

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; GATOR CAPITAL MANAGEMENT,  
LLC; PERINI CAPITAL LLC; DR. MICHAEL  
PASTERNAK; ALLEN HARDEN; JIM HUMPHRIES;  
ED BIERYLA; DOREEN BIERYLA; JAY HUBER;  
JORGE ZAPATA; RANDY WEBB; KEVIN JARVIS;  
CATHERINE M. JENNINGS; JAMES AND SYLVIA  
MILLER; WILLIAM MILTON JR.; CARL R.  
ROBERTS; LOUISE STRANG; JOHNNA B.  
WATSON; RAY B. O' STEEN; MELODY  
SULLIVAN; AMIT CHOKSI; JOSEPH K.  
DUGHMAN; PHIL MILLER; JEAN MAC BALL;  
DON R. CAMERON III; JAMES FERGUSON;  
GORDON INMAN; SHAUN INMAN; JERRY W.  
SHARBER; JAY WINER; MICHAEL CARMODY;  
MATT HILL; JOSEPH WASKE; MARYAM  
MOINFAR; JEFFREY LANGBERG; BARRY WEST;  
WAYNE OLSEN; RICH KIVELA; and CONSTANCE  
LAMEIER,

**COMPLAINT**

Plaintiffs,

vs.

DELOITTE & TOUCHE, LLP,

Defendant.

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Plaintiffs, MASTER SGT. ANTHONY R. EDWARDS, USAF, RETIRED;  
GATOR CAPITAL MANAGEMENT, LLC; PERINI CAPITAL LLC; DR. MICHAEL  
PASTERNAK; ALLEN HARDEN; JIM HUMPHRIES; ED BIERYLA; DOREEN

BIERYLA; JAY HUBER; JORGE ZAPATA; RANDY WEBB; KEVIN JARVIS;  
CATHERINE M. JENNINGS; JAMES AND SYLVIA MILLER; WILLIAM MILTON  
JR.; CARL R. ROBERTS; LOUISE STRANG; JOHNNA B. WATSON; RAY B.  
O’STEEN; MELODY SULLIVAN; AMIT CHOKSI; JOSEPH K. DUGHMAN; PHIL  
MILLER; JEAN MAC BALL; DON R. CAMERON III; JAMES FERGUSON;  
GORDON INMAN; SHAUN INMAN; JERRY W. SHARBER; JAY WINER;  
MICHAEL CARMODY; MATT HILL; JOSEPH WASKE; MARYAM MOINFAR;  
JEFFREY LANGBERG; BARRY WEST; WAYNE OLSEN; RICH KIVELA; and  
CONSTANCE LAMEIER, for their complaint against Defendant DELOITTE &  
TOUCHE, LLP (“Deloitte”), allege on information and belief as follows:

### **INTRODUCTION**

1. As a certified public accountant licensed in the State of Florida, Deloitte is the “public watchdog” and owed a duty to the Plaintiff pension holders and investors to audit the financial statements of the Federal National Mortgage Association (“Fannie Mae”).

2. Deloitte’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 Deloitte 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. Deloitte thus served as the “public watchdog,” tasked with determining whether the financial statements prepared by management of Fannie Mae were misstated due to error or fraud.

4. Deloitte 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 Fannie Mae’s grossly misstated financial statements.

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

6. Fannie Mae’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 Fannie Mae controlled by Treasury and FHFA to effectively nationalize Fannie Mae, a privately-owned company, and thereby expropriate billions of dollars of stock value belonging to Plaintiffs. Fannie Mae’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. Deloitte was aware of Treasury’s control over Fannie Mae and provided Fannie Mae’s directors and officers with the accounting tricks necessary to breach their fiduciary duties to the Plaintiffs. In doing so, Deloitte violated auditing and accounting

standards and aided and abetted Fannie Mae's directors and officers, FHFA and Treasury in violating their fiduciary duties to the Plaintiffs.

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

9. As a direct result of Deloitte's negligent accounting and auditing and its role in assisting FHFA, Treasury and Fannie Mae'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 Deloitte accountable for these losses.

### **PARTIES, JURISDICTION AND VENUE**

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

12. Defendant Deloitte is a limited liability partnership and a citizen of Florida because Deloitte partners reside in Florida. Deloitte has offices located in Florida. Deloitte's audit reports on Fannie Mae'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 Deloitte transacts its customary business in Miami-Dade County. Deloitte 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. Deloitte caused harm in Miami-Dade County through its negligent misrepresentations and tortious conduct.

15. Deloitte 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. Fannie Mae is a stockholder-owned corporation organized under the laws of Delaware. Fannie Mae 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, Fannie Mae increases liquidity for private banks, which enables them to make additional loans to individuals for home purchases.

#### **Fannie Mae's History of Profitability**

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

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

## **The Global Economic Crisis**

19. Beginning in 2007, a global financial crisis and nationwide declines in the housing market caused Fannie Mae to suffer losses. Despite these losses, Fannie Mae remained adequately capitalized and, its chief regulator, Office of Federal Housing Enterprise Oversight (“OFHEO”) director James Lockhart, declared Fannie Mae 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 Fannie Mae’s regulator and granted Treasury temporary authority to assist Fannie Mae through the purchase of securities. HERA was passed not because Fannie Mae 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 Fannie Mae was adequately capitalized—indeed, Fannie Mae’s assets exceeded their liabilities by more than *\$41 billion*, Fannie Mae had more than \$300 billion of unencumbered assets and was operating in a safe and sound fashion. Nonetheless, on September 6, 2008, FHFA placed Fannie Mae 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 Fannie Mae] will continue to remain outstanding.”

22. The very next day, FHFA, acting in its purported capacity as conservator for Fannie Mae, and Treasury entered into a senior preferred stock purchase agreement (the “PSPA”), pursuant to which Fannie Mae created and issued a new class of stock, the Senior Preferred Stock. Treasury purchased one million shares of Fannie Mae’s Senior Preferred Stock in exchange for a funding commitment that allowed Fannie Mae 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, Fannie Mae generally cannot redeem the Senior Preferred Stock. Under the PSPA, Fannie Mae provided Treasury with warrants to purchase 79.9% of its common stock (for virtually no consideration), respectively, and entered into covenants barring Fannie Mae 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 [Fannie Mae] 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 Fannie Mae as a fiduciary until it stabilized. FHFA acknowledged that Fannie Mae’s stock remains outstanding during conservatorship and “continue[s] to trade,” FHFA Fact Sheet, Questions and Answers on Conservatorship 3, and Fannie’s stockholders “continue to retain all rights in the stock’s financial worth.” *Id.*

24. Fannie Mae'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 Fannie Mae's shareholders continued to hold an economic interest that would have value, particularly as Fannie Mae 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 Fannie Mae to ensure that Fannie Mae would maintain at least a zero net worth. Each quarter, FHFA looked to Fannie Mae's financial statements to determine if its liabilities exceeded its assets. If so, FHFA would request that Treasury draw down Fannie Mae's funding commitment and provide funds equal to the net worth deficit. This arrangement whereby Treasury made quarterly payments to Fannie Mae essentially forced Fannie Mae to "borrow" money from Treasury on such punitive terms that Fannie Mae could never possibly repay this debt.

27. Deloitte assisted FHFA and Fannie Mae to materially misstate Fannie Mae's financial statements, which caused more than just a temporary incorrect snapshot



of the financial condition of Fannie Mae. Deloitte's falsely certified Fannie Mae's materially misstated financial statements caused Fannie Mae to have to borrow \$116 billion from Treasury in the form of non-repayable 10% Senior Preferred Stock to patch up the purported hole in Fannie Mae's balance sheet. This supposed hole certified by Deloitte was created with non-cash accounting assumptions that were grossly inconsistent with how Deloitte treated other audit clients and was a substantial departure from the reality of Fannie Mae's business. The non-repayable 10% Senior Preferred Stock is senior to Plaintiff's class of stock in the capital structure of Fannie Mae, thereby causing harm to Plaintiffs' Fannie Mae Stock.

28. Soon after the commencement of the conservatorship, FHFA, acting in its purported capacity as conservator of Fannie Mae, declared that Fannie Mae 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 Fannie Mae 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 Fannie Mae's deferred tax assets—assets that had value, but FHFA, with Deloitte's assistance and approval, concluded had no value. Deloitte falsely certified these non-cash accounting losses for the audit years 2008-2012.

29. Fannie Mae returned to profitability in 2012—even under the accounting standards Deloitte improperly applied. In that year, Fannie Mae earned \$17.2 billion in profits. In fact, in 2012 it became clear that the losses FHFA (and Deloitte) projected Fannie Mae would have back in 2008 were overstated by more than \$100 billion. Fannie

Mae became even more profitable in 2013 earning \$84 billion and remained profitable in 2014 earning more than \$14 billion.

