

EXHIBIT A

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10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA

12 IN RE NEW CENTURY

Case No. 2:07-cv-00931-DDP (FMOx)
(Lead Case)

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14 **DECLARATION OF THE**
15 **HONORABLE DANIEL H.**
16 **WEINSTEIN**

17 Judge: Hon. Dean D. Pregerson
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19 I, Hon. Daniel H. Weinstein (Ret.), hereby declare as follows:

20 1. I was selected to be the mediator over this case and the other New
21 Century-related matters involving the New Century Bankruptcy Trustee, a separate
22 plaintiff Kodiak, and the U.S. Securities and Exchange Commission ("SEC"). I
23 make this declaration based on personal knowledge and am competent to testify to
24 the matters set forth herein. As discussed below, while fairness is ultimately a
25 question for the Court, it is my opinion that the Settlements reached in this case are
26 fair and reasonable.

27 2. All of the parties, entities, and individuals who were represented at the
28 mediation sessions or who participated in the negotiations executed a

1 Confidentiality Agreement indicating that the mediation process was to be
2 considered settlement negotiations for the purpose of all state and federal rules
3 protecting disclosures made during such process from later discovery and/or use in
4 evidence. The parties further agreed that the Confidentiality Agreement extends to
5 all present and future civil, judicial, quasi-judicial, arbitral, administrative or other
6 proceedings. Nothing in my declaration divulges any privileged information. The
7 filing of this declaration does not constitute the waiver of any such confidentiality
8 privilege.

9 3. From 1982 through 1988, I served as a Judge of the Superior Court of
10 the State of California, County of San Francisco. I also served as an Associate
11 Justice Pro Tem of the California Supreme Court and of the First District Court of
12 Appeal.

13 4. Since retiring from the bench, I have been a full-time mediator. For
14 the past twenty years, I have presided over the mediation of countless disputes,
15 including many of the most complex multi-party disputes throughout the United
16 States. For example, I have mediated dozens of federal securities class actions
17 involving public companies such as Enron, Homestore, Qwest, Adelphia, Dynegy,
18 Providian, Clarent, and other major New York Stock Exchange and NASDAQ
19 corporations. I have also mediated a host of other types of class actions, including
20 ERISA actions, product liability actions, toxic tort cases, environmental litigation,
21 and litigation brought by borrowers, credit card customers, insurance purchasers,
22 and air crash victims. Many of the cases involve complex fact patterns and legal
23 issues and hundreds of millions (or billions) of dollars in claimed damages. They
24 often include numerous plaintiffs and plaintiffs' counsel, as well as numerous
25 defendants (issuers, directors, officers, insurance carriers, professional firms, etc.)
26 and defense counsel. For each of the last ten years, I have assisted parties in
27 forging settlements of complex disputes involving more than one billion dollars in
28 the aggregate.

1 5. As detailed below, I oversaw the settlement negotiations in this case
2 for over a one-year period, culminating in the parties ultimately reaching four
3 inter-related settlements: (i) the settlement between the class plaintiffs; Kodiak (an
4 individual plaintiff that had filed a separate case); and the New Century bankruptcy
5 Trustee, on one hand, and the individual directors and officers and the New
6 Century insurance carriers, on the other (the "D/O Settlement"); (ii) the settlement
7 between the class plaintiffs and New Century's auditor, KPMG LLP ("KPMG")
8 (the "KPMG Settlement"); (iii) the settlement between the class plaintiffs and the
9 eight Underwriter Defendants (the "Underwriter Settlement"); and (iv) a settlement
10 between certain former New Century officers and the SEC (collectively, the
11 "Settlements").

12 6. My experience includes the mediation of many cases such as this one,
13 *i.e.*, securities class actions. All securities class actions involve complexities, but
14 this case in particular involved four particularly difficult issues for the mediator.

15 7. First, the bankruptcy filing by New Century early in the litigation and
16 rapidly diminishing available insurance were complicating factors. Although there
17 was initially a significant amount of directors and officers insurance ("D&O
18 insurance"), by the time the mandatory discovery stay of the Private Securities
19 Litigation Reform Act of 1995 ("PSLRA") was lifted after Defendants' motions to
20 dismiss were denied, the primary layer of the insurance – \$10 million – had already
21 been exhausted in defense costs and the remaining insurance threatened to waste
22 away as the litigation continued. Moreover, the D&O insurance was complex. Not
23 only did the D&O policy consist of 14 excess policies underwritten by 11 different
24 insurance companies, but the 14 excess policies were divided into 3 different towers
25 consisting of ABC coverage, Side A coverage and Independent Directors Liability
26 ("IDL") coverage, which meant that cooperation and agreement to payment from
27 numerous insurance carriers were required to achieve the D/O Settlement. In
28 addition, the IDL tower applied only to New Century's independent directors, and

1 then only with respect to one-seventh of the IDL tower for each of the independent
2 directors who was found liable. Despite these complications, Lead Plaintiff was
3 able to obtain contributions from the insurance carriers totaling over \$90 million as
4 part of the global D/O Settlement.

5 8. In addition, Lead Counsel conducted an assessment of some of the
6 Officer Defendants' financial conditions and ability to pay and determined that the
7 potential contributions by the individuals were limited by their personal assets.
8 Lead Plaintiff determined that it would have had to give up significantly more in
9 insurance proceeds before it could obtain their assets. Nevertheless, Lead Plaintiff,
10 in connection with the resolution of the related SEC action, obtained cash
11 contributions to the global D/O Settlement from certain of the Officer Defendants.

12 9. Second, the claims of competing claimants – the New Century
13 Trustee; Kodiak; and the SEC – had to be factored into the availability of the D&O
14 insurance in connection with the D/O Settlement. Lead Plaintiff had to obtain the
15 cooperation of the Trustee, Kodiak, and the SEC – not to mention each of the 11
16 different insurance carriers, 19 Individual Defendants, 8 Underwriter Defendants
17 and one auditor Defendant – before the Settlements could be reached.

18 10. Third, potential claims among and against the various defendant
19 groups further complicated the settlement negotiations. Therefore, Defendant
20 KPMG threatened to sue the Officer and Director Defendants for various claims
21 which Plaintiffs could not bar as part of their settlement. However, a release of the
22 Officer Defendants by KPMG and the Underwriter Defendants was required before
23 the Settlement could be effectuated. I not only oversaw the negotiations leading to
24 the ultimate settlement terms between the plaintiff groups, on one hand, and the
25 defendant groups, on the other, but I also oversaw the negotiations among and
26 between the Defendants and among the insurance carriers.

27 11. Fourth, KPMG strongly believed that it would be successful in
28 dismissing all of Plaintiffs' claims for lack of loss causation and had filed an early

1 motion for summary judgment to obtain that result. The motion was extensively
2 discussed in mediation and fully briefed at the time of settlement.

3 12. Notwithstanding these very complicated dynamics, Lead Plaintiff
4 achieved an excellent settlement of approximately \$125 million in cash for the
5 members of the Class.

6 13. I set forth my background as a mediator above to provide context for
7 the comments that follow and to demonstrate that my perspective on the settlement
8 of this action is rooted in significant experience in the resolution of complex
9 litigation generally and securities class actions in particular. Without doubt, this
10 action presented complicated legal, factual, and practical issues, *and it was*
11 *procedurally one of the most challenging that I have encountered.* The class and
12 individual plaintiffs, the Trustee, the SEC, the individual defendants, the carriers,
13 the underwriters, and KPMG were all represented during the mediation process
14 through zealous and able counsel, who negotiated aggressively and at arm's length.
15 I am very strongly of the view that the Settlements reached at the end of the
16 mediation process represent reasonable and practical resolutions of highly
17 uncertain litigation. The Court, of course, will make determinations as to the
18 "fairness" of the Settlements under applicable legal standards. From a mediator's
19 perspective, however, I can say that I unreservedly recommend the Settlements that
20 have been reached as reasonable, hard-fought, arm's length, and accurately
21 reflective of the risks and potential rewards of the claims being settled.

22 14. The Settlements are the result of intensive, arm's-length negotiations
23 between informed parties, and involved numerous formal mediation sessions with
24 all parties present, as well as extensive direct negotiations between counsel for the
25 parties that occurred before and after those mediations. The Settlements occurred
26 only after Lead Plaintiff had withstood Defendants' motions to dismiss, obtained
27 and analyzed volumes of documents, had filed expert reports and briefs in
28 opposition to KPMG's motion for summary judgment, and was preparing for

1 depositions. It took more than eleven in-person mediation sessions and numerous
2 negotiations over the course of more than a year before the case settled. Notably,
3 the Court-appointed Lead Plaintiff, New York State Teachers' Retirement System,
4 actively participated in the negotiations, and it's General Counsel or Associate
5 General Counsel personally attended the mediation sessions.

