
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

For Immediate Release
February 27, 2014

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FHFA Announces \$122 Million Settlement With Société Générale

Washington, DC – The Federal Housing Finance Agency (FHFA), as conservator of Fannie Mae and Freddie Mac, today announced it has reached a settlement with Société Générale, related companies and specifically named individuals for \$122 million. The settlement resolves claims in the lawsuit *FHFA v. Société Générale, et al* alleging violations of federal and state securities laws in connection with private-label mortgage-backed securities (PLS) purchased by Fannie Mae and Freddie Mac during 2006.

Under the terms of the agreement, Société Générale will pay roughly half of the settlement monies to Fannie Mae and half to Freddie Mac and certain claims against Société Générale related to the securities involved will be released. This is the eighth settlement FHFA has announced in relation to the 18 PLS lawsuits the agency filed in 2011. FHFA remains committed to satisfactory resolution of the remaining actions.

(Settlement Agreement follows)

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.5 trillion in funding for the U.S. mortgage markets and financial institutions.

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (the "Agreement") is entered into as of February 26, 2014, by and between (i) the Federal Housing Finance Agency ("FHFA" or "Plaintiff"), as Conservator of the Federal Home Loan Mortgage Corporation ("Freddie Mac") and the Federal National Mortgage Association ("Fannie Mae," and, together with Freddie Mac, "the GSEs"), Freddie Mac, and Fannie Mae, on the one hand, and (ii) SG Americas, Inc., SG Americas Securities Holdings, LLC, SG Americas Securities, LLC, SG Mortgage Finance Corp., SG Mortgage Securities, LLC, Arnaud Denis, Abner Figueroa, Tony Tusi and Orlando Figueroa (collectively, the "SG Americas Defendants"), on the other. The SG Americas Defendants, together with FHFA and the GSEs, are referred to herein as the "Settling Parties," with each a "Settling Party."¹

WHEREAS, on September 6, 2008, the Director of FHFA placed Fannie Mae and Freddie Mac into conservatorships pursuant to the Housing and Economic Recovery Act of 2008;

WHEREAS, on or about September 2, 2011, FHFA, in its capacity as Conservator for Fannie Mae and Freddie Mac, commenced an action in the United States District Court for the Southern District of New York, captioned *Federal Housing Finance Agency v. SG Americas, Inc., et al.*, No. 11 Civ. 6023 (the "Action");

WHEREAS, on or about June 28, 2012, FHFA served an Amended Complaint in the Action;

WHEREAS, in consideration of the releases, limitations, and other terms and conditions set forth in this Agreement, the SG Americas Defendants have determined that they are prepared to pay one hundred twenty-two million dollars (\$122,000,000.00) in settlement of claims asserted against the SG Americas Defendants in the Action and relating to the Covered Securities identified in Exhibit A, and FHFA has determined it is prepared to accept such amounts in exchange for such settlements, releases, limitations, and terms and conditions set forth in this Agreement;

WHEREAS, the Settling Parties have now reached an agreement to fully and finally compromise, resolve, dismiss, discharge and settle each and every one of the Released Claims against each and every one of the Released Persons in the Action, and to dismiss the Action in its entirety with prejudice and on the merits;

NOW, THEREFORE, for good and valid consideration, the receipt and sufficiency of which is hereby acknowledged by all Settling Parties hereto, the Settling Parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

¹ All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in Paragraph 1 herein.

(a) "Affiliate" means, with respect to any specified Person, any other Person that, at the time of determination, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person, where "control" means, as to any Person, the power to direct or cause the direction of the management, policies, or practices of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms "controlled by" and "under common control with" have correlative meanings.

(b) "Contract Claim" means any claim under a contract (including, without limitation, any claim under any Pooling and Servicing Agreement, Assignment and Recognition Agreement, or Mortgage Loan Purchase Agreement) alleging any breach or violation of any representation or warranty as to loans originated, purchased, acquired, transferred, or securitized regarding, or collateralizing, the Covered Securities, and which could result in an economic benefit to any Releasing Plaintiff Person by virtue of such person's ownership of Covered Securities.

(c) "Covered Securities" means the securities that are listed in Exhibit A, which list is intended by the Settling Parties to include all securities for which FHFA has brought claims in the Action.

(d) "Effective Date" means the date upon which the Settlement Payment, as defined below, is made and received by both GSEs, as evidenced by confirmation of the wire transfer pursuant to the written instructions of Plaintiff.