30. The return of Fannie Mae to profitability in 2012 led to a substantial increase in the trading prices of Fannie Mae Stock. With Fannie Mae having returned to profitability, Plaintiffs reasonably believed that they would in time recover their investment. They also had a reasonable expectation that Fannie Mae 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 Fannie Mae's stockholders were soon dashed, however, due to the breaches of fiduciary duties by FHFA, Treasury and Fannie Mae's directors and officers and Deloitte's assistance in this self-dealing. To capitalize on Fannie Mae's strong recovery and ensure that the value of Plaintiffs' Fannie Mae 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 Fannie Mae each quarter in perpetuity (the "Net Worth Sweep"). No consideration was paid to Fannie Mae 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 Fannie Mae Stock, including Plaintiffs. Fannie Mae was on track to repay Treasury and the taxpayers every dollar Fannie Mae had borrowed with interest, but that was not enough for FHFA and Treasury. Rather,

FHFA and Treasury chose to seize the totality of Fannie Mae'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, Fannie Mae paid a total of *\$142.5 billion* to Treasury. In fact, the United States' proposed fiscal year 2014 budget estimated that Fannie Mae would pay *\$238.5 billion* in dividends to Treasury over the next ten years, far outstripping the government's initial investments.

34. However, even these enormous payments did not reduce Fannie Mae'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 \$117 billion with respect to Fannie Mae, 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, Fannie Mae 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 Fannie Mae and because of its ability to control the business and corporate affairs of Fannie Mae, FHFA owes Fannie Mae and Plaintiffs fiduciary obligations of due care and loyalty, and was and is required to use its utmost ability to control and manage Fannie Mae 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 Fannie Mae and Plaintiffs. Because of its position of control and authority as the

purported conservator of Fannie Mae, 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 Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae and to Plaintiffs. In addition, because of Treasury's de facto position of control and authority over Fannie Mae, 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 Fannie Mae or Plaintiffs. Rather, it was an egregiously unfair, self-dealing transaction, the benefits of which flowed entirely to Treasury as Fannie Mae'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 Fannie Mae and their stockholders. Indeed, it was specifically intended to ensure that Fannie Mae's stockholders (other than Treasury) could never again recover any value from their investments, and to ensure that Fannie Mae could not function as a private enterprise

and would have to be wound down. By preventing Fannie Mae 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 Fannie Mae, 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 Fannie Mae's controlling stockholder. Treasury, as controlling stockholder of Fannie Mae, stood on both sides of the decision to implement the Net Worth Sweep, to the benefit of Treasury and the detriment of Fannie Mae and Plaintiffs. The Net Worth Sweep effected an improper transfer—an expropriation—of economic value from Plaintiffs to Treasury. Indeed, Fannie Mae 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 Fannie Mae and Plaintiffs. The Net Worth Sweep transaction was not entirely fair to Fannie Mae, 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 Fannie Mae'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 Fannie Mae, nor did it further any valid business purpose of Fannie Mae, nor did it reflect a good faith business judgment as to what was in the best interests of Fannie Mae.

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

**Deloitte's False and Negligent Audits**

44. In 2004, Fannie Mae hired Deloitte to conduct a review of its accounting routines and controls, the financial reporting process and the application of generally accepted accounting principles.

45. In 2005, Fannie Mae fired its auditor KPMG and hired Deloitte to be its independent registered public auditor.

46. Deloitte was paid more than \$275 million for its audit work during the years 2006-2014.

47. At all relevant times, Deloitte served as Fannie Mae's external, independent auditor and was responsible for ensuring that Fannie Mae'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”). Deloitte also had a duty to the investing public to conduct those audits in accordance with the Auditing Standards. Under the Auditing Standards, Deloitte 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 Deloitte 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. Deloitte violated the Auditing Standards and failed to be independent in auditing Fannie Mae.

48. At the conclusion of each audit, Deloitte reported that it had performed its audit work in accordance with the Auditing Standards and that Fannie Mae’s financial statements were fairly stated in all material respects in accordance with GAAP (the “Deloitte Audit Opinions”). For at the audit years 2008-2013, Deloitte’s Audit Opinions were false because Fannie Mae’s financial statements were not fairly stated in all material respects in accordance with GAAP and Deloitte had not conducted its audits in accordance with the Auditing Standards.

49. Deloitte’s audits of Fannie Mae’s financial statements were negligently performed for the audit years 2008-2013. If Deloitte had performed its audit work properly, it would not have issued its materially false audit opinions. In fact, if Deloitte 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.

50. One of the most basic tenets of independent auditors is that they are independent. In performing its audits of Fannie Mae, Deloitte violated the Auditing Standards by not acting independently.

51. In performing its audits of Fannie Mae, Deloitte was required to follow the Auditing Standards and GAAP. There are ten GAAS standards applicable to Deloitte's audit of Fannie Mae, all of which Deloitte 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.

52. Deloitte violated all of these auditing standards in its audits of Fannie Mae.

**Deloitte Falsely Certified Fannie Mae’s Manipulation of \$60 Billion of Deferred Tax Assets**

53. On February 26, 2008, Deloitte issued the following opinion on the Fannie Mae 2007 financial statements (“Fannie Mae 2007 Financial Statements”): “In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Fannie Mae and consolidated entities as of 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 Deloitte’s consent, this opinion was included in Fannie Mae’s public 10-K filing and distributed to the stockholders of Fannie Mae, including Plaintiffs.

54. The Fannie Mae 2007 Financial Statements included as assets of Fannie Mae “Deferred Tax Assets” of approximately \$13 billion.

55. Deloitte determined that these Deferred Tax Assets were real assets of Fannie Mae that had a value of approximately \$13 billion.

56. In reaching that conclusion, Deloitte applied Statement of Financial Accounting Standards No. 109 (“SFAS 109”) and agreed with the management of Fannie Mae that “it [was] more likely than not that all of these assets will be realized.”

57. 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.

58. In February 2008, Deloitte correctly concluded that it was more likely than not that Fannie Mae’s \$13 billion Deferred Tax Assets would be realized as Fannie Mae earned profits in the future and so gave its stamp of approval to Fannie Mae’s accounting for the Deferred Tax Assets. Fannie Mae had eighty years of historical profitability, so it would have been unreasonable for Deloitte to reach any other conclusion.

59. Deloitte’s conclusion also was appropriate and reasonable even though the housing market was already in crisis by February 2008 because Fannie Mae, 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 Fannie Mae 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 Fannie Mae had the contractual right to require those companies and banks to repurchase those bad loans. In fact, Fannie Mae’s structure

and risk management made it ideally suited to weather even the most severe housing downturn.

60. By the end of 2008, Fannie Mae's Deferred Tax Assets grew to approximately \$35 billion. This meant that Fannie Mae's future income tax burden would be reduced by \$35 billion once it started reporting profits again.

61. Although in February 2008 Deloitte had just concluded that Fannie Mae's Deferred Tax Assets had full value, Deloitte abruptly changed its position in the fall of 2008. This was not due to any change in Fannie Mae's business. Rather, it was all part of a plan put in place by federal regulators to use the balance sheet of Fannie Mae—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 Fannie Mae 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 Fannie Mae were to be secretly punished by the government.

62. In order to require Fannie Mae to draw funds from Treasury, federal regulators needed Fannie Mae to manipulate its financial statements to report massive losses. In fact, within 23 days after imposing a conservatorship on Fannie Mae on

September 7, 2008, FHFA forced Fannie Mae management to write off \$23 billion of its Tax Deferred Assets. In other words, after controlling Fannie Mae for less than a month, FHFA required Fannie Mae management to ignore Fannie Mae's 80 years of profitability and instead conclude that Fannie Mae would never, ever be profitable again. Fannie Mae's management—hand-picked by FHFA—complied.

63. Beginning in the third quarter of 2008—when FHFA took control of Fannie Mae as conservator—wildly pessimistic and unrealistic assumptions about Fannie Mae's future financial prospects were made. Those assumptions triggered adjustments to Fannie Mae's balance sheet, most notably write-downs of significant tax assets and the establishment of large loan loss reserves, which caused Fannie Mae to report non-cash losses. Although reflecting nothing more than faulty accounting assumptions about Fannie Mae's future prospects and having no effect on the cash flow that Fannie Mae was generating, these non-cash losses temporarily decreased Fannie Mae's reported net worth by hundreds of billions of dollars. For example, in the first year and a half after imposition of the conservatorship, Fannie Mae reported \$127 billion in losses, but only \$16 billion of that amount reflected actual credit-related losses.

