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IN THE CIRCUIT COURT OF THE 11TH
JUDICIAL CIRCUIT IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

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Complex Business Litigation Division

MASTER SGT. ANTHONY R. EDWARDS, USAF, RETIRED; MASTER SGT. SALVATORE CAPACCIO, USAF; GATOR CAPITAL MANAGEMENT, LLC; PERINI CAPITAL LLC; ALLEN HARDEN; ED BIERYLA; DOREEN BIERYLA; JORGE ZAPATA; HIREN PATEL; LOUISE STRANG; JOHNNA B. WATSON; MELODY SULLIVAN; AMIT CHOKSI; PHIL MILLER; JAMES FERGUSON; GORDON INMAN; SHAUN INMAN; MICHAEL CARMODY; MATT HILL; JOSEPH WASKE; MARYAM MOINFAR; WAYNE OLSON; RICH KIVELA; CHRIS WOSSILEK; and MATTHEW REED

Plaintiffs,

vs.

PRICEWATERHOUSECOOPERS, LLP,

Defendant.

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COMPLAINT

Plaintiffs, MASTER SGT. ANTHONY R. EDWARDS, USAF, RETIRED; and MASTER SGT. SALVATORE CAPACCIO, USAF; GATOR CAPITAL MANAGEMENT, LLC; PERINI CAPITAL LLC; ALLEN HARDEN; ED BIERYLA; DOREEN BIERYLA; JORGE ZAPATA; HIREN PATEL; LOUISE STRANG; JOHNNA B. WATSON; MELODY SULLIVAN; AMIT CHOKSI; PHIL MILLER; JAMES FERGUSON; GORDON INMAN; SHAUN INMAN; MICHAEL CARMODY;

MATT HILL; JOSEPH WASKE; MARYAM MOINFAR; WAYNE OLSON; RICH KIVELA; CHRIS WOSSILEK; and MATTHEW REED, for their complaint against Defendant PRICEWATERHOUSECOOPERS, LLP ("PwC"), allege on information and belief as follows:

INTRODUCTION

1. As a certified public accountant licensed in the State of Florida, PwC is the "public watchdog" and owed a duty to the Plaintiff pension holders and investors to audit the financial statements of the Federal Home Loan Mortgage Corporation ("Freddie Mac").

2. PwC's public role as certified public accountants auditing financial statements is so important that the United States and the Florida Supreme Courts have declared them "public watchdogs," because investors like Plaintiffs depend on PwC to do its job and only certify true financial statements:

> By certifying the public reports that collectively depict a corporation's financial status, the independent auditor assumes a public responsibility transcending any employment relationship with the client. The independent public accountant performing this special function owes ultimate allegiance to the corporation's creditors and stockholders, as well as to investing public. This "public watchdog" function demands that the accountant maintain total independence from the client at all times and requires complete fidelity to the public trust.

KPMG Peat Marwick v. Nat'l Union Fire Ins., 765 So. 2d 36, 38 (2000) (quoting *United States v. Arthur Young & Co*., 465 U.S. 805, 817-18 (1984)).

3. PwC thus served as the "public watchdog," tasked with determining whether the financial statements prepared by management of Freddie Mac were misstated due to error or fraud.

4. PwC failed to do its job as a public watchdog when it failed to conduct its audits according to industry standards, and by giving its seal of approval to Freddie Mac's grossly misstated financial statements.

5. Worse yet, PwC assisted government regulators and the directors and officers of Freddie Mac to destroy the value of Freddie Mac stock held by Plaintiffs. They did this by manipulating the books of Freddie Mac to overstate its losses and understate its assets by hundreds of billions of dollars with PwC's participation and endorsement.

6. Freddie Mac's false accounting was designed to allow government regulators at the Federal Housing Finance Agency ("FHFA") and U.S. Department of the Treasury ("Treasury") and the directors and officers of Freddie Mac controlled by Treasury and FHFA to effectively nationalize Freddie Mac, a privately-owned company, and thereby expropriate billions of dollars of stock value belonging to Plaintiffs. Freddie Mac's billions of dollars in stock value was co-opted into the national treasury, providing a "success story" for the government in the wake of several unpopular, taxpayer-funded bailouts of companies in other industries during the global economic crisis in 2008.

7. PwC was aware of Treasury's control over Freddie Mac and provided Freddie Mac's directors and officers with the accounting tricks necessary to breach their fiduciary duties to the Plaintiffs. In doing so, PwC violated auditing and accounting standards and aided and abetted Freddie Mac's directors and officers, FHFA and Treasury in violating their fiduciary duties to the Plaintiffs.

8. For its part, PwC was paid hundreds of millions of dollars in fees.

9. As a direct result of PwC's negligent accounting and auditing and its role in assisting FHFA, Treasury and Freddie Mac's directors and officers in violating their fiduciary duties, Plaintiffs suffered losses of hundreds of millions of dollars.

10. By this action, Plaintiffs seek to hold PwC accountable for these losses.

PARTIES, JURISDICTION AND VENUE

11. All the Plaintiffs, further described below, were shareholders of Freddie Mac during all times relevant to this action.

12. Defendant PwC is a limited liability partnership and a citizen of Florida because PwC partners reside in Florida. PwC has offices located in Florida. PwC's audit reports on Freddie Mac's financial statements were reviewed by and relied upon by Plaintiffs in Florida.

13. Jurisdiction is proper in the Circuit Court because Plaintiffs seek damages in excess of $15,000.

14. Venue is appropriate in Miami-Dade County because Defendant PwC transacts its customary business in Miami-Dade County. PwC maintains an office in Miami-Dade County at 333 SE 2nd Avenue, Miami, Florida, 33131, certain of its partners reside and work in Miami-Dade County, and it has representatives and agents in Miami-Dade County. PwC caused harm in Miami-Dade County through its negligent misrepresentations and tortious conduct.

15. PwC is subject to personal jurisdiction in Florida pursuant to section 48.193, Florida Statutes, because, as set forth more fully herein, it has conducted substantial and not isolated business and activities within Florida, and it has itself or through an agent, including but not limited to its partners, operated, conducted, engaged

in or carried on business in this State that gave rise to this cause of action, committed a tortious act in this State, or caused injury to persons or property in Florida resulting from its activities within and outside of this State in connection with services provided in Florida or the solicitation of business in this State.

FACTS

16. Freddie Mac is a stockholder-owned corporation organized under the laws of Delaware. Freddie Mac purchases mortgages that private banks originate and bundles mortgages into mortgage-related securities to be sold to investors. Through the creation of this secondary mortgage market, Freddie Mac increases liquidity for private banks, which enables them to make additional loans to individuals for home purchases.

Freddie Mac's History of Profitability

17. In the course of its operation as a privately-owned, for-profit entity, Freddie Mac issued both common stock and several series of preferred stock to Plaintiffs ("Freddie Mac Stock"). Freddie Mac Stock was considered to be a safe investment.

18. Before 2007, Freddie Mac was consistently and tremendously profitable. In fact, prior to 2008, Freddie Mac had not experienced an annual loss since 1985. Freddie Mac regularly declared and paid dividends on Freddie Mac Stock to its shareholders.

The Global Economic Crisis

19. Beginning in 2007, a global financial crisis and nationwide declines in the housing market caused Freddie Mac to suffer losses. Despite these losses, Freddie

Mac remained adequately capitalized and, its chief regulator, Office of Federal Housing Enterprise Oversight ("OFHEO") director James Lockhart, declared Freddie Mac safe and sound and well-capitalized as late as July 2008. Mr. Lockhart was, in fact, correct.

20. Nonetheless, in July 2008, Congress enacted the Housing and Economic Recovery Act ("HERA"), which among other things established FHFA to replace OFHEO as Freddie Mac's regulator and granted Treasury temporary authority to assist Freddie Mac through the purchase of securities. HERA was passed not because Freddie Mac was deemed to be insolvent or operating unsafely at that time, but rather to provide the struggling mortgage and financial markets with added confidence.

21. In 2008 Freddie Mac was adequately capitalized—indeed, Freddie Mac's assets exceeded their liabilities by more than *$27 billion*, Freddie Mac had more than $400 billion of unencumbered assets and was operating in a safe and sound fashion. Nonetheless, on September 6, 2008, FHFA placed Freddie Mac into conservatorship. In a press release issued the next day, FHFA said that, "as the conservator, FHFA will assume the power of the Board and management." According to FHFA's press release, the conservatorship was "a statutory process designed to stabilize a troubled institution *with the objective of returning the entities to normal business operations*. FHFA will act as the conservator to operate the Enterprises until they are stabilized." At the time, FHFA also stated that, "the common and all preferred stocks [of Freddie Mac] will continue to remain outstanding."

22. The very next day, FHFA, acting in its purported capacity as conservator for Freddie Mac, and Treasury entered into a senior preferred stock purchase agreement (the "PSPA"), pursuant to which Freddie Mac created and issued

a new class of stock, the Senior Preferred Stock. Treasury purchased one million shares of Freddie Mac's Senior Preferred Stock in exchange for a funding commitment that allowed Freddie Mac to draw up to $100 billion from Treasury (this cap was later increased in size by subsequent amendments to the PSPA). Absent the express consent of Treasury and FHFA, Freddie Mac generally cannot redeem the Senior Preferred Stock. Under the PSPA, Freddie Mac provided Treasury with warrants to purchase 79.9% of its common stock (for virtually no consideration), respectively, and entered into covenants barring Freddie Mac from, among other things, making any changes to their capital structures, paying any dividends (other than to Treasury), or seeking to terminate FHFA's conservatorship without Treasury's approval (so long as the Senior Preferred Stock remained outstanding).

