

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

IN RE AMERICAN HOME MORTGAGE
SECURITIES LITIGATION

THIS DOCUMENT RELATES TO
ALL CLASS ACTIONS

07-MD-1898 (TCP)

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED
SETTLEMENTS, SETTLEMENT FAIRNESS HEARING, AND MOTION FOR
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

A Federal Court Authorized This Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by a class action lawsuit pending in this Court (the "Action") if, during the period from July 19, 2005 through and including August 6, 2007, you purchased or otherwise acquired shares of American Home Mortgage Investment Corp. ("American Home") common and/or preferred stock and were damaged thereby, including purchases or acquisitions of American Home common stock made pursuant or traceable to registration statements issued in connection with secondary offerings of American Home common stock on August 9, 2005 and on April 30, 2007.

NOTICE OF SETTLEMENTS: Please also be advised that the Court-appointed Lead Plaintiffs, Teachers' Retirement System of Oklahoma and the Oklahoma Police Pension & Retirement System ("Lead Plaintiffs"), on behalf of the Class and the Offerings Subclass (as defined in paragraph 20 below), have reached proposed all-cash settlements of the Action, as follows: a settlement with the Individual Defendants (identified in paragraph 1 below), in the amount of \$24 million on behalf of all Class Members; a settlement with Deloitte & Touche LLP ("Deloitte") in the amount of \$4.75 million on behalf of the Offerings Subclass; and a settlement with the Underwriter Defendants (identified in paragraph 1 below) in the amount of \$8.5 million on behalf of the Offerings Subclass. The total amount of the Settlements equals \$37.25 million. The proposed Settlements and why they apply to the Class or the Offerings Subclass is discussed in paragraph 27 below. If the Settlements are approved by the Court, they will resolve all claims in the Action against the Settling Defendants, as identified in paragraph 1 below, as well as other Released Parties, as identified in paragraph 56 below.¹

This Notice explains important rights you may have, including the possible receipt of cash from the Settlements. Your legal rights will be affected whether or not you act. Please read this Notice carefully!

1. **Description of the Action and the Class:** This notice relates to three proposed Settlements of claims against the Defendants in the pending class action lawsuit. The Defendants are: (a) Michael Strauss, Stephen A. Hozie, Robert Bernstein, John A. Johnston, Michael A. McManus, Jr., C. Cathleen Raffaeli, Nicholas R. Marfino, Kenneth P. Slosser, Irving J. Thau and Kristian R. Salovaara (the "Individual Defendants"); (b) Citigroup Global Markets Inc.; Citigroup Inc.; J.P. Morgan Chase & Co.; Deutsche Bank Securities Inc.; Deutsche Bank A.G.; Stifel, Nicolaus & Company, Incorporated; Ryan Beck & Co., Inc. (the "Underwriter Defendants"); and (c) Deloitte.² (The Individual Defendants, the Underwriter Defendants and Deloitte are collectively referred to as the "Settling Defendants"). The proposed Settlement with the Individual Defendants provides for the release of claims against the Individual Defendants and other Released Parties as specified in the Stipulation and Agreement of Settlement dated April 8, 2009 (the "Individual Defendants Settlement" or the "Individual Defendants Stipulation"). The proposed Settlement with the Underwriter

¹ All capitalized terms that are not defined herein have the meaning ascribed to them in the Stipulations and Agreements of Settlement with the Individual Defendants, Deloitte, and the Underwriter Defendants dated April 8, 2009, July 1, 2009, and July 1, 2009 respectively (the "Stipulations").

² Lead Plaintiffs did not name American Home as a defendant in the Action because, on August 6, 2007, American Home filed a voluntary petition for bankruptcy and, under the Bankruptcy Code, all actions are automatically stayed against debtors who file voluntary petitions under the Code. Lehman Brothers Inc. was named as an Underwriter Defendant in the Action, but because of its filing in bankruptcy on September 15, 2008, all proceedings against it have been stayed. Flagstone Securities, LLC was named as an Underwriter Defendant in the Action, but is a defunct entity and has never appeared in the Action.

Defendants provides for the release of claims against the Underwriter Defendants, as well as other Released Parties related to the Underwriter Defendants as specified in the Stipulation and Agreement of Settlement dated July 1, 2009 (the “Underwriter Defendants Settlement” or the “Underwriter Defendants Stipulation”). The proposed Settlement with Deloitte provides for the release of claims against Deloitte and other Released Parties related to Deloitte as specified in the Stipulation and Agreement of Settlement dated July 1, 2009 (the “Deloitte Settlement” or the “Deloitte Stipulation”). Thus, the proposed Settlements, if approved by the Court, will resolve all claims and potential claims of Class Members and Offerings Subclass Members against the applicable Settling Defendants and the other applicable Released Parties, and will provide relief to all persons and entities who purchased or otherwise acquired common and/or preferred stock of American Home between July 19, 2005 and August 6, 2007, inclusive (the “Class Period”), and who were damaged thereby (the “Class”) including all persons and entities who purchased or otherwise acquired shares of American Home common stock pursuant or traceable to the registration statements issued in connection with the secondary offerings conducted on August 9, 2005 (the “2005 Offering”) and April 30, 2007 (the “2007 Offering,” and together with the 2005 Offering, the “Offerings”) through and including August 6, 2007 and who were damaged thereby (the “Offerings Subclass”), except for certain persons and entities who are excluded from the Class and the Offerings Subclass by definition (*see* paragraph 20 below).

2. **Statement of Class’s Recovery:** Subject to Court approval, and as described more fully in paragraphs 21 - 27 below, Lead Plaintiffs on behalf of the Class and the Offerings Subclass, have agreed to settle all claims that arise out of or are based upon or relate to the allegations or facts asserted in the Complaint and the purchase or other acquisition, sale or other disposition or decision to hold or holding of American Home common and/or preferred stock during the Class Period that were or could have been asserted against the applicable Settling Defendants and other applicable Released Parties in the Action in exchange for a total of \$37,250,000 (the “Total Settlement Amount”), apportioned as follows: (a) a settlement payment from the Individual Defendants of \$24 million as described in paragraph 27 below; (b) a settlement payment from the Underwriter Defendants (other than Lehman Brothers Inc. and Flagstone Securities, LLC) of \$8.5 million as described in paragraph 27 below; and (c) a settlement payment from Deloitte of \$4.75 million as described in paragraph 27 below. Lead Plaintiffs’ damages expert estimates that approximately 116.75 million shares of American Home common stock and approximately 4.8 million shares of American Home preferred stock purchased by Class Members during the Class Period may have been affected by the conduct at issue in the Action. Based on these figures, if claims are made with respect to all of the estimated affected shares, the average per-share recovery from the Settlement Funds is estimated to be approximately \$0.19 per share of common stock (other than shares of common stock purchased pursuant or traceable to the registration statements issued in connection with the Offerings), \$0.37 per share of preferred stock, and \$6.34 per share of common stock purchased pursuant or traceable to the registration statements issued in connection with the Offerings, before the deduction of attorneys’ fees, costs and expenses, as approved by the Court. Class Members (including Offerings Subclass Members) should note, however, that these are only estimates based on the overall number of potentially damaged shares in the Class and in the Offerings Subclass. Some Class Members and some Offerings Subclass Members may recover more or less than these estimated amounts depending on, among other factors, when and the prices at which their shares were purchased or sold. The Settlement Amounts will be deposited into interest-bearing escrow accounts (the “Settlement Funds,” and collectively, the “Total Settlement Fund”). The three Net Settlement Funds (the three Settlement Funds less Taxes, Notice and Administration Costs and attorneys’ fees and Litigation Expenses awarded to counsel representing Lead Plaintiffs and the Class) will be distributed in accordance with a plan of allocation (the “Plan of Allocation”) that will be approved by the Court and will determine how the Net Settlement Funds shall be allocated to members of the Class and members of the Offerings Subclass. The proposed Plan of Allocation is included in this Notice.
3. **Statement of Average Amount of Damages Per Share:** The parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail. Settling Defendants deny that any shares of American Home common stock or preferred stock were damaged as Lead Plaintiffs have alleged. Settling Defendants assert that they were prepared to establish that the prices of American Home common stock and preferred stock were not inflated as the result of any allegedly false or misleading public statements by the Settling Defendants, and that the decline in the prices of American Home common and preferred stock alleged in the Action did not result from the disclosure of any information that Lead Plaintiffs allege was misrepresented or wrongfully withheld.
4. **Statement of Attorneys’ Fees and Expenses Sought:** Lead Counsel Bernstein Litowitz Berger & Grossmann LLP and Berman DeValerio will apply to the Court for an award of attorneys’ fees in an amount not to exceed 20% of the Total Settlement Fund. In addition, Lead Counsel will apply for the reimbursement of Litigation Expenses