6 15. The first mediation in this action took place over three separate days
7 on March 11, 12, and 24, 2009. Before the mediation, the parties exchanged
8 lengthy mediation briefs that set forth the respective parties' positions and analysis
9 of the strengths and weaknesses of the case. Over the three days in March 2009,
10 Lead Plaintiff and certain of the Defendants participated in in-person mediation
11 sessions before me, but were not able to resolve the case. Thereafter, I facilitated
12 additional negotiations which occurred on March 31 and May 8, 2009. A second
13 in-person mediation session took place over two days on June 25 and 26, 2009,
14 followed by telephone calls with me on July 29 and August 18, 2009. On
15 September 14, 2009, a third in-person mediation session took place, followed by a
16 conference call on October 1, 2009. On October 14 and October 20, 2009, Lead
17 Plaintiff provided three letter briefs to me to address the defenses raised by KPMG
18 and the Underwriter Defendants, the evidence against them, and their liability.
19 Thereafter, a fourth in-person mediation session took place on October 26, 2009,
20 followed by conference calls and meetings with me on December 29, 2009, and
21 January 13, 2010. Over the course of two days on January 18 and 19, 2010, a fifth
22 in-person mediation session took place, followed by conference calls on
23 January 19, January 20, and February 11, 2010. Thereafter, the parties continued
24 to participate in conference calls with me and participated in final in-person
25 mediation sessions on April 28 and April 29, 2010. By April 29, 2010, although
26 the parties did not fully resolve the matters, all of the parties were close to reaching
27 agreements in principle to settle all of the claims. At that time, Lead Counsel
28 drafted comprehensive settlement agreements. Over May, June and July 2010, the

1 parties extensively negotiated the specific terms of the settlement documents,
2 including three separate Settlement Stipulations, the proposed Preliminary
3 Approval Order, the Class Notice and Claim Form, the Summary Notice, and the
4 three proposed Judgments.

5 16. Throughout the complicated mediation process, I stressed to each
6 party the significant risks of going forward. In addition to the dwindling sources of
7 recovery as discussed above, there were serious risks as to whether Lead Plaintiff
8 would ultimately prevail on the merits, including as a result of Defendants'
9 argument that Lead Plaintiff could not establish scienter, the materiality of the
10 misstatements, or loss causation. Indeed, Defendants throughout the litigation
11 repeatedly argued that Lead Plaintiff could not prove loss causation and that
12 Defendants could show negative causation. KPMG's motion for summary
13 judgment (which was pending at the time of reaching the final Settlements),
14 threatened to eliminate all claims against KPMG and to greatly reduce damages
15 recoverable against the Underwriter Defendants. There was also a risk that a jury
16 would find that the stock price drops on the alleged corrective disclosure dates
17 were actually only partially recoverable on one of those days, or not at all.

18 17. In addition, there was an additional risk that a jury would find that the
19 Individual Defendants did not have the requisite scienter for certain claims
20 because, among other things, they relied on the audit opinion of KPMG in
21 connection with New Century's financial results.

22 18. The Defendants, too, faced significant risks if a court or jury
23 ultimately disagreed with their legal and/or factual analyses of the claims against
24 them.

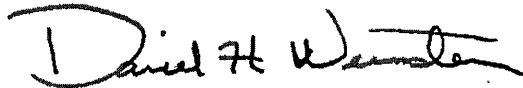
25 19. Based on my experience as a mediator, and my specific experiences in
26 overseeing the complicated negotiation process in this case, I believe the total of
27 approximately \$125 million obtained for the Class through the Settlements
28 represents a fair and reasonable result for all parties involved, including the Class.

1 In particular, I believe that the Settlements represent the highest settlement
2 amounts that the Class could have achieved at this time.

3 20. Therefore, based on my knowledge of this action, all of the materials
4 provided to me, the extensive efforts of counsel, the intensity of the negotiations,
5 the litigation risks, and the benefits reached in the proposed Settlements, I believe
6 that they are fair, reasonable, and adequate Settlements of all claims against all
7 Defendants, and I respectfully recommend that they be approved by the District
8 Court.

9 21. I declare, under penalty of perjury, that the foregoing facts are true
10 and correct under the laws of the United States of America.

11 Executed this 1 day of October, 2010, at San Francisco CA

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Hon. Daniel H. Weinstein (Ret.)

EXHIBIT B

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10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA

12 IN RE NEW CENTURY

Case No. 2:07-cv-00931-DDP (FMOx)
(Lead Case)

13
14 **DECLARATION OF WAYNE**
15 **SCHNEIDER IN SUPPORT OF**
16 **FINAL APPROVAL OF**
17 **SETTLEMENTS AND PLAN OF**
18 **ALLOCATION, AND REQUEST**
19 **FOR ATTORNEYS' FEES AND**
20 **REIMBURSEMENT OF**
21 **LITIGATION EXPENSES**

Judge: Hon. Dean D. Pregerson

22 I, Wayne Schneider, declare as follows:

23 1. I am General Counsel for the New York State Teachers' Retirement
24 System, ("NYSTRS") the Court-appointed Lead Plaintiff in the above action. I
25 submit this declaration in support of the Lead Plaintiff's application for: (i)
26 approval of the proposed Settlements; (ii) approval of the proposed Plan of
27 Allocation; and (iii) an award of attorneys' fees and reimbursement of litigation
28 expenses. I have personal knowledge of matters related to NYSTRS, and of the

1 other matters set forth in this declaration, having been directly involved in its
2 prosecution, mediation and settlement, and I could and would testify competently
3 thereto.

4 **I. Background**

5 **A. NYSTRS**

6 2. Lead Plaintiff, NYSTRS, is a public employee retirement system
7 organized to provide retirement, disability and survivor benefits to eligible New
8 York State public school teachers and administrators. As of June 30, 2010, the
9 Fund had net assets exceeding \$75 billion. On June 26, 2007, this Court appointed
10 NYSTRS as the Lead Plaintiff for this litigation.

11 3. NYSTRS, through the active and continuous involvement of its
12 General Counsel and/or Associate General Counsel, monitors its activities in the
13 securities class actions in which it has been appointed to serve as lead plaintiff. We
14 have had regular communications with Bernstein Litowitz Berger & Grossmann
15 LLP ("BLB&G"), the Court-appointed Lead Counsel for the Class, concerning the
16 prosecution, mediation, and settlement of this case. We have generally
17 communicated with Lead Counsel throughout the litigation and at points in time
18 when important decisions needed to be made. When necessary, we briefed other
19 representatives of NYSTRS on the status of the action.

20 4. NYSTRS is familiar with securities class action litigation, and it
21 carefully selects in which cases it chooses to move to be appointed as the lead
22 plaintiff. Based on its active participation in the prosecution of this action,
23 NYSTRS has been able to capably oversee the prosecution of this case as well as
24 the ultimate settlement of the action.

25 5. During the Class Period, NYSTRS purchased over 1 million shares of
26 New Century common stock on the open market, and suffered substantial losses as
27 a result of the fraud alleged in this action. Therefore, among other reasons,
28 NYSTRS was highly motivated – and viewed it as its duty working with Lead

1 Counsel – to see to it that the recovery was maximized to the greatest extent
2 possible in light of the risks and circumstances of the case.

3 6. Prior to seeking appointment as Lead Plaintiff in this action, NYSTRS
4 communicated with attorneys from BLB&G to evaluate the circumstances
5 concerning New Century. We had telephone conversations, meetings, and
6 corresponded with BLB&G attorneys to evaluate the significant considerations
7 relevant to deciding on an appropriate course of action for NYSTRS. In particular,
8 NYSTRS considered, internally and with BLB&G, among other things, (a) the
9 amount of the losses it sustained on its Class Period purchases of New Century
10 securities; (b) the alleged securities violations related to New Century; and (c) the
11 legal and procedural issues involved in prosecuting the action. We, along with
12 BLB&G, determined to have a pre-determined fee arrangement at the outset of this
13 litigation.

14 **B. NYSTRS Extensively Participated In The**
15 **Prosecution And Settlement Of The Action**

16 7. NYSTRS was appointed Lead Plaintiff by Order entered
17 June 26, 2007. NYSTRS previously reviewed and approved all submissions made
18 in connection with the motion for its appointment as lead plaintiff.

19 8. NYSTRS closely supervised, carefully monitored, and has been
20 actively involved in all aspects of the prosecution of the action. We received
21 periodic status reports from BLB&G on case developments and participated in
22 regular discussions with attorneys from BLB&G concerning the conduct of the
23 action. In particular, NYSTRS, among other things, has:

- 24 (a) Reviewed and commented on pleadings submitted in this matter;
25 (b) Reviewed and commented on briefs and evidence submitted in this
26 matter, including but not limited to the documents filed in connection with
27 KPMG's motion for summary judgment;
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1 (c) Consulted with BLB&G regarding the retention of experts and other
2 consultants;

3 (d) Identified and provided relevant documents during the discovery
4 process; and

5 (e) Consulted with BLB&G regarding its review and assessment of the
6 case in light of counsel's receipt and review of discovery.