23. FHFA emphasized that the conservatorship was temporary: "Upon the Director's determination that the Conservator's plan to restore [Freddie Mac] to a safe and solvent condition has been completed successfully, the Director will issue an order terminating the conservatorship." FHFA Fact Sheet, Questions and Answers on Conservatorship 2. Upon publicly announcing the conservatorship, FHFA committed to operating Freddie Mac as a fiduciary until it stabilized. FHFA acknowledged that Freddie Mac's stock remains outstanding during conservatorship and "continue[s] to trade," FHFA Fact Sheet, Questions and Answers on Conservatorship 3, and Freddie Mac's stockholders "continue to retain all rights in the stock's financial worth." *Id.*

24. Freddie Mac's board acquiesced to conservatorship based on the understanding that FHFA, like any other conservator, would operate as a fiduciary with the goal of preserving and conserving their assets and managing them in a safe and

solvent manner. And in publicly announcing the conservatorships, FHFA confirmed that Freddie Mac's shareholders continued to hold an economic interest that would have value, particularly as Freddie Mac generates profits in the future.

25. In approving the exercise of Treasury's temporary authority under HERA, Treasury Secretary Paulson determined (1) "[u]nder conservatorship, Fannie Mae and Freddie Mac will continue to operate as going concerns"; (2) "Fannie Mae and Freddie Mac may emerge from conservatorship to resume independent operations"; and (3) "[c]onservatorship preserves the status and claims of the preferred and common shareholders." Action Memorandum for Secretary Paulson (Sept. 7, 2008).

26. Under the initial PSPA, Treasury committed to make quarterly payments to Freddie Mac to ensure that Freddie Mac would maintain at least a zero net worth. Each quarter, FHFA looked to Freddie Mac's financial statements to determine if its liabilities exceeded its assets. If so, FHFA would request that Treasury draw down Freddie Mac's funding commitment and provide funds equal to the net worth deficit. This arrangement whereby Treasury made quarterly payments to Freddie Mac essentially forced Freddie Mac to "borrow" money from Treasury on such punitive terms that Freddie Mac could never possibly repay this debt.

27. PwC assisted FHFA and Freddie Mac to materially misstate Freddie Mac's financial statements, which caused more than just a temporary incorrect snapshot of the financial condition of Freddie Mac. PwC's falsely certified Freddie Mac's materially misstated financial statements caused Freddie Mac to have to borrow $71.3 billion from Treasury in the form of non-repayable 10% Senior Preferred Stock to patch

up the purported hole in Freddie Mac's balance sheet. This supposed hole certified by PwC was created with non-cash accounting assumptions that were grossly inconsistent with how PwC treated other audit clients and was a substantial departure from the reality of Freddie Mac's business. The non-repayable 10% Senior Preferred Stock is senior to Plaintiff's class of stock in the capital structure of Freddie Mac, thereby causing harm to Plaintiffs' Freddie Mac Stock.

28. Soon after the commencement of the conservatorship, FHFA, acting in its purported capacity as conservator of Freddie Mac, declared that Freddie Mac had suffered substantial non-cash accounting losses, which included write-downs of the value of tax assets and loss reserves. These "losses" were on the heels of Freddie Mac being *highly* profitable and a safe investment for years. This declaration by FHFA was not based in fact but rather based on a knowingly incorrect and improper valuation of Freddie Mac's deferred tax assets—assets that had value, but FHFA, with PwC's assistance and approval, concluded had no value. PwC falsely certified these non-cash accounting losses for the audit years 2008-2012.

29. Freddie Mac returned to profitability in 2012—even under the accounting standards PwC improperly applied. In that year, Freddie Mac earned $11 billion in profits. In fact, in 2012 it became clear that the losses FHFA (and PwC) projected Freddie Mac would have back in 2008 were overstated by more than $50 billion. Freddie Mac became even more profitable in 2013 earning $48.7 billion and remained profitable in 2014 earning more than $7.7 billion.

30. The return of Freddie Mac to profitability in 2012 led to a substantial increase in the trading prices of Freddie Mac Stock. With Freddie Mac having returned

to profitability, Plaintiffs reasonably believed that they would in time recover their investment. They also had a reasonable expectation that Freddie Mac would eventually be healthy enough to redeem Treasury's Senior Preferred Stock, exit conservatorship, and be "return[ed] to normal business operations," as FHFA's director had vowed when the conservatorships were established.

The Improper "Net Worth Sweep"

31. These reasonable expectations of Freddie Mac's stockholders were soon dashed, however, due to the breaches of fiduciary duties by FHFA, Treasury and Freddie Mac's directors and officers and PwC's assistance in this self-dealing. To capitalize on Freddie Mac's strong recovery and ensure that the value of Plaintiffs' Freddie Mac stock would be wiped out, Treasury and FHFA decided to amend the PSPA so that Treasury had the right to take the entire positive net worth of Freddie Mac each quarter in perpetuity (the "Net Worth Sweep"). No consideration was paid to Freddie Mac or their stockholders in exchange for the Net Worth Sweep.

32. The Net Worth Sweep constituted a massive expropriation of value from the holders of Freddie Mac Stock, including Plaintiffs. Freddie Mac was on track to repay Treasury and the taxpayers every dollar Freddie Mac had borrowed with interest, but that was not enough for FHFA and Treasury. Rather, FHFA and Treasury chose to seize the totality of Freddie Mac's profits and net worth in perpetuity.

33. The Net Worth Sweep has already resulted in historic payments to Treasury. Following its announced September 2015 "dividends" to Treasury

pursuant to the Net Worth Sweep, Freddie Mac paid a total of *$96.5 billion* to Treasury—more than $20 billion than the $71.3 billion it was forced to borrow.

34. However, even these enormous payments did not reduce Freddie Mac's obligation to Treasury, since these payments cannot be used to offset prior Treasury draws under the terms of the PSPA and amendments. Accordingly, Treasury still maintains a liquidation preference of $72.3 billion with respect to Freddie Mac, ensuring Treasury gets paid that amount first, before Plaintiffs are paid, in the event of any liquidation event. In other words, under the terms of the Net Worth Sweep, Freddie Mac has no way to ever pay down these liquidation preferences, no matter how much cash it contributes to Treasury's coffers.

35. By reason of its purported conservatorship of Freddie Mac and because of its ability to control the business and corporate affairs of Freddie Mac, FHFA owes Freddie Mac and Plaintiffs fiduciary obligations of due care and loyalty, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner for the benefit of Plaintiffs. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and Plaintiffs. Because of its position of control and authority as the purported conservator of Freddie Mac, FHFA was able to and did, directly and/or indirectly, exercise control over the wrongful acts complained of herein.

36. Treasury exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred

Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac and to Plaintiffs. In addition, because of Treasury's de facto position of control and authority over Freddie Mac, it stood on both sides of the decision to engage in the Net Worth Sweep and it was able to and did, directly and/or indirectly, exercise control over the wrongful acts complained of herein.

37. The Net Worth Sweep offered no benefits whatsoever to Freddie Mac or Plaintiffs. Rather, it was an egregiously unfair, self-dealing transaction, the benefits of which flowed entirely to Treasury as Freddie Mac's controlling stockholder, and indirectly to FHFA through its status as a sister agency of the federal government.

38. The Net Worth Sweep was contrary to the best interests of Freddie Mac and their stockholders. Indeed, it was specifically intended to ensure that Freddie Mac's stockholders (other than Treasury) could never again recover any value from their investments, and to ensure that Freddie Mac could not function as a private enterprise and would have to be wound down. By preventing Freddie Mac from rebuilding capital or returning to the market as Treasury stated in its press release, the purpose and effects of the Net Worth Sweep ran directly contrary to FHFA's purported statutory mission to "put the regulated entity in a sound and solvent condition," "carry on the business of the regulated entity," and "preserve and conserve the assets and

property of the regulated entity." 12 U.S.C. § 4617(b)(2)(D). As such, the Net Worth Sweep was a violation of law and fiduciary duty.

39. Further, because Treasury, as controlling stockholder of Freddie Mac, stood on both sides of the transaction, the Net Worth Sweep was self-dealing in nature and the result of a manifest conflict of interest.

40. The Net Worth Sweep constituted an unfair, self-dealing transaction with Freddie Mac's controlling stockholder. Treasury, as controlling stockholder of Freddie Mac, stood on both sides of the decision to implement the Net Worth Sweep, to the benefit of Treasury and the detriment of Freddie Mac and Plaintiffs. The Net Worth Sweep effected an improper transfer—an expropriation—of economic value from Plaintiffs to Treasury. Indeed, Freddie Mac received *no consideration whatsoever* in exchange for the Net Worth Sweep. Moreover, as an agency of the federal government, FHFA was interested in and benefited from the Net Worth Sweep, and therefore had a conflict of interest.

41. Through the Net Worth Sweep, FHFA and Treasury violated Delaware law and applicable federal law by breaching their fiduciary duties to Freddie Mac and Plaintiffs. The Net Worth Sweep transaction was not entirely fair to Freddie Mac, as it was neither the product of a fair process nor did it reflect a fair price. Indeed, the Net Worth Sweep, which effectively delivers all of Freddie Mac's profits and net worth to Treasury in perpetuity, was granted to benefit Treasury, with no benefit to Plaintiffs.

42. The Net Worth Sweep was neither entirely nor intrinsically fair to Freddie Mac, nor did it further any valid business purpose of Freddie Mac, nor did it

reflect a good faith business judgment as to what was in the best interests of Freddie Mac.

43. The Net Worth Sweep and breaches of fiduciary duties by FHFA, Treasury and Freddie Mac's directors and officers would not have been possible without the assistance of PwC.