(e) "Execution Date" means the date upon which all Settling Parties have signed this Agreement, whether made in multiple counterparts, by facsimile, or pdf.

(f) "LIBOR Claims" means any claims relating to the London Interbank Offered Rate, whether associated with the Covered Securities or any other securities.

(g) "Person" means an individual, corporate entity, partnership, association, joint stock company, limited liability company, estate, trust, government entity (or any political subdivision or agency thereof) and any other type of business or legal entity; provided, however, that nothing in this definition or its use in this Agreement shall be construed to bind any governmental agency/entity other than FHFA in its capacity as Conservator for Fannie Mae and Freddie Mac, and the GSEs.

(h) "Protective Order" means the First Amended Protective Order filed on January 11, 2013 in the Action;

(i) "Released Claims" means, collectively, the Released Plaintiff Claims and the Released Defendant Claims.

(j) "Released Defendant Claims" means any and all claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, interests, debts, expenses, charges, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature and description whatsoever that relate to the Covered Securities, (1) whether disclosed or undisclosed,

known or unknown, accrued or unaccrued, matured or not matured, perfected or not perfected, choate or inchoate, liquidated or not liquidated, fixed or contingent, ripened or unripened; (2) whether at law or equity, whether based on or arising under state, local, foreign, federal, statutory, regulatory, common or other law or rule and upon any legal theory (including, but not limited to, claims arising under federal or state securities laws), no matter how asserted; (3) that previously existed, currently exist, exist as of the Effective Date; and (4) that were, could have been, or may be asserted by any or all of the Releasing Defendant Persons against any or all of the Released Plaintiff Persons in the Action, in any federal or state court, or in any other court, tribunal, arbitration, proceeding, administrative agency or other forum in the United States of America or elsewhere; provided, however, that the Released Defendant Claims shall not include (1) any LIBOR Claims; (2) Contract Claims; (3) any claims against any Person other than the Released Plaintiff Persons in this Action; (4) any claims of any governmental entity or agency besides FHFA, in its capacity as Conservator of the GSEs; or (5) any claims to enforce this Agreement.

(k) "Released Defendant Persons" means (1) each of the SG Americas Defendants and (2) Deutsche Bank Securities Inc. ("DBSI") along with, in the case of each of (1) and (2), each of such Person's past and/or present principals, Affiliates, subsidiaries, parents, general partners, limited partners and any Person in which any of such Persons has or had a controlling interest, and each such Person's past and/or present principals, administrators, predecessors, successors, assigns, members, parents, subsidiaries, employees, officers, managers, directors, partners, limited partners, investment bankers, representatives, estates, divisions, financial advisors, estate managers, assigns, insurers and reinsurers.

(l) "Released Persons" means collectively the Released Plaintiff Persons and the Released Defendant Persons.

(m) "Released Plaintiff Claims" means any and all claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, interests, debts, expenses, charges, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature and description whatsoever that relate to the Covered Securities, (1) whether disclosed or undisclosed, known or unknown, accrued or unaccrued, matured or not matured, perfected or not perfected, choate or inchoate, liquidated or not liquidated, fixed or contingent, ripened or unripened; (2) whether at law or equity, whether based on or arising under state, local, foreign, federal, statutory, regulatory, common or other law or rule and upon any legal theory (including, but not limited to, claims arising under federal or state securities laws), no matter how asserted; (3) that previously existed, currently exist, exist as of the Effective Date; and (4) that were, could have been, or may be asserted by any or all of the Releasing Plaintiff Persons against any or all of the Released Defendant Persons in the Action, in any federal or state court, or in any other court, tribunal, arbitration, proceeding, administrative agency or other forum in the United States of America or elsewhere; provided, however, that the Released Plaintiff Claims shall not include (1) any LIBOR Claims; (2) Contract Claims; (3) any claims against any Person other than the Released Defendant Persons in this Action; (4) any claims of any governmental entity or agency besides FHFA, in its capacity as Conservator of the GSEs; or (5) any claims to enforce this Agreement.