7 9. NYSTRS was also directly involved in overseeing and participating in
8 the formal mediations and lengthy negotiations in this action, which led to the
9 three inter-related settlements: (i) the settlement between the Class; Kodiak, an
10 individual plaintiff that had filed a separate case; the New Century bankruptcy
11 Trustee; and the SEC, on one hand, and the individual directors and officers and
12 the New Century insurance carriers, on the other (the "D/O Settlement"); (ii) the
13 settlement between the Class and New Century's auditor, KPMG LLP ("KPMG")
14 (the "KPMG Settlement"); and (iii) the settlement between the Class and the eight
15 Underwriter Defendants (the "Underwriter Settlement") (collectively, the
16 "Settlements").

17 10. In particular, representatives of NYSTRS actively participated in the
18 mediations in person before the Honorable Daniel H. Weinstein. Because of our
19 close supervision of the litigation, I believe NYSTRS has been well-positioned and
20 qualified to evaluate the reasonableness and adequacy of the settlement proposals
21 and to formulate settlement positions on behalf of the Class. Throughout the
22 mediation process, NYSTRS conferred with BLB&G at length regarding the
23 parties' respective positions. Consistent with those discussions, we determined not
24 to settle the litigation at the conclusion of the initial mediation sessions. Rather,
25 following the initial mediation sessions, we continued to explore the possibility of
26 settlement with the mediator, our counsel and with counsel for Defendants, and
27 attended additional mediation sessions. BLB&G kept us apprised as these
28 discussions were ongoing. By April 29, 2010, all parties were close to reaching

1 agreements in principle to settle all of the claims. Over May, June, and July 2010,
2 the parties extensively negotiated the specific terms of the settlement documents,
3 which NYSTRS reviewed. NYSTRS was directly involved in and approved the
4 Settlements that were ultimately reached, totaling approximately \$125 million for
5 the benefit of the Class.

6 11. As the specific terms of the Settlements and Settlement
7 documentation were negotiated, NYSTRS also reviewed, conferred with Lead
8 Counsel, and approved the Stipulations of Settlement and other documents
9 submitted to the Court in connection with the Settlements. NYSTRS also reviewed
10 and commented with BLB&G upon the briefs and other documents that are
11 presently being submitted in support of (a) final approval of the Settlements and
12 approval of Lead Plaintiff's proposed Plan of Allocation; and (b) approval of Lead
13 Counsel's application for an award of attorneys' fees and reimbursement of
14 litigation expenses.

15 **II. NYSTRS Strongly Endorses The Settlements,**
16 **The Plan Of Allocation And Lead Counsel's**
17 **Application For An Award Of Attorneys' Fees**
And Reimbursement Of Litigation Expenses

18 12. Based on NYSTRS' oversight of the prosecution and mediation of this
19 action, Lead Plaintiff NYSTRS strongly endorses the Settlements and believes they
20 provide an excellent recovery for the Class, especially when measured against the
21 maximum amount of recoverable damages, and in view of the substantial issues we
22 faced in ability to pay issues and in establishing liability and damages in this case,
23 as well as the more limited sources of recovery following a judgment after trial.
24 NYSTRS also strongly endorses the proposed Plan of Allocation, and believes that
25 it represents a fair and reasonable method for valuing claims submitted by Class
26 Members, and for distributing the Net Settlement Fund to Class Members who
27 submit valid and timely proof of claim forms.

1 13. NYSTRS further believes that Lead Counsel's requested fee of
2 approximately 11.5% of the Total Settlement Amount is fair and reasonable in light
3 of the work it performed on behalf of us and the Class. We negotiated and
4 approved that fee at the outset of the litigation pursuant to a retention agreement
5 providing a reasonable fee, particularly considering the outstanding result obtained
6 for the Class and the excellent work performed by Plaintiffs' Counsel. On a
7 quarterly basis, we received from Lead Counsel detailed reports regarding
8 Plaintiffs' Counsel's lodestar and expenses. The reports included quarterly time
9 records for all attorneys and professional staff at Plaintiffs' Counsel who worked
10 on the case during that quarter, along with summaries of that time for both the
11 quarter and since inception of the case.

12 14. NYSTRS further believes, after reviewing the expenses incurred by
13 Lead Counsel and the other firms, that the litigation expenses being requested for
14 reimbursement are reasonable, and represent costs and expenses necessary for the
15 prosecution and resolution of this securities class action. As a result, NYSTRS has
16 approved the request for reimbursement of expenses submitted by Plaintiffs'
17 Counsel.

18 15. NYSTRS understands that reimbursement of a lead plaintiff's
19 reasonable costs and expenses is authorized under the Private Securities Litigation
20 Reform Act of 1995 ("PSLRA"). For this reason, in connection with Lead
21 Counsel's request for reimbursement of litigation expenses, NYSTRS determined
22 the costs and expenses that it has incurred in connection with the litigation. Such
23 costs and expenses total \$6,611.27, as set forth below:
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EXPENSES

From Inception Through The Final Approval Hearing

Out of Town Travel :	
Joseph J. Indelicato, Jr. Associate General Counsel	\$5,072.98
• June 17- 19, 2007 Lead Plaintiff Hearing	
• September 21-23, 2008 Motion to Dismiss Hearing	
• March 11-12, 2009 Mediation (New York)	
• March 23-25, 2009 Mediation (San Francisco)	
• January 18-19, 2010 Mediation (New York)	
• April 27-29, 2010 Mediation (New York)	
Wayne Schneider, General Counsel	\$613.29
• March 11, 2009 Mediation (New York)	
• June 25-26, 2009 Mediation (New York)	
Joseph J. Indelicato, Jr. Associate General Counsel	\$925.00 ¹
• November 7-8, 2010 Final Approval Hearing	
<i>TOTAL</i>	\$6,611.27

16. The expenses pertaining to this case are reflected in the books and records of NYSTRS. These books and records are prepared from expense vouchers, check records and other documents and are an accurate record of the expenses.

¹ \$925.00 is the estimated amount of expenses that will be incurred by NYSTRS for out-of-town travel in connection with attending the Court's final approval hearing scheduled for November 8, 2010. In the event the full amount of NYSTRS' requested expenses are awarded, but the amount of expenses incurred for the final approval hearing are less than the amount awarded, NYSTRS will accept recovery only for the actual amount incurred.

1 17. In conclusion, as an authorized representative of NYSTRS, which was
2 intimately involved throughout the commencement, prosecution, mediation and
3 Settlements of this action, I strongly support (i) the Settlements obtained for the
4 class as fair, reasonable and adequate, and believe that they represent an
5 outstanding recovery; (ii) the Plan of Allocation, and believe that it provides a fair
6 and reasonable method for valuing claims submitted by Class Members and for
7 distributing the Net Settlement Fund; and (iii) the attorneys' fee and litigation
8 expense reimbursement application, and believe that it represents fair and
9 reasonable compensation for counsel in light of the outstanding recovery for the
10 Class and the litigation risks, and that it is consistent with, or less than, the fees
11 applied for and awarded in other substantial class actions. Accordingly, I
12 respectfully request that the Court approve the Settlements, the Plan of Allocation
13 and the attorneys' fee and litigation expense reimbursement application.

14 I declare under penalty of perjury that the foregoing is true and correct under
15 the laws of the United States of America.

16 Executed this 28th day of SEPTEMBER, 2010

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19 _____
20 WAYNE SCHNEIDER
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EXHIBIT
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EXHIBIT C

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

IN RE NEW CENTURY

CASE NO. 2:07-cv-00931-DDP
(JTLx)
(Lead Case)

CLASS ACTION

**DECLARATION OF
RICHARD W. SIMMONS:
NOTICE DISSEMINATION
AND PUBLICATION**

**DECLARATION OF RICHARD W. SIMMONS
RE: NOTICE DISSEMINATION AND PUBLICATION**

RICHARD W. SIMMONS declares and states as follows:

1. I am President of Analytics, Incorporated (“Analytics”) with offices at 18750 Lake Drive East, Chanhassen, Minnesota. The following statements are based on my personal knowledge and information provided by other Analytics employees working under my supervision, and if called on to do so, I could and would testify competently thereto.

2. Analytics was retained by the Lead Plaintiffs in the above-captioned litigation (the “Litigation”), and appointed pursuant to paragraph 6 of the Court’s Order Preliminarily Approving Settlements and Providing For Notice, dated August 10, 2010 (“Preliminary Approval Order”), to serve as the Claims Administrator. I submit this Declaration in order to provide the Court and the parties to the Litigation with information regarding the mailing of the Court-approved Notice of Pendency of Class Action and Proposed Settlements, Settlement Fairness Hearing, and Motion for Attorneys’ Fees and Reimbursement of Litigation Expenses (the “Notice”) and the Proof of Claim and Release (“Proof of

Claim”) (collectively, with the Notice, the “Notice Packet”), as well as the publication of the Summary Notice, in accordance with the Court’s Preliminary Approval Order.¹

DISSEMINATION OF THE NOTICE PACKET

3. Analytics is responsible for disseminating the Notice Packet to potential Class Members in this Litigation. Toward that end, on August 2, 2010, Lead Counsel forwarded to Analytics three Excel spreadsheets and advised that it contained the contact information of shareholders of New Century securities from the trustee. On August 3, 2010, Lead Counsel forwarded an additional list of shareholders, and advised that this list was from the underwriters counsel. From these lists, Analytics assembled a total of three hundred twenty-six (326) rows of names and addresses of potential Class Members. In order to be a Class Member in this Litigation, shareholders must have purchased their New Century securities from May 5, 2005 through and including March 13, 2007 (the “Class Period”).