PwC's False and Negligent Audits

44. At all relevant times, PwC served as Freddie Mac's external, independent auditor and was responsible for ensuring that Freddie Mac's financial statements were in compliance with the standard of care for accountants performing audits in Florida, including generally accepted auditing standards ("GAAS"), as such standards were issued and adopted by the Public Company Accounting Oversight Board for public companies (collectively, the "Auditing Standards") and generally accepted accounting principles ("GAAP"). PwC also had a duty to the investing public to conduct those audits in accordance with the Auditing Standards. Under the Auditing Standards, PwC was obligated to (a) plan and perform the audit to obtain reasonable assurance of detecting errors, fraud, or illegality that would have a material impact on the financial statements, and (b) obtain reasonable assurance that effective internal controls over financial reporting were maintained in all material respects, which required PwC to obtain an understanding of internal controls over financial reporting, assess the risk that a material weakness existed, and test and evaluate the design and effectiveness of internal controls over financial reporting. PwC violated the Auditing Standards and failed to be independent in auditing Freddie Mac.

45. PwC was paid more than $330 million for its audit work during the years 2007-2014.

46. At the conclusion of each audit, PwC reported that it had performed its audit work in accordance with the Auditing Standards and that Freddie Mac's financial statements were fairly stated in all material respects in accordance with GAAP (the "PwC Audit Opinions"). For at the audit years 2008-2013, PwC's Audit Opinions were false because Freddie Mac's financial statements were not fairly stated in all material respects in accordance with GAAP and PwC had not conducted its audits in accordance with the Auditing Standards.

47. PwC's audits of Freddie Mac's financial statements were negligently performed for the audit years 2008-2013. If PwC had performed its audit work properly, it would not have issued its materially false audit opinions. In fact, if PwC had performed its audit work in accordance with the Auditing Standards, it would either not have issued any audit opinions at all or it would have issued adverse audit opinions.

48. One of the most basic tenets of independent auditors is that they are independent. In performing its audits of Freddie Mac, PwC violated the Auditing Standards by not acting independently.

49. In performing its audits of Freddie Mac, PwC was required to follow the Auditing Standards and GAAP. There are ten GAAS standards applicable to PwC's audit of Freddie Mac, all of which PwC violated, including the following:

- The auditor must adequately plan the work and must properly supervise any assistants.

- The auditor must obtain a sufficient understanding of the entity being audited and its environment, including its internal controls, to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures.

- The auditor must obtain sufficient competent evidential matter to afford a reasonable basis for an opinion regarding the financial statements under audit. GAAS and Auditing Standards also require the auditor to understand (i) the audit client, customer relationships, industry conditions, economic conditions, regulatory environment, relevant accounting pronouncements, and other external factors; and (ii) the internal controls that the audit client has in place to determine whether they are designed properly and operate effectively.

- To comply with GAAS, the auditor needs to identify risks of material misstatement at appropriate levels of detail, and design appropriate auditing procedures in light of such risks. Due professional care requires the auditor to exercise professional skepticism – *i.e.,* a questioning mind and a critical assessment of audit evidence based on the assumption that management is neither dishonest nor honest beyond doubt.

- Under GAAS and Auditing Standard requirements, which audit procedures the auditor selects generally depend on the risk of material misstatement. The higher the auditor's assessment of risk, the more reliable and relevant the audit evidence obtained from tests of the effectiveness of internal controls and substantive audit procedures must be. The auditor must plan and perform the audit to obtain sufficient competent evidential matter to afford a reasonable basis for an opinion regarding the financial statements and to reduce to a low level the risk that the auditor will fail to detect a material misstatement. If the auditor is unable to obtain sufficient competent evidential matter, the auditor should express a qualified opinion or a disclaimer of opinion.

50. PwC violated all of these auditing standards in its audits of Freddie Mac.

PwC Falsely Certified Freddie Mac's Manipulation of $60 Billion of Deferred Tax Assets

51. On February 27, 2008, PwC issued the following opinion on the Freddie Mac 2007 financial statements ("Freddie Mac 2007 Financial Statements"):

> In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of cash flows, and of stockholders' equity present fairly, in all material respects, the financial position of Freddie Mac, a stockholder-owned government sponsored enterprise and its subsidiaries (the "company") at December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

With PwC's consent, this opinion was included in Freddie Mac's public 10-K filing and distributed to the stockholders of Freddie Mac, including Plaintiffs.

52. The Freddie Mac 2007 Financial Statements included as assets of Freddie Mac "Deferred Tax Assets" of approximately $10.3 billion.

53. PwC determined that these Deferred Tax Assets were real assets of Freddie Mac that had a value of approximately $10.3 billion.

54. In reaching that conclusion, PwC applied Statement of Financial Accounting Standards No. 109 ("SFAS 109") and agreed with the management of Freddie Mac that "it [was] more likely than not that all of these assets will be realized."

55. SFAS 109 requires that a deferred tax asset be reduced by an allowance if, based on the weight of available positive and negative evidence, it is more likely than not that some portion, or all, of the deferred tax asset will not be realized.

56. In February 2008, PwC correctly concluded that it was more likely than not that Freddie Mac's $10.3 billion Deferred Tax Assets would be realized as Freddie Mac earned profits in the future and so gave its stamp of approval to Freddie Mac's accounting for the Deferred Tax Assets. Freddie Mac had thirty years of historical profitability, so it would have been unreasonable for PwC to reach any other conclusion.

57. PwC's conclusion also was appropriate and reasonable even though the housing market was already in crisis by February 2008 because Freddie Mac, unlike the Wall Street banks, was well-capitalized and had billions of dollars of income and liquidity, and so was well-positioned to ride out the housing crisis. This is because Freddie Mac is not a mortgage lender, but rather a mortgage insurer. Moreover, it was not exposed to the bad loans originated by risky mortgage companies and packaged into securities by Wall Street banks because Freddie Mac had the contractual right to require those companies and banks to repurchase those bad loans. In fact, Freddie Mac's structure and risk management made it ideally suited to weather even the most severe housing downturn.

58. By the end of 2008, Freddie Mac's Deferred Tax Assets grew to approximately $38 billion. This meant that Freddie Mac's future income tax burden would be reduced by $38 billion once it started reporting profits again.

59. Although in February 2008 PwC had just concluded that Freddie Mac's Deferred Tax Assets had full value, PwC abruptly changed its position in the fall of 2008. This was not due to any change in Freddie Mac's business. Rather, it was all part of a plan put in place by federal regulators to use the balance sheet of Freddie Mac—not for the benefit of Plaintiffs—but rather to bail out Wall Street banks who were facing

crippling losses and bankruptcy due to the bad mortgages that they had packaged and sold as securities. Federal regulators at FHFA and Treasury secretly decided that they would not allow Freddie Mac to ever operate again as a profit-making company for the benefit of its stockholders. This was made clear in a recently disclosed December 2010 Treasury memo to then-Secretary of the Treasury Timothy Geithner that stated: "Makes clear the Administration's commitment to ensure existing common equity holders will not have access to any positive earnings from the GSEs [i.e., Fannie Mae and Freddie Mac] in the future." Unlike the stockholders of Goldman Sachs, Bank of America, Morgan Stanley and Treasury's other favored financial institutions, the stockholders of Freddie Mac were to be secretly punished by the government.

60. In order to require Freddie Mac to draw funds from Treasury, federal regulators needed Freddie Mac to manipulate its financial statements to report massive losses. In fact, within 23 days after imposing a conservatorship on Freddie Mac on September 7, 2008, FHFA forced Freddie Mac management to write off $14.3 billion of its Tax Deferred Assets. In other words, after controlling Freddie Mac for less than a month, FHFA required Freddie Mac management to ignore Freddie Mac's thirty years of profitability and instead conclude that Freddie Mac would never, ever be profitable again. Freddie Mac's management—hand-picked by FHFA—complied.

61. Beginning in the third quarter of 2008—when FHFA took control of Freddie Mac as conservator—wildly pessimistic and unrealistic assumptions about Freddie Mac's future financial prospects were made. Those assumptions triggered adjustments to Freddie Mac's balance sheet, most notably write-downs of significant tax assets and the establishment of large loan loss reserves, which caused Freddie Mac to

report non-cash losses. Although reflecting nothing more than faulty accounting assumptions about Freddie Mac's future prospects and having no effect on the cash flow that Freddie Mac was generating, these non-cash losses temporarily decreased Freddie Mac's reported net worth by hundreds of billions of dollars. For example, in the first year and a half after imposition of the conservatorship, Freddie Mac reported more than $70 billion in losses, but only $11.7 billion of that amount reflected actual credit-related losses.

62. Shortly after FHFA took control of Freddie Mac, FHFA, Freddie Mac and PwC made the absurd assumption that Freddie Mac would never again generate taxable income and that their deferred tax assets were therefore worthless. This incomprehensibly flawed accounting treatment dramatically reduced Freddie Mac's reported net worth.

63. FHFA and Freddie Mac created tens of billions of dollars of phony losses at Freddie Mac in 2009 by violating GAAP in assuming that tens of billions of dollars of mortgage-backed securities held by Freddie Mac were worthless. This assumption violated GAAP because the impairments to those assets were temporary, as PwC certified prior to the conservatorship. PwC violated the Auditing Standards by reversing its prior position and certifying this improper accounting treatment by Freddie Mac. In fact, in Spring 2009, the Financial Accounting Standards Board ("FASB") eliminated mark-to-market accounting for mortgage-backed securities to avoid exactly the kind of write-offs that PwC certified. Nonetheless, PwC ignored this guidance from FASB and violated the Auditing Standards. In reality, Freddie Mac's annual net operating revenue exceeded its operating expenses in every year during conservatorship, and Freddie Mac's actual losses

would never have caused Freddie Mac to have a negative net worth, but for the excessively pessimistic assumptions and accounting treatments of deferred tax assets and loan loss reserves. Although Freddie Mac's management was complicit with FHFA, Freddie Mac and the regulators needed PwC's blessing to execute their plan. Without PwC's audit opinion, FHFA and Freddie Mac management would not be able to carry out their plan.