(n) "Released Plaintiff Persons" means each of: (1) FHFA, solely in its capacity as Conservator of the GSEs; and (2) the GSEs, along with each of the GSEs' respective

past and/or present principals, Affiliates, subsidiaries, parents, general partners, limited partners and any Person in which the GSEs have or had a controlling interest, and each such Person's past and/or present administrators, predecessors, successors, assigns, members, parents, subsidiaries, employees, principals, officers, managers, directors, partners, limited partners, investment bankers, representatives, estates, divisions, financial advisors, assigns, insurers and reinsurers. "Released Plaintiff Person" does not include any governmental entity or agency besides FHFA, solely in its capacity as conservator of the GSEs.

(o) "Releasing Defendant Persons" means each of the SG Americas Defendants and each and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, agents, heirs, estates, assigns or transferees, immediate and remote, and any other Person who has the right, ability, standing or capacity to assert, prosecute or maintain on their behalf any of the Released Defendant Claims, whether in whole or in part; provided, however, that the "Releasing Defendant Persons" shall not include any of the SG Americas Defendants' outside counsel.

(p) "Releasing Persons" means, collectively, the Releasing Plaintiff Persons and the Releasing Defendant Persons.

(q) "Releasing Plaintiff Persons" means (1) FHFA, solely in its capacity as Conservator of the GSEs; (2) the GSEs; and (3) each and all of FHFA and the GSEs' respective successors in interest, predecessors, representatives, trustees, executors, administrators, agents, heirs, estates, assigns or transferees, immediate and remote, and any other Person who has the right, ability, standing or capacity to assert, prosecute or maintain on their behalf any of the Released Plaintiff Claims, whether in whole or in part; provided, however, that nothing in this definition or its use in this Agreement shall be construed to bind or constitute a release by any governmental agency/entity other than FHFA solely in its capacity as Conservator of Fannie Mae and Freddie Mac. "Releasing Plaintiff Persons" shall not include any of FHFA's or the GSEs' outside counsel.

2. Settlement Payment.

(a) In consideration for the Plaintiff's execution and performance of this Agreement and the release of claims as set forth below, the SG Americas Defendants shall make or cause to be made, for the benefit of FHFA and the GSEs, a one-time, lump sum payment of one hundred twenty-two million dollars (\$122,000,000.00) (the "Settlement Payment"), payable to Freddie Mac and Fannie Mae, in accordance with FHFA's written instructions. The SG Americas Defendants shall make the Settlement Payment, or cause it to be made, within ten (10) business days of the Execution Date.

(b) Payment of the Settlement Payment by the Defendants to the GSEs shall constitute a full and valid discharge of the SG Americas Defendants' payment obligation pursuant to this Agreement and in connection with the settlement of the Action.

3. Full Consideration. The Settling Parties agree that, apart from the Settlement Payment and the releases provided in Paragraphs 6 and 8 below, Plaintiff and the Releasing

Plaintiff Persons are not entitled to any other payments or consideration from any of the Released Defendant Persons in respect of the Released Claims.

4. No Admission of Liability. This Agreement does not constitute an admission by any of the SG Americas Defendants of any liability or wrongdoing whatsoever, including, but not limited to, any liability or wrongdoing with respect to any of the allegations that were or could have been raised in the Action. To the contrary, the SG Americas Defendants vigorously deny the allegations in the Action. This Agreement also does not constitute an admission by FHFA or the GSEs that they would not have been able to successfully prosecute their claims, and in fact FHFA and the GSEs firmly believe in the merit of each of their allegations in the Action. The Parties agree that this Agreement is the result of a compromise within the provisions of the Federal Rules of Evidence, and any similar statutes or rules, and shall not be used or admitted in any proceeding for any purpose including, but not limited to, as evidence of liability or wrongdoing by any SG Americas Defendant, nor shall it be used for impeachment purposes, to refresh recollection, or any other evidentiary purpose; provided, however, that this paragraph shall not apply to any claims to enforce this Agreement.

5. Additional Conditions:

(a) No later than one (1) business day after the Execution Date, the Settling Parties shall jointly file a motion to stay the Action, in the form attached hereto as Exhibit B-1.

(b) No later than one (1) business day after the Execution Date, all discovery in the Action shall cease.

(c) No later than one (1) business day after the Effective Date, the Settling Parties shall jointly file a stipulation of voluntary dismissal with prejudice of the Action pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), in the form attached hereto as Exhibit B-2.

