denying stays so as to coordinate the business of the court efficiently and sensibly." (internal quotations and citations omitted)); *Feld Entertainment, Inc. v. A.S.P.C.A.*, 523 F. Supp. 2d 1, 2 (D.D.C. 2007). Whether a court grants a party's request for a stay is "left to the sound discretion of the court, in the light of the particular circumstances of the case." *United States ex rel. Westrick v. Second Chance*, No. 04-280, 2007 U.S. Dist. LEXIS 23917, at *7 (D.D.C. Mar. 31, 2007) (quotation marks and citation omitted).

In *Indep. Petrochemical Corp. v. Aetna Casualty & Surety Co.*, the D.C. District Court granted a stay of all proceedings in the conservatorship context after a defendant company was placed under the conservatorship of the California Insurance Commissioner. *See Indep. Petrochemical Corp. v. Aetna Casualty & Surety Co.*, 672 F. Supp. 1, 5-6 (D.D.C. 1986). In granting the stay, the court noted that it would serve the "best interests of litigation," given that the purpose of conservatorship was "the preservation of the company and the removal of the causes of insolvency," (*id.*, at 6), factors equally compelling here.

Outside of the conservatorship context, courts routinely grant motions to stay when circumstances warrant. *See, e.g., Humane Soc'y v. Cavel Int'l, Inc.*, No. 07-5120, 2007 U.S. App. LEXIS 10785, at *2 (D.C. Cir. May 1, 2007) (granting emergency motion for stay pending appeal); *Bledsoe v. Crowley*, 849 F.2d 639, 646 (D.C. Cir. 1988) (directing district court to enter a stay pending completion of arbitration process); *Int'l Painters and Allied Trades Indus. Pension Fund v. Painting Co.*, No. 07-1070, 2008 WL 2977627, at *6 (D.D.C. Aug. 5, 2008) (staying proceedings to conserve judicial resources pending resolution of independent proceeding in another district court); *Nat'l Shopmen Pension Fund v. Folger Adam Security*,

Inc., 274 B.R. 1, 3 (D.D.C. 2002) (staying proceedings pending resolution of related issues by Bankruptcy Court); *Aetna U.S. Healthcare, Inc. v. Hoechst Aktiengesellschaft*, 48 F. Supp. 2d 37, 43 (D.D.C. 1999) (staying proceedings in furtherance of judicial economy pending consolidation and transfer). Indeed, in the equitable receivership context, courts routinely issue discretionary stays upon appointment of the receiver, and the burden is on the parties to move to lift it. *See, e.g.*, *United States v. Acorn Tech. Fund*, 429 F.3d 438, 442 (3d Cir. 2005,); *SEC v. Univ. Fin.*, 760 F.2d 1034, 1036 (9th Cir. 1985); *SEC v. Wencke*, 622 F.2d 1363, 1369 (9th Cir. 1980); *FTC v. 3R Bancorp.*, No. 04 C 7177, 2005 U.S. Dist. LEXIS 12503, at *3 (N.D. Ill. Feb. 23, 2005); *United States v. ESIC Capital, Inc.*, 685 F. Supp. 483, 484 (D. Md. 1988).

The Court is not barred from granting a discretionary stay simply because it entered the mandatory 45-day stay requested by the Conservator pursuant to 12 U.S.C. § 4617(b)(10)(A). "The power of a federal court to enter such stays . . . does not depend on specific congressional authorization . . . . The Supreme Court has repeatedly emphasized the broad equitable powers of the federal courts to shape equitable remedies to the necessities of particular cases . . . ." *SEC v. Wencke*, 622 F.2d 1363, 1371 (9th Cir. 1980). Indeed, in one of the few cases where a court considered the meaning of the language in a statutory stay provision identical to the one in Section 4617, the First Circuit determined that the language "cannot be read to foreclose district courts from granting stays above and beyond the 90 day automatic stay." *Marquis v. FDIC*, 965 F.2d 1148, 1155 (1st Cir. 1992) (discussing stay provisions of Financial Institutions Reform Recovery and Enforcement Act of 1989 ("FIRREA"), on which HERA is based). *Compare* 12 U.S.C. § 4617(b)(10)(A) *with* 12 U.S.C. § 1821(d)(12)(A)-(B). In that case, the court recognized it is "beyond cavil" that district courts "possess the inherent power to stay pending litigation when the efficacious management of court dockets reasonably requires such intervention." *Marquis*, 965 F.2d at 1154; *see also Dole v. Hansbrough*, 113 B.R. 96, 98 (D.D.C. 1990) (court

has inherent authority to enter discretionary stay separate and apart from statutory stay). There is nothing in the language of Section 4617 or HERA generally that strips the Court of this inherent power.

II. THE COURT SHOULD GRANT A 120-DAY STAY OF ALL PROCEEDINGS.

Stays should typically be granted when there is "good cause for their issuance." *Marquis,* 965 F.2d at 1155. In determining whether to grant a stay, "[t]he court, in its sound discretion, must assess and balance the nature and substantiality of the injustices claimed on either side." *Gordon v. F.D.I.C.*, 427 F.2d 578, 580 (D.C. Cir. 1980); *see also Marquis*, 965 F.2d at 1155 (stays "must be reasonable in duration; and the court must ensure that competing equities are weighted and balanced"). "This is best done by the exercise of judgment, which must weigh competing interests and maintain an even balance." *GFL Advantage Fund, Ltd. v. Colkitt*, 216 F.R.D. 189, 193 (D.D.C. 2003) (internal citation omitted). "Especially in cases of extraordinary public moment, [a party] may be required to submit to delay not immoderate in extent and not oppressive in its consequences if the public welfare or convenience will thereby be promoted." *Landis v. N. Am. Co.*, 299 U.S. 248, 256 (1936). A stay is especially justified in situations where the issues underlying the request for a stay are "of far-reaching importance to the parties and the public." *Id.*