64. PwC obliged by giving its stamp of approval by issuing an audit opinion on March 11, 2009 ("2009 Audit Opinion"). By its opinion, PwC falsely certified Freddie Mac's write-off of approximately $22.4 billion in Deferred Tax Assets in violation of GAAP and the Auditing Standards. PwC continued to falsely certify Freddie Mac's continued write-off of Deferred Tax Assets in violation of GAAP and the Auditing Standards by issuing audit opinions on February 24, 2010 ("2010 Audit Opinion"), February 24, 2011("2011 Audit Opinion"), March 9, 2012 ("2012 Audit Opinion") and February 28, 2013 ("2013 Audit Opinion"). The 2010 Audit Opinion certified the write-off of $2.7 billion Tax Deferred Assets, while the 2011 Audit Opinion certified the write-off of $8.3 billion of Tax Deferred Assets.

65. By late 2011, it was clear that Freddie Mac would soon be returning to profitability—even under the punitive and incorrect accounting being applied by Freddie Mac and certified by PwC. Freddie Mac, FHFA, Treasury and PwC knew that they would no longer be able to pretend that Freddie Mac's Deferred Tax Assets—which had now grown to $35 billion—were worthless. This was clear because the housing and mortgage markets had recovered so well that Freddie Mac was returning to its historical norm of generating massive profits and cash income.

66. Freddie Mac's return to profitability posed a significant problem for government regulators because it meant that Freddie Mac would be able to escape the punitive conservatorship and Plaintiffs would recover the value of their investments. The government regulators did not wish to allow this and so needed a new plan to appropriate the value of Freddie Mac Stock.

67. Although the government regulators and Freddie Mac management knew that Freddie Mac would be returning to profitability, Freddie Mac management continued to pretend that Freddie Mac would never again be profitable and so wrote off as worthless $35 billion of Deferred Tax Assets. PwC certified this false accounting in its 2012 Audit Opinion in gross violation of GAAP and the Auditing Standards, including SFAS 109 and AU 342. PwC knew or should have known that there was no basis in GAAP for Freddie Mac to continue to write off the value of its Deferred Tax Assets because it was more likely than not that Freddie Mac would again be profitable and so able to reap the value of those Deferred Tax Assets.

68. Moreover, PwC's 2012 Audit Opinion was a clean opinion that omitted material information that should have been disclosed under the Auditing Standards. In particular, PwC knew that Treasury improperly exercised control over Freddie Mac and was operating Freddie Mac for the sole benefit of Treasury to the detriment of the Freddie Mac stockholders. PwC failed to disclose this material information in its Audit Opinions in violation of the Auditing Standards, including AU 508.

69. Six months later in August 2012, the government regulators effected their scheme to appropriate the value of Freddie Mac Stock by forcing Freddie Mac to enter into the Net Worth Sweep.

70. With all Freddie Mac's profits and the value of Freddie Mac Stock now supposedly flowing to Treasury, government regulators and Freddie Mac management no longer needed to pretend that Freddie Mac would never be profitable again. However, it would have looked particularly suspicious for Freddie Mac to report and PwC to certify the $35 billion of Deferred Tax Assets as good assets just a few months after reporting these assets as worthless. The pretense of the worthlessness of these assets continued through April 4, 2013 when Freddie Mac reported and PwC certified in its 2013 Audit Opinion that Freddie Mac would never recover the value of this $35 billion of assets.

71. PwC eventually had to reverse its false accounting assumptions because the assumptions were not grounded in reality. The reversal of these erroneous accounting assumptions caused windfall profits to flow to Freddie Mac. However, PwC allowed Freddie Mac to "cherry-pick" the timing of the reversals to occur at such a time that the Net Worth Sweep was in place thus allowing for all of the windfall profits to flow to Treasury and not to Freddie Mac's stockholders, including Plaintiffs. Prior to 2012, PwC knew or should have known that the accounting related write-downs and excessive loss reserving that previously occurred were grossly incorrect for a number of reasons, including the fact on an *operating* basis Freddie Mac not only maintained the $37.1 billion of capital held on June 30, 2008 but Freddie Mac actually increased it.

72. Freddie Mac and PwC waited until the first quarter of 2013 to drop the pretense that Freddie Mac would never again be profitable. On June 9, 2013, Freddie Mac reported that the Deferred Tax Assets were, in fact, worth about $35 billion. With the Net Worth Sweep now in place, Treasury swept this $35 billion of Freddie Mac's net worth into the U.S. Treasury. The timing of this $35 billion windfall could not have been

more convenient for Treasury because it was facing budget shortfalls due to the standoff with Congress over the debt ceiling. Moreover, the Net Worth Sweep had become a major revenue source for the United States Government at the expense of Plaintiffs.

73. In certifying Freddie Mac's false accounting for Freddie Mac's Deferred Tax Assets in its 2009-2013 Audit Opinions, PwC violated GAAP and the Auditing Standards, including AU 342.

74. PwC also violated the Auditing Standards, including AU 508, by failing to disclose Treasury's control over Freddie Mac and the fact that Treasury, Freddie Mac's board and FHFA were operating Freddie Mac for the sole benefit of Treasury to the detriment of Plaintiffs.

PwC Certified False and Manipulated Loan Loss Reserves

75. In late 2008, government regulators and Freddie Mac management used other accounting gimmicks to falsely overstate the losses of Freddie Mac and thereby understate the net worth of Freddie Mac and thereby force Freddie Mac to borrow funds from Treasury.

76. In particular, in the fourth quarter of 2008 Freddie Mac management abruptly increased its loan loss reserve from $5 billion to $16.4 billion. This new supersized loan loss reserve reported by Freddie Mac's new management was not justified by GAAP and was instead intended to overstate losses at Freddie Mac. In fact, just a few months before Freddie Mac reported this startling $16.4 billion figure, PwC had certified $2.8 billion as an accurate estimate of what Freddie Mac stood to lose on its loan portfolio.

77. This increase in loan loss reserves made no sense because Freddie Mac—unlike other financial institutions in the mortgage market—had a built in 20% buffer against losses due to a downturn in the housing market. All loans insured by Freddie Mac were required to have an 80% loan-to-value ratio. At a minimum, this 20% equity requirement meant at least 3% cash down with the remaining amount to be covered by private mortgage insurance (PMI). In other words, Freddie Mac would lose money on mortgages only if less than 80% of the value of the mortgage was recovered.

78. In light of this 20% buffer, PwC's certification of the $2.8 billion loan loss reserves was entirely reasonable—even for a housing market under severe stress. In fact, the $2.8 billion loss certified by PwC turned out to be larger than the credit losses Freddie Mac actually incurred.

79. Freddie Mac's $16.4 billion loan loss reserve was absurdly high and made no sense even if one assumed the housing market was entering the most severe downturn since the Great Depression. PwC's improper certification of this massive loan loss reserve not only violated GAAP and the Auditing Standards—it was significantly disproportionate to the loan loss reserves PwC had certified for other audit clients who were exposed to far greater risk in the mortgage market. In fact, PwC certified loan loss reserves at Freddie Mac that were five times the amount of actual credit losses, while financial institutions facing greater credit losses maintained loan loss reserves more or less equal to their credit losses.

80. Nonetheless, in its 2008 Audit Opinion, PwC falsely certified the $16.4 billion loan loss reserve. PwC continued to certify loan loss reserves that failed to

comply with GAAP in its audit opinions for the years 2009-2013. By doing so, PwC violated the Auditing Standards, including AU 342.

81. Freddie Mac incurred substantial accounting losses as a result of the loan loss provisions. These provisions, which PwC classified as immediate expenses of Freddie Mac, created tens of billions of dollars of losses. Moreover, the provisions—and the resulting accounting losses—were completely unnecessary, as the potential loan losses never materialized into actual losses.

PwC Falsely Certified Freddie Mac's Repurchase Rights

82. Freddie Mac had the ultimate protection against bad mortgages—it had the right to require the mortgage companies that originated bad loans and the Wall Street banks that packaged them into securities to repurchase those bad loans from Freddie Mac. This insured that Freddie Mac would not suffer losses on bad loans.

83. These repurchase or "put back" rights were worth billions of dollars to Freddie Mac and so presented a potential problem for the government regulators and Freddie Mac management intent on overstating Freddie Mac losses. However, their solution was simple—they would ignore them.

84. By ignoring the value of Freddie Mac's put back rights, Freddie Mac understated its assets and its net worth by billions of dollars for the years 2008-2013.

85. In its audit opinions for 2008-2013, PwC certified Freddie Mac's false treatment of Freddie Mac's put back rights in violation of GAAP and Auditing Standards.

PwC Negligently Certified Freddie Mac's Improper FAS 133 Treatment

86. PwC further assisted FHFA and Freddie Mac in overstating losses by certifying Freddie Mac's improper disregard of Financial Accounting Standard 133 ("FAS 133").

87. FAS 133 required Freddie Mac to account accurately for the market value of its mortgage-backed securities and interest rate hedges on those securities. Freddie Mac disregarded FAS 133 and instead recognized massive mark-to-market losses on its interest rate hedges while ignoring the offsetting gains in its portfolio of securities.

88. Freddie Mac's disregard of FAS 133 led its financial statements to be materially misstated, and PwC was negligent in certifying this violation of GAAP.

PwC Failed to Perform Substantive Audit Procedures as Required by the Auditing Standards

89. Beginning with its 2008 Audit Opinion, PwC issued opinions on the internal control environment at Freddie Mac that identified material weaknesses. Under the Auditing Standards, this meant that PwC could not rely on the controls it identified as having a material weakness.

90. PwC was thus required under the Auditing Standards to perform more substantive testing in order to issue its audit opinions. Had PwC performed such testing, it would not have issued the materially false audit opinions it issued.

PwC Failed to Require Freddie Mac to Restate its Financial Statements

91. PwC was aware at least as early as its audit for the year 2012 that Freddie Mac's prior financial statements were materially misstated.

92. In light of Freddie Mac's materially false financial statements, PwC had two options under the Auditing Standards—either require Freddie Mac to restate those

financial statements or withdraw its prior audit opinions. PwC did neither and so violated the Auditing Standards.