6. Release by the Releasing Plaintiff Persons. In exchange for the Settlement Payment and the release provided by the Releasing Defendant Persons, each and every one of the Releasing Plaintiff Persons shall upon the Effective Date: (a) have and be deemed by operation of law to have completely, fully, finally and forever dismissed, released, relinquished and discharged with prejudice each and every one of the Released Defendant Persons from any and all of the Released Plaintiff Claims; (b) forever be barred and enjoined from filing, commencing, intervening in, instituting, maintaining, prosecuting, or seeking relief (including, but not limited to, filing an application or motion for preliminary or permanent injunctive relief) in any other lawsuit, arbitration or other proceeding in any jurisdiction that asserts any of the Released Plaintiff Claims against any or all of the Released Defendant Persons; and (c) have and be deemed to have covenanted not to sue any of the Released Defendant Persons with respect to any of the Released Plaintiff Claims.

7. Covenants by the Plaintiff. Effective upon the Execution Date, FHFA and the GSEs, on behalf of themselves and all of the Releasing Plaintiff Persons, hereby covenant and agree that:

(a) No Releasing Plaintiff Person shall commence, assert, file or initiate any Released Plaintiff Claim, including (but not limited to) by way of third-party claim, cross-claim

or counterclaim or by right of representation or subrogation, against any of the Released Defendant Persons.

(b) No Releasing Plaintiff Person shall participate in bringing or pursuing any Released Plaintiff Claim against any Released Defendant Person; provided, however, that subject to the terms of the Protective Order, a Releasing Plaintiff Person shall not be precluded from assisting other government agencies in investigating or pursuing any claim against any Released Defendant Person.

(c) Nothing in this Agreement shall prevent FHFA from seeking third-party discovery from any Released Defendant Person in any action or proceeding not Related to a Released Plaintiff Claim. For the avoidance of doubt, nothing in this Agreement shall relieve any Released Defendant Person from any obligation or requirement under Rule 45 of the Federal Rules of Civil Procedure.

8. Release by the Releasing Defendant Persons. In exchange for the release provided by the Releasing Plaintiff Persons and the dismissal with prejudice of the Action, each and every one of the Releasing Defendant Persons shall upon the Effective Date: (a) have and be deemed by operation of law to completely, fully, finally and forever to have dismissed, relinquished, released and discharged with prejudice each and every one of the Released Plaintiff Persons from any and all of the Released Defendant Claims; (b) forever be barred and enjoined from filing, commencing, intervening in, participating in, instituting, maintaining, prosecuting, or seeking relief (including, but not limited to, filing an application or motion for preliminary or permanent injunctive relief) in any other lawsuit, arbitration or other proceeding in any jurisdiction that asserts any of the Released Defendant Claims against any or all of the Released Plaintiff Persons; and (c) have and be deemed to have covenanted not to sue any of the Released Plaintiff Persons with respect to any of the Released Defendant Claims.

9. Acknowledgment Regarding Release of Claims. Each of the Settling Parties acknowledges that it has been advised by its attorneys concerning, and is familiar with, California Civil Code Section 1542 and expressly waives any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to the provisions of the California Civil Code Section 1542, including that provision itself, which reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

The Parties acknowledge that inclusion of the provisions of this Section to this Agreement was a material and separately bargained for element of this Agreement.

10. Covenants by the SG Americas Defendants. Effective upon the Execution Date, the SG Americas Defendants, on behalf of themselves and all of the Releasing Defendant Persons, hereby covenant and agree that:

(a) No Releasing Defendant Person shall commence, assert, file or initiate any Released Defendant Claim, including (but not limited to) by way of third-party claim, cross-claim or counterclaim or by right of representation or subrogation, against any of the Released Plaintiff Persons.

(b) No Releasing Defendant Person shall participate in bringing or pursuing any Released Defendant Claim against any Released Plaintiff Person.

(c) Nothing in this Agreement shall prevent the SG Americas Defendants from seeking third-party discovery from any Released Plaintiff Person in any action or proceeding not related to a Released Defendant Claim. For the avoidance of doubt, nothing in this Agreement shall relieve any Released Plaintiff Person from any obligation or requirement under Rule 45 of the Federal Rules of Civil Procedure.

11. Protective Order. The obligations and benefits conferred in the Protective Orders, governing confidentiality of information and documents entered in the Action, shall remain in effect after the Execution Date, subject to the provisions of this Agreement.