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

65. FHFA and Fannie Mae created tens of billions of dollars of phony losses at Fannie Mae in 2009 by violating GAAP in assuming that tens of billions of dollars of

mortgage-backed securities held by Fannie Mae were worthless. This assumption violated GAAP because the impairments to those assets were temporary, as Deloitte certified prior to the conservatorship. Deloitte violated the Auditing Standards by reversing its prior position and certifying this improper accounting treatment by Fannie Mae. 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 Deloitte certified. Nonetheless, Deloitte ignored this guidance from FASB and violated the Auditing Standards. In reality, Fannie Mae’s annual net operating revenue exceeded its operating expenses in every year during conservatorship except 2010, and Fannie Mae’s actual losses would never have caused Fannie Mae to have a negative net worth, but for the excessively pessimistic assumptions and accounting treatments of deferred tax assets and loan loss reserves. Although Fannie Mae’s management was complicit with FHFA, Fannie Mae and the regulators needed Deloitte’s blessing to execute their plan. Without Deloitte’s audit opinion, FHFA and Fannie Mae management would not be able to carry out their plan.

66. Deloitte obliged by giving its stamp of approval by issuing an audit opinion on February 26, 2009 (“2009 Audit Opinion”). By its opinion, Deloitte falsely certified Fannie Mae’s write-off of approximately \$31 billion in Deferred Tax Assets in violation of GAAP and the Auditing Standards. Deloitte continued to falsely certify Fannie Mae’s continued write-off of Deferred Tax Assets in violation of GAAP and the Auditing Standards by issuing audit opinions on February 26, 2010 (“2010 Audit Opinion”), February 24, 2011 (“2011 Audit Opinion”), February 29, 2012 (“2012 Audit Opinion”) and April 2, 2013 (“2013 Audit Opinion”). The 2010 Audit Opinion certified

the write-off of \$53 billion Tax Deferred Assets, while the 2011 Audit Opinion certified the write-off of \$56 billion of Tax Deferred Assets.

67. By late 2011, it was clear that Fannie Mae would soon be returning to profitability—even under the punitive and incorrect accounting being applied by Fannie Mae and certified by Deloitte. Fannie Mae, FHFA, Treasury and Deloitte knew that they would no longer be able to pretend that Fannie Mae's Deferred Tax Assets—which had now grown to \$64 billion—were worthless. This was clear because the housing and mortgage markets had recovered so well that Fannie Mae was returning to its historical norm of generating massive profits and cash income.

68. Fannie Mae's return to profitability posed a significant problem for government regulators because it meant that Fannie Mae 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 Fannie Mae Stock.

69. Although the government regulators and Fannie Mae management knew that Fannie Mae would be returning to profitability, Fannie Mae management continued to pretend that Fannie Mae would never again be profitable and so wrote off as worthless \$64 billion of Deferred Tax Assets. Deloitte certified this false accounting in its 2012 Audit Opinion in gross violation of GAAP and the Auditing Standards, including SFAS 109 and AU 342. Deloitte knew or should have known that there was no basis in GAAP for Fannie Mae to continue to write off the value of its Deferred Tax Assets because it was more likely than not that Fannie Mae would again be profitable and so able to reap the value of those Deferred Tax Assets.

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

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

72. With all Fannie Mae's profits and the value of Fannie Mae Stock now supposedly flowing to Treasury, government regulators and Fannie Mae management no longer needed to pretend that Fannie Mae would never be profitable again. However, it would have looked particularly suspicious for Fannie Mae to report and Deloitte to certify the \$60 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 Fannie Mae reported and Deloitte certified in its 2013 Audit Opinion that Fannie Mae would never recover the value of this \$60 billion of assets.

73. Deloitte 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 Fannie Mae. However, Deloitte allowed Fannie Mae 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 Fannie Mae's stockholders, including Plaintiffs. Prior to 2012, Deloitte 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 Fannie Mae not only maintained the \$47 billion of capital held on June 30, 2008 but Fannie Mae actually increased it.

74. Fannie Mae and Deloitte waited until the first quarter of 2013 to drop the pretense that Fannie Mae would never again be profitable. On June 9, 2013, Fannie Mae reported that the Deferred Tax Assets were, in fact, worth about \$60 billion. With the Net Worth Sweep now in place, Treasury swept this \$60 billion of Fannie Mae's net worth into the U.S. Treasury. The timing of this \$60 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. For example, the United States Government's record-breaking \$53.2 billion surplus for the month of December 2013 resulted mostly from a \$39 billion Net Worth Sweep.

75. In certifying Fannie Mae's false accounting for Fannie Mae's Deferred Tax Assets in its 2009-2013 Audit Opinions, Deloitte violated GAAP and the Auditing Standards, including AU 342.

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

**Deloitte Certified False and Manipulated Loan Loss Reserves**



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

78. In particular, in the fourth quarter of 2008 Fannie Mae management abruptly increased its loan loss reserve eight-fold from \$3 billion to \$25 billion. This new supersized loan loss reserve reported by Fannie Mae's new management was not justified by GAAP and was instead intended to overstate losses at Fannie Mae. In fact, just a few months before Fannie Mae reported this startling \$25 billion figure, Deloitte had certified \$3 billion as an accurate estimate of what Fannie Mae stood to lose on its loan portfolio.

79. This increase in loan loss reserves made no sense because Fannie Mae—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 Fannie Mae 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, Fannie Mae would lose money on mortgages only if less than 80% of the value of the mortgage was recovered.

80. In light of this 20% buffer, Deloitte's certification of the \$3 billion loan loss reserves was entirely reasonable—even for a housing market under severe stress.

81. Fannie Mae's \$25 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. Deloitte'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 Deloitte had certified for other audit clients who were exposed to far greater risk in the mortgage market. In fact, Deloitte certified loan loss reserves at Fannie Mae 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.

82. Nonetheless, in its 2008 Audit Opinion, Deloitte falsely certified the \$25 billion loan loss reserve. Deloitte continued to certify loan loss reserves that failed to comply with GAAP in its audit opinions for the years 2009-2013. By doing so, Deloitte violated the Auditing Standards, including AU 342.

83. Fannie Mae incurred substantial accounting losses as a result of the loan loss provisions. These provisions, which Deloitte classified as immediate expenses of Fannie Mae, 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.

#### **Deloitte Falsely Certified Fannie Mae's Repurchase Rights**

84. Fannie Mae 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 Fannie Mae. This insured that Fannie Mae would not suffer losses on bad loans.

85. These repurchase or “put back” rights were worth more than \$40 billion to Fannie Mae and so presented a potential problem for the government regulators and

Fannie Mae management intent on overstating Fannie Mae losses. However, their solution was simple—they would ignore them.

86. By ignoring the value of Fannie Mae’s put back rights, Fannie Mae understated its assets and its net worth by more than \$40 billion for the years 2008-2013.

87. In its audit opinions for 2008-2013, Deloitte certified Fannie Mae’s false treatment of Fannie Mae’s put back rights in violation of GAAP and Auditing Standards.

**Deloitte Negligently Certified Fannie Mae’s Improper FAS 133 Treatment**

88. Deloitte further assisted FHFA and Fannie Mae in overstating losses by certifying Fannie Mae’s improper disregard of Financial Accounting Standard 133 (“FAS 133”).

89. FAS 133 required Fannie Mae to account accurately for the market value of its mortgage-backed securities and interest rate hedges on those securities. Fannie Mae 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.

90. Fannie Mae’s disregard of FAS 133 led its financial statements to be materially misstated, and Deloitte was negligent in certifying this violation of GAAP.

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

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

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

**Deloitte Failed to Require Fannie Mae to Restate its Financial Statements**

93. Deloitte was aware at least as early as its audit for the year 2012 that Fannie Mae's prior financial statements were materially misstated.

94. In light of Fannie Mae's materially false financial statements, Deloitte had two options under the Auditing Standards—either require Fannie Mae to restate those financial statements or withdraw its prior audit opinions. Deloitte did neither and so violated the Auditing Standards.

95. Had Deloitte complied with the Auditing Standards by either requiring restatement or withdrawing its prior audit opinions, Fannie Mae would have been able to exit the conservatorship and Plaintiffs would not have suffered their losses.

96. By manipulating its accounting for Deferred Tax Assets, loan loss reserves, and put back rights, government regulators and Fannie Mae management were able to report more than \$100 billion of phony losses at Fannie Mae. In reality, Fannie Mae had net cash income in every quarter from 2008 to the present. Even in the depth of the financial crisis in late 2008, Fannie Mae would have reported more than \$7 billion in net cash income had government regulators and Fannie Mae management not manipulated and Deloitte not certified Fannie Mae's balance sheet.