paid or incurred in connection with the prosecution and resolution of the claims against the Settling Defendants, in an amount not to exceed \$750,000. Any fees and expenses awarded by the Court will be paid from the Total Settlement Fund. Class Members (including Offerings Subclass Members) are not personally liable for any such fees or expenses. If the Court approves Lead Counsel's fee and expense application, the average cost per share will be approximately \$0.04 per share of common stock (other than shares of common stock purchased pursuant or traceable to the registration statements issued in connection with the Offerings), \$0.08 per share of preferred stock, and \$1.40 per share of common stock purchased pursuant or traceable to the registration statements issued in connection with the Offerings.

5. **Identification of Attorneys' Representatives:** Lead Plaintiffs and the Class (including the Offerings Subclass) are being represented by Steven B. Singer, Esq. of Bernstein Litowitz Berger & Grossmann LLP, and Jeffrey C. Block of Berman DeValerio. Any questions regarding the Settlements should be directed to Mr. Singer at Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, New York, NY 10019, (800) 380-8496, blbg@blbglaw.com, or to Mr. Block at Berman DeValerio, One Liberty Square, Boston MA 02109, 1-800-516-9926, www.bermandevalerio.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
REMAIN A CLASS MEMBER.	This is the only way to be eligible to get a payment from the applicable Settlement Funds.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN DECEMBER 23, 2009.	If you exclude yourself from the Class (which means you will also be excluded from the Offerings Subclass), you will not be eligible to get any payment from the Settlement Funds. However, excluding yourself from the Class allows you to bring or maintain your own lawsuit against any of the Settling Defendants or other Released Parties concerning the claims that were, or could have been, asserted in this case.
OBJECT TO THE SETTLEMENTS BY SUBMITTING WRITTEN OBJECTIONS SO THAT THEY ARE <i>RECEIVED</i> NO LATER THAN DECEMBER 23, 2009.	Write to the Court and explain why you do not like one or more of the applicable proposed Settlements, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of expenses. You cannot object to the Individual Defendants Settlement unless you are a Class Member and do not exclude yourself. You cannot object to the Deloitte or Underwriter Defendants Settlements unless you are a member of the Offerings Subclass and do not exclude yourself from the Class.
GO TO A HEARING ON JANUARY 13, 2010 AT 1:30 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS <i>RECEIVED</i> NO LATER THAN DECEMBER 23, 2009.	Filing a written objection and notice of intention to appear by December 23, 2009, allows you to speak in Court about the fairness of the applicable proposed Settlements, the proposed Plan of Allocation or the request for attorneys' fees and reimbursement of Litigation Expenses.
DO NOTHING.	If you are a member of the Class (including those persons who are also members of the Offerings Subclass) and you do not submit a Proof of Claim and Release form by March 1, 2010, you will not be eligible to receive any payment from the Settlements. You will, however, remain a member of the Class (and, where applicable, the Offerings Subclass), which means that you give up your rights to sue about the claims that are resolved by the applicable Settlements and you will be bound by any Judgments or Orders entered by the Court with respect to the applicable Settlements.

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QUESTIONS? VISIT WWW.BLBGLAW.COM OR WWW.BERMANDEVALERIO.COM

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WHY DID I GET THIS NOTICE?

6. This Notice is being sent to you pursuant to an Order of the United States District Court for the Eastern District of New York (the "Court") because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired shares of American Home common and/or preferred stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Class Member (including as a potential Offerings Subclass Member), you have a right to know about your options before the Court rules on the proposed Settlements with the Settling Defendants. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlements and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Lead Plaintiffs and approved by the Court will make payments pursuant to the Settlements and the Court-approved plan of allocation after any objections and appeals are resolved.
7. In a class action lawsuit, the Court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. In this Action, the Court has appointed Teachers' Retirement System of Oklahoma ("Oklahoma Teachers") and the Oklahoma Police Pension & Retirement System to serve as "Lead Plaintiffs" under a federal law governing lawsuits such as this one, and approved Lead Plaintiffs' selection of the law firms of Bernstein Litowitz Berger & Grossmann LLP and Berman DeValerio ("Lead Counsel") to serve as Lead Counsel in the Action. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Once the class is certified, the Court must resolve all issues on behalf of the class members, except for any persons who choose to exclude themselves from the class. (For more information on excluding yourself from the Class, please read "What If I Do Not Want To Participate In The Settlements? How Do I Exclude Myself?," located below.)
8. In this case, some of the claims asserted could, under the law, only be asserted by some members of the Class. Therefore, there is also a "subclass" consisting of only those Class Members who have the right to assert those additional claims. Just as it does with respect to the Class, the Court selects one or more people, known as subclass representatives, to assert those claims on behalf of all members of the Class who have the additional claims. In this Action, the Court has appointed Lead Plaintiff Oklahoma Teachers and another named plaintiff in the Action, Dana Marlin, to represent the Offerings Subclass (the "Offerings Subclass Plaintiffs").
9. The Court in charge of this case is the United States District Court for the Eastern District of New York, and the case is known as *In re American Home Mortgage Securities Litigation*, No. 07-MD-1898 (TCP). The Judge presiding over this case is the Honorable Thomas C. Platt, United States District Judge. The persons or entities that are suing

are called plaintiffs, and those who are being sued are called defendants. In this case, the plaintiffs are referred to as Lead Plaintiffs, on behalf of themselves and the Class. Defendants are the Individual Defendants, the Underwriter Defendants and Deloitte. American Home was not named as a defendant because it has filed a petition for voluntary bankruptcy and the Bankruptcy Code does not permit an action to proceed against a debtor who has filed such a petition. The three proposed Settlements will resolve all claims against all Defendants and will bring the Action to an end.