12. No Effect On Interest in the Covered Securities. Other than as specifically set forth in this Agreement or as otherwise provided by law, nothing herein prohibits, restricts, or limits FHFA or the GSEs from receiving any benefits deriving from, or exercising any rights appurtenant to, the GSE's ownership of interests in the Covered Securities in the ordinary course, including, without limitation, the right to receive or assign payments from its investments in the Covered Securities or to sell or otherwise dispose of its interests in the Covered Securities.

13. Representations and Warranties. Each Settling Party represents and warrants that:

(a) it has the full legal authority, right, and capacity to enter into this Agreement on its behalf and to bind such Settling Party to perform its obligations hereunder, including any third-party authorization necessary to release the claims being released hereunder. This Agreement has been duly and validly executed and delivered by such Settling Party and, assuming due authorization, execution and delivery by all the other Settling Parties, constitutes a legal, valid and binding obligation of such Settling Party, enforceable against such Settling Party in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies;

(b) the execution and delivery of this Agreement, the performance by such Settling Party of its obligations hereunder and the consummation of the transactions contemplated hereby, will not: (i) result in the violation by such Settling Party of any statute, law, rule, regulation or ordinance or any judgment, decree, order, writ, permit or license of any governmental or regulatory authority applicable to such Settling Party; or (ii) require such Settling Party to obtain any consent, approval or action of, make any filing with or give any notice to any person, which action has not already been undertaken and accomplished by such Settling Party;

(c) it has not assigned, subrogated, pledged, loaned, hypothecated, conveyed, or otherwise transferred, voluntarily or involuntarily, to any other person or entity, the Released

Claims, or any interest in or part or portion thereof, specifically including any rights arising out of the Released Claims; and

(d) it has read and understands this Agreement and it has had the opportunity to consult with its attorneys before signing it.

14. Authority. By signing this Agreement, each Settling Party, or its counsel as applicable, represents and warrants that it has full authority to enter into this Agreement and to bind itself, or its client, to this Agreement.

15. Entire Agreement. This Agreement constitutes the entire agreement to settle and resolve the claims that are the subject of this agreement among the Settling Parties and overrides and replaces all prior negotiations and terms proposed or discussed, whether in writing or orally, about the subject matter hereof. No modification of this Agreement shall be valid unless it is in writing, identified as an amendment to the Agreement, and signed by all Settling Parties hereto. No party to this Agreement may seek to revoke the Agreement, or otherwise avoid its obligations hereunder, based upon any decisions or orders by any court of competent jurisdiction in the Action issued after the Execution Date.

16. Jurisdiction. All parties hereto submit to the personal jurisdiction of the United States District Court for the Southern District of New York for purposes of implementing and enforcing the settlement embodied in this Agreement. The Settling Parties otherwise expressly reserve their jurisdictional rights to any action, suit or proceeding commenced outside the terms of this Agreement.

17. Necessary Actions. Each of the Settling Parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments, and to take all such action as the other Settling Parties may reasonably request in order to effectuate the intent and purposes of, and to carry out the terms of, this Agreement.

18. Choice of Law. This Agreement is governed by and shall be construed in accordance with the laws of the State of New York without regard to choice of law or conflicts of law principles.

19. Costs and Expenses. Each Settling Party shall bear its own costs and expenses in the Action, including any and all legal and expert fees, incurred in connection with this Agreement and the Action.

20. Notices. Notices required by this Agreement shall be communicated by email and any form of overnight mail or in person to:

Marc E. Kasowitz (mkasowitz@kasowitz.com)
Christopher P. Johnson (cjohnson@kasowitz.com)
Michael A. Hanin (mhanin@kasowitz.com)
Kasowitz, Benson, Torres & Friedman LLP
1633 Broadway
New York, New York 10019

*Attorneys for Plaintiff Federal Housing Finance Agency,
Fannie Mae, and Freddie Mac*

Scott D. Musoff (scott.musoff@skadden.com)
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036

Attorneys for the SG Americas Defendants

21. Arm's Length Negotiation. This Agreement is the result of arm's-length negotiation between the Settling Parties and all Settling Parties have contributed substantially and materially to the preparation of this Agreement. No provision of this Agreement shall be interpreted or construed against any Settling Party because that Settling Party or its legal representative drafted that particular provision. Any captions and headings contained in this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

22. Binding on Successors. Upon the Execution Date, this Agreement is binding upon and shall inure to the benefit of the Settling Parties, their successors, assigns, heirs, executors, legal representatives and administrators.