93. Had PwC complied with the Auditing Standards by either requiring restatement or withdrawing its prior audit opinions, Freddie Mac would have been able to exit the conservatorship and Plaintiffs would not have suffered their losses.

94. By manipulating its accounting for Deferred Tax Assets, loan loss reserves, and put back rights, government regulators and Freddie Mac management were able to report more than $75 billion of phony losses at Freddie Mac. In reality, Freddie Mac had net cash income in every quarter from 2008 to the present. Even in the depth of the financial crisis in late 2008, Freddie Mac would have reported more than $13 billion in net cash income had government regulators and Freddie Mac management not manipulated and PwC not certified Freddie Mac's balance sheet.

95. Freddie Mac's continued accounting manipulations through 2013—made possible only by PwC's annual certifications—constituted breaches of fiduciary duty by Freddie Mac's officers and directors, FHFA and Treasury and led directly to the loss of the value of Freddie Mac Stock, including the stock held by Plaintiffs.

96. Had PwC performed its public duty by either not issuing its false audit opinions for the audit years 2008-2013 or by issuing audit opinions with the disclosures required by the Auditing Standards, Freddie Mac would have been able to exit the conservatorship as required by law and Plaintiffs would not have suffered their losses.

97. Plaintiffs did not learn, and could not have learned, with the exercise of due diligence, of PwC's negligence in conducting its audits of Freddie Mac or the misrepresentations and omissions in the PwC Audit Opinions or of the substantial

assistance PwC provided to Freddie Mac's directors and officers, FHFA and Treasury in their breach of fiduciary duties until PwC's substantial assistance was revealed in litigation in the United States Court of Federal Claims in or around June 2015.

COUNT 1
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Master Sgt. Anthony R. Edwards, USAF, Retired)

98. Master Sgt. Anthony R. Edwards, USAF, Retired, incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

99. Master Sgt. Anthony R. Edwards, USAF, Retired, is sui juris and a resident of Seminole County, Florida.

100. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Master Sgt. Anthony R. Edwards, USAF, Retired, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

101. PwC owed a duty to the stockholders of Freddie Mac, including Master Sgt. Anthony R. Edwards, USAF, Retired, and knew that its work was being relied on by the stockholders of Freddie Mac, including Master Sgt. Anthony R. Edwards, USAF,

Retired. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Master Sgt. Anthony R. Edwards, USAF, Retired, for the purposes of inducing Master Sgt. Anthony R. Edwards, USAF, Retired to purchase and hold Freddie Mac Stock.

102. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Master Sgt. Anthony R. Edwards, USAF, Retired.

103. Master Sgt. Anthony R. Edwards, USAF, Retired, justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

104. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Master Sgt. Anthony R. Edwards, USAF, Retired, and relied upon by Freddie Mac stockholders, including Master Sgt. Anthony R. Edwards, USAF, Retired.

105. PwC owed a duty to Master Sgt. Anthony R. Edwards, USAF, Retired, to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

106. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors'

Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

107. PwC further breached its duty to Master Sgt. Anthony R. Edwards, USAF, Retired, by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

108. Master Sgt. Anthony R. Edwards, USAF, Retired, justifiably relied upon PwC's negligent audit reports to his detriment.

109. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Master Sgt. Anthony R. Edwards, USAF, Retired incurred substantial losses in amounts to be proven at trial.

COUNT 2
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Master Sgt. Anthony R. Edwards, USAF, Retired)

110. Master Sgt. Anthony R. Edwards, USAF, Retired, incorporates by reference and re-alleges paragraphs 1-97 and 99, as though fully set forth herein.

111. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Master Sgt. Anthony R. Edwards, USAF, Retired.

112. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Master Sgt. Anthony R. Edwards, USAF, Retired.

113. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

114. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

115. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

116. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Master Sgt. Anthony R. Edwards, USAF, Retired, suffered substantial damages in amounts to be proven at trial.

COUNT 3
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Master Sgt. Salvatore Capaccio, USAF)

117. Master Sgt. Salvatore Capaccio, USAF incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

118. Master Sgt. Salvatore Capaccio, USAF is sui juris and a resident of United States Armed Forces Europe.

119. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Master Sgt. Salvatore Capaccio, USAF, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

120. PwC owed a duty to the stockholders of Freddie Mac, Master Sgt. Salvatore Capaccio, USAF, and knew that its work was being relied on by the stockholders of Freddie Mac, including Master Sgt. Salvatore Capaccio, USAF. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its

audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Master Sgt. Salvatore Capaccio, USAF, for the purposes of inducing Master Sgt. Salvatore Capaccio, USAF to purchase and hold Freddie Mac Stock.

121. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Master Sgt. Salvatore Capaccio, USAF.

122. Master Sgt. Salvatore Capaccio, USAF justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

123. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Master Sgt. Salvatore Capaccio, USAF, and relied upon by Freddie Mac stockholders, including Master Sgt. Salvatore Capaccio, USAF.

124. PwC owed a duty to Master Sgt. Salvatore Capaccio, USAF to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

125. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

126. PwC further breached its duty to Master Sgt. Salvatore Capaccio, USAF by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

127. Master Sgt. Salvatore Capaccio, USAF justifiably relied upon PwC's negligent audit reports to his detriment.

128. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Master Sgt. Salvatore Capaccio, USAF incurred substantial losses in amounts to be proven at trial.

COUNT 4
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Master Sgt. Salvatore Capaccio, USAF)

129. Master Sgt. Salvatore Capaccio, USAF incorporates by reference and re-alleges paragraphs 1-97 and 118, as though fully set forth herein.

130. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Master Sgt. Salvatore Capaccio, USAF.

131. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability

to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Master Sgt. Salvatore Capaccio, USAF.

132. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

133. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

134. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

135. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Master Sgt. Salvatore Capaccio, USAF suffered substantial damages in amounts to be proven at trial.

COUNT 5
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Gator Capital Management, LLC)

136. Gator Capital Management, LLC incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

137. Gator Capital Management, LLC is a Florida corporation with its principal place of business in Hillsborough County.

138. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Gator Capital Management, LLC, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

139. PwC owed a duty to the stockholders of Freddie Mac, including Gator Capital Management, LLC, and knew that its work was being relied on by the stockholders of Freddie Mac, including Gator Capital Management, LLC. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders,

including Gator Capital Management, LLC, for the purposes of inducing Gator Capital Management, LLC to purchase and hold Freddie Mac Stock.

140. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Gator Capital Management, LLC.

141. Gator Capital Management, LLC justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

142. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Gator Capital Management, LLC, and relied upon by Freddie Mac stockholders, including Gator Capital Management, LLC.

143. PwC owed a duty to Gator Capital Management, LLC to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

144. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

145. PwC further breached its duty to Gator Capital Management, LLC by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of

Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

146. Gator Capital Management, LLC justifiably relied upon PwC's negligent audit reports to their detriment.

147. As a direct and proximate result of its reliance upon PwC's negligent audits and resulting misrepresentations, Gator Capital Management, LLC incurred substantial losses in amounts to be proven at trial.

COUNT 6
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Gator Capital Management, LLC)

148. Gator Capital Management, LLC incorporates by reference and re-alleges paragraphs 1-97 and 137, as though fully set forth herein.

149. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Gator Capital Management, LLC.

150. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal

government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Gator Capital Management, LLC.

151. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

152. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

153. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

154. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Gator Capital Management, LLC suffered substantial damages in amounts to be proven at trial.

COUNT 7
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Perini Capital LLC)

155. Perini Capital LLC incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

156. Perini Capital LLC is a New Mexico limited liability company with offices in Miami-Dade County, Florida.

157. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Perini Capital LLC, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

158. PwC owed a duty to the stockholders of Freddie Mac, including Perini Capital LLC, and knew that its work was being relied on by the stockholders of Freddie Mac, including Perini Capital LLC. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Perini Capital LLC, for the purposes of inducing Perini Capital LLC to purchase and hold Freddie Mac Stock.

159. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Perini Capital LLC.

160. Perini Capital LLC justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

161. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Perini Capital LLC, and relied upon by Freddie Mac stockholders, including Perini Capital LLC.

162. PwC owed a duty to Perini Capital LLC to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

163. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

164. PwC further breached its duty to Perini Capital LLC by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

165. Perini Capital LLC justifiably relied upon PwC's negligent audit reports to their detriment.

166. As a direct and proximate result of its reliance upon PwC's negligent audits and resulting misrepresentations, Perini Capital LLC incurred substantial losses in amounts to be proven at trial.

COUNT 8
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Perini Capital LLC)

167. Perini Capital LLC incorporates by reference and re-alleges paragraphs 1-97 and 156, as though fully set forth herein.

168. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Perini Capital LLC.

169. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Perini Capital LLC.

170. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's

common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

171. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

172. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

173. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Perini Capital LLC suffered substantial damages in amounts to be proven at trial.

COUNT 9
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Allen Harden)

174. Allen Harden incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

175. Allen Harden is sui juris and a resident of Lake County, Florida.

176. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac.

By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Allen Harden, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

177. PwC owed a duty to the stockholders of Freddie Mac, including Allen Harden, and knew that its work was being relied on by the stockholders of Freddie Mac, including Allen Harden. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Allen Harden, for the purposes of inducing Allen Harden to purchase and hold Freddie Mac Stock.

178. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Allen Harden.

179. Allen Harden justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

180. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Allen Harden, and relied upon by Freddie Mac stockholders, including Allen Harden.

181. PwC owed a duty to Allen Harden to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

182. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

183. PwC further breached its duty to Allen Harden by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

184. Allen Harden justifiably relied upon PwC's negligent audit reports to his detriment.

185. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Allen Harden incurred substantial losses in amounts to be proven at trial.