10. This Notice explains the lawsuit, the Settlements, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Class (including the Offerings Subclass) if you wish to so do. It is also being sent to inform you of the terms of the proposed Settlements, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the three proposed Settlements, the proposed Plan of Allocation and the application by Lead Counsel for attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing").
11. The Settlement Hearing will be held on January 13, 2010 at 1:30 p.m., before the Honorable Thomas C. Platt at the United States District Court for the Eastern District of New York, Long Island Courthouse, 100 Federal Plaza, Courtroom 1040, Central Islip, NY 11722 to determine:
 - (a) whether this Action should be finally certified, for settlement purposes only, as a class action under Rules 23(a) and (b) of the Federal Rules of Civil Procedure on behalf of the Class and the Offerings Subclass;
 - (b) whether the proposed Settlements are fair, reasonable and adequate and should be approved by the Court;
 - (c) whether the Settled Claims against the Settling Defendants and other Released Parties should be dismissed with prejudice as set forth in the respective Stipulations;
 - (d) whether the proposed Plan of Allocation is fair and reasonable, and should be approved by the Court; and
 - (e) whether Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved by the Court.
12. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlements. If the Court approves the Settlements and a Plan of Allocation, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient.

WHAT IS THE CASE ABOUT? WHAT HAS HAPPENED SO FAR?

13. American Home was a mortgage real estate investment trust engaged in the business of investing in mortgage-backed securities and mortgage loans resulting from the securitization of residential mortgage loans originated and serviced by the Company's subsidiaries. Beginning on July 31, 2007, class action complaints alleging violations of the federal securities laws on behalf of purchasers of American Home common and/or preferred stock were filed against the Defendants in the United States District Court for the Eastern District of New York. These actions were consolidated pursuant to a March 19, 2008 Order of the Court and are referred to in this Notice as the "Action." On October 3, 2008, a related case pending in the United States District Court for the Eastern District of Virginia was transferred into the United States District Court for the Eastern District of New York and consolidated with the Action.
14. Pursuant to the March 19, 2008 Order, the Court appointed Oklahoma Teachers and the Oklahoma Police Pension and Retirement System as Lead Plaintiffs in the Action, and approved their choice of Berman DeValerio and Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel for the Class ("Lead Counsel").
15. The Consolidated Amended Class Action Complaint (the "Complaint"), filed by Lead Plaintiffs on June 4, 2008, asserts claims arising under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), and Rule 10b-5 promulgated thereunder, and Sections 11, 12 and 15 of the Securities Act of 1933 (the "Securities Act"). In particular, the Complaint alleges that, during the Class Period, Defendants, in violation of the federal securities laws, made a series of false and misleading statements regarding American Home's publicly reported financial results. These statements were set forth in earnings releases, SEC filings (including the registration statements filed in connection with the Offerings), and other public statements. The Complaint alleges that, as a result of Defendants' dissemination of the allegedly false and misleading statements during the Class Period, the market price of American

Home common and preferred stock was artificially inflated, thereby causing damages to Class Members (including Offerings Subclass Members).

16. On September 12, 2008, Defendants filed seven separate motions to dismiss the Complaint. Lead Plaintiffs served their oppositions to Defendants' motions on November 14, 2008 and reply papers were served on December 5, 2008. The motions were pending before the Court when the agreements to settle with Defendants were reached.
17. The parties, recognizing the risks of continued litigation, engaged in several settlement discussions that did not result in any agreement. On January 6 and 16, 2009, Lead Plaintiffs and Defendants engaged in day-long mediation sessions before David Geronemus, Esq., a well-respected and experienced mediator. Additionally, there were ongoing settlement discussions between the mediation sessions. It was only at the conclusion of the second day of the extended arm's-length negotiations under the auspices of Mr. Geronemus that Lead Plaintiffs and the Individual Defendants reached an agreement in principle with respect to a compromise and settlement of the Action as against the Individual Defendants and other Released Parties identified in the Individual Defendants Stipulation. Negotiations with Deloitte and the Underwriter Defendants continued for several months after the agreement in principle was reached with the Individual Defendants. It was not until April 7, 2009, that an agreement in principle with respect to a compromise and settlement of the Action as against Deloitte and other Released Parties identified in the Deloitte Stipulation was reached; and it was not until June 8, 2009, that an agreement in principle with respect to a compromise and settlement of the Action as against the Underwriter Defendants and other Released Parties identified in the Underwriter Defendants Stipulation was reached.
18. Before agreeing to the Settlements, Lead Counsel conducted an extensive investigation into the events and transactions underlying the claims alleged in the Complaint. They analyzed potential claims and researched the applicable law with respect to the claims asserted and Defendants' potential defenses thereto and also consulted with an expert on damages. At the time the agreements to settle were reached, Lead Counsel had conducted an investigation into the facts and the law, and understood the strengths and weaknesses of Lead Plaintiffs' and Defendants' respective positions based on their briefing of the motions to dismiss and the preparation of a detailed mediation statement. Lead Counsel and Lead Plaintiffs agree that the proposed Settlements are fair, reasonable and adequate, and in the best interests of the Class and the Offerings Subclass.
19. On August 5, 2009, the Court entered an Order Preliminarily Approving Settlements which preliminarily approved the Settlements, authorized this Notice to be sent to potential Class Members (including Offerings Subclass Members). Subsequently, the Court scheduled the Settlement Hearing to consider whether to grant final approval to the Settlements.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENTS?

20. If you are a member of the Class (including the Offerings Subclass), you are subject to the applicable Settlements, unless you timely request to be excluded. The Class consists of all persons or entities who purchased or acquired shares of American Home common and/or preferred stock during the period from July 19, 2005 through and including August 6, 2007 and who were damaged thereby. The Class includes all persons or entities who purchased or otherwise acquired shares of American Home common stock pursuant or traceable to the registration statements issued in connection with secondary offerings conducted on or about August 9, 2005 and on or about April 30, 2007 through and including August 6, 2007 and who were damaged thereby (the "Offerings Subclass"). Excluded from the Class and the Offerings Subclass are the following persons or entities: (a) Defendants and American Home; (b) the parents, successors, subsidiaries, affiliates and assigns of any Defendant or of American Home; (c) members of the immediate family of each of the Individual Defendants; (d) any person who was an officer or director of American Home, Deloitte or any of the Underwriter Defendants (or any other underwriter of the 2005 Offering or the 2007 Offering) during the Class Period; and (e) any firm, trust, corporation or other entity in which any of the Individual Defendants has or had a Controlling Interest during the Class Period. Also excluded from the Class are any persons or entities who exclude themselves by filing a timely request for exclusion in accordance with the requirements set forth in this Notice (*see* "What if I Do Not Want To Participate In The Settlements? How Do I Exclude Myself?" below).

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A CLASS MEMBER (OR AN OFFERINGS SUBCLASS MEMBER) OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENTS. IF YOU WISH TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE

SETTLEMENTS YOU WILL BE REQUIRED TO SUBMIT THE PROOF OF CLAIM AND RELEASE FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE POSTMARKED NO LATER THAN MARCH 1, 2010.

WHAT ARE LEAD PLAINTIFFS' REASONS FOR THE SETTLEMENTS?