97. Fannie Mae's continued accounting manipulations through 2013—made possible only by Deloitte's annual certifications—constituted breaches of fiduciary duty

by Fannie Mae's officers and directors, FHFA and Treasury and led directly to the loss of the value of Fannie Mae Stock, including the stock held by Plaintiffs.

98. Had Deloitte 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, Fannie Mae would have been able to exit the conservatorship as required by law and Plaintiffs would not have suffered their losses.

99. Plaintiffs did not learn, and could not have learned, with the exercise of due diligence, of Deloitte's negligence in conducting its audits of Fannie Mae or the misrepresentations and omissions in the Deloitte Audit Opinions or of the substantial assistance Deloitte provided to Fannie Mae's directors and officers, FHFA and Treasury in their breach of fiduciary duties until Deloitte'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)**

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

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

102. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

103. Deloitte owed a duty to the stockholders of Fannie Mae, including Master Sgt. Anthony R. Edwards, USAF, Retired, and knew that its work was being relied on by the stockholders of Fannie Mae, including Master Sgt. Anthony R. Edwards, USAF, Retired. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae 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 Fannie Mae Stock.

104. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Master Sgt. Anthony R. Edwards, USAF, Retired.

105. Master Sgt. Anthony R. Edwards, USAF, Retired, justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

106. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Master Sgt. Anthony R. Edwards, USAF, Retired, and relied

upon by Fannie Mae stockholders, including Master Sgt. Anthony R. Edwards, USAF, Retired.

107. Deloitte 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 Deloitte Audit Reports.

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

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

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

111. As a direct and proximate result of his reliance upon Deloitte'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)

112. Master Sgt. Anthony R. Edwards, USAF, Retired, incorporates by reference and re-alleges paragraphs 1-99 and 101, as though fully set forth herein.

113. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Master Sgt. Anthony R. Edwards, USAF, Retired.

114. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Master Sgt. Anthony R. Edwards, USAF, Retired.

115. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial



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

116. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

117. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

118. As a direct result of these breaches of fiduciary duty and Deloitte'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)  
(Gator Capital Management, LLC)**

119. Gator Capital Management, LLC incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

121. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

123. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Gator Capital Management, LLC.

124. Gator Capital Management, LLC justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

125. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Gator Capital Management, LLC, and relied upon by Fannie Mae stockholders, including Gator Capital Management, LLC.

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

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

128. Deloitte further breached its duty to Gator Capital Management, LLC by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

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

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

**COUNT 4**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Gator Capital Management, LLC)**

131. Gator Capital Management, LLC incorporates by reference and re-alleges paragraphs 1-98 and 120, as though fully set forth herein.

132. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Gator Capital Management, LLC.

133. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Gator Capital Management, LLC.

134. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with

respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

135. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

136. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 5**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Perini Capital LLC)**

138. Perini Capital LLC incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

140. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

142. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Perini Capital LLC.

143. Perini Capital LLC justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

144. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Perini Capital LLC, and relied upon by Fannie Mae stockholders, including Perini Capital LLC.

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

146. Deloitte breached its duty by performing negligent audits and making at least the following untrue statements in its audit reports: (i) Fannie Mae's consolidated

financial statements presented fairly, in all material respects, the financial position of Fannie Mae and its subsidiaries in conformity with GAAP; (ii) Fannie Mae had a reasonable basis for making the statements contained in its Independent Auditors' Reports; (iii) Fannie Mae conducted its audits in accordance with the Auditing Standards; and (iv) the financial statements were free of material misstatements.

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

148. Perini Capital LLC justifiably relied upon Deloitte's negligent audit reports to their detriment.

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

**COUNT 6**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Perini Capital LLC)**

150. Perini Capital LLC incorporates by reference and re-alleges paragraphs 1-99 and 139, as though fully set forth herein.

151. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Perini Capital LLC.

152. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Perini Capital LLC.

153. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

154. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.



155. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 7**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Michael Pasternak)**

157. Michael Pasternak incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

158. Michael Pasternak is sui juris and a resident of Alachua County, Florida.

159. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Michael Pasternak, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

160. Deloitte owed a duty to the stockholders of Fannie Mae, including Michael Pasternak, and knew that its work was being relied on by the stockholders of

Fannie Mae, including Michael Pasternak. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Michael Pasternak, for the purposes of inducing Michael Pasternak to purchase and hold Fannie Mae Stock.

161. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Michael Pasternak.

162. Michael Pasternak justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

163. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Michael Pasternak, and relied upon by Fannie Mae stockholders, including Michael Pasternak.

164. Deloitte owed a duty to Michael Pasternak to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

166. Deloitte further breached its duty to Michael Pasternak by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered

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

167. Michael Pasternak justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 8**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Michael Pasternak)**

169. Michael Pasternak incorporates by reference and re-alleges paragraphs 1-99 and 158, as though fully set forth herein.

170. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Michael Pasternak.

171. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Michael Pasternak.

172. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

173. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

174. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

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

176. Allen Harden incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

178. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

180. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Allen Harden.

181. Allen Harden justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

182. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Allen Harden, and relied upon by Fannie Mae stockholders, including Allen Harden.

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

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

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

186. Allen Harden justifiably relied upon Deloitte's negligent audit reports to his detriment.

187. As a direct and proximate result of his reliance upon Deloitte'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)**

188. Allen Harden incorporates by reference and re-alleges paragraphs 1-99 and 177, as though fully set forth herein.

189. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Allen Harden.

190. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Allen Harden.

191. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial

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

192. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

193. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

194. As a direct result of these breaches of fiduciary duty and Deloitte'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)**  
**(Jim Humphries)**

195. Jim Humphries incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

196. Jim Humphries is sui juris and a resident of Lee County, Florida.

197. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Jim Humphries, and to perform those audits in conformance with the



Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

198. Deloitte owed a duty to the stockholders of Fannie Mae, including Jim Humphries, and knew that its work was being relied on by the stockholders of Fannie Mae, including Jim Humphries. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Jim Humphries, for the purposes of inducing Jim Humphries to purchase and hold Fannie Mae Stock.

199. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Jim Humphries.

200. Jim Humphries justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

201. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Jim Humphries, and relied upon by Fannie Mae stockholders, including Jim Humphries.

202. Deloitte owed a duty to Jim Humphries to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

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

204. Deloitte further breached its duty to Jim Humphries by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

205. Jim Humphries justifiably relied upon Deloitte's negligent audit reports to his detriment.

206. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, Jim Humphries incurred substantial losses in amounts to be proven at trial.

**COUNT 12**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Jim Humphries)**

207. Jim Humphries incorporates by reference and re-alleges paragraphs 1-99 and 196, as though fully set forth herein.

208. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Jim Humphries.

209. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Jim Humphries.

210. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

211. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

212. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

213. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Jim Humphries suffered substantial damages in amounts to be proven at trial.

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

214. Ed Bieryla incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

216. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

217. Deloitte owed a duty to the stockholders of Fannie Mae, including Ed Bieryla, and knew that its work was being relied on by the stockholders of Fannie Mae,

including Ed Bieryla. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Ed Bieryla, for the purposes of inducing Ed Bieryla to purchase and hold Fannie Mae Stock.

218. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Ed Bieryla.

219. Ed Bieryla justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

220. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Ed Bieryla, and relied upon by Fannie Mae stockholders, including Ed Bieryla.

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

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

223. Deloitte further breached its duty to Ed Bieryla by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii)

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

224. Ed Bieryla justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

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

226. Ed Bieryla incorporates by reference and re-alleges paragraphs 1-99 and 215, as though fully set forth herein.

227. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Ed Bieryla.

228. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Ed Bieryla.

229. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

230. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

231. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 15**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Doreen Bieryla)**

233. Doreen Bieryla incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

235. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

237. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Doreen Bieryla.

238. Doreen Bieryla justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.



239. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Doreen Bieryla, and relied upon by Fannie Mae stockholders, including Doreen Bieryla.

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

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

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

243. Doreen Bieryla justifiably relied upon Deloitte's negligent audit reports to her detriment.

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

**COUNT 16**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**

**(Doreen Bieryla)**

245. Doreen Bieryla incorporates by reference and re-alleges paragraphs 1-99 and 234, as though fully set forth herein.

246. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Doreen Bieryla.

247. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Doreen Bieryla.

248. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial

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

249. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

250. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 17**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Jay Huber)**

252. Jay Huber incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

253. Jay Huber is sui juris and a resident of Charlotte County, Florida.

254. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Jay Huber, and to perform those audits in conformance with the

Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

255. Deloitte owed a duty to the stockholders of Fannie Mae, including Jay Huber, and knew that its work was being relied on by the stockholders of Fannie Mae, including Jay Huber. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Jay Huber, for the purposes of inducing Jay Huber to purchase and hold Fannie Mae Stock.

256. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Jay Huber.