COUNT 10
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Allen Harden)

186. Allen Harden incorporates by reference and re-alleges paragraphs 1-97 and 175, as though fully set forth herein.

187. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in

a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Allen Harden.

188. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Allen Harden.

189. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

190. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

191. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

192. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Allen Harden suffered substantial damages in amounts to be proven at trial.

COUNT 11
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Ed Bieryla)

193. Ed Bieryla incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

194. Ed Bieryla is sui juris and a resident of Hillsborough County, Florida.

195. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Ed Bieryla, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

196. PwC owed a duty to the stockholders of Freddie Mac, including Ed Bieryla, and knew that its work was being relied on by the stockholders of Freddie Mac, including Ed Bieryla. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Ed Bieryla, for the purposes of inducing Ed Bieryla to purchase and hold Freddie Mac Stock.

197. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Ed Bieryla.

198. Ed Bieryla justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

199. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Ed Bieryla, and relied upon by Freddie Mac stockholders, including Ed Bieryla.

200. PwC owed a duty to Ed Bieryla to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

201. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

202. PwC further breached its duty to Ed Bieryla by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

203. Ed Bieryla justifiably relied upon PwC's negligent audit reports to his detriment.

204. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Ed Bieryla incurred substantial losses in amounts to be proven at trial.

COUNT 12
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Ed Bieryla)

205. Ed Bieryla incorporates by reference and re-alleges paragraphs 1-97 and 194, as though fully set forth herein.

206. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Ed Bieryla.

207. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability

to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Ed Bieryla.

208. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

209. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

210. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

211. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Ed Bieryla suffered substantial damages in amounts to be proven at trial.

COUNT 13
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Doreen Bieryla)

212. Doreen Bieryla incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

213. Doreen Bieryla is sui juris and a resident of Sarasota County, Florida.

214. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Doreen Bieryla, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

215. PwC owed a duty to the stockholders of Freddie Mac, including Doreen Bieryla, and knew that its work was being relied on by the stockholders of Freddie Mac, including Doreen Bieryla. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Doreen Bieryla, for the purposes of inducing Doreen Bieryla to purchase and hold Freddie Mac Stock.

216. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Doreen Bieryla.

217. Doreen Bieryla justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

218. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Doreen Bieryla, and relied upon by Freddie Mac stockholders, including Doreen Bieryla.

219. PwC owed a duty to Doreen Bieryla to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

220. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

221. PwC further breached its duty to Doreen Bieryla by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

222. Doreen Bieryla justifiably relied upon PwC's negligent audit reports to her detriment.

223. As a direct and proximate result of her reliance upon PwC's negligent audits and resulting misrepresentations, Doreen Bieryla incurred substantial losses in amounts to be proven at trial.

COUNT 14
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Doreen Bieryla)

224. Doreen Bieryla incorporates by reference and re-alleges paragraphs 1-97 and 213, as though fully set forth herein.

225. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Doreen Bieryla.

226. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Doreen Bieryla.

227. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's

common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

228. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

229. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

230. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Doreen Bieryla suffered substantial damages in amounts to be proven at trial.

COUNT 15
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Jorge Zapata)

231. Jorge Zapata incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

232. Jorge Zapata is sui juris and a resident of Miami-Dade County, Florida.

233. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Jorge Zapata, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

234. PwC owed a duty to the stockholders of Freddie Mac, including Jorge Zapata, and knew that its work was being relied on by the stockholders of Freddie Mac, including Jorge Zapata. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Jorge Zapata, for the purposes of inducing Jorge Zapata to purchase and hold Freddie Mac Stock.

235. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Jorge Zapata.

236. Jorge Zapata justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

237. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Jorge Zapata, and relied upon by Freddie Mac stockholders, including Jorge Zapata.

238. PwC owed a duty to Jorge Zapata to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

239. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

240. PwC further breached its duty to Jorge Zapata by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

241. Jorge Zapata justifiably relied upon PwC's negligent audit reports to his detriment.

242. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Jorge Zapata incurred substantial losses in amounts to be proven at trial.

COUNT 16
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Jorge Zapata)

243. Jorge Zapata incorporates by reference and re-alleges paragraphs 1-97 and 232, as though fully set forth herein.

244. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Jorge Zapata.

245. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Jorge Zapata.

246. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care

and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

247. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

248. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

249. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Jorge Zapata suffered substantial damages in amounts to be proven at trial.

COUNT 17
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Hiren Patel)

250. Hiren Patel incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

251. Hiren Patel is sui juris and a resident of Broward County, Florida.

252. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Hiren Patel, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and

perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

253. PwC owed a duty to the stockholders of Freddie Mac, including Hiren Patel, and knew that its work was being relied on by the stockholders of Freddie Mac, including Hiren Patel. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Hiren Patel, for the purposes of inducing Hiren Patel to purchase and hold Freddie Mac Stock.

254. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Hiren Patel.

255. Hiren Patel justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

256. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Hiren Patel, and relied upon by Freddie Mac stockholders, including Hiren Patel.

257. PwC owed a duty to Hiren Patel to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

258. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors'

Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

259. PwC further breached its duty to Hiren Patel by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

260. Hiren Patel justifiably relied upon PwC's negligent audit reports to his detriment.

261. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Hiren Patel incurred substantial losses in amounts to be proven at trial.

COUNT 18
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Hiren Patel)

262. Hiren Patel incorporates by reference and re-alleges paragraphs 1-97 and 251, as though fully set forth herein.

263. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Hiren Patel.

264. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Hiren Patel.

265. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

266. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

267. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

268. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Hiren Patel suffered substantial damages in amounts to be proven at trial.

COUNT 19
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Louise Strang)

269. Louise Strang incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

270. Louise Strang is sui juris and a resident of Williamson County, Tennessee.

271. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Louise Strang, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

272. PwC owed a duty to the stockholders of Freddie Mac, including Louise Strang, and knew that its work was being relied on by the stockholders of Freddie Mac, including Louise Strang. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be

furnished to Freddie Mac stockholders, including Louise Strang, for the purposes of inducing Louise Strang to purchase and hold Freddie Mac Stock.

273. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Louise Strang.

274. Louise Strang justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

275. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Louise Strang, and relied upon by Freddie Mac stockholders, including Louise Strang.

276. PwC owed a duty to Louise Strang to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

277. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

278. PwC further breached its duty to Louise Strang by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

279. Louise Strang justifiably relied upon PwC's negligent audit reports to her detriment.

280. As a direct and proximate result of her reliance upon PwC's negligent audits and resulting misrepresentations, Louise Strang incurred substantial losses in amounts to be proven at trial.

COUNT 20
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Louise Strang)

281. Louise Strang incorporates by reference and re-alleges paragraphs 1-97 and 270, as though fully set forth herein.

282. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Louise Strang.

283. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Louise Strang.

284. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

285. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

286. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

287. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Louise Strang suffered substantial damages in amounts to be proven at trial.

COUNT 21
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Johnna B. Watson)

288. Johnna B. Watson incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

289. Johnna B. Watson is sui juris and a resident of Davidson County, Tennessee.

290. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Johnna B. Watson, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

291. PwC owed a duty to the stockholders of Freddie Mac, including Johnna B. Watson, and knew that its work was being relied on by the stockholders of Freddie Mac, including Johnna B. Watson. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Johnna B. Watson, for the purposes of inducing Johnna B. Watson to purchase and hold Freddie Mac Stock.

292. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Johnna B. Watson.

293. Johnna B. Watson justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

294. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Johnna B. Watson, and relied upon by Freddie Mac stockholders, including Johnna B. Watson.

295. PwC owed a duty to Johnna B. Watson to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

296. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

297. PwC further breached its duty to Johnna B. Watson by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

298. Johnna B. Watson justifiably relied upon PwC's negligent audit reports to her detriment.

299. As a direct and proximate result of her reliance upon PwC's negligent audits and resulting misrepresentations, Johnna B. Watson incurred substantial losses in amounts to be proven at trial.

COUNT 22
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY

(Johnna B. Watson)

300. Johnna B. Watson incorporates by reference and re-alleges paragraphs 1-97 and 289, as though fully set forth herein.

301. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Johnna B. Watson.

302. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Johnna B. Watson.

303. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial

condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

304. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

305. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

306. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Johnna B. Watson suffered substantial damages in amounts to be proven at trial.

COUNT 23
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Melody Sullivan)

307. Melody Sullivan incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

308. Melody Sullivan is sui juris and a resident of Williamson County, Tennessee.

309. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Melody Sullivan, and to perform those audits in conformance with the Auditing

Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

310. PwC owed a duty to the stockholders of Freddie Mac, including Melody Sullivan, and knew that its work was being relied on by the stockholders of Freddie Mac, including Melody Sullivan. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Melody Sullivan, for the purposes of inducing Melody Sullivan to purchase and hold Freddie Mac Stock.

311. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Melody Sullivan.

312. Melody Sullivan justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

313. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Melody Sullivan, and relied upon by Freddie Mac stockholders, including Melody Sullivan.

314. PwC owed a duty to Melody Sullivan to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

315. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of

Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

316. PwC further breached its duty to Melody Sullivan by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

317. Melody Sullivan justifiably relied upon PwC's negligent audit reports to her detriment.

318. As a direct and proximate result of her reliance upon PwC's negligent audits and resulting misrepresentations, Melody Sullivan incurred substantial losses in amounts to be proven at trial.

COUNT 24
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Melody Sullivan)

319. Melody Sullivan incorporates by reference and re-alleges paragraphs 1-97 and 308, as though fully set forth herein.

320. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury,

and the federal government to the detriment of the stockholders of Freddie Mac, including Melody Sullivan.

321. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Melody Sullivan.

322. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

323. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

324. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

325. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Melody Sullivan suffered substantial damages in amounts to be proven at trial.