21. Lead Plaintiffs and Lead Counsel believe that the claims asserted against the Settling Defendants have merit. Lead Plaintiffs and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against these Defendants through trial and appeals, as well as the difficulties in establishing liability for allegations of fraud. Lead Plaintiffs and Lead Counsel have also taken into account the possibility that the claims asserted in the Complaint might have been dismissed in response to the Settling Defendants' motions to dismiss³ or anticipated motions for summary judgment, and have considered issues that would have been decided by a jury in the event of a trial of the Action, including whether certain of the Settling Defendants acted with an intent to mislead investors, whether the alleged misrepresentations and omissions were material to investors, whether all of Class Members' and Offerings Subclass Members' losses were caused by the alleged misrepresentations or omissions and the amount of damages. Lead Plaintiffs and Lead Counsel have considered the uncertain outcome and trial risk in complex lawsuits like this one, and that, even if they were successful, after the resolution of the appeals that were certain to be taken (which could take years to resolve), certain of the Settling Defendants may not have been able to pay an amount significantly larger than the Settlement Amount or even as much as the Settlement Amount. The Individual Defendants' ability to pay was a significant factor that Lead Plaintiffs had to take into account, given the fact that the insurance coverage provided by the directors' and officers' policies was a "wasting asset"; it would be seriously depleted, if not exhausted, by the continuing costs of litigation.
22. Lead Plaintiffs and Lead Counsel believe that the Settlements achieved with the Settling Defendants are an excellent result and in the best interests of the Class and the Offerings Subclass and, therefore, agreed to the terms of the proposed Settlements.
23. In light of the amount of the Settlements and the immediacy of recovery to the Class and the Offerings Subclass, Lead Plaintiffs and Lead Counsel believe that the proposed Settlements are fair, reasonable and adequate, and in the best interests of the Class and the Offerings Subclass. The Settlements provide substantial benefits now, namely \$37.25 million (less the various deductions described in this Notice), as compared to the risk that a similar, smaller, or no recovery would be achieved after a trial and appeals, possibly years in the future.
24. Settling Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Settling Defendants have agreed to the Settlements solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlements may not be construed as an admission of any Settling Defendant's wrongdoing.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENTS?

25. If there were no settlements and Lead Plaintiffs failed to establish any essential legal or factual element of their claims against the Settling Defendants, neither they nor the Class would recover anything from the Settling Defendants. Also, if the Settling Defendants were successful in proving any of their defenses, the Class likely might recover substantially less than the amounts provided in the respective Settlements, or nothing at all. Additionally, even if Lead Plaintiffs prevailed, the costs of continued litigation would have seriously depleted, if not exhausted, the insurance coverage of the Individual Defendants. Thus, a victory at trial or on appeal could well have resulted in a smaller recovery from the Settling Defendants.

HOW MUCH WILL MY PAYMENT BE?

26. At this time, it is not possible to make any determination as to how much a Class Member or an Offerings Subclass Member may receive from the Settlements.
27. Pursuant to the respective Settlements, the Individual Defendants' Insurers have agreed to pay the Settlement Amount of \$24 million; Deloitte has agreed to pay the Settlement Amount of \$4.75 million; and the Underwriter Defendants have agreed to pay the Settlement Amount of \$8.5 million to resolve the claims asserted against them. The claims

³ Under the terms of the proposed Settlements, the Settling Defendants have agreed that the Settlements will remain binding and fully enforceable regardless of any rulings with respect to the motions to dismiss the Complaint.

asserted against the Individual Defendants were brought pursuant to both the Exchange Act and the Securities Act while the claims against Deloitte and the Underwriter Defendants were asserted pursuant only to the Securities Act, which relates to misrepresentations in registration statements.⁴ Therefore, only those Class Members who are entitled to assert Securities Act claims, *i.e.*, the Offerings Subclass Members, will be eligible to participate in the distribution of the Net Settlement Funds created by the Settlements with Deloitte and the Underwriter Defendants. The \$24 million Settlement Amount with respect to the Individual Defendants Settlement, based on Lead Plaintiffs' damages expert's analysis, will be allocated \$23 million to the Exchange Act claims and \$1 million to the Securities Act claims.

28. The Net Settlement Funds (*i.e.*, the Settlement Funds less (a) all federal, state and local taxes on any income earned by the Settlement Funds and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Funds (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing Notice to Class Members (including Offerings Subclass Members) and administering the Settlements on behalf of Class Members (including Offerings Subclass Members); and (c) any attorneys' fees and expenses awarded by the Court to Lead Counsel) will be distributed to Class Members as follows: The Net Settlement Fund created by the Settlement with the Individual Defendants (less the proportionate amount allocated to the Securities Act claims) will be distributed to all Class Members who submit valid Claims that are accepted by the Court ("Authorized Claimants") in accordance with the provisions of the Plan of Allocation. The Net Settlement Funds created by the Settlements with Deloitte and the Underwriter Defendants together with the proportionate share of the Net Settlement Fund created by the Settlement with Individual Defendants allocated to the Securities Act claims will be distributed to all Offerings Subclass Members who are Authorized Claimants in accordance with the provisions of the Plan of Allocation.

PROPOSED PLAN OF ALLOCATION: GENERAL PROVISIONS

29. After approval of the Settlements by the Court and upon satisfaction of the other conditions to the Settlements, the Net Settlement Funds will be distributed to Authorized Claimants in accordance with the Plan of Allocation. If any funds remain in the Net Settlement Funds because of uncashed distributions or other reasons, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distribution checks, any balance remaining in the Net Settlement Funds one (1) year after the initial distribution of such funds shall be redistributed to Class Members and Offerings Subclass Members who have cashed their initial distribution and who would receive at least \$10.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Funds for such redistribution. If any funds shall remain in the Net Settlement Funds six (6) months after such redistribution, then such balance shall be contributed to non-sectarian, not-for-profit 501(c)(3) organizations designated by Lead Counsel after notice to the Court and subject to direction, if any, by the Court.
30. The Net Settlement Funds will not be distributed until the Court has approved a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.
31. Settling Defendants are not entitled to get back any portion of the Settlement Funds once the Court's Order approving the respective Settlement becomes final. Settling Defendants shall not have any liability, obligation or responsibility for the administration of the Settlements or disbursement of the Net Settlement Funds or the Plan of Allocation.
32. Approval of the Settlements is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlements, if approved.
33. Only those Class Members who purchased or otherwise acquired American Home common stock and/or preferred stock during the Class Period **AND WERE DAMAGED AS A RESULT OF SUCH PURCHASES OR ACQUISITIONS**, will be eligible to share in the distribution of the Net Settlement Funds. Each person wishing to participate in the distribution must timely submit a valid Proof of Claim and Release form ("Claim Form") establishing membership in the Class (and in the Offerings Subclass where applicable), and including all required documentation, postmarked no later than March 1, 2010 to the address set forth in the Claim Form that accompanies this Notice. Unless the Court otherwise orders, any Class Member (including any Offerings Subclass Member) who fails to submit a Claim Form postmarked no later than March 1, 2010 shall be forever barred from receiving payments pursuant to the Settlements set forth in the Stipulations but will in all other respects remain a Class Member (and, where applicable,

⁴ The determination of which claims should be brought against any given defendant is based on plaintiffs' analysis of the relevant law and the facts as known at the time the claims are asserted.

an Offerings Subclass Member) and be subject to the provisions of the applicable Stipulations, including the terms of any Judgments entered and releases given. This means that each Class Member (and each Offerings Subclass Member) releases the applicable Settled Claims (as defined in paragraph 54 below) against the applicable Released Parties (as identified in paragraph 56 below) and is enjoined and prohibited from filing, prosecuting, or pursuing any of the applicable Settled Claims against any of the applicable Released Parties regardless of whether or not such Class Member (including Offerings Subclass Members) submits a Claim Form.