257. Jay Huber justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

258. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Jay Huber, and relied upon by Fannie Mae stockholders, including Jay Huber.

259. Deloitte owed a duty to Jay Huber to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

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

261. Deloitte further breached its duty to Jay Huber by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

262. Jay Huber justifiably relied upon Deloitte's negligent audit reports to his detriment.

263. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, Jay Huber incurred substantial losses in amounts to be proven at trial.

**COUNT 18**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Jay Huber)**

264. Jay Huber incorporates by reference and re-alleges paragraphs 1-99 and 253, as though fully set forth herein.

265. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Jay Huber.

266. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Jay Huber.

267. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

268. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

269. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

270. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Jay Huber suffered substantial damages in amounts to be proven at trial.

**COUNT 19**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Jorge Zapata)**

271. Jorge Zapata incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

273. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

274. Deloitte owed a duty to the stockholders of Fannie Mae, including Jorge Zapata, and knew that its work was being relied on by the stockholders of Fannie Mae,

including Jorge Zapata. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Jorge Zapata, for the purposes of inducing Jorge Zapata to purchase and hold Fannie Mae Stock.

275. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Jorge Zapata.

276. Jorge Zapata justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

277. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Jorge Zapata, and relied upon by Fannie Mae stockholders, including Jorge Zapata.

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

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

280. Deloitte further breached its duty to Jorge Zapata by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii)



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

281. Jorge Zapata justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 20**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Jorge Zapata)**

283. Jorge Zapata incorporates by reference and re-alleges paragraphs 1-99 and 272, as though fully set forth herein.

284. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Jorge Zapata.

285. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Jorge Zapata.

286. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

287. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

288. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 21**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Randy Webb)**

290. Randy Webb incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

291. Randy Webb is sui juris and a resident of Brevard County, Florida.

292. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Randy Webb, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

293. Deloitte owed a duty to the stockholders of Fannie Mae, including Randy Webb, and knew that its work was being relied on by the stockholders of Fannie Mae, including Randy Webb. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Randy Webb, for the purposes of inducing Randy Webb to purchase and hold Fannie Mae Stock.

294. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Randy Webb.

295. Randy Webb justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

296. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Randy Webb, and relied upon by Fannie Mae stockholders, including Randy Webb.

297. Deloitte owed a duty to Randy Webb to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

299. Deloitte further breached its duty to Randy Webb by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

300. Randy Webb justifiably relied upon Deloitte's negligent audit reports to his detriment.

301. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, Randy Webb incurred substantial losses in amounts to be proven at trial.

**COUNT 22**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**

**(Randy Webb)**

302. Randy Webb incorporates by reference and re-alleges paragraphs 1-99 and 291, as though fully set forth herein.

303. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Randy Webb.

304. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Randy Webb.

305. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial

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

306. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

307. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

308. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Randy Webb suffered substantial damages in amounts to be proven at trial.

**COUNT 23**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Kevin Jarvis)**

309. Kevin Jarvis incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

310. Kevin Jarvis is sui juris and a resident of Williamson County, Tennessee.

311. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Kevin Jarvis, and to perform those audits in conformance with the

Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

312. Deloitte owed a duty to the stockholders of Fannie Mae, including Kevin Jarvis, and knew that its work was being relied on by the stockholders of Fannie Mae, including Kevin Jarvis. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Kevin Jarvis, for the purposes of inducing Kevin Jarvis to purchase and hold Fannie Mae Stock.

313. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Kevin Jarvis.

314. Kevin Jarvis justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

315. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Kevin Jarvis, and relied upon by Fannie Mae stockholders, including Kevin Jarvis.

316. Deloitte owed a duty to Kevin Jarvis to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

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

318. Deloitte further breached its duty to Kevin Jarvis by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

319. Kevin Jarvis justifiably relied upon Deloitte's negligent audit reports to his detriment.

320. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, Kevin Jarvis incurred substantial losses in amounts to be proven at trial.

**COUNT 24**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Kevin Jarvis)**

321. Kevin Jarvis incorporates by reference and re-alleges paragraphs 1-99 and 310, as though fully set forth herein.

322. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Kevin Jarvis.

323. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Kevin Jarvis.

324. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

325. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

326. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

327. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Kevin Jarvis suffered substantial damages in amounts to be proven at trial.

**COUNT 25**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Catherine M. Jennings)**

328. Catherine M. Jennings incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

329. Catherine M. Jennings is sui juris and a resident of Davidson County, Tennessee.

330. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Catherine M. Jennings, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

331. Deloitte owed a duty to the stockholders of Fannie Mae, including Catherine M. Jennings, and knew that its work was being relied on by the stockholders of

Fannie Mae, including Catherine M. Jennings. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Catherine M. Jennings, for the purposes of inducing Catherine M. Jennings to purchase and hold Fannie Mae Stock.

332. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Catherine M. Jennings.

333. Catherine M. Jennings justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

334. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Catherine M. Jennings, and relied upon by Fannie Mae stockholders, including Catherine M. Jennings.

335. Deloitte owed a duty to Catherine M. Jennings to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

337. Deloitte further breached its duty to Catherine M. Jennings by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

338. Catherine M. Jennings justifiably relied upon Deloitte's negligent audit reports to her detriment.

339. As a direct and proximate result of her reliance upon Deloitte's negligent audits and resulting misrepresentations, Catherine M. Jennings incurred substantial losses in amounts to be proven at trial.

**COUNT 26**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Catherine M. Jennings)**

340. Catherine M. Jennings incorporates by reference and re-alleges paragraphs 1-99 and 329, as though fully set forth herein.

341. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Catherine M. Jennings.

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

control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Catherine M. Jennings.

343. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

344. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

345. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

346. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Catherine M. Jennings suffered substantial damages in amounts to be proven at trial.

**COUNT 27**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(James and Sylvia Miller)**

347. James and Sylvia Miller incorporate by reference and re-allege paragraphs 1-99, as though fully set forth herein.

348. James and Sylvia Miller are sui juris and residents of Williamson County, Tennessee.

349. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including James and Sylvia Miller, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

350. Deloitte owed a duty to the stockholders of Fannie Mae, including James and Sylvia Miller, and knew that its work was being relied on by the stockholders of Fannie Mae, including James and Sylvia Miller. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including James and Sylvia Miller, for the purposes of inducing James and Sylvia Miller to purchase and hold Fannie Mae Stock.

351. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to James and Sylvia Miller.

352. James and Sylvia Miller justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

353. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including James and Sylvia Miller, and relied upon by Fannie Mae stockholders, including James and Sylvia Miller.

354. Deloitte owed a duty to James and Sylvia Miller to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

356. Deloitte further breached its duty to James and Sylvia Miller by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

357. James and Sylvia Miller justifiably relied upon Deloitte's negligent audit reports to their detriment.

358. As a direct and proximate result of their reliance upon Deloitte's negligent audits and resulting misrepresentations, James and Sylvia Miller incurred substantial losses in amounts to be proven at trial.

**COUNT 28**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(James and Sylvia Miller)**

359. James and Sylvia Miller incorporate by reference and re-allege paragraphs 1-99 and 348, as though fully set forth herein.

360. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including James and Sylvia Miller.

361. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including James and Sylvia Miller.



362. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

363. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

364. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

365. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, James and Sylvia Miller suffered substantial damages in amounts to be proven at trial.

**COUNT 29**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(William Milton Jr.)**

366. William Milton Jr. incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

367. William Milton Jr. is sui juris and a resident of Williamson County, Tennessee.

368. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including William Milton Jr., and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

369. Deloitte owed a duty to the stockholders of Fannie Mae, including William Milton Jr., and knew that its work was being relied on by the stockholders of Fannie Mae, including William Milton Jr. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including William Milton Jr., for the purposes of inducing William Milton Jr. to purchase and hold Fannie Mae Stock.

370. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to William Milton Jr.

371. William Milton Jr. justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

372. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including William Milton Jr., and relied upon by Fannie Mae stockholders, including William Milton Jr.

373. Deloitte owed a duty to William Milton Jr. to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

375. Deloitte further breached its duty to William Milton Jr. by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

376. William Milton Jr. justifiably relied upon Deloitte's negligent audit reports to his detriment.

377. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, William Milton Jr. incurred substantial losses in amounts to be proven at trial.

**COUNT 30**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**

**(William Milton Jr.)**

378. William Milton Jr. incorporates by reference and re-alleges paragraphs 1-99 and 367, as though fully set forth herein.

379. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including William Milton Jr..

380. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including William Milton Jr.

381. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial

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

382. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

383. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

384. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, William Milton Jr. suffered substantial damages in amounts to be proven at trial.