A. There is good cause for the Court to grant a 120-day stay.

A stay would permit the Conservator time to assess this pending litigation and evaluate how the appointment of a conservator affects the legal rights and remedies now available to the other parties. As the House of Representatives recognized in enacting the stay provisions in FIRREA, on which HERA is based, "[t]he appointment of a conservator or receiver can often change the character of litigation" and a stay can give the conservator or receiver "a chance to analyze pending matters and decide how best to proceed." H.R. Rep. No. 101-54(I), at 331, *as*

reprinted in 1989 U.S.C.C.A.N. 86, 127. Given the lack of legislative history regarding the stay provision in HERA, it is unclear why Congress provided an automatic stay of up to 45 days given the magnitude of the issues facing the Conservator. But as it turns out, and as this Court predicted, Congress was "pretty sparse" in only providing for a mandatory 45-day stay. (Hearing Tr. 27:7-9, Sep. 8, 2008.)

Indeed, when FHFA took the unprecedented step of placing Fannie Mae into conservatorship, FHFA had only been in existence for less than two months. It was still making critical decisions about how to run itself when its Director was tasked with overseeing Fannie Mae and Freddie Mac. Over a weekend, FHFA's workload essentially tripled. Critical staffing issues remain to be made, and 45 days is simply not enough time to put together a team that is capable of overseeing the vital components of the enterprises from day one, much less make determinations regarding key strategic decisions. Fannie Mae also needs time to reconstitute itself. Given recent management departures, the Company is stretched to its limits as it faces a crush of new litigation. A stay would allow the remaining members of management the necessary time to properly brief the Conservator and for the Conservator to determine how to proceed in this complex web of cases.

The fact that Fannie Mae has only been in conservatorship for just over a month supports the entry of a 120-day stay. In *Wencke*, the Ninth Circuit stated that "[w]here the motion for relief from the stay is made soon after the receiver has assumed control over the estate, the receiver's need to organize and understand the entities under his control may weigh more heavily than the merits of the party's claim." 622 F.2d at 1373-74. Early on, "even the most meritorious claims" might not justify allowing parties to proceed with their claims, "given the possible disruption of the receiver's duties." *Acorn Tech.*, 429 F.3d at 444 (refusing to lift three-year stay). The complexity of Fannie Mae's business, combined with the immense uncertainty in the

economy, makes the Conservator's role "a daunting task and one that is clearly aided by [a] stay." *See 3R Bancorp.*, 2005 U.S. Dist. LEXIS 12503, at *7-*9 ("receiver has had little more than three months to begin to unravel these labyrinthine entanglements"). A stay is appropriate where the entity is intact and operational, but permitting suits against the company to proceed would require a conservator or receiver to "take his attention away from other tasks" and possibly diminish the assets of the entity. *FTC v. Med Resorts Int'l, Inc.*, 199 F.R.D. 601, 609 (N.D. Ill. 2001).

B. A balance of competing interests weighs in favor of a stay.

On balance, the benefits of a stay to Fannie Mae outweigh any prejudice to Lead Plaintiffs. As an initial matter, it is not unprecedented that Lead Plaintiffs be required to submit to some delay when the public interest requires. *See Landis v. N. Am. Co.*, 299 U.S. 248, 256 (1936). Here, as in *Landis* (where the validity of the new Holding Company Act was at issue), "great issues are involved, great in their complexity, great in their significance." *Id.* Any delay in Lead Plaintiffs' ability to enforce their rights, particularly one as short as 120 days over the course of a multi-year proceeding, is negligible at best, not a substantial injury. *Med Resorts*, 199 F.R.D. at 609.

Given the magnitude and importance of the issues surrounding Fannie Mae's conservatorship, there is good cause to stay this litigation for 120 days. On balance, the interests of Fannie Mae, its Conservator, and the public clearly outweigh any prejudice or inconvenience to Lead Plaintiffs stemming from this additional stay. For the foregoing reasons, FHFA as Conservator for Fannie Mae respectfully requests the Court to stay all proceedings for an additional 120 days.

Dated: October 17, 2008

Respectfully submitted,

/s/ David Felt _

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Counsel for FHFA, Conservator for Fannie Mae

CERTIFICATE OF SERVICE

I certify that on October 17, 2008, I caused the foregoing to be electronically filed with the Clerk of Court using the CM/ECF system, which will send notification of such filing to the following counsel of record in this matter who are registered on the CM/ECF.

/s/ David Felt.
David Felt.

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

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[PROPOSED] ORDER GRANTING STAY OF ALL PROCEEDINGS

The Court, having received from FHFA, Conservator for Fannie Mae, a request to stay the above captioned actions hereby ORDERS that such request is GRANTED. The above-captioned actions are hereby stayed for 120 days from October 24, 2008. During that time, no depositions or any other discovery shall take place. The deadlines set forth in Case Management Order No. 5 [D.E. 640], as modified and extended by the Court's Order Granting Stay of All Proceedings Pursuant to 12 U.S.C. § 4617, dated September 22, 2008, and entered *nunc pro tunc* [D.E. 673], that have not yet passed shall be extended by another 120 days.

IT IS HEREBY ORDERED.

Dated: _____ 2008

_____
Judge Richard J. Leon
United States District Court Judge