34. The Court has reserved jurisdiction to allow, disallow or adjust the Claim of any Class Member (including any Offerings Subclass Member) on equitable grounds. The Court also reserves the right to modify the Plan of Allocation distributed to Class Members (including Offerings Subclass Members) without further notice to the Class (including the Offerings Subclass).
35. The Court has also reserved the right to modify the Plan of Allocation without further notice to Class Members (including Offerings Subclass Members). All Orders regarding a modification of the Plan of Allocation will be posted on the settlement website, www.amhomemortgagesecuritieslitigation.com.
36. Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiffs, Lead Counsel, Settling Defendants and their respective counsel, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulations, the Plan of Allocation, or further orders of the Court. Lead Plaintiffs, Settling Defendants, their respective counsel, and all other Released Parties shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Funds, the Net Settlement Funds, the Plan of Allocation, or the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Funds, or any losses incurred in connection therewith.
37. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Eastern District of New York with respect to his, her or its Claim Form.
38. Persons and entities that exclude themselves from the Class will not be eligible to receive a distribution from the Net Settlement Funds and should not submit Claim Forms.
39. A "Recognized Loss Amount" will be calculated for each purchase or acquisition of American Home common stock and preferred stock that is listed in the Claim Form, and for which adequate documentation is provided. The calculation of the Recognized Loss Amount will depend upon several factors, including (i) when the shares were purchased or acquired and (ii) whether they were held until the conclusion of the Class Period or sold during the Class Period, and if so, when they were sold.
40. **Information Required on the Claim Form:** Each Claim Form must state and provide sufficient documentation for each Authorized Claimant's position in American Home common stock and preferred stock as of the opening of trading on July 19, 2005, the first day of the Class Period, and the closing position in American Home common stock and preferred stock as of the close of trading on August 6, 2007, the last day of the Class Period. Each Claim Form also must list and provide sufficient documentation for all transactions in American Home common stock and preferred stock, including all purchases or acquisitions and sales, made during the Class Period. Additionally, to the extent shares of American Home common stock were purchased pursuant or traceable to the registration statements issued in connection with the secondary offerings conducted on or about August 9, 2005 and April 30, 2007, documentation demonstrating that fact must also be included.
41. The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to those Class Members and Offerings Subclass Members who suffered economic losses as a result of the alleged fraud, as opposed to losses caused by market or industry factors or other non-fraud-related, Company-specific factors. The Plan of Allocation reflects Lead Plaintiffs' damages expert's analysis undertaken to that end, including a review of publicly available information regarding American Home and statistical analyses of the price movements of American Home stock and the price performance of relevant market and industry indices during the Class Period.
42. Recognized Loss Amounts are based on the level of alleged artificial inflation in the price of American Home common stock and preferred stock at the time of purchase or acquisition. For market losses to be compensable damages under the federal securities laws, however, the disclosure of the allegedly misrepresented information must be the cause

of the decline in the price of the stock. In this case, Lead Plaintiffs allege that Defendants made false statements and omitted material facts from July 19, 2005 through and including August 6, 2007, which were partially corrected by disclosures on June 28, 2007, July 11, 2007, July 27, 2007, August 2, 2007, and August 6, 2007. The various Recognized Loss Amounts described below are based on the timing of trades in American Home common stock and preferred stock relative to these alleged corrective disclosure dates.

SPECIFIC LOSS AMOUNTS

43. The Recognized Loss Amount per share, which is based on the daily per share amount of alleged artificial inflation present in the price of American Home common stock and preferred stock, shall be calculated as follows, and cannot be less than zero.

A. AMERICAN HOME COMMON STOCK

- (i) For shares of American Home common stock purchased or otherwise acquired between July 19, 2005 and June 28, 2007, inclusive and:
 - (a) Sold prior to the close of trading on June 28, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss between June 29, 2007 and July 10, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$2.22 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Sold at a loss between July 11, 2007 and July 30, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$4.18 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (d) Sold at a loss between July 31, 2007 and August 2, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$11.74 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (e) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$12.50 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (f) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$12.93 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (g) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$12.93 per share; or (ii) the difference between the purchase price per share and \$0.15.
- (ii) For shares of American Home common stock purchased or otherwise acquired between June 29, 2007 and July 10, 2007, inclusive and:
 - (a) Sold prior to the close of trading on July 10, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss between July 11, 2007 and July 30, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$1.96 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Sold at a loss between July 31, 2007 and August 2, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$9.52 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (d) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$10.28 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (e) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$10.71 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (f) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$10.71 per share; or (ii) the difference between the purchase price per share and \$0.15 per share.
- (iii) For shares of American Home common stock purchased or otherwise acquired between July 11, 2007 and July 30, 2007, inclusive and:
 - (a) Sold prior to the close of trading on July 30, 2007, the Recognized Loss Amount is \$0.00.

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- (b) Sold at a loss between July 31, 2007 and August 2, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$7.56 per share; or (ii) the difference between the purchase price per share and the sale price per share.
- (c) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$8.32 per share; or (ii) the difference between the purchase price per share and the sale price per share.
- (d) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$8.75 per share; or (ii) the difference between the purchase price per share and the sale price per share.
- (e) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$8.75 per share; or (ii) the difference between the purchase price per share and \$0.15 per share.
- (iv) For shares of American Home common stock purchased or otherwise acquired between July 31, 2007 and August 2, 2007, inclusive and:
 - (a) Sold prior to the close of trading on August 2, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$0.76 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$1.19 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (d) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$1.19 per share; or (ii) the difference between the purchase price per share and \$0.15 per share.
- (v) For shares of American Home common stock purchased or otherwise acquired on August 3, 2007 and:
 - (a) Sold prior to the close of trading on August 3, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$0.43 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$0.43 per share; or (ii) the difference between the purchase price per share and \$0.15 per share.
- (vi) For shares of American Home common stock purchased on August 6, 2007 the Recognized Loss Amount is \$0.00.

B. AMERICAN HOME 9.75% SERIES A PREFERRED STOCK

- (i) For shares of American Home Series A preferred stock purchased or otherwise acquired between July 19, 2005 and June 28, 2007, inclusive and:
 - (a) Sold prior to the close of trading on June 28, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss between June 29, 2007 and July 10, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$1.15 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Sold at a loss between July 11, 2007 and July 30, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$3.30 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (d) Sold at a loss between July 31, 2007 and August 2, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$15.05 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (e) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$16.28 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (f) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$17.13 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (g) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$17.13 per share; or (ii) the difference between the purchase price per share and \$0.55 per share.

- (ii) For shares of American Home Series A preferred stock purchased or otherwise acquired between June 29, 2007 and July 10, 2007, inclusive and:
 - (a) Sold prior to the close of trading on July 10, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss between July 11, 2007 and July 30, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$2.15 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Sold at a loss between July 31, 2007 and August 2, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$13.90 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (d) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$15.13 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (e) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$15.98 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (f) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$15.98 per share; or (ii) the difference between the purchase price per share and \$0.55 per share.
- (iii) For shares of American Home Series A preferred stock purchased or otherwise acquired between July 11, 2007 and July 30, 2007, inclusive and:
 - (a) Sold prior to the close of trading on July 30, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss between July 31, 2007 and August 2, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$11.75 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$12.98 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (d) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$13.83 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (e) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$13.83 per share; or (ii) the difference between the purchase price per share and \$0.55 per share.
- (iv) For shares of American Home Series A preferred stock purchased or otherwise acquired between July 31, 2007 and August 2, 2007, inclusive and:
 - (a) Sold prior to the close of trading on August 2, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$1.23 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$2.08 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (d) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$2.08 per share; or (ii) the difference between the purchase price per share and \$0.55 per share.
- (v) For shares of American Home Series A preferred stock purchased or otherwise acquired on August 3, 2007 and:
 - (a) Sold prior to the close of trading on August 3, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$0.85 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$0.85 per share; or (ii) the difference between the purchase price per share and \$0.55 per share.
- (vi) For shares of American Home Series A preferred stock purchased on August 6, 2007, the Recognized Loss Amount is \$0.00.