23. Third Party Beneficiaries. Except to the extent otherwise provided herein with respect to the Released Persons as defined herein, nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever.

24. Non-Waiver.

(a) Any failure by any Settling Party to insist upon the strict performance by any other Settling Party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and such Settling Party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Agreement to be performed by such other Settling Party.

(b) No waiver, express or implied, by any Settling Party of any breach or default in the performance by the other Settling Party of its obligations under this Agreement shall be deemed or construed to be a waiver of any other breach, whether prior, subsequent or contemporaneous, under this Agreement.


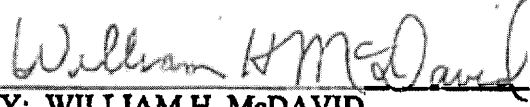

25. Counterparts. This Agreement may be executed in multiple counterparts, which shall be deemed an original but all of which together shall constitute one and the same instrument. Signatures exchanged by facsimile or .pdf shall be valid and effective as original signatures.

26. Exhibits. All of the exhibits attached to this Agreement are material and integral parts hereof and are hereby incorporated by reference as if fully set forth herein.

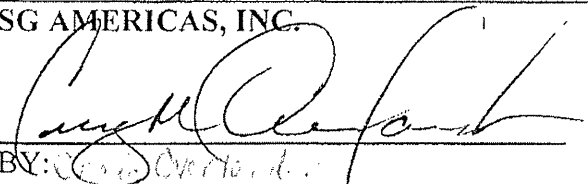
27. Consummation. The Settling Parties and their respective counsel agree to cooperate fully with one another in order to effect the consummation of the settlement of the Action.

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IN WITNESS WHEREOF, the Settling Parties execute this SETTLEMENT AGREEMENT as of the date first above referenced with the intent to be bound by its terms and conditions.

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| <p>FEDERAL HOUSING FINANCE AGENCY, AS CONSERVATOR FOR THE FEDERAL NATIONAL MORTGAGE ASSOCIATION AND THE FEDERAL HOME LOAN MORTGAGE CORPORATION</p> <p></p> <p>BY: ALFRED M. POLLARD ITS: GENERAL COUNSEL</p> <p>DATED: <u>2-26-2014</u></p> | <p>FEDERAL HOME LOAN MORTGAGE CORPORATION</p> <p></p> <p>BY: WILLIAM H. McDAVID ITS: EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL</p> <p>DATED: <u>2-26-2014</u></p> |
| <p>FEDERAL NATIONAL MORTGAGE ASSOCIATION</p> <p></p> <p>BY: BRADLEY LERMAN ITS: EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL, AND CORPORATE SECRETARY</p> <p>DATED: <u>2-26-2014</u></p> | |

SG AMERICAS, INC.



BY: ~~Craig Overland~~
ITS: President & Chief Executive Officer

DATED: 2/24/14

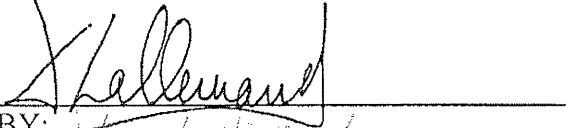
SG MORTGAGE FINANCE CORP.



BY: Helen Muehlebach
ITS: President

DATED: 2/25/14

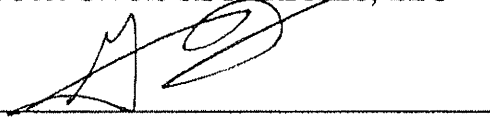
SG AMERICAS SECURITIES HOLDINGS, LLC



BY: Helen Muehlebach
ITS: President

DATED: 2/25/14

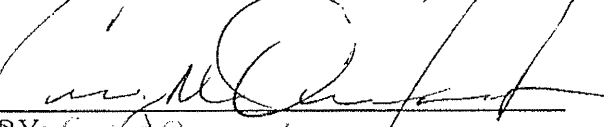
SG MORTGAGE SECURITIES, LLC



BY: Helen Muehlebach
ITS: President

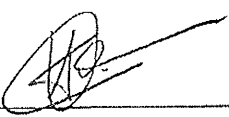
DATED: 2/25/14

SG AMERICAS SECURITIES, LLC



BY: ~~Craig Overland~~
ITS: President & Chief Executive Officer

DATED: 2/24/14

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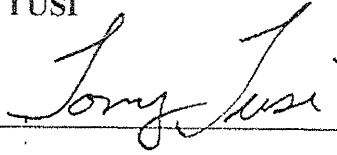
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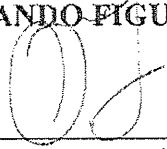
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EXHIBIT A