**COUNT 31**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Carl R. Roberts)**

385. Carl R. Roberts incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

386. Carl R. Roberts is sui juris and a resident of Williamson County, Tennessee.

387. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Carl R. Roberts, and to perform those audits in conformance with the

Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

388. Deloitte owed a duty to the stockholders of Fannie Mae, including Carl R. Roberts, and knew that its work was being relied on by the stockholders of Fannie Mae, including Carl R. Roberts. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Carl R. Roberts, for the purposes of inducing Carl R. Roberts to purchase and hold Fannie Mae Stock.

389. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Carl R. Roberts.

390. Carl R. Roberts justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

391. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Carl R. Roberts, and relied upon by Fannie Mae stockholders, including Carl R. Roberts.

392. Deloitte owed a duty to Carl R. Roberts to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

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

394. Deloitte further breached its duty to Carl R. Roberts by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

395. Carl R. Roberts justifiably relied upon Deloitte's negligent audit reports to his detriment.

396. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, Carl R. Roberts incurred substantial losses in amounts to be proven at trial.

**COUNT 32**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Carl R. Roberts)**

397. Carl R. Roberts incorporates by reference and re-alleges paragraphs 1-99 and 386, as though fully set forth herein.

398. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Carl R. Roberts.

399. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Carl R. Roberts.

400. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

401. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.



402. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

403. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Carl R. Roberts suffered substantial damages in amounts to be proven at trial.

**COUNT 33**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Louise Strang)**

404. Louise Strang incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

406. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

407. Deloitte owed a duty to the stockholders of Fannie Mae, including Louise Strang, and knew that its work was being relied on by the stockholders of Fannie Mae, including Louise Strang. Specifically, Deloitte was aware and intended that Fannie

Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Louise Strang, for the purposes of inducing Louise Strang to purchase and hold Fannie Mae Stock.

408. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Louise Strang.

409. Louise Strang justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

410. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Louise Strang, and relied upon by Fannie Mae stockholders, including Louise Strang.

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

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

413. Deloitte further breached its duty to Louise Strang by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii)

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

414. Louise Strang justifiably relied upon Deloitte's negligent audit reports to her detriment.

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

**COUNT 34**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Louise Strang)**

416. Louise Strang incorporates by reference and re-alleges paragraphs 1-99 and 405, as though fully set forth herein.

417. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Louise Strang.

418. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Louise Strang.

419. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

420. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

421. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 35**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Johnna B. Watson)**

423. Johnna B. Watson incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

425. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

427. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Johnna B. Watson.

428. Johnna B. Watson justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

429. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Johnna B. Watson, and relied upon by Fannie Mae stockholders, including Johnna B. Watson.

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

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

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

433. Johnna B. Watson justifiably relied upon Deloitte's negligent audit reports to her detriment.

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

**COUNT 36**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Johnna B. Watson)**

435. Johnna B. Watson incorporates by reference and re-alleges paragraphs 1-99 and 424, as though fully set forth herein.

436. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Johnna B. Watson.

437. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Johnna B. Watson.

438. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's

common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

439. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

440. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 37**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Ray B. O'Steen)**

442. Ray B. O'Steen incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

443. Ray B. O'Steen is sui juris and a resident of Williamson County, Tennessee.



444. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Ray B. O'Steen, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

445. Deloitte owed a duty to the stockholders of Fannie Mae, including Ray B. O'Steen, and knew that its work was being relied on by the stockholders of Fannie Mae, including Ray B. O'Steen. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Ray B. O'Steen, for the purposes of inducing Ray B. O'Steen to purchase and hold Fannie Mae Stock.

446. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Ray B. O'Steen.

447. Ray B. O'Steen justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

448. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Ray B. O'Steen, and relied upon by Fannie Mae stockholders, including Ray B. O'Steen.

449. Deloitte owed a duty to Ray B. O'Steen to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

451. Deloitte further breached its duty to Ray B. O'Steen by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

452. Ray B. O'Steen justifiably relied upon Deloitte's negligent audit reports to his detriment.

453. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, Ray B. O'Steen incurred substantial losses in amounts to be proven at trial.

**COUNT 38**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Ray B. O'Steen)**

454. Ray B. O'Steen incorporates by reference and re-alleges paragraphs 1-99 and 443, as though fully set forth herein.

455. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Ray B. O’Steen.

456. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Ray B. O’Steen.

457. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae’s common stock, as well as Treasury’s control of the provision of funds to Fannie Mae, Treasury’s consent rights over Fannie Mae 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 Fannie Mae’s financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to

Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

458. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

459. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

460. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Ray B. O'Steen suffered substantial damages in amounts to be proven at trial.

**COUNT 39**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Melody Sullivan)**

461. Melody Sullivan incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

463. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte

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

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

465. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Melody Sullivan.

466. Melody Sullivan justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

467. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Melody Sullivan, and relied upon by Fannie Mae stockholders, including Melody Sullivan.

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

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

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

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

471. Melody Sullivan justifiably relied upon Deloitte's negligent audit reports to her detriment.

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

**COUNT 40**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Melody Sullivan)**

473. Melody Sullivan incorporates by reference and re-alleges paragraphs 1-99 and 462, as though fully set forth herein.

474. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Melody Sullivan.

475. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Melody Sullivan.

476. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

477. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

478. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 41**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Amit Choksi)**

480. Amit Choksi incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

482. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

483. Deloitte owed a duty to the stockholders of Fannie Mae, including Amit Choksi, and knew that its work was being relied on by the stockholders of Fannie Mae, including Amit Choksi. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be



furnished to Fannie Mae stockholders, including Amit Choksi, for the purposes of inducing Amit Choksi to purchase and hold Fannie Mae Stock.

484. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Amit Choksi.

485. Amit Choksi justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

486. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Amit Choksi, and relied upon by Fannie Mae stockholders, including Amit Choksi.

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

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

489. Deloitte further breached its duty to Amit Choksi by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

490. Amit Choksi justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 42**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Amit Choksi)**

492. Amit Choksi incorporates by reference and re-alleges paragraphs 1-99 and 481, as though fully set forth herein.

493. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Amit Choksi.

494. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Amit Choksi.

495. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

496. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

497. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 43**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Joseph K. Dughman)**

499. Joseph K. Dughman incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

500. Joseph K. Dughman is sui juris and a resident of Davidson County, Tennessee.

501. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Joseph K. Dughman, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

502. Deloitte owed a duty to the stockholders of Fannie Mae, including Joseph K. Dughman, and knew that its work was being relied on by the stockholders of Fannie Mae, including Joseph K. Dughman. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Joseph K. Dughman, for the purposes of inducing Joseph K. Dughman to purchase and hold Fannie Mae Stock.

503. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Joseph K. Dughman.

504. Joseph K. Dughman justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

505. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Joseph K. Dughman, and relied upon by Fannie Mae stockholders, including Joseph K. Dughman.

506. Deloitte owed a duty to Joseph K. Dughman to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

508. Deloitte further breached its duty to Joseph K. Dughman by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

509. Joseph K. Dughman justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 44**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**

**(Joseph K. Dughman)**

511. Joseph K. Dughman incorporates by reference and re-alleges paragraphs 1-99 and 500, as though fully set forth herein.

512. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Joseph K. Dughman.

513. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Joseph K. Dughman.

514. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial

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

515. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

516. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

517. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Joseph K. Dughman suffered substantial damages in amounts to be proven at trial.

**COUNT 45**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Phil Miller)**

518. Phil Miller incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

520. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

522. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Phil Miller.

523. Phil Miller justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

524. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Phil Miller, and relied upon by Fannie Mae stockholders, including Phil Miller.

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

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



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

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

528. Phil Miller justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 46**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Phil Miller)**

530. Phil Miller incorporates by reference and re-alleges paragraphs 1-99 and 519, as though fully set forth herein.

531. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Phil Miller.

532. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Phil Miller.

533. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

534. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

535. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 47**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Jean Mac Ball)**

537. Jean Mac Ball incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

538. Jean Mac Ball is sui juris and a resident of Maury County, Tennessee.

539. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Jean Mac Ball, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

540. Deloitte owed a duty to the stockholders of Fannie Mae, including Jean Mac Ball, and knew that its work was being relied on by the stockholders of Fannie Mae, including Jean Mac Ball. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would

be furnished to Fannie Mae stockholders, including Jean Mac Ball, for the purposes of inducing Jean Mac Ball to purchase and hold Fannie Mae Stock.

541. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Jean Mac Ball.

542. Jean Mac Ball justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

543. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Jean Mac Ball, and relied upon by Fannie Mae stockholders, including Jean Mac Ball.