C. AMERICAN HOME 9.25% SERIES B PREFERRED STOCK

- (i) For shares of American Home Series B preferred stock purchased or otherwise acquired between July 19, 2005 and June 28, 2007, inclusive and:
 - (a) Sold prior to the close of trading on June 28, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss between June 29, 2007 and July 10, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$1.21 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Sold at a loss between July 11, 2007 and July 30, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$3.32 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (d) Sold at a loss between July 31, 2007 and August 2, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$15.04 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (e) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$15.78 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (f) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$17.13 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (g) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$17.13 per share; or (ii) the difference between the purchase price per share and \$0.25 per share.
- (ii) For shares of American Home Series B preferred stock purchased or otherwise acquired between June 29, 2007 and July 10, 2007, inclusive and:
 - (a) Sold prior to the close of trading on July 10, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss between July 11, 2007 and July 30, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$2.11 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Sold at a loss between July 31, 2007 and August 2, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$13.83 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (d) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$14.57 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (e) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$15.92 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (f) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$15.92 per share; or (ii) the difference between the purchase price per share and \$0.25 per share.
- (iii) For shares of American Home Series B preferred stock purchased or otherwise acquired between July 11, 2007 and July 30, 2007, inclusive and:
 - (a) Sold prior to the close of trading on July 30, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss between July 31, 2007 and August 2, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$11.72 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$12.46 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (d) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$13.81 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (e) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$13.81 per share; or (ii) the difference between the purchase price per share and \$0.25 per share.

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- (iv) For shares of American Home Series B preferred stock purchased or otherwise acquired between July 31, 2007 and August 2, 2007, inclusive and:
 - (a) Sold prior to the close of trading on August 2, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss on August 3, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$0.74 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$2.09 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (d) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$2.09 per share; or (ii) the difference between the purchase price per share and \$0.25 per share.
- (v) For shares of American Home Series B preferred stock purchased or otherwise acquired on August 3, 2007 and:
 - (a) Sold prior to the close of trading on August 3, 2007, the Recognized Loss Amount is \$0.00.
 - (b) Sold at a loss on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$1.35 per share; or (ii) the difference between the purchase price per share and the sale price per share.
 - (c) Held as of the close of trading on August 6, 2007, the Recognized Loss Amount shall be the lesser of: (i) \$1.35 per share; or (ii) the difference between the purchase price per share and \$0.25 per share.
- (vi) For shares of American Home Series B preferred stock purchased on August 6, 2007, the Recognized Loss Amount is \$0.00.

ADDITIONAL PROVISIONS

- 44. The Net Settlement Funds will be allocated among all eligible Class Members who are Authorized Claimants.
- 45. Each Authorized Claimant's Recognized Claim shall be the total of his, her or its Recognized Loss Amounts. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of a particular Net Settlement Fund is greater than that Net Settlement Fund, however, each such Authorized Claimant shall receive his, her, or its *pro rata* share of that Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of all Recognized Claims to be paid from that Net Settlement Fund, multiplied by the total amount in that Net Settlement Fund. If the prorated payment calculates to less than \$10.00, it will not be included in the calculation and it will not be distributed.
- 46. If a given Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of that Net Settlement Fund, the excess amount in that Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment from that Net Settlement Fund.
- 47. If a Class Member (including Offerings Subclass Members) has more than one purchase/acquisition or sale of American Home common stock and/or preferred stock during the Class Period, all purchases/acquisitions and sales of like securities shall be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any American Home shares of that security held at the beginning of the Class Period, and then against purchases/acquisitions of the security in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.
- 48. Purchases or acquisitions and sales of American Home common stock and preferred stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of American Home common stock or preferred stock during the Class Period shall not be deemed a purchase, acquisition or sale of these shares of the American Home stock for the calculation of an Authorized Claimant's Recognized Loss Amounts nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of American Home common stock or preferred stock unless (i) the donor or decedent purchased or otherwise acquired such shares of American Home common stock or preferred stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of American Home common stock or preferred stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

49. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of American Home stock. The date of a “short sale” is deemed to be the date of sale of American Home stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero.
50. To the extent a Claimant had a market gain from his, her, or its overall transactions in American Home common stock and preferred stock during the Class Period, the value of the Recognized Claim will be zero. Such Claimants will in any event be bound by the applicable Settlements. To the extent that a Claimant suffered an overall market loss on his, her, or its overall transactions in American Home common stock during the Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant’s Recognized Claim shall be limited to the amount of the actual market loss.
51. For purposes of determining whether a Claimant had a market gain from his, her, or its overall transactions in American Home common stock and preferred stock during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount⁵ and (ii) the sum of the Sales Proceeds⁶ and the Holding Value.⁷ This difference will be deemed a Claimant’s market gain or loss on his, her, or its overall transactions in American Home common stock and preferred stock during the Class Period.
52. The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiffs and Lead Counsel to the Court for approval. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class (including the Offerings Subclass).

WHAT RIGHTS AM I GIVING UP BY REMAINING IN THE CLASS?

53. If you remain in the Class, you will be bound by any orders issued by the Court. For example, if the Settlements are approved, the Court will enter judgments (the “Judgments”). The respective Judgments will dismiss with prejudice the claims against the applicable Settling Defendants and will provide that Lead Plaintiffs and all other Class Members shall be deemed to have -- and by operation of the Judgments shall have -- fully, finally, and forever released, waived, discharged, and dismissed any and all Settled Claims (as defined in paragraph 54 below), including Unknown Claims (as defined in paragraph 55 below) against the Released Parties (as identified in paragraph 56 below) and any claims or potential claims that were or could be asserted in connection with the Action or the Settled Claims with respect to the applicable Settlement.
54. “Settled Claims” means:
- (a) as to the Individual Defendants and their related Released Parties, any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class, derivative or individual in nature, including both known claims and Unknown Claims, (i) that have been asserted in this Action by any Plaintiff or other Class Member or any of them against any of the Released Parties, or (ii) that could have been asserted in any forum by any Plaintiff or other Class Member or any of them against any of the Released Parties that arise out of or are based upon or relate to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint (including but not limited to any disclosures, statements, registration statements or periodic reports issued by American Home or any of the Individual Defendants during the Class Period) and the purchase or other acquisition, sale or other

5 The “Total Purchase Amount” is the total amount the Claimant paid for all of the American Home common stock and preferred stock purchased or acquired during the Class Period.

6 The Claims Administrator shall match any sales of American Home common stock and preferred stock during the Class Period, first against the Claimant’s opening position in the like security (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received for sales of the remaining American Home common stock and preferred stock sold during the Class Period is the “Sales Proceeds.”