4. On or about August 5, 2010, Analytics loaded this data into a database created for the Litigation.

5. This list was supplemented by lists maintained by Analytics of five thousand eight hundred sixty-one (5,861) brokers, institutions and other nominees who regularly purchase and/or hold securities as nominees for other beneficial purchasers.

6. Analytics thereafter formatted the Notice Packet, and caused it to be printed, personalized with the name and address of each potential Class Member and nominee, posted for first-class mail, postage pre-paid, and delivered on August 17, 2010 (the “Notice Date”) to the United States Post Office in St. Louis Park, Minnesota for mailing to the shareholders and nominees identified on the mailing list.

7. On the Notice Date, six thousand one hundred seventy (6,176) copies of the Notice Packet were mailed. A copy of the Notice Packet is attached hereto as Exhibit A. In accordance with the

¹ Unless otherwise defined herein, all capitalized terms shall have the same meaning as set forth in the Stipulations of Settlement and/or Preliminary Approval Order.

instructions in the Notice, Analytics has received requests from nominees for additional Notice Packets to be mailed either directly to the Class Member list provided by the nominee or to the nominee for dissemination by them. Since the Notice Date, Analytics has fulfilled bulk requests from nominees for seven thousand five hundred fifty-one (7,551) Notice Packets; and has received forty-two thousand nine hundred eighteen (42,918) additional records from nominees. All requests received as of September 24, 2010 have been fulfilled. Requests for Notice Packets received after September 24, 2010 will continue to be fulfilled within five business days of its receipt.

8. As of September 27, 2010, an aggregate of fifty-six thousand six hundred forty-five (56,645) Notice Packets had been disseminated to potential Class Members by first-class mail.

9. Subsequent to mailing, the United States Post Office will return mail marked undeliverable as addressed. To date, one hundred twenty-eight (128) Notice Packets have been returned with updated addresses. These Notice Packets were promptly re-addressed and posted for mailing. In addition, to date, two hundred fifty-three (253) notices were returned undeliverable as addressed, but without any updated address.

PUBLICATION OF THE SUMMARY NOTICE

10. The Court's Preliminary Approval Order also directed that the Summary Notice be published once in the national edition of *The Wall Street Journal* and over *PR Newswire* within five (5) days business days of the mailing of the Notice Packets. Accordingly, the Summary Notice was published in *The Wall Street Journal* and released over *PR Newswire* on August 24, 2010. A copy of the Summary Notice and confirmation of publication in *The Wall Street Journal* are attached hereto as Exhibit B. A copy of the Summary Notice release and confirmation of release over *PR Newswire* are attached hereto as Exhibit C.

TOLL FREE NUMBER

11. Beginning on August 17, 2010, Analytics set up and continues to maintain an automated toll-free telephone number (1-866-308-7615), to accommodate inquiries from Class Members and to respond to frequently asked questions. The interactive voice response system dedicated to this Settlement is accessible 24 hours a day, 7 days a week. As of the date of the affidavit there have been one hundred one (101) calls to the automated number, of which twenty-nine (29) transferred to live agents. Analytics has and will continue to accommodate Class Member inquiries.

WEBSITE

12. Analytics also established and is maintaining a website dedicated to this settlement (www.newcenturysettlement.com) to provide additional information to the Class Members and to answer frequently asked questions. Users of the website can download a copy of the Notice, Proof of Claim, Stipulation of Settlement, and the Preliminary Approval Order, among other relevant documents. The web address was set forth in the published Summary Notice, the mailed Notice, and on the Proof of Claim. The settlement website was operational beginning on August 17, 2010, and is accessible 24 hours a day, 7 days a week.

OPT-OUTS AND OBJECTIONS

13. In accordance with paragraph 19 of the Preliminary Approval Order, Class Members who wish to be excluded from the Class are required to do so in writing so that the request is received no later than October 18, 2010. This deadline has not yet passed. As of the date of this Declaration, Analytics has received one (1) request for exclusion. A summary spreadsheet of the request for exclusion received as of September 27, 2010, is attached hereto as Exhibit D.

14. In accordance with paragraph 12 of the Preliminary Approval Order, Class Members who wish to object to the Settlement are required to do so in writing so that the request is received by the


Parties and filed with the Court no later than October 18, 2010. This deadline has not yet passed. As of the date of this Declaration, Analytics has not received any objections from Class Members.

PLAN OF ALLOCATION AND CLAIMS ADMINISTRATION

15. Analytics has reviewed the Plan of Allocation for distribution of the net settlement fund, which is included in the Notice. Analytics has determined that it is able to administer the settlement based on the Plan of Allocation, and has administered numerous other securities class action settlements with similar plans of allocation that are based on the amount of calculated artificial inflation in the stock price during the relevant class period.

16. Analytics understands that the Plan of Allocation and the Court's Preliminary Approval Order require Class Members to submit valid Proof of Claim forms and supporting documentation in order to be potentially eligible to participate in the distribution of the settlement funds. Such supporting documentation typically includes brokerage confirmation slips, or other documentation as sufficiently reliable to establish the transactions in the relevant security while preventing acceptance of fraudulent claims. If/when Analytics receives Proof of Claim forms without sufficient documentation, the claimant will be advised of the deficiency and we will attempt to work with the claimant in order for them to remedy the deficiency.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.



Richard W. Simmons

Date: September 29, 2010

IN RE NEW CENTURY

EXHIBIT A

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

IN RE NEW CENTURY

Case No. 2:07-cv-00931-DDP (FMOx)
(Lead Case)

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

Judge: Hon. Dean D. Pregerson

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 "Consolidated Action") if, during the period from May 5, 2005, through and including March 13, 2007, you purchased or acquired Common Stock, 9.125% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock"), 9.75% Series B Cumulative Redeemable Preferred Stock ("Series B Preferred Stock"), and/or Call Options and/or sold Put Options of New Century Financial Corporation ("New Century" or the "Company").

NOTICE OF SETTLEMENTS: Please also be advised that the Court-appointed Lead Plaintiff, New York State Teachers' Retirement System ("Lead Plaintiff") and Plaintiffs Carl Larson and Charles Hooten (collectively "Plaintiffs"), on behalf of the Class (as defined below), have reached three proposed settlements ("Settlements") of the Consolidated Action as follows: a settlement with the Underwriter Defendants¹ in the amount of \$15,000,000.00; a settlement with KPMG LLP ("KPMG") in the amount of \$44,750,000.00; and a settlement with the Individual Defendants² in which the Class will receive \$65,077,088.00.³ The total cash amount of the Class's recovery equals \$124,827,088.00. The terms of the Settlements are set forth in the Stipulations.⁴

This Notice explains important rights you may have, including your 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 Consolidated Action and the Class:** Lead Plaintiff alleges that Defendants made false and misleading statements and/or omitted material information to investors during the Class Period. Defendants deny all allegations, and deny that investors were damaged as a result of any such alleged statements or omissions. This Notice relates to three proposed Settlements regarding claims against the Individual Defendants, the Underwriter

1 "Underwriter Defendants" means Bear, Stearns & Co. Inc., Deutsche Bank Securities Inc., Piper Jaffray & Co., Stifel, Nicolaus & Co., Inc., JMP Securities LLC, Roth Capital Partners, Morgan Stanley & Co., Inc., and Jeffries & Co., Inc. ("Underwriter Defendants").

2 "Individual Defendants" means Robert K. Cole, Brad A. Morrice, Estate of Edward Gotschall, Patti M. Dodge, Fredric J. Forster, Michael M. Sachs, Harold A. Black, Donald E. Lange, Terrence P. Sandvik, Richard A. Zona, Marilyn A. Alexander, David Einhorn, and William J. Popejoy. "Defendants" means the Underwriter Defendants, the Individual Defendants, and KPMG.

3 The \$65,077,088.00 includes funds recovered by the Securities and Exchange Commission in a civil enforcement action entitled *SEC v. Morrice et al.*, Case No. 09-1426-DDP, commenced on December 7, 2009, in the United States District Court for the Central District of California (the "SEC Action").

4 All capitalized terms that are not defined herein shall have the meaning ascribed to them in the Stipulations. "Stipulations" means the Stipulation Of Global Settlement With New Century Officers And Directors (the "Global Officer And Director Stipulation" or "Global Officer And Director Settlement"); Stipulation Of Settlement Between Plaintiffs And The Underwriter Defendants (the "Underwriter Stipulation" or "Underwriter Settlement"); and Stipulation Of Settlement Between Plaintiffs And KPMG LLP (the "KPMG Stipulation" or "KPMG Settlement"). C

Defendants, and KPMG (collectively "Defendants") in the Consolidated Action. The proposed Settlements, if approved by the Court, will resolve all claims and potential claims of Class Members against the Defendants and the other applicable Released Parties (as identified below), and will provide relief to all persons and entities who purchased or otherwise acquired New Century Common Stock, Series A Preferred Stock, Series B Preferred Stock (Series A Preferred Stock and Series B Preferred Stock are collectively referred to as "Preferred Stock"), and/or New Century Call Options and/or who sold New Century Put Options, during the time period from May 5, 2005, through and including March 13, 2007, either in the Offerings, pursuant to a registration statement, or in the market, and who, upon disclosure of certain facts alleged in the Complaint, were injured thereby (the "Class"). (The New Century Common Stock, Series A Preferred Stock, Series B Preferred Stock, and/or New Century Call Options and New Century Put Options (as described above) are referred to collectively as "New Century Securities.")