544. Deloitte owed a duty to Jean Mac Ball to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

546. Deloitte further breached its duty to Jean Mac Ball by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

547. Jean Mac Ball justifiably relied upon Deloitte's negligent audit reports to her detriment.

548. As a direct and proximate result of her reliance upon Deloitte's negligent audits and resulting misrepresentations, Jean Mac Ball incurred substantial losses in amounts to be proven at trial.

**COUNT 48**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Jean Mac Ball)**

549. Jean Mac Ball incorporates by reference and re-alleges paragraphs 1-99 and 538, as though fully set forth herein.

550. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Jean Mac Ball.

551. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Jean Mac Ball.

552. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

553. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

554. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

555. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Jean Mac Ball suffered substantial damages in amounts to be proven at trial.

**COUNT 49**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Don R. Cameron III)**

556. Don R. Cameron III incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

557. Don R. Cameron III is sui juris and a resident of Williamson County, Tennessee.

558. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Don R. Cameron III, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

559. Deloitte owed a duty to the stockholders of Fannie Mae, including Don R. Cameron III, and knew that its work was being relied on by the stockholders of Fannie Mae, including Don R. Cameron III. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Don R. Cameron III, for the purposes of inducing Don R. Cameron III to purchase and hold Fannie Mae Stock.

560. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Don R. Cameron III.

561. Don R. Cameron III justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

562. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Don R. Cameron III, and relied upon by Fannie Mae stockholders, including Don R. Cameron III.

563. Deloitte owed a duty to Don R. Cameron III to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

565. Deloitte further breached its duty to Don R. Cameron III by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

566. Don R. Cameron III justifiably relied upon Deloitte's negligent audit reports to his detriment.

567. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, Don R. Cameron III incurred substantial losses in amounts to be proven at trial.

**COUNT 50**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**



**(Don R. Cameron III)**

568. Don R. Cameron III incorporates by reference and re-alleges paragraphs 1-99 and 557, as though fully set forth herein.

569. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Don R. Cameron III.

570. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Don R. Cameron III.

571. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial

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

572. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

573. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

574. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Don R. Cameron III suffered substantial damages in amounts to be proven at trial.

**COUNT 51**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(James Ferguson)**

575. James Ferguson incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

577. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

579. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to James Ferguson.

580. James Ferguson justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

581. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including James Ferguson, and relied upon by Fannie Mae stockholders, including James Ferguson.

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

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

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

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

585. James Ferguson justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 52**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(James Ferguson)**

587. James Ferguson incorporates by reference and re-alleges paragraphs 1-99 and 576, as though fully set forth herein.

588. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including James Ferguson.

589. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including James Ferguson.

590. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

591. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

592. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 53**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Gordon Inman)**

594. Gordon Inman incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

596. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

597. Deloitte owed a duty to the stockholders of Fannie Mae, including Gordon Inman, and knew that its work was being relied on by the stockholders of Fannie Mae,

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

598. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Gordon Inman.

599. Gordon Inman justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

600. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Gordon Inman, and relied upon by Fannie Mae stockholders, including Gordon Inman.

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

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

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

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

604. Gordon Inman justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 54**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Gordon Inman)**

606. Gordon Inman incorporates by reference and re-alleges paragraphs 1-99 and 595, as though fully set forth herein.

607. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Gordon Inman.

608. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Gordon Inman.

609. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

610. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

611. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 55**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Shaun Inman)**

613. Shaun Inman incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

615. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

617. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Shaun Inman.

618. Shaun Inman justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

619. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Shaun Inman, and relied upon by Fannie Mae stockholders, including Shaun Inman.

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

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

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

623. Shaun Inman justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 56**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**

**(Shaun Inman)**

625. Shaun Inman incorporates by reference and re-alleges paragraphs 1-99 and 614, as though fully set forth herein.

626. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Shaun Inman.

627. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Shaun Inman.

628. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial

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

629. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

630. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 57**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Jerry W. Sharber)**

632. Jerry W. Sharber incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

633. Jerry W. Sharber is sui juris and a resident of Williamson County, Tennessee.

634. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Jerry W. Sharber, and to perform those audits in conformance with the

Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

635. Deloitte owed a duty to the stockholders of Fannie Mae, including Jerry W. Sharber, and knew that its work was being relied on by the stockholders of Fannie Mae, including Jerry W. Sharber. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Jerry W. Sharber, for the purposes of inducing Jerry W. Sharber to purchase and hold Fannie Mae Stock.

636. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Jerry W. Sharber.

637. Jerry W. Sharber justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

638. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Jerry W. Sharber, and relied upon by Fannie Mae stockholders, including Jerry W. Sharber.

639. Deloitte owed a duty to Jerry W. Sharber to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

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

641. Deloitte further breached its duty to Jerry W. Sharber by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

642. Jerry W. Sharber justifiably relied upon Deloitte's negligent audit reports to his detriment.

643. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, Jerry W. Sharber incurred substantial losses in amounts to be proven at trial.

**COUNT 58**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Jerry W. Sharber)**

644. Jerry W. Sharber incorporates by reference and re-alleges paragraphs 1-99 and 633, as though fully set forth herein.

645. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Jerry W. Sharber.

646. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Jerry W. Sharber.

647. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

648. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.



649. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

650. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Jerry W. Sharber suffered substantial damages in amounts to be proven at trial.

**COUNT 59**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Jay Winer)**

651. Jay Winer incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

652. Jay Winer is sui juris and a resident of Buncombe County, North Carolina.

653. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Jay Winer, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

654. Deloitte owed a duty to the stockholders of Fannie Mae, including Jay Winer, and knew that its work was being relied on by the stockholders of Fannie Mae, including Jay Winer. Specifically, Deloitte was aware and intended that Fannie Mae's

financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Jay Winer, for the purposes of inducing Jay Winer to purchase and hold Fannie Mae Stock.

655. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Jay Winer.

656. Jay Winer justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

657. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Jay Winer, and relied upon by Fannie Mae stockholders, including Jay Winer.

658. Deloitte owed a duty to Jay Winer to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

660. Deloitte further breached its duty to Jay Winer by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii)

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

661. Jay Winer justifiably relied upon Deloitte's negligent audit reports to his detriment.

662. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, Jay Winer incurred substantial losses in amounts to be proven at trial.

**COUNT 60**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Jay Winer)**

663. Jay Winer incorporates by reference and re-alleges paragraphs 1-99 and 652, as though fully set forth herein.

664. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Jay Winer.

665. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Jay Winer.

666. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

667. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

668. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

669. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Jay Winer suffered substantial damages in amounts to be proven at trial.

**COUNT 61**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Michael Carmody)**

670. Michael Carmody incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

672. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

674. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Michael Carmody.

675. Michael Carmody justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

676. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Michael Carmody, and relied upon by Fannie Mae stockholders, including Michael Carmody.

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

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

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

680. Michael Carmody justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 62**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Michael Carmody)**

682. Michael Carmody incorporates by reference and re-alleges paragraphs 1-99 and 671, as though fully set forth herein.

683. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Michael Carmody.

684. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Michael Carmody.

685. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's

common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

686. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

687. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 63**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Matt Hill)**

689. Matt Hill incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

691. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for



Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

692. Deloitte owed a duty to the stockholders of Fannie Mae, including Matt Hill, and knew that its work was being relied on by the stockholders of Fannie Mae, including Matt Hill. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Matt Hill, for the purposes of inducing Matt Hill to purchase and hold Fannie Mae Stock.

693. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Matt Hill.

694. Matt Hill justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

695. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Matt Hill, and relied upon by Fannie Mae stockholders, including Matt Hill.

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

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

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

699. Matt Hill justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 64**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Matt Hill)**

701. Matt Hill incorporates by reference and re-alleges paragraphs 1-99 and 690, as though fully set forth herein.

702. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Matt Hill.

703. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Matt Hill.

704. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

705. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

706. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 65**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Joseph Waske)**

708. Joseph Waske incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

710. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

712. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Joseph Waske.

713. Joseph Waske justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

714. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Joseph Waske, and relied upon by Fannie Mae stockholders, including Joseph Waske.

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

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

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

718. Joseph Waske justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 66**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Joseph Waske)**

720. Joseph Waske incorporates by reference and re-alleges paragraphs 1-99 and 709, as though fully set forth herein.

721. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Joseph Waske.

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

control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Joseph Waske.

723. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

724. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

725. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 67**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Maryam Moinfar)**

727. Maryam Moinfar incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

729. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

731. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Maryam Moinfar.



732. Maryam Moinfar justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

733. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Maryam Moinfar, and relied upon by Fannie Mae stockholders, including Maryam Moinfar.

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

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

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

737. Maryam Moinfar justifiably relied upon Deloitte's negligent audit reports to her detriment.

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

**COUNT 68**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Maryam Moinfar)**

739. Maryam Moinfar incorporates by reference and re-alleges paragraphs 1-99 and 728, as though fully set forth herein.

740. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Maryam Moinfar.

741. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Maryam Moinfar.

742. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's

common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

743. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

744. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 69**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Jeffrey Langberg)**

746. Jeffrey Langberg incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

747. Jeffrey Langberg is sui juris and a resident of New York County, New York.

748. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Jeffrey Langberg, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

749. Deloitte owed a duty to the stockholders of Fannie Mae, including Jeffrey Langberg, and knew that its work was being relied on by the stockholders of Fannie Mae, including Jeffrey Langberg. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Jeffrey Langberg, for the purposes of inducing Jeffrey Langberg to purchase and hold Fannie Mae Stock.

750. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Jeffrey Langberg.

751. Jeffrey Langberg justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

752. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Jeffrey Langberg, and relied upon by Fannie Mae stockholders, including Jeffrey Langberg.

753. Deloitte owed a duty to Jeffrey Langberg to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

755. Deloitte further breached its duty to Jeffrey Langberg by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

756. Jeffrey Langberg justifiably relied upon Deloitte's negligent audit reports to his detriment.

757. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, Jeffrey Langberg incurred substantial losses in amounts to be proven at trial.

**COUNT 70**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Jeffrey Langberg)**

758. Jeffrey Langberg incorporates by reference and re-alleges paragraphs 1-99 and 747, as though fully set forth herein.

759. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Jeffrey Langberg.

760. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Jeffrey Langberg.

761. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to

Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

762. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

763. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

764. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Jeffrey Langberg suffered substantial damages in amounts to be proven at trial.

**COUNT 71**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Barry West)**

765. Barry West incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

766. Barry West is sui juris and a resident of New York County, New York.

767. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Barry West, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte

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

768. Deloitte owed a duty to the stockholders of Fannie Mae, including Barry West, and knew that its work was being relied on by the stockholders of Fannie Mae, including Barry West. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Barry West, for the purposes of inducing Barry West to purchase and hold Fannie Mae Stock.

769. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Barry West.

770. Barry West justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

771. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Barry West, and relied upon by Fannie Mae stockholders, including Barry West.

772. Deloitte owed a duty to Barry West to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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



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

774. Deloitte further breached its duty to Barry West by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

775. Barry West justifiably relied upon Deloitte's negligent audit reports to his detriment.

776. As a direct and proximate result of his reliance upon Deloitte's negligent audits and resulting misrepresentations, Barry West incurred substantial losses in amounts to be proven at trial.

**COUNT 72**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Barry West)**

777. Barry West incorporates by reference and re-alleges paragraphs 1-99 and 766, as though fully set forth herein.

778. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Barry West.

779. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Barry West.

780. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

781. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

782. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

783. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Barry West suffered substantial damages in amounts to be proven at trial.

**COUNT 73**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Wayne Olsen)**

784. Wayne Olsen incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

785. Wayne Olsen is sui juris and a resident of Cumberland County, Maine.

786. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Wayne Olsen, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

787. Deloitte owed a duty to the stockholders of Fannie Mae, including Wayne Olsen, and knew that its work was being relied on by the stockholders of Fannie Mae, including Wayne Olsen. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be

furnished to Fannie Mae stockholders, including Wayne Olsen, for the purposes of inducing Wayne Olsen to purchase and hold Fannie Mae Stock.

788. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Wayne Olsen.

789. Wayne Olsen justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

790. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Wayne Olsen, and relied upon by Fannie Mae stockholders, including Wayne Olsen.

791. Deloitte owed a duty to Wayne Olsen to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

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

794. Wayne Olsen justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 74**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Wayne Olsen)**

796. Wayne Olsen incorporates by reference and re-alleges paragraphs 1-99 and 785, as though fully set forth herein.

797. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Wayne Olsen.

798. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Wayne Olsen.

799. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

800. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

801. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 75**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Rich Kivela)**

803. Rich Kivela incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

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

805. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae 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 Deloitte'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. Deloitte specifically committed to plan and perform its audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

807. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Rich Kivela.

808. Rich Kivela justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

809. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Rich Kivela, and relied upon by Fannie Mae stockholders, including Rich Kivela.

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

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

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

813. Rich Kivela justifiably relied upon Deloitte's negligent audit reports to his detriment.

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

**COUNT 76**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Rich Kivela)**

815. Rich Kivela incorporates by reference and re-alleges paragraphs 1-99 and 804, as though fully set forth herein.



816. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Rich Kivela.

817. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Rich Kivela.

818. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to

Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

819. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

820. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

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

**COUNT 77**  
**NEGLIGENT MISREPRESENTATION**  
**(RESTATEMENT (2d) OF TORTS SECTION 552)**  
**(Constance Lameier)**

822. Constance Lameier incorporates by reference and re-alleges paragraphs 1-99, as though fully set forth herein.

823. Constance Lameier is sui juris and a resident of Williamson County, Tennessee.

824. Deloitte is the certified public accountant firm that audited the consolidated financial statements of Fannie Mae and performed accounting services for Fannie Mae. By agreement and as professional accountants, Deloitte's express purpose was to audit the consolidated financial statements for Fannie Mae for the benefit of the public, including Constance Lameier, and to perform those audits in conformance with the Auditing Standards, the professional standards set forth in Deloitte'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.

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

825. Deloitte owed a duty to the stockholders of Fannie Mae, Constance Lameier, and knew that its work was being relied on by the stockholders of Fannie Mae, including Constance Lameier. Specifically, Deloitte was aware and intended that Fannie Mae's financial statements and its audit reports provided in connection therewith would be furnished to Fannie Mae stockholders, including Constance Lameier, for the purposes of inducing Constance Lameier to purchase and hold Fannie Mae Stock.

826. Consistent with Deloitte's understanding, Deloitte's audited financial reports for Fannie Mae for the audit years 2007-2014 were provided to Constance Lameier.

827. Constance Lameier justifiably relied upon the Deloitte Audit Reports in purchasing or holding Fannie Mae Stock.

828. Deloitte knew and intended that its audits would be furnished to Fannie Mae stockholders, including Constance Lameier, and relied upon by Fannie Mae stockholders, including Constance Lameier.

829. Deloitte owed a duty to Constance Lameier to exercise reasonable care and competence in making the statements set forth in the Deloitte Audit Reports.

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

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

831. Deloitte further breached its duty to Constance Lameier by failing to disclose at least the following material facts: (i) Fannie Mae Stock had been rendered worthless by actions taken by Treasury, FHFA and directors and officers of Fannie Mae; and (ii) Fannie Mae ceased to be a going concern by virtue of the actions taken by Treasury, FHFA and directors and officers of Fannie Mae.

832. Constance Lameier justifiably relied upon Deloitte's negligent audit reports to her detriment.

833. As a direct and proximate result of her reliance upon Deloitte's negligent audits and resulting misrepresentations, Constance Lameier incurred substantial losses in amounts to be proven at trial.

**COUNT 78**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Constance Lameier)**

834. Constance Lameier incorporates by reference and re-alleges paragraphs 1-99 and 823, as though fully set forth herein.

835. The directors and officers of Fannie Mae owed fiduciary duties of due care and loyalty to the stockholders of Fannie Mae, including to manage Fannie Mae 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 Fannie Mae, including Constance Lameier.

836. By imposing a conservatorship over Fannie Mae, through which FHFA assumed the powers of its officers and directors, FHFA assumed fiduciary duties of due care and loyalty to Fannie Mae, and was and is required to use its utmost ability to control and manage Fannie Mae in a fair, just, honest, and equitable manner. FHFA was and is required to act in furtherance of the best interests of Fannie Mae 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 Fannie Mae, including Constance Lameier.

837. Treasury, as an investor exercises de facto control over Fannie Mae, including through its Senior Preferred Stock and warrants to purchase Fannie Mae's common stock, as well as Treasury's control of the provision of funds to Fannie Mae, Treasury's consent rights over Fannie Mae 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 Fannie Mae's financial condition and operations, Treasury was in a position to, and did, direct FHFA with respect to determinations affecting Fannie Mae and their stockholders. As controlling stockholder of Fannie Mae, Treasury owed fiduciary duties of due care and loyalty to Fannie Mae. For the reasons described herein, Treasury has breached those fiduciary duties.

838. Deloitte had knowledge of the breaches by FHFA, Treasury and the directors and officers of Fannie Mae.

839. Deloitte provided substantial assistance or encouragement of the wrongdoing by Treasury, FHFA and the directors and officers of Fannie Mae.

840. As a direct result of these breaches of fiduciary duty and Deloitte's conduct in substantial assistance, Constance Lameier 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: February 29, 2016

Respectfully submitted,

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