7 The Claims Administrator shall ascribe a value of (a) \$0.15 per share holding value for the number of shares of American Home common stock purchased or acquired during the Class Period and still held as of the close of business on August 6, 2007 (“Holding Value”); (b) a Holding Value of \$0.55 per share of American Home Series A preferred stock; and (c) a Holding Value of \$0.25 per share of American Home Series B preferred stock.

disposition, or decision to hold or holding of American Home common and/or preferred stock during the Class Period; and

- (b) as to Deloitte and its related Released Parties, and as to the Underwriter Defendants and their related Released Parties, any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class, derivative or individual in nature, including both known claims and Unknown Claims, (i) that have been asserted in this Action by any Offerings Subclass Plaintiff or other Offerings Subclass Member or any of them against any of the Released Parties, or (ii) that could have been asserted in any forum by any Offerings Subclass Plaintiff or other Offerings Subclass Member or any of them against any of the Released Parties that arise out of or are based upon or relate to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint (including but not limited to any statements or representations by Deloitte or the Underwriter Defendants during the Class Period relating to American Home) and the purchase or other acquisition, sale or other disposition, or decision to hold or holding of American Home common stock purchased through and including August 6, 2007 pursuant or traceable to the registration statements issued in connection with the Offerings.

55. "Unknown Claims" means any and all Settled Claims which any Plaintiff or any other Class Member (including any other Offerings Subclass Member) does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Parties' Claims which any Settling Defendant or any other Released Party does not know or suspect to exist in his, her or its favor at the time of the release of such claims, which if known by him, her or it might have affected his, her or its decision(s) with respect to the applicable Settlement(s). With respect to any and all Settled Claims and Released Parties' Claims, the parties stipulate and agree that upon the Effective Date, Plaintiffs and the Settling Defendants shall expressly waive, and each other Class Member (including each other Offerings Subclass Member) and each other Released Party shall be deemed to have waived, and by operation of the applicable Judgment(s) shall have expressly waived, 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 Cal. Civ. Code § 1542, which provides:

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.

Plaintiffs and Settling Defendants acknowledge, and each other Class Member (including each other Offerings Subclass Member) and each other Released Party by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Released Parties' Claims was separately bargained for and was a key element of the applicable Settlement(s).

56. "Released Parties" or "Released Party" means, all of the Settling Defendants (and Lehman Brothers Inc. and Flagstone Securities LLC) and various Released Parties, which generally include each of the Settling Defendants' respective past, present and future parent companies, subsidiaries, successors, transferees, assigns, affiliates, divisions, joint ventures, past present and future officers, directors, employees, members, partners, principals, shareholders, owners, representatives, agents, attorneys, insurers, immediate family members of the Individual Defendants, and other released parties described therein.⁸
57. The Judgments will provide that the Settling Defendants and all of the other respective Released Parties shall by operation of law be deemed to have fully, finally, and forever released, waived, discharged and dismissed any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, including both known claims and Unknown Claims, that have been or could have been asserted in the Action or any forum by

⁸ The definitions of Released Parties, as set forth in the respective Stipulations, are set forth in their entirety in the accompanying Claim Form.

any of the Settling Defendants or any of the other respective Released Parties or the successors or assigns of any of them against any Plaintiff, or any other named plaintiffs in any of the actions consolidated into the Action, any of their respective attorneys, or any other Class Member (or Offerings Subclass Member) that arise out of or relate in any way to the institution, prosecution or settlement of the claims against the Settling Defendants, except for claims relating to the enforcement of the Settlements.

58. In addition, the Judgments will provide for “Bar Orders” that generally (a) bar all future claims for contribution or indemnification by all persons and entities against the Settling Defendants; and (b) bar Settling Defendants from seeking indemnification or contribution where the claim arises out of or relates to the allegations asserted in the Action and the alleged injury, in the case of the Individual Defendants arises from those Settling Defendant’s alleged liability to the Class, or any Class Member, and in the case of Deloitte and the Underwriters arises from those Settling Defendant’s liability to the Offerings Subclass, or any Offerings Subclass Member, except that the settling Underwriter Defendants shall retain the right to seek a recovery from Lehman Brothers Inc. The Judgments will further provide that with respect to the Individual Defendants, if the Class or any Class Member, and with respect to Deloitte and the Underwriters, if the Offerings Subclass or any Offerings Subclass Member, obtains a judgment against a person relating to allegations in the Complaint, for which a Settling Defendant is jointly and severally liable, such judgment shall be reduced by the greater of the amount contributed by that Settling Defendant or the proportionate fault of that Settling Defendant.⁹

WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

59. Lead Counsel have not received any payment for their services in pursuing claims against the Settling Defendants on behalf of the Class and the Offerings Subclass, nor have they been reimbursed for their out-of-pocket expenses. Before final approval of the Settlements, Lead Counsel intend to apply to the Court for an award of attorneys’ fees on behalf of all Plaintiffs’ Counsel not to exceed 20% of the Total Settlement Fund. At the same time, Lead Counsel also intend to apply for reimbursement of Litigation Expenses in an amount not to exceed \$750,000.

HOW DO I PARTICIPATE IN THE SETTLEMENTS? WHAT DO I NEED TO DO?

60. If you purchased or otherwise acquired American Home common and/or preferred stock between July 19, 2005 and August 6, 2007, inclusive, and were damaged thereby, and you are not excluded by the definition of the Class and you do not elect to exclude yourself from the Class, then you are a Class Member, and you will be bound by the proposed applicable Settlements if the Court approves them, and by any judgments or determination of the Court affecting the Class and the Subclass, as applicable. Only Class Members are eligible to participate in the distribution of the Net Settlement Fund created by the Individual Defendants Settlement and only Offerings Subclass Members are eligible to participate in the distribution of the Net Settlement Funds created by the Settlements with Deloitte and the Underwriter Defendants. If you are a Class Member (including Offerings Subclass Members), you will be required to submit a Claim Form and supporting documentation to establish your entitlement to share in the respective Net Settlement Funds. A Claim Form is included with this Notice, or you may go to the website maintained by the Claims Administrator for the Settlements or request that a Claim Form be mailed to you. The website is www.amhomemortgagecuritieslitigation.com. The Claim Form can also be downloaded from Lead Counsel’s respective websites at, www.blbglaw.com and www.bermandevalerio.com. Those who exclude themselves from the Class and those who do not submit timely and valid Claim Forms with adequate supporting documentation will not be entitled to share in the Net Settlement Funds. Please retain all records of your ownership of and transactions in American Home common stock and preferred stock, as they may be needed to document your Claim.
61. As a Class Member you are represented by Lead Plaintiffs (and as an Offerings Subclass Member by the Offerings Subclass Plaintiffs) and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When and Where Will the Court Decide Whether to Approve the Settlements,” below.
62. If you do not wish to remain a Class Member, you may exclude yourself from the Class (including the Offerings Subclass) by following the instructions in the section entitled, “What If I Do Not Want To Participate In The Settlements? How Do I Exclude Myself?,” below.

⁹ The specific terms of the bar orders and judgment reduction provisions that will be sought are set forth in the respective Stipulations.

63. If you are a Class Member (including an Offerings Subclass Member) and wish to object to any of the applicable Settlements or any of their terms, to the proposed Plan of Allocation or to Lead Counsel's application for attorneys' fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlements," below. PLEASE NOTE: only members of the Offerings Subclass have the right to address the terms of the proposed Settlements with Deloitte and the Underwriter Defendants.