2. **Statement of the Class's Recovery:** Subject to Court approval, and as described more fully below, Plaintiffs, on behalf of the Class, have agreed to settle all claims related to the purchase of New Century Common Stock, Preferred Stock and/or New Century Call Options and/or sales of New Century Put Options during the Class Period that were or could have been asserted against Defendants and other Released Parties in the Consolidated Action in exchange for total settlement payments of \$124,827,088.00 (the "Total Settlement Amount") in cash to be deposited into an interest-bearing escrow account (the "Settlement Fund"). The Net Settlement Fund (the Settlement Fund less Taxes, notice and administration costs, and attorneys' fees and Litigation Expenses awarded to Lead Counsel) 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 Fund shall be allocated to the members of the Class. The proposed Plan of Allocation is included in this Notice. Assuming that all Class Members participate in the Settlements, Lead Plaintiff's damages consultant estimates that the average distribution per damaged share will be approximately \$0.69 per share of New Century Common Stock, approximately \$2.08 per share of New Century Preferred Stock, approximately \$0.11 per Call Option, and approximately \$0.25 per Put Option, before deduction of Court-approved fees, expenses and costs described herein.
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 Plaintiffs were to prevail. Defendants deny all liability and that any shares or Options of New Century Securities were damaged as Plaintiffs have alleged. The parties disagree on, among other things: (i) whether the statements challenged in this Consolidated Action were materially false and misleading; (ii) whether the price of New Century shares was inflated as the result of any allegedly false or misleading public statements or omissions by Defendants; and (iii) whether the decline in the price of New Century shares alleged in the Consolidated Action resulted from the disclosure of any information that Plaintiffs allege was wrongfully withheld.
4. **Statement of Attorneys' Fees and Expenses Sought:** Lead Counsel will apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 12% of the Total Settlement Amount with interest from the date of funding at the same rate as earned by the Settlement Fund. In addition, Lead Counsel also will apply for the reimbursement of Litigation Expenses paid or incurred in connection with the prosecution and resolution of the Consolidated Action, in an amount not to exceed \$4.5 million, plus interest from the date of funding at the same rate as earned by the Settlement Fund. If the Court approves Lead Counsel's fee and Litigation Expense application, Lead Plaintiff's damages consultant estimates that the average cost per damaged share will not exceed approximately \$0.11 per share of Common Stock, approximately \$0.32 per share of Preferred Stock, approximately \$0.02 per Call Option, and approximately \$0.04 per Put Option.
5. **Identification of Attorneys' Representatives:** Lead Plaintiff and the Class are being represented by Salvatore J. Graziano, Esq., of Bernstein Litowitz Berger & Grossmann LLP, the Court-appointed Lead Counsel. Any questions regarding the Settlements should be directed to Mr. Graziano at Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, New York, NY 10019, (866) 648-2524, blbg@blbglaw.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENTS:	
SUBMIT A CLAIM FORM NO LATER THAN DECEMBER 15, 2010.	This is the only way to get a payment. If you wish to obtain a payment as a Class Member, you will need to file a Claim Form (which is included with this Notice) postmarked no later than December 15, 2010.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN OCTOBER 18, 2010.	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against any of the 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 OCTOBER 18, 2010.	Write to the Court and explain why you do not like the Settlements, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of expenses. You cannot object to the Settlements unless you are a Class Member and do not exclude yourself.
GO TO THE HEARING ON NOVEMBER 8, 2010 AT 10:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS <i>RECEIVED</i> NO LATER THAN OCTOBER 18, 2010.	Ask to speak in Court about the fairness of the Settlements, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of expenses.
DO NOTHING.	Get no payment. Remain a Class Member. Give up your rights.

[END OF COVER PAGE]

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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 Central District of California (the "Court") because you or someone in your family may have purchased or otherwise acquired or sold New Century Securities during the Class Period. The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlements in this case. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlements, a claims administrator selected by Lead Plaintiff and approved by the Court, will make payments pursuant to the Settlements 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 Consolidated Action, the Court has appointed New York State Teachers' Retirement System to serve as "Lead Plaintiff" under a federal law governing lawsuits such as this one, and approved Lead Plaintiff's selection of the law firm of Bernstein Litowitz Berger & Grossmann LLP ("Lead Counsel") to serve as Lead Counsel in the Consolidated Action. Lead Plaintiff New York State Teachers' Retirement System and named plaintiffs Carl Larson and Charles Hooten are the Class Representatives. 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 Be A Part Of The Settlements? How Do I Exclude Myself?" located below.)
8. The Court in charge of this case is the United States District Court for the Central District of California, and the case is known as *In re New Century*. The Judge presiding over this case is the Honorable Dean D. Pregerson, United States District Judge. The people who are suing are called plaintiffs, and those who are being sued are called defendants. In this case, the plaintiff is referred to as the Lead Plaintiff, on behalf of itself and the Class, and Defendants are the Individual Defendants, the Underwriter Defendants and KPMG. New Century was not named as a defendant because New Century 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.
9. 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 if you wish to do so. It also is 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 proposed Settlements, the fairness and reasonableness of the proposed Plan of Allocation, and the application by Lead Counsel for attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing").
10. The Settlement Hearing will be held on November 8, 2010 at 10:00 a.m., before the Honorable Dean D. Pregerson, at the United States District Court for the Central District of California, 312 North Spring Street, Courtroom 3, Los Angeles, California 90012 to determine:
 1. whether this Consolidated 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;
 2. whether the proposed Settlements are fair, reasonable, and adequate and should be approved by the Court;
 3. whether the claims against defendants and the other released parties should be dismissed with prejudice as set forth in the Stipulations;
 4. whether the proposed Plan of Allocation is fair and reasonable and should be approved by the Court; and
 5. whether Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved by the Court.
11. This Notice does not express any opinion by the Court concerning the merits of any claim in the Consolidated Action, and the Court still has to decide whether to approve the Settlements. If the Court approves the Settlements, 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 THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

12. Beginning on or about February 8, 2007, securities class action complaints were filed in the United States District Court for the Central District of California and the actions were consolidated by Order dated June 26, 2007.
13. On April 2, 2007, New Century and other Debtors filed for bankruptcy in the United States Bankruptcy Court for the District of Delaware ("Bankruptcy Court") under Chapter 11 of Title 11 of the United States Code.
14. By Order dated June 26, 2007, the Court appointed the New York State Teachers' Retirement System as Lead Plaintiff for the Consolidated Action and approved its selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel for the Class.
15. On September 14, 2007, Plaintiffs filed their Consolidated Class Action Complaint ("Consolidated Complaint") asserting claims against Defendants under the Securities Exchange Act of 1934 ("Exchange Act") and the Securities Act of 1933 ("Securities Act") on behalf of the Class.
16. Beginning on November 2, 2007, Defendants filed motions to dismiss the Consolidated Complaint, which Plaintiffs opposed on December 14, 2007.
17. By Order dated January 31, 2008, the Court granted the motions to dismiss with leave to amend the complaint.
18. On March 24, 2008, Plaintiffs filed their Amended Consolidated Class Action Complaint ("Amended Complaint"), alleging claims against Defendants pursuant to the Securities Act and the Exchange Act.
19. Pursuant to stipulation, on April 30, 2008, Plaintiffs filed their Second Amended Consolidated Class Action Complaint (the "Complaint"), alleging claims against Defendants pursuant to the Securities Act and the Exchange Act.
20. Beginning on June 2, 2008, Defendants filed motions to dismiss the Complaint, which Plaintiffs opposed on July 7, 2008.
21. Following a hearing, by Order dated December 3, 2008, the Court substantially denied Defendants' motions to dismiss.
22. Beginning on January 26, 2009, Defendants answered the Complaint.
23. The Parties began discovery in or about April 2009, including filing multiple motions to compel and motions for protective order, and serving discovery requests and responses, and producing voluminous documents.
24. On January 13, 2010, Defendant KPMG filed a motion for summary judgment, which Plaintiffs opposed on March 15, 2010.
25. The Parties have participated in mediation sessions and additional discussions before the Honorable Daniel Weinstein, following which the Parties were able to reach agreements in principle to settle this Consolidated Action on the terms set forth herein. In connection with the settlement of the Consolidated Action, Defendants and other persons also reached agreements to settle the action entitled *Kodiak Warehouse LLC, et al. v. Brad A. Morrice, et al.* (Case No. 08-1265-DDP-FMO) commenced on November 7, 2008, in the United States District Court for the Central District of California (the "Kodiak Litigation") and the adversary proceeding entitled *The New Century Liquidating Trust and Reorganized New Century Warehouse Corp. by and through Alan M. Jacobs, Liquidating Trustee and Plan Administrator v. Robert K. Cole et al. (In re New Century TRS Holdings, Inc.)* (Adv. Proc. No. 09-50882 (KJC)) commenced on April 1, 2009 in the Bankruptcy Court (the "Trustee Litigation"), and the SEC Action.
26. On August 10, 2010, the Court preliminarily approved the Settlements, authorized this Notice to be sent to potential Class Members, and 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?

