

**BEFORE THE UNITED STATES
JUDICIAL PANEL ON MULTIDISTRICT LITIGATION**

IN RE: FEDERAL HOUSING FINANCE
AGENCY, *ET AL.*, PREFERRED STOCK
PURCHASE AGREEMENTS THIRD
AMENDMENT LITIGATION

MDL Docket No. 2713

NOTICE OF RELATED ACTIONS

In accordance with Rule 7.1(a) of the Rules of Procedure for the United States Judicial Panel on Multidistrict Litigation, the Federal Housing Finance Agency (“FHFA”), as Conservator for the Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac”), respectfully notifies the Panel of the following related actions in federal district courts.

Related Actions

Edwards v. Deloitte & Touche, LLP
No. 1:16-cv-21221
Southern District of Florida
Honorable Robert N. Scola, Jr.

Edwards v. PricewaterhouseCoopers, LLP
No. 1:16-cv-21224
Southern District of Florida
Honorable Federico A. Moreno

A Schedule of Actions is filed with this notice.

In *Edwards v. Deloitte & Touche, LLP* (the “Fannie Mae Case”), the plaintiffs are shareholders of Fannie Mae. The defendant is a certified public accounting firm that audited financial statements of Fannie Mae during conservatorship. The notice removing this case to

federal court is attached as Exhibit 1 (without the exhibits thereto). The docket sheet and Complaint are filed with this notice. In *Edwards v. PricewaterhouseCoopers, LLP* (the “Freddie Mac Case”), the plaintiffs are shareholders of Freddie Mac. The defendant is a certified public accounting firm that audited financial statements of Freddie Mac during conservatorship. The notice removing this case to federal court is attached as Exhibit 2 (without the exhibits thereto). The docket sheet and Complaint are filed with this notice.

In these actions, the plaintiffs allege negligent misrepresentation and aiding and abetting breach of fiduciary duty to plaintiffs. Specifically, plaintiffs allege that the accounting firms “violated auditing and accounting standards and aided and abetted Freddie Mac’s [and Fannie Mae’s] directors and officers, FHFA and Treasury in violating their fiduciary duties.” Freddie Mac Case Compl. ¶¶ 7, 43; Fannie Mae Case Compl. ¶¶ 9, 43. FHFA previously alerted the Panel to these cases in its original motion to transfer. *See* Memorandum of Law in Support of Federal Housing Finance Agency’s Motion to Transfer for Consolidated or Coordinated Pretrial Proceedings Under 28 U.S.C. § 1407, at 3 n.1 (filed Mar. 15, 2016), ECF No. 1-1.

These actions present common facts and the same threshold legal issue as do the four related cases that formed the basis for FHFA’s original motion to transfer. All of the complaints arise out of and relate to facts that ultimately constitute a shareholder attack on the Third Amendment. Freddie Mac Case Compl. ¶ 37 (“The [Third Amendment] offered no benefits whatsoever to Freddie Mac or Plaintiffs. Rather, it was an egregiously unfair, self-dealing transaction, the benefits of which flowed entirely to Treasury . . . and indirectly to FHFA”); Fannie Mae Case Compl. ¶ 37 (same). In addition, in all of these cases, the court must resolve a threshold legal question of whether shareholders of Freddie Mac and Fannie Mae have standing to bring these actions in light of HERA’s statutory mandate that the Conservator has succeeded

to “all rights, titles, powers, and privileges” of Fannie Mae’s and Freddie Mac’s shareholders.
12 U. S.C. § 4617(b)(2)(A)(i).

Although these actions are against the auditors of Freddie Mac and Fannie Mae, they focus on the same events and the same actors as the related cases—the Third Amendment, FHFA, Treasury, Fannie Mae, and Freddie Mac. *See In re Enron Corp. Sec., Derivative & “ERISA” Litig.*, 227 F. Supp. 2d 1389, 1392 (J.P.M.L. 2002) (transferring shareholder claims against a corporation with shareholder claims against the accounting firm). To the extent these cases present unique factual issues, “[t]he transferee judge, of course, has the authority to group the pretrial proceedings on different discovery tracks according to the common factual issues or according to each defendant if necessary [such that] no party need participate in pretrial proceedings unrelated to that party's interests.” *In re Multi-Piece Rim Prods. Liab. Litig.*, 464 F. Supp. 969, 974 (J.P.M.L. 1979). As such, these cases present common factual and legal issues that warrant transfer.

Accordingly, FHFA respectfully requests that the Panel coordinate or consolidate these cases with MDL No. 2713 and transfer the cases to the U.S. District Court for the District of Columbia.

Dated: April 7, 2016

Respectfully submitted,

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