**WHAT IF I DO NOT WANT TO PARTICIPATE IN THE SETTLEMENTS?
HOW DO I EXCLUDE MYSELF?**

64. Each Class Member (including each Offerings Subclass Member) will be bound by all determinations and judgments in this lawsuit concerning the applicable Settlements, whether favorable or unfavorable, unless such person or entity mails, by first-class mail (or its equivalent outside the U.S.), or otherwise delivers a written Request for Exclusion from the Class, addressed to *In re American Home Mortgage Securities Litigation*, EXCLUSIONS, c/o Analytics, Incorporated, Claims Administrator, P.O. Box 2011, Chanhassen, MN 55317-2011. The exclusion request must be *received* no later than December 23, 2009. You will not be able to exclude yourself from the Class after that date. Each Request for Exclusion must (a) state the name and address of the person or entity requesting exclusion; (b) state that such person or entity "requests exclusion from the Class in *In re American Home Mortgage Securities Litigation*, Case No. 07-MD-1898 (TCP)"; (c) be signed by such person or entity requesting exclusion; (d) provide a telephone number for that person or entity; and (e) provide the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of American Home common and/or preferred stock during the Class Period. To the extent that purchases of American Home common shares were purchased pursuant or traceable to the 2005 Offering and/or the 2007 Offering, the request for exclusion must so state and supporting documentation must be provided. Requests for exclusion will not be valid if they do not include the information set forth above and are not received within the time stated above, unless the Court otherwise determines.
65. If you do not want to be part of the Class (including the Offerings Subclass), you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Settled Claim.
66. If a person or entity requests to be excluded from the Class, that person or entity will not receive any benefit provided for in the Stipulations.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE
THE SETTLEMENTS?
DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENTS?**

67. **If you do not wish to object to the proposed Settlements, the proposed Plan of Allocation and/or the application for attorneys' fees and reimbursement of Litigation Expenses, you do not need to attend the Settlement Hearing. Also, you can object to or participate in the Settlements without attending the Settlement Hearing.**
68. The Settlement Hearing will be held on January 13, 2010 at 1:30 p.m. before the Honorable Thomas C. Platt, at the United States District Court for the Eastern District of New York, Long Island Courthouse, Courtroom 1040, Central Islip, New York, NY 11722. The Court reserves the right to approve the Settlements at or after the Settlement Hearing without further notice to the members of the Class (including the Offerings Subclass).
69. Any Class Member (including any Offerings Subclass Member) who does not request exclusion *received* no later than December 23, 2009 may object to the Settlements that pertain to them, to the proposed Plan of Allocation or to Lead Counsel's request for an award of attorneys' fees and reimbursement of expenses. Objections or oppositions must be in writing. You must file any written objection or opposition, together with copies of all other papers (including proof of all purchases or acquisitions of American Home common and/or preferred stock during the Class Period establishing your membership in the Class and, where applicable, in the Offerings Subclass) and briefs with the Clerk's Office at the United States District Court for the Eastern District of New York at the address set forth below on or before December 23, 2009. You must also serve the papers on Lead Counsel for the Class and counsel for the applicable Settling Defendants at the addresses set forth below so that the papers are *received* on or before December 23, 2009.

QUESTIONS? VISIT WWW.BLBGLAW.COM OR WWW.BERMANDEVALERIO.COM

Clerk's Office

UNITED STATES DISTRICT
COURT FOR THE EASTERN
DISTRICT OF NEW YORK
Clerk of the Court
100 Federal Plaza
Central Islip, NY 11722

Lead Counsel for the Class

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Deloitte's Counsel

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MEAGHER & FLOM LLP
Jay B. Kasner
Four Times Square
New York, NY 10036

Underwriter Defendants' Counsel

PAUL, WEISS, RIFKIND, WHARTON
& GARRISON LLP
Charles E. Davidow
2001 K Street, NW
Washington, DC 20006-1047

70. The filing must demonstrate your membership in the Class, including the number of shares of American Home common stock and/or preferred stock purchased or otherwise acquired or sold during the Class Period and price(s) paid and received. If you wish to object to the Settlements with Deloitte or the Underwriter Defendants, your filing must demonstrate your membership in the Offerings Subclass, including the number of shares of American Home common stock purchased pursuant or traceable to the registration statements issued in connection with the 2005 Offering and/or the 2007 Offering through and including August 6, 2007 and the price(s) paid. You may not object to any of the Settlements or any aspect of them if you excluded yourself from the Class or if you are not a member of the Class.
71. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.
72. If you wish to be heard orally at the hearing in opposition to the approval of any of the Settlements, the proposed Plan of Allocation or Lead Counsel's request for an award of attorneys' fees and reimbursement of expenses, and if you file and serve a timely written objection as described above, you also must notify the applicable above counsel on or before December 23, 2009 concerning your intention to appear. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.
73. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you decide to hire an attorney, which will be at your own expense, however, he or she must file a notice of appearance with the Court and serve it on Lead Counsel and the applicable Settling Defendants' Counsel so that the notice is *received* on or before December 23, 2009.
74. The Settlement Hearing may be adjourned by the Court without further written notice to the Class (including the Offerings Subclass). If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

Unless the Court orders otherwise, any Class Member (including any Offerings Subclass Member) who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlements, the proposed Plan of Allocation or Lead

Counsel's request for an award of attorneys' fees and reimbursement of expenses. Class Members (including Offerings Subclass Members) do not need to appear at the hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

75. If you purchased or otherwise acquired American Home common and/or preferred stock during the Class Period (including American Home common stock pursuant or traceable to the secondary offerings conducted on August 9, 2005 and on April 30, 2007) for the beneficial interest of persons or organizations other than yourself, you must either (a) send a copy of this Notice and the Claim Form to the beneficial owners of such American Home securities, postmarked no later than fourteen (14) days after you receive this Notice, or (b) provide the names and addresses of such persons or organizations no later than fourteen (14) days after you receive this Notice to *In re American Home Mortgage Securities Litigation*, c/o Analytics, Incorporated, Claims Administrator, P.O. Box 2011, Chanhassen, MN 55317-2011. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form can be obtained from the website maintained by the Claims Administrator, www.amhomemortgagesecuritieslitigation.com, or by calling toll-free 877-265-3429, or from Lead Counsel's websites, www.blbglaw.com and www.bermandevalerio.com.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

76. This Notice contains only a summary of the terms of the proposed Settlements. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulations, which may be inspected during regular office hours at the Office of the Clerk, United States District Court, Eastern District of New York, Long Island Courthouse, 100 Federal Plaza, Central Islip, NY 11722. Additionally, the Stipulations and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator.

All inquiries concerning this Notice should be directed to:

In re American Home Mortgage Securities Litigation
c/o Analytics, Incorporated, Claims Administrator
P.O. Box 2011
Chanhassen, MN 55317-2011
877-265-3429

and/or

Steven B. Singer, Esq.
Avi Josefson, Esq.
BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP
1285 Avenue of the Americas
New York, NY 10019
(800) 380-8496
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Jeffrey C. Block, Esq.
Kathleen M. Donovan-Maher, Esq.
BERMAN DEVALERIO
One Liberty Square
Boston, MA 02109
(800) 516-9926
www.bermandevalerio.com

DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.

Dated: October 30, 2009

By Order of the Clerk of the Court
United States District Court
Eastern District of New York

QUESTIONS? VISIT WWW.BLBGLAW.COM OR WWW.BERMANDEVALERIO.COM