27. If you are a member of the Class, you are subject to the Settlements unless you timely request to be excluded. The Class consists of all persons and entities who purchased or otherwise acquired New Century Common Stock, New Century Series A Preferred Stock, New Century Series B Preferred Stock, and/or New Century Call Options and/or who sold New Century Put Options, during the time period from May 5, 2005, through and including March 13, 2007, either in the Offerings, pursuant to a registration statement, or in the market, and who, upon disclosure of certain

facts alleged in the Complaint, were injured thereby. Excluded from the Class are (a) Defendants; (b) members of the immediate families of the Individual Defendants; (c) the subsidiaries and affiliates of Defendants; (d) any person or entity who was a partner, executive officer, director or controlling person of New Century (including any of its subsidiaries or affiliates) or of any Defendant; (e) any entity in which any Defendant has a controlling interest; and (f) the legal representatives, heirs, successors and assigns of any such excluded party. The Class also does not include those persons and entities who timely request exclusion from the Class pursuant to this Notice (see "What If I Do Not Want To Participate In The Class And The Settlements? How Do I Exclude Myself?" below).

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENTS. IF YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE SETTLEMENTS, YOU MUST SUBMIT THE ENCLOSED CLAIM FORM POSTMARKED NO LATER THAN DECEMBER 15, 2010.

WHAT ARE THE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENTS?

28. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. Lead Plaintiff and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against Defendants through trial and appeals, as well as the difficulties in establishing liability for allegations of fraud. Lead Plaintiff and Lead Counsel have taken into account the possibility that the claims asserted in the Complaint might have been dismissed at a later stage, such as in response to motions for summary judgment, and have considered issues that would have been decided by a jury in the event of a trial of the Consolidated Action, including whether Defendants acted with an intent to mislead investors, whether the alleged misrepresentations or omissions were material to investors, whether all of the Class Members' losses were caused by the alleged misrepresentations or omissions, and the amount of damages. Lead Plaintiff and Lead Counsel have considered the uncertain outcome and trial and appellate risk in complex lawsuits like this one. Lead Plaintiff also considered the available funds to satisfy any verdict at trial given the expense and length of continued proceedings necessary to reach a successful resolution at trial and on appeal.
29. In light of the amount of the Settlements and the immediacy of recovery to the Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlements are fair, reasonable and adequate, and in the best interests of the Class. Lead Plaintiff and Lead Counsel believe that the Settlements provide a substantial benefit now, namely \$124,827,088.00 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Complaint would produce a similar, smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future.
30. Defendants have denied the claims asserted against them in the Complaint and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. 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 Defendants' wrongdoing.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENTS?

31. If there were no Settlements and Lead Plaintiff failed to establish any essential legal or factual element of its claims, neither Lead Plaintiff nor the other members of the Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, the members of the Class likely would recover substantially less than the amount provided in the Settlements, or nothing at all.

HOW MUCH WILL MY PAYMENT BE?

THE PROPOSED PLAN OF ALLOCATION: GENERAL PROVISIONS

32. Pursuant to the respective Stipulations, the Individual Defendants have agreed to pay or cause to be paid collectively \$65,077,088.00; the Underwriter Defendants have agreed to collectively pay \$15,000,000.00; and KPMG has agreed to pay \$44,750,000.00. Collectively, Defendants have agreed to pay a total amount of \$124,827,088.00 in cash.
33. After approval of the Settlements by the Court, and upon satisfaction of the other conditions to the Settlements, and upon issuance of a Class Distribution Order, the Net Settlement Fund will be distributed to Authorized Claimants in accordance with the Plan of Allocation.

34. The Settlement Fund will be distributed as follows:

- (i) to pay all federal, state, and local Taxes on any income earned by the Settlement Fund and to pay the reasonable costs incurred in connection with determining the amount of, and paying, Taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants);
- (ii) to pay costs and expenses in connection with providing Notice to Class Members and administering the Settlements on behalf of Class Members;
- (iii) to pay attorneys' fees, with interest on such amount, to the extent allowed by the Court pursuant to Lead Counsel's application;
- (iv) to pay Litigation Expenses incurred in commencing and prosecuting the Consolidated Action, with interest on such money, to the extent allowed by the Court pursuant to Lead Counsel's application; and
- (v) to compensate Authorized Claimants with the balance of the Net Settlement Fund in accordance with the Plan of Allocation, subject to an Order of the Court approving the Settlements and the Plan of Allocation (or such other allocation plan as the Court may approve), and subject to such Order becoming Final (meaning that the time for appeal or appellate review of the Order granting final approval has expired, or, if the Order is appealed, that the appeal is either decided without causing a material change in the Order or is upheld on appeal and is no longer subject to appellate review).

35. Each person wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Class, and including all required documentation, postmarked no later than December 15, 2010, to the address set forth in the Claim Form that accompanies this Notice. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked no later than December 15, 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 be subject to the provisions of the Stipulations, including the terms of any Judgment entered and releases given.

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 Plaintiffs, Lead Counsel, 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. Plaintiffs, Defendants, their respective counsel, and all other Released Parties shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation, 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 Fund, or any losses incurred in connection therewith, except as otherwise provided in the Stipulations.

37. The objective of the Plan of Allocation is to equitably distribute the proceeds of the Settlements to those Class Members who suffered economic losses as a result of the alleged wrongful conduct, as opposed to losses caused by market and industry factors or Company-specific factors not related to the alleged wrongful conduct. The Plan of Allocation reflects Lead Plaintiff's damages consultant's analysis undertaken to that end, including a review of publicly available information regarding New Century and analysis regarding the stock price movements.

38. The proposed Plan of Allocation provides for distribution of the Net Settlement Fund to Authorized Claimants as follows:

I. SUMMARY OF PLAN OF ALLOCATION

39. Each Person claiming to be a Class Member entitled to share in the Net Settlement Fund ("Authorized Claimant") shall be required to submit a separate Claim Form signed under penalty of perjury and supported by such documents as specified in the Proof of Claim as are reasonably available to the Authorized Claimant. Each Proof of Claim must separately set forth: (i) each claimant's opening securities position in New Century Common Stock, Series A Preferred Stock, Series B Preferred Stock, or Put/Call Options as of the close of the market on May 4, 2005, the day before the first day of the Class Period; (ii) each transaction, i.e., purchase, acquisition, sale, disposal, exercise, or expiration, made during the Class Period in any such New Century Security; and (iii) each claimant's ending securities position in New Century Common Stock, Series A Preferred Stock, Series B Preferred Stock, or Put/Call Options, at the close of the market on March 13, 2007, the last day of the Class Period, and, for Common Stock and Preferred Stock, at the close of the market on June 10, 2007, in order to see if claimant's Section 10(b) Recognized Loss Claims will be limited by calculations relating to the 90-day look back rules of the Private Securities Litigation Reform Act of 1995

("PSLRA"). In addition, Claimants will be asked in the Proof of Claim form to list sales of New Century Common Stock and Preferred Stock made during the 90-day look back period of March 13, 2007, to June 10, 2007.⁵

40. All Proof of Claim forms must be postmarked or received by December 15, 2010, addressed as follows:

In re New Century Securities Litigation Settlement
c/o Analytics, Inc., Claims Administrator
P.O. Box 2004
Chanhassen, MN 55317-2004