COVERED SECURITIES

| Securitization Name | CUSIP |
|----------------------------|--------------|
| SGMS 2006-FRE1 A1A | 81879MAS8 |
| SGMS 2006-FRE2 A1 | 784208AA8 |
| SGMS 2006-OPT2 A1 | 78420MAA7 |
| SGMS 2006-OPT2 A2 | 78420MAB5 |

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL HOUSING FINANCE AGENCY, AS
CONSERVATOR FOR THE FEDERAL NATIONAL
MORTGAGE ASSOCIATION AND THE FEDERAL
HOME LOAN MORTGAGE CORPORATION,

Plaintiff,

11 Civ. 6203 (DLC)

-against-

SG AMERICAS, INC., *et al.*,

Defendants.

JOINT MOTION TO STAY PROCEEDINGS

1. On February [], 2014, Plaintiff Federal Housing Finance Agency, as Conservator of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association (collectively, "Plaintiff"), and Defendants SG Americas, Inc., SG Americas Securities Holdings, LLC, SG Americas Securities, LLC, SG Mortgage Finance Corp., SG Mortgage Securities, LLC, Arnaud Denis, Abner Figueroa, Tony Tusi and Orlando Figueroa (collectively, "SG Americas Defendants") entered into a settlement agreement (the "Agreement") to resolve claims in the above-captioned action (the "Action").

2. Under the terms of the Agreement, Plaintiff and the SG Americas Defendants (the "Parties") agreed jointly to move for a stay of the claims against the SG Americas Defendants ("Claims") within one business day of executing the Agreement.

3. In accordance with the terms of the Agreement, the Parties shall jointly file a stipulation of voluntary dismissal with prejudice within one business day of the GSEs' receipt of the Settlement Payment.

4. The Parties, therefore, request that the Court enter the enclosed proposed order granting the Parties' Motion to Stay Proceedings until an order dismissing and/or discontinuing the Claims and/or Action has been entered.

Dated: New York, New York
[], 2014

Respectfully submitted,

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Attorneys for the SG Americas Defendants

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL HOUSING FINANCE AGENCY, AS
CONSERVATOR FOR THE FEDERAL NATIONAL
MORTGAGE ASSOCIATION AND THE FEDERAL
HOME LOAN MORTGAGE CORPORATION,

Plaintiff,

-against-

SG AMERICAS, INC., *et al.*,

Defendants.

11 Civ. 6203 (DLC)

**[PROPOSED] ORDER GRANTING THE PARTIES' JOINT MOTION TO STAY
PROCEEDINGS**

The Court, having considered all materials submitted in favor of the Parties' [],
2014 Joint Motion to Stay Proceedings, and finding good cause in support thereof,

IT IS HEREBY ORDERED that:

The Parties' Motion to Stay Proceedings is GRANTED until [], 2014, and the 11
Civ. 6203 action shall remain stayed pending the joint submission of a stipulation of voluntary
dismissal with prejudice, but in no event stayed beyond [], 2014 without further approval
by the Court.

Dated: New York, New York
[], 2014

The Honorable Denise L. Cote
United States District Court Judge

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL HOUSING FINANCE AGENCY, AS
CONSERVATOR FOR THE FEDERAL NATIONAL
MORTGAGE ASSOCIATION AND THE FEDERAL
HOME LOAN MORTGAGE CORPORATION,

Plaintiff,

11 Civ. 6203 (DLC)

-against-

SG AMERICAS, INC., *et al.*,

Defendants.

STIPULATION OF VOLUNTARY DISMISSAL WITH PREJUDICE

WHEREAS Plaintiff, Federal Housing Finance Agency, and Defendants SG Americas, Inc., SG Americas Securities Holdings, LLC, SG Americas Securities, LLC, SG Mortgage Finance Corp., SG Mortgage Securities, LLC, Arnaud Denis, Abner Figueroa, Tony Tusi and Orlando Figueroa have reached a settlement disposing of all claims asserted in the above-captioned action (the "Action");

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between the parties, through their undersigned counsel, that, pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), this Action shall be, and hereby is, dismissed with prejudice, with each party to bear its own costs.

Dated: New York, New York
_____, 2014

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