COUNT 25
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Amit Choksi)

326. Amit Choksi incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

327. Amit Choksi is sui juris and a resident of Williamson County, Tennessee.

328. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Amit Choksi, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

329. PwC owed a duty to the stockholders of Freddie Mac, including Amit Choksi, and knew that its work was being relied on by the stockholders of Freddie Mac, including Amit Choksi. Specifically, PwC was aware and intended that Freddie Mac's

financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Amit Choksi, for the purposes of inducing Amit Choksi to purchase and hold Freddie Mac Stock.

330. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Amit Choksi.

331. Amit Choksi justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

332. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Amit Choksi, and relied upon by Freddie Mac stockholders, including Amit Choksi.

333. PwC owed a duty to Amit Choksi to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

334. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

335. PwC further breached its duty to Amit Choksi by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii)

Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

336. Amit Choksi justifiably relied upon PwC's negligent audit reports to his detriment.

337. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Amit Choksi incurred substantial losses in amounts to be proven at trial.

COUNT 26
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Amit Choksi)

338. Amit Choksi incorporates by reference and re-alleges paragraphs 1-97 and 327, as though fully set forth herein.

339. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Amit Choksi.

340. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal

government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Amit Choksi.

341. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

342. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

343. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

344. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Amit Choksi suffered substantial damages in amounts to be proven at trial.

COUNT 27
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Phil Miller)

345. Phil Miller incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

346. Phil Miller is sui juris and a resident of Williamson County, Tennessee.

347. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Phil Miller, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

348. PwC owed a duty to the stockholders of Freddie Mac, including Phil Miller, and knew that its work was being relied on by the stockholders of Freddie Mac, including Phil Miller. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Phil Miller, for the purposes of inducing Phil Miller to purchase and hold Freddie Mac Stock.

349. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Phil Miller.

350. Phil Miller justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

351. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Phil Miller, and relied upon by Freddie Mac stockholders, including Phil Miller.

352. PwC owed a duty to Phil Miller to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

353. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

354. PwC further breached its duty to Phil Miller by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

355. Phil Miller justifiably relied upon PwC's negligent audit reports to his detriment.

356. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Phil Miller incurred substantial losses in amounts to be proven at trial.

COUNT 28
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY

(Phil Miller)

357. Phil Miller incorporates by reference and re-alleges paragraphs 1-97 and 346, as though fully set forth herein.

358. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Phil Miller.

359. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Phil Miller.

360. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial

condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

361. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

362. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

363. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Phil Miller suffered substantial damages in amounts to be proven at trial.

COUNT 29
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(James Ferguson)

364. James Ferguson incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

365. James Ferguson is sui juris and a resident of Williamson County, Tennessee.

366. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including James Ferguson, and to perform those audits in conformance with the Auditing

Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

367. PwC owed a duty to the stockholders of Freddie Mac, including James Ferguson, and knew that its work was being relied on by the stockholders of Freddie Mac, including James Ferguson. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be James Ferguson to Freddie Mac stockholders, including James Ferguson, for the purposes of inducing James Ferguson to purchase and hold Freddie Mac Stock.

368. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to James Ferguson.

369. James Ferguson justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

370. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including James Ferguson, and relied upon by Freddie Mac stockholders, including James Ferguson.

371. PwC owed a duty to James Ferguson to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

372. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of

Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

373. PwC further breached its duty to James Ferguson by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

374. James Ferguson justifiably relied upon PwC's negligent audit reports to his detriment.

375. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, James Ferguson incurred substantial losses in amounts to be proven at trial.

COUNT 30
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(James Ferguson)

376. James Ferguson incorporates by reference and re-alleges paragraphs 1-97 and 365, as though fully set forth herein.

377. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury,

and the federal government to the detriment of the stockholders of Freddie Mac, including James Ferguson.

378. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including James Ferguson.

379. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

380. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

381. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

382. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, James Ferguson suffered substantial damages in amounts to be proven at trial.

COUNT 31
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Gordon Inman)

383. Gordon Inman incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

384. Gordon Inman is sui juris and a resident of Williamson County, Tennessee.

385. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Gordon Inman, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

386. PwC owed a duty to the stockholders of Freddie Mac, including Gordon Inman, and knew that its work was being relied on by the stockholders of Freddie Mac,

including Gordon Inman. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Gordon Inman, for the purposes of inducing Gordon Inman to purchase and hold Freddie Mac Stock.

387. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Gordon Inman.

388. Gordon Inman justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

389. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Gordon Inman, and relied upon by Freddie Mac stockholders, including Gordon Inman.

390. PwC owed a duty to Gordon Inman to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

391. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

392. PwC further breached its duty to Gordon Inman by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii)

Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

393. Gordon Inman justifiably relied upon PwC's negligent audit reports to his detriment.

394. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Gordon Inman incurred substantial losses in amounts to be proven at trial.

COUNT 32
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Gordon Inman)

395. Gordon Inman incorporates by reference and re-alleges paragraphs 1-97 and 384, as though fully set forth herein.

396. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Gordon Inman.

397. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal

government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Gordon Inman.

398. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

399. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

400. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

401. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Gordon Inman suffered substantial damages in amounts to be proven at trial.

COUNT 33
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Shaun Inman)

402. Shaun Inman incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

403. Shaun Inman is sui juris and a resident of Williamson County, Tennessee.

404. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Shaun Inman, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

405. PwC owed a duty to the stockholders of Freddie Mac, including Shaun Inman, and knew that its work was being relied on by the stockholders of Freddie Mac, including Shaun Inman. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Shaun Inman, for the purposes of inducing Shaun Inman to purchase and hold Freddie Mac Stock.

406. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Shaun Inman.

407. Shaun Inman justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

408. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Shaun Inman, and relied upon by Freddie Mac stockholders, including Shaun Inman.

409. PwC owed a duty to Shaun Inman to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

410. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

411. PwC further breached its duty to Shaun Inman by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

412. Shaun Inman justifiably relied upon PwC's negligent audit reports to his detriment.

413. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Shaun Inman incurred substantial losses in amounts to be proven at trial.

COUNT 34
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY

(Shaun Inman)

414. Shaun Inman incorporates by reference and re-alleges paragraphs 1-97 and 403, as though fully set forth herein.

415. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Shaun Inman.

416. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Shaun Inman.

417. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial

condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

418. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

419. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

420. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Shaun Inman suffered substantial damages in amounts to be proven at trial.

COUNT 35
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Michael Carmody)

421. Michael Carmody incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

422. Michael Carmody is sui juris and a resident of St. Louis County, Missouri.

423. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Michael Carmody, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form

and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

424. PwC owed a duty to the stockholders of Freddie Mac, including Michael Carmody, and knew that its work was being relied on by the stockholders of Freddie Mac, including Michael Carmody. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Michael Carmody, for the purposes of inducing Michael Carmody to purchase and hold Freddie Mac Stock.

425. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Michael Carmody.

426. Michael Carmody justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

427. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Michael Carmody, and relied upon by Freddie Mac stockholders, including Michael Carmody.

428. PwC owed a duty to Michael Carmody to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

429. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a

reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

430. PwC further breached its duty to Michael Carmody by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

431. Michael Carmody justifiably relied upon PwC's negligent audit reports to his detriment.

432. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Michael Carmody incurred substantial losses in amounts to be proven at trial.

COUNT 36
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Michael Carmody)

433. Michael Carmody incorporates by reference and re-alleges paragraphs 1-97 and 422, as though fully set forth herein.

434. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Michael Carmody.

435. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Michael Carmody.

436. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

437. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

438. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

439. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Michael Carmody suffered substantial damages in amounts to be proven at trial.

COUNT 37
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Matt Hill)

440. Matt Hill incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

441. Matt Hill is sui juris and a resident of Placer County, California.

442. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Matt Hill, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

443. PwC owed a duty to the stockholders of Freddie Mac, including Matt Hill, and knew that its work was being relied on by the stockholders of Freddie Mac, including Matt Hill. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to

Freddie Mac stockholders, including Matt Hill, for the purposes of inducing Matt Hill to purchase and hold Freddie Mac Stock.

444. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Matt Hill.

445. Matt Hill justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

446. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Matt Hill, and relied upon by Freddie Mac stockholders, including Matt Hill.

447. PwC owed a duty to Matt Hill to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

448. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

449. PwC further breached its duty to Matt Hill by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

450. Matt Hill justifiably relied upon PwC's negligent audit reports to his detriment.

451. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Matt Hill incurred substantial losses in amounts to be proven at trial.

COUNT 38
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Matt Hill)

452. Matt Hill incorporates by reference and re-alleges paragraphs 1-97 and 441, as though fully set forth herein.

453. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Matt Hill.

454. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Matt Hill.

455. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

456. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

457. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

458. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Matt Hill suffered substantial damages in amounts to be proven at trial.

COUNT 39
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Joseph Waske)

459. Joseph Waske incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

460. Joseph Waske is sui juris and a resident of Orange County, California.

461. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Joseph Waske, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

462. PwC owed a duty to the stockholders of Freddie Mac, including Joseph Waske, and knew that its work was being relied on by the stockholders of Freddie Mac, including Joseph Waske. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Joseph Waske, for the purposes of inducing Joseph Waske to purchase and hold Freddie Mac Stock.

463. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Joseph Waske.

464. Joseph Waske justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

465. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Joseph Waske, and relied upon by Freddie Mac stockholders, including Joseph Waske.

466. PwC owed a duty to Joseph Waske to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

467. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

468. PwC further breached its duty to Joseph Waske by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

469. Joseph Waske justifiably relied upon PwC's negligent audit reports to his detriment.

470. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Joseph Waske incurred substantial losses in amounts to be proven at trial.

COUNT 40
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Joseph Waske)

471. Joseph Waske incorporates by reference and re-alleges paragraphs 1-97 and 460, as though fully set forth herein.

472. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Joseph Waske.

473. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Joseph Waske.

474. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to

Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

475. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

476. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

477. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Joseph Waske suffered substantial damages in amounts to be proven at trial.

COUNT 41
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Maryam Moinfar)

478. Maryam Moinfar incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

479. Maryam Moinfar is sui juris and a resident of Orange County, California.

480. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Maryam Moinfar, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically

committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

481. PwC owed a duty to the stockholders of Freddie Mac, including Maryam Moinfar, and knew that its work was being relied on by the stockholders of Freddie Mac, including Maryam Moinfar. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Maryam Moinfar, for the purposes of inducing Maryam Moinfar to purchase and hold Freddie Mac Stock.

482. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Maryam Moinfar.

483. Maryam Moinfar justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

484. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Maryam Moinfar, and relied upon by Freddie Mac stockholders, including Maryam Moinfar.

485. PwC owed a duty to Maryam Moinfar to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

486. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors'

Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

487. PwC further breached its duty to Maryam Moinfar by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

488. Maryam Moinfar justifiably relied upon PwC's negligent audit reports to her detriment.

489. As a direct and proximate result of her reliance upon PwC's negligent audits and resulting misrepresentations, Maryam Moinfar incurred substantial losses in amounts to be proven at trial.

COUNT 42
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Maryam Moinfar)

490. Maryam Moinfar incorporates by reference and re-alleges paragraphs 1-97 and 479, as though fully set forth herein.

491. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Maryam Moinfar.

492. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Maryam Moinfar.

493. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

494. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

495. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

496. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Maryam Moinfar suffered substantial damages in amounts to be proven at trial.

COUNT 43
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Wayne Olson)

497. Wayne Olson incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

498. Wayne Olson is sui juris and a resident of Cumberland County, Maine.

499. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Wayne Olson, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

500. PwC owed a duty to the stockholders of Freddie Mac, including Wayne Olson, and knew that its work was being relied on by the stockholders of Freddie Mac, including Wayne Olson. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be

furnished to Freddie Mac stockholders, including Wayne Olson, for the purposes of inducing Wayne Olson to purchase and hold Freddie Mac Stock.

501. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Wayne Olson.

502. Wayne Olson justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

503. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Wayne Olson, and relied upon by Freddie Mac stockholders, including Wayne Olson.

504. PwC owed a duty to Wayne Olson to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

505. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

506. PwC further breached its duty to Wayne Olson by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

507. Wayne Olson justifiably relied upon PwC's negligent audit reports to his detriment.

508. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Wayne Olson incurred substantial losses in amounts to be proven at trial.

COUNT 44
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Wayne Olson)

509. Wayne Olson incorporates by reference and re-alleges paragraphs 1-97 and 498, as though fully set forth herein.

510. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Wayne Olson.

511. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Wayne Olson.

512. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

513. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

514. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

515. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Wayne Olson suffered substantial damages in amounts to be proven at trial.

COUNT 45
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Rich Kivela)

516. Rich Kivela incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

517. Rich Kivela is sui juris and a resident of Cumberland County, Maine.

518. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Rich Kivela, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

519. PwC owed a duty to the stockholders of Freddie Mac, Rich Kivela, and knew that its work was being relied on by the stockholders of Freddie Mac, including Rich Kivela. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Rich Kivela, for the purposes of inducing Rich Kivela to purchase and hold Freddie Mac Stock.

520. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Rich Kivela.

521. Rich Kivela justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

522. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Rich Kivela, and relied upon by Freddie Mac stockholders, including Rich Kivela.

523. PwC owed a duty to Rich Kivela to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

524. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

525. PwC further breached its duty to Rich Kivela by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

526. Rich Kivela justifiably relied upon PwC's negligent audit reports to his detriment.

527. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Rich Kivela incurred substantial losses in amounts to be proven at trial.

COUNT 46
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Rich Kivela)

528. Rich Kivela incorporates by reference and re-alleges paragraphs 1-97 and 517, as though fully set forth herein.

529. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Rich Kivela.

530. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Rich Kivela.

531. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care

and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

532. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

533. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

534. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Rich Kivela suffered substantial damages in amounts to be proven at trial.

COUNT 47
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Chris Wossilek)

535. Chris Wossilek incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

536. Chris Wossilek is sui juris and a resident of Douglas County, Colorado.

537. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Chris Wossilek, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and

perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

538. PwC owed a duty to the stockholders of Freddie Mac, Chris Wossilek, and knew that its work was being relied on by the stockholders of Freddie Mac, including Chris Wossilek. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to Freddie Mac stockholders, including Chris Wossilek, for the purposes of inducing Chris Wossilek to purchase and hold Freddie Mac Stock.

539. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Chris Wossilek.

540. Chris Wossilek justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

541. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Chris Wossilek, and relied upon by Freddie Mac stockholders, including Chris Wossilek.

542. PwC owed a duty to Chris Wossilek to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

543. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors'

Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

544. PwC further breached its duty to Chris Wossilek by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

545. Chris Wossilek justifiably relied upon PwC's negligent audit reports to his detriment.

546. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Chris Wossilek incurred substantial losses in amounts to be proven at trial.

COUNT 48
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Chris Wossilek)

547. Chris Wossilek incorporates by reference and re-alleges paragraphs 1-97 and 536, as though fully set forth herein.

548. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Chris Wossilek.

549. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Chris Wossilek.

550. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

551. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

552. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

553. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Chris Wossilek suffered substantial damages in amounts to be proven at trial.

COUNT 49
NEGLIGENT MISREPRESENTATION
(RESTATEMENT (2d) OF TORTS SECTION 552)
(Matthew Reed)

554. Matthew Reed incorporates by reference and re-alleges paragraphs 1-97, as though fully set forth herein.

555. Matthew Reed is sui juris and a resident of Salt Lake County, Utah.

556. PwC is the certified public accountant firm that audited the consolidated financial statements of Freddie Mac and performed accounting services for Freddie Mac. By agreement and as professional accountants, PwC's express purpose was to audit the consolidated financial statements for Freddie Mac for the benefit of the public, including Matthew Reed, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in PwC's own audit manuals, and to form and express opinions about whether those consolidated financial statements were presented fairly, in all material respects, in conformity with GAAP. PwC specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

557. PwC owed a duty to the stockholders of Freddie Mac, Matthew Reed, and knew that its work was being relied on by the stockholders of Freddie Mac, including Matthew Reed. Specifically, PwC was aware and intended that Freddie Mac's financial statements and its audit reports provided in connection therewith would be furnished to

Freddie Mac stockholders, including Matthew Reed, for the purposes of inducing Matthew Reed to purchase and hold Freddie Mac Stock.

558. Consistent with PwC's understanding, PwC's audited financial reports for Freddie Mac for the audit years 2007-2014 were provided to Matthew Reed.

559. Matthew Reed justifiably relied upon the PwC Audit Reports in purchasing or holding Freddie Mac Stock.

560. PwC knew and intended that its audits would be furnished to Freddie Mac stockholders, including Matthew Reed, and relied upon by Freddie Mac stockholders, including Matthew Reed.

561. PwC owed a duty to Matthew Reed to exercise reasonable care and competence in making the statements set forth in the PwC Audit Reports.

562. PwC breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Freddie Mac's consolidated financial statements presented fairly, in all material respects, the financial position of Freddie Mac and its subsidiaries in conformity with GAAP; (ii) Freddie Mac had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Freddie Mac conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

563. PwC further breached its duty to Matthew Reed by failing to disclose at least the following material facts: (i) Freddie Mac Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Freddie Mac; and (ii) Freddie Mac ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Freddie Mac.

564. Matthew Reed justifiably relied upon PwC's negligent audit reports to his detriment.

565. As a direct and proximate result of his reliance upon PwC's negligent audits and resulting misrepresentations, Matthew Reed incurred substantial losses in amounts to be proven at trial.

COUNT 50
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Matthew Reed)

566. Matthew Reed incorporates by reference and re-alleges paragraphs 1-97 and 555, as though fully set forth herein.

567. The directors and officers of Freddie Mac owed fiduciary duties of due care and loyalty to the stockholders of Freddie Mac, including to manage Freddie Mac in a fair, just, honest, and equitable manner. These directors and officers breached their fiduciary duties by acting only for the personal interest or benefit of FHFA, Treasury, and the federal government to the detriment of the stockholders of Freddie Mac, including Matthew Reed.

568. By imposing a conservatorship over Freddie Mac, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Freddie Mac, and was and is required to use its utmost ability to control and manage Freddie Mac in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Freddie Mac and not in furtherance of personal interest or benefit of FHFA, Treasury, or the federal government. FHFA breached its fiduciary duties to the stockholders of Freddie Mac, including Matthew Reed.

569. Treasury, as an investor exercises de facto control over Freddie Mac, including through its Senior Preferred Stock and warrants to purchase Freddie Mac's common stock, as well as Treasury's control of the provision of funds to Freddie Mac, Treasury's consent rights over Freddie Mac repaying the Senior Preferred Stock or exiting conservatorship, and Treasury's influence over FHFA officials, many of whom were employees of Treasury. With such de facto power over Freddie Mac's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Freddie Mac and their stockholders. As controlling stockholder of Freddie Mac, Treasury owed fiduciary duties of due care and loyalty to Freddie Mac. For the reasons described herein, Treasury has breached those fiduciary duties.

570. PwC had knowledge of the breaches by FHFA, Treasury and the directors and officers of Freddie Mac.

571. PwC provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Freddie Mac.

572. As a direct result of these breaches of fiduciary duty and PwC's conduct in substantial assistance, Matthew Reed suffered substantial damages in amounts to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully requests judgment against Defendant, under all applicable causes of action, as follows:

1. actual, compensatory and consequential damages in an amount to be proven;

2. pre-judgment and post-judgment interest as allowed by law; and

3. such other and further legal and equitable relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury of all issues so triable.

Dated: March 9, 2016

Respectfully submitted,

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