41. Unless otherwise ordered by the Court, any Class Member who fails to submit a properly completed and signed Proof of Claim within such period as may be ordered by the Court shall be forever barred from receiving any payments pursuant to the Stipulation, but will in all other respects be subject to the provisions of the Stipulation and the final judgments entered by the Court.
42. The Net Settlement Fund shall be distributed to members of the Class who submit acceptable Proofs of Claim. For purposes of the Plan of Allocation, the Net Settlement Fund is divided into two components: the "Underwriter Allotment" (composed of the settlement fund from the settlement with the Underwriter Defendants net of Court-approved fees and expenses), and the "Individual-Auditor Allotment" (composed of the settlement funds from the settlement with the Individual Defendants and KPMG, net of Court-approved fees and expenses). Only Class Members who purchased Series A Preferred Stock and/or Series B Preferred Stock during the Class Period and were damaged thereby may be eligible to receive distributions from the Underwriter Allotment based on those purchases. All Class Members (including but not limited to those who purchased Series A Preferred Stock and/or Series B Preferred Stock during the Class Period and were damaged thereby) may be eligible to receive distributions from the Individual-Auditor Allotment. Put another way, the Underwriter Allotment will be distributed to only purchasers of Series A Preferred Stock and Series B Preferred Stock; whereas the Individual-Auditor Allotment will be distributed to all Class Members who submit valid Claim Forms, regardless of the type of New Century Security purchased or sold. This is because claims against the Underwriter Defendants were alleged in this Action only on behalf of purchasers of Series A Preferred Stock and Series B Preferred Stock, and not on behalf of purchasers or sellers of other Securities.
43. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Underwriter Allotment and the Individual-Auditor Allotment separately established for each class of securities shown in Table 1 annexed hereto, based upon each Authorized Claimant's "Recognized Loss Claim." The Recognized Loss Claim formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss Claim formula is the basis upon which the Underwriter Allotment and the Individual-Auditor Allotment will be proportionately allocated to the Authorized Claimants.
44. The Recognized Loss for an Authorized Claimant's transactions will be calculated by the Claims Administrator in consultation with Lead Counsel in accordance with the provisions of this Plan of Allocation. Factors generally considered in developing the Plan of Allocation, include, among others: (i) the time period in which a New Century Security was purchased; (ii) whether a Security was purchased or acquired on the open market, or as a result of some other type of transaction, such as pursuant to a registration statement or prospectus, or by gift; (iii) whether the Security was held until the end of the Class Period (March 13, 2007), or 90 days thereafter, or whether it was sold during the Class Period, and if so, when it was sold; and (iv) the artificial inflation in the price of New Century Securities at different times during the Class Period attributable to Defendants' false and misleading statements as alleged in this case, and as calculated by Lead Plaintiff's damages consultant. (Based on the opinions of this consultant, Lead Counsel assumed, for purposes of determining the Recognized Loss, that there were varied amounts of artificial inflation in prices of New Century Securities during the Class Period, and based on the assumption that Plaintiffs could adequately allege and prove liability for that entire period).

⁵ Pursuant to Section 21(D)(e)(1) of the PSLRA, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." 15 U.S.C. §78u-4(e)(1). \$0.87 was the average closing price of New Century Common Stock during the 90-day period beginning on March 13, 2007, and ending on June 10, 2007.

45. The Plan of Allocation generally measures the amount of loss that a Class Member who submits an acceptable Proof of Claim can claim under the Settlements for the purpose of making *pro rata* allocations of the cash from the Underwriter Allotment and the Individual-Auditor Allotment to Class Members for their respective class of Securities. The Plan of Allocation is not a formal damage analysis. The following proposed Plan of Allocation reflects Plaintiffs' allegations that the prices of New Century Securities were artificially inflated during the Class Period (May 5, 2005 – March 13, 2007) due to Defendants' allegedly material misrepresentations and/or omissions during the Class Period. Plaintiffs allege that corrective disclosures affecting trading on February 8, 2007; March 5, 2007, and March 13, 2007, removed artificial inflation from the prices of New Century Securities.
46. The Plan of Allocation covers the following New Century Securities: (i) Common Stock; (ii) Series A Preferred Stock; (iii) Series B Preferred Stock; and (iv) Call and Put Options on Common Stock.
47. A New Century Security must be held through a corrective disclosure in order to be eligible for a recovery in the Settlement; that is, a New Century Security purchased or otherwise acquired during the first part of the Class Period, from May 5, 2005 through February 7, 2007, must be held until or beyond February 8, 2007, the first trading day after the first corrective disclosure. Similarly, a New Century Security purchased or otherwise acquired on or after February 8, 2007, and before or on March 2, 2007, must be held until March 5, 2007, the next trading day after the second corrective disclosure. Finally, a New Century Security purchased or otherwise acquired on or after March 5, 2007, must be held until March 13, 2007, the last day of the Class Period. If you did not hold a New Century Security referred to above which was purchased during the three different parts of the Class Period described above and below (see the artificial inflation Tables annexed hereto) for both the New Century Common Stock and the New Century Preferred Stock through at least one of the three corrective disclosure dates indicated, the Recognized Loss per share is \$0. The Recognized Loss for these transactions will be calculated as zero because it has been determined that the artificial inflation between each disclosure and arising from the circumstances underlying the allegations of Plaintiffs' Complaint was constant.

II. ADDITIONAL CONSIDERATIONS IN CALCULATION OF RECOGNIZED
LOSS CLAIMS FOR NEW CENTURY SECURITIES

48. A Recognized Loss will be calculated for each purchase or sale of New Century Securities that is within the Class Period, listed in the Proof of Claim form, and for which adequate documentation is provided.

A. Guidelines Applicable to the Calculations of All Claims

49. In the event a Class Member has more than one purchase or sale of the New Century Securities, all purchases and sales of each type of security shall be matched on a First-In-First-Out ("FIFO") basis by type. Class Period sales will be matched first against any New Century Securities held at the beginning of the Class Period, and then against purchases in chronological order, beginning with the earliest purchase made during the Class Period. Purchases and sales of New Century Securities 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, devise or operation of law of New Century Securities during the Class Period shall not be deemed a purchase or sale of these New Century Securities for the calculation of an Authorized Claimant's Recognized Loss Claim, nor shall it be deemed an assignment of any claim relating to the purchase of such New Century Securities unless specifically provided in the instrument of gift or assignment. Similarly, the covering purchase of a short sale shall not be deemed a purchase or sale of New Century Securities for the calculation of an Authorized Claimant's Recognized Loss Claim.
50. Each Authorized Claimant shall be allocated a *pro rata* portion or share of the Underwriter Allotment and/or Individual-Auditor Allotment based on his, her or its Recognized Loss Claim, as compared to the total Recognized Loss Claims of all Authorized Claimants for their respective class of Securities. Each Authorized Claimant shall be paid an amount determined by multiplying the total in the Underwriter Allotment and/or Individual-Auditor Allotment for their class of Securities by a fraction, the numerator of which shall be the Claimant's Recognized Loss Claim and the denominator of which shall be the Total Recognized Loss Claims of all Authorized Claimants for the included class of securities. Each Authorized Claimant will receive a *pro rata* share of the Underwriter Allotment and/or Individual-Auditor Allotment based on his, her or its Recognized Loss Claim.
51. The amount of a Class Member's Recognized Loss as computed above is not intended to be an estimate of a Class Member's damages, nor of what a Class Member might have been able to recover at trial, and it is not an estimate of

the amount that will be paid pursuant to this Settlement. Instead, this computation is only a method to weigh Class Members' claims against one another.

52. To the extent a Claimant had a gain from his, her or its transactions during the Class Period with respect to New Century Securities specified above, the value of their Recognized Loss Claim will be zero. Such claimants will, in any event, be bound by the Settlements. You may wish to consider this when deciding whether to opt-out of the Settlements.
53. For purposes of determining whether a Claimant had an overall market gain with respect to his, her, or its Class Period purchases of an individual New Century Security or suffered an overall market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount paid for all purchases of that individual New Century Security purchased or acquired during the Class Period, (ii) any premiums received from the sale of Put Options, and (iii) the sum of the Sales Proceeds received for all of that individual New Century Security during the Class Period and the Holding Value ascribed to that security for all Securities still held on June 10, 2010. The Holding Value shall be \$0.87 per share for Common Stock; \$8.02 per share for Series A Preferred Stock; and \$7.95 per share for Series B Preferred Stock. This difference will be deemed a Claimant's market gain or loss on his, her, or its overall transactions in that individual New Century Security during the Class Period.
54. An Authorized Claimant's gains and losses on a particular New Century Security purchased during the Class Period will be netted against each other to determine the Authorized Claimant's net Recognized Loss Claim on that particular security. In the case of New Century Common Stock and Put and Call Options on that stock, gains and losses on both the stock and the Options will be combined and thereafter netted against each other. However, in all other cases, gains and losses will *not* be netted or aggregated across different eligible New Century Securities. For example, an Authorized Claimant's Recognized Loss Claim (as calculated under this Plan) on New Century Common Stock/Options will not offset his, her or its Recognized Loss Claim (as calculated under this Plan) on any issue of New Century Preferred Stock.
55. Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Class Members who do not submit a request for exclusion and do not submit an acceptable Proof of Claim will nevertheless be bound by the Settlements and the judgments of the Court.
56. Distributions will be made to Authorized Claimants only after the Court has finally approved the Settlements, the Effective Date has occurred and after all claims have been processed. At that time, Lead Plaintiff will file a motion for entry of a proposed Class Distribution Order which will, among other things, approve of the distribution to Authorized Claimants of the Net Settlement Fund.
57. The Individual Defendants, the Underwriter Defendants, and KPMG and their respective counsel, and all other Released Parties shall have no responsibility for, or liability whatsoever, relating to distributions from the Settlement Fund or the Underwriter Allotment or the Individual-Auditor Allotment, or with respect to the Plan of Allocation, or the determination, administration, calculation, or payment of any Proof of Claim, or non-performance of the Claims Administrator, the payment or withholding of Taxes owed by a Settlement Fund, or any losses incurred in connection therewith.

B. Computation Methodology Relating to Recognized Losses for Common Stock Purchases

58. For purposes of developing the Plan of Allocation, the damages consultant calculated the amount of artificial inflation in the daily closing market prices for New Century Common Stock during three different portions of the Class Period. See the annexed Table 2. In computing artificial inflation, the damages consultant considered price changes of New Century Common Stock in regard to certain public announcements regarding New Century and adjusted those price changes that were attributable to market forces unrelated to the alleged fraud.
59. As explained above, Common Stock purchases are not eligible for distributions from the Underwriter Allotment, but may be eligible for distributions from the Individual-Auditor Allotment.

C. Recognized Loss Calculations

60. Recognized Loss Claims will be calculated for the purposes of the Settlement as follows:

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1. Calculation of Recognized Loss for New Century Common Stock Purchases

61. Calculation of Recognized Loss Claims for New Century Common Stock shares shall be as follows:
62. For shares purchased on or between May 5, 2005, through February 7, 2007, the following claims for damages shall be allowed:
- (a) For each share sold on or before February 7, 2007, no Recognized Claims for damages shall be allowed;
 - (b) For each share sold on or between February 8, 2007, and through March 13, 2007, the allowed damages shall be the inflation per share at the time of purchase for the applicable date of purchase as set forth in Table 2, annexed hereto, less the inflation per share at the time of sale as set forth in Table 2; and
63. For shares purchased on or between February 8, 2007, through March 2, 2007, the following claims for damages shall be allowed:
- (a) For each share sold on or before March 2, 2007, no Recognized Claims for damages shall be allowed;
 - (b) For each share sold on or between March 5, 2007, and March 13, 2007, the allowed damages shall be the inflation per share at the time of purchase for the applicable date of purchase as set forth in Table 2, annexed hereto, less the inflation per share at the time of sale as set forth in Table 2; and
64. For shares purchased on or between March 5, 2007, through March 12, 2007, the following claims for damages shall be allowed:
- (a) For each share sold on or before March 12, 2007, no Recognized Claims for damages shall be allowed;
 - (b) For each share sold on or after March 13, 2007, the allowed damages shall be the inflation per share at the time of purchase for the applicable date of purchase as set forth in Table 2, annexed hereto.
65. In addition to the annexed Table 2 relating to Section 10(b) New Century Common Stock claims, the Recognized Loss Claims for damages for such shares purchased during the Class Period shall be further limited (as provided for under the PSLRA) to the smallest of the following:
- (a) the difference between the price paid and the price received (out-of-pocket investment loss) if sold on or before June 10, 2007;
 - (b) the difference between the price paid (excluding all fees and commissions) and the average closing price as set forth in Table 3 annexed hereto if sold between March 13, 2007, and June 10, 2007; and
 - (c) the difference between the price per share paid and \$0.87 per share if the shares were sold after June 10, 2007, or were held until the current date.

2. Calculation of Recognized Loss for New Century Series A Preferred Stock Purchases

66. Calculation of Recognized Loss Claims for New Century Series A Preferred Stock shares shall be as follows:
67. For shares purchased on or between May 5, 2005, through February 7, 2007, the following claims for damages shall be allowed:
- (a) For each share sold on or before February 7, 2007, no Recognized Claims for damages shall be allowed;
 - (b) For each share sold on or between February 8, 2007, and through March 13, 2007, the allowed damages shall be the inflation per share at the time of purchase for the applicable date of purchase as set forth in Table 4, annexed hereto, less the inflation per share at the time of sale as set forth in Table 4; and
68. For shares purchased on or between February 8, 2007, through March 2, 2007, the following claims for damages shall be allowed:
- (a) For each share sold on or before March 2, 2007, no Recognized Claims for damages shall be allowed;
 - (b) For each share sold on or between March 5, 2007, and March 13, 2007, the allowed damages shall be the inflation per share at the time of purchase for the applicable date of purchase as set forth in Table 4, annexed hereto, less the inflation per share at the time of sale as set forth in Table 4; and

69. For shares purchased on or between March 5, 2007, through March 12, 2007, the following claims for damages shall be allowed:
- (a) For each share sold on or before March 12, 2007, no Recognized Claims for damages shall be allowed;
 - (b) For each share sold on or after March 13, 2007, the allowed damages shall be the inflation per share at the time of purchase for the applicable date of purchase as set forth in Table 4, annexed hereto.
70. The Recognized Loss Claims for damages for such Series A Preferred Shares purchased during the Class Period shall be further limited (as provided for under the PSLRA) to the smallest of the following:
- (a) the difference between the price paid and the price received (out-of-pocket investment loss) if sold on or before June 10, 2007;
 - (b) the difference between the price paid (excluding all fees and commissions) and the average closing price as set forth in Table 6 annexed hereto if sold between March 13, 2007 and June 10, 2007; and
 - (c) the difference between the price per share paid and \$8.02 per share if the shares were sold after June 10, 2007, or were held until the current date.

3. Calculation of Recognized Loss for New Century Series B Preferred Stock Purchases

71. Calculation of Recognized Loss Claims for New Century Series B Preferred Stock shares shall be as follows:
72. For shares purchased on or between May 5, 2005, through February 7, 2007, the following claims for damages shall be allowed:
- (a) For each share sold on or before February 7, 2007, no Recognized Claims for damages shall be allowed;
 - (b) For each share sold on or between February 8, 2007, and through March 13, 2007, the allowed damages shall be the inflation per share at the time of purchase for the applicable date of purchase as set forth in Table 5, annexed hereto, less the inflation per share at the time of sale as set forth in Table 5; and
73. For shares purchased between February 8, 2007, through March 2, 2007, the following claims for damages shall be allowed:
- (a) For each share sold on or before March 2, 2007, no Recognized Claims for damages shall be allowed;
 - (b) For each share sold on or between March 5, 2007, and March 13, 2007, the allowed damages shall be the inflation per share at the time of purchase for the applicable date of purchase as set forth in Table 5, annexed hereto, less the inflation per share at the time of sale as set forth in Table 5; and
74. For shares purchased between March 5, 2007, through March 12, 2007, the following claims for damages shall be allowed:
- (a) For each share sold on or before March 12, 2007, no Recognized Claims for damages shall be allowed;
 - (b) For each share sold on or after March 13, 2007, the allowed damages shall be the inflation per share at the time of purchase for the applicable date of purchase as set forth in Table 5, annexed hereto.
75. The Recognized Loss Claims for damages for such Series B Preferred Shares purchased during the Class Period shall be further limited (as provided for under the PSLRA) to the smallest of the following:
- (a) the difference between the price paid and the price received (out-of-pocket investment loss) if sold on or before June 10, 2007;
 - (b) the difference between the price paid (excluding all fees and commissions) and the average closing price as set forth in Table 7 annexed hereto if sold between March 13, 2007, and June 10, 2007; and
 - (c) the difference between the price per share paid and \$7.95 per share if the shares were sold after June 10, 2007, or were held until the current date.

4. Calculation of Recognized Loss for New Century Call and Put Options

76. The Plan of Allocation covers the following New Century Call and Put Options: New Century Call Options on Common Stock initially purchased or otherwise acquired during the Class Period, on May 5, 2005, up to and including

March 13, 2007 ("New Century Call Options"), and New Century Put Options on Common Stock written or purchased (covered) during the Class Period May 5, 2005, through and including March 13, 2007 ("New Century Put Options").

77. Artificial inflation and Recognized Losses as to New Century Call Options and artificial deflation and Recognized Losses as to New Century Put Options were computed in a manner similar to that used with respect to New Century Common Stock as described above. To determine artificial inflation for Call Options, Lead Plaintiff's damages consultant considered securities' price changes that occurred in reaction to certain public announcements regarding New Century and then made adjustments for changes that were attributable to market forces unrelated to the alleged fraud in prices of such Call Options and Put Options. Lead Plaintiff's damages consultant then developed formulae (see below) from which the Recognized Losses for New Century Call Options and Put Options may be calculated. In addition, the total dollar amount payable to Class Members in connection with the acquisition of Call Options and the sale of Put Options during the Class Period is limited to 10% of the Individual-Auditor Allotment. This limitation reflects the speculative and derivative nature of these securities as compared to New Century Common Stock and New Century Preferred Shares.
78. With respect to purchases and sales (covers) of New Century Call Options during the period May 5, 2005, through and including March 13, 2007, the Artificial Inflation per Call Option on a given day shall be the dollar change in the value of Call Options on that day as a result of the inflation in New Century's Common Stock share price. The dollar change in the value of Call Options will be calculated using the Black-Scholes option pricing formula (using Black's adjustment for dividends and the annualized standard deviation estimated from 46-day, historical daily volatility estimates) using the closing share price of New Century Common Stock on the transaction date, compared with the Black-Scholes call pricing formula value for the Call Option using the uninflated closing share price of New Century Common Stock on that same date as determined by: (1) the reported closing share price minus the Common Stock Price inflation per share set forth in the annexed Table 2 for Call Options initially purchased between May 5, 2005, and March 13, 2007, and (2) the reported closing share price minus the Common Stock price inflation per share set forth in the annexed Table 2 for Call Options initially sold between May 5, 2005, and March 13, 2007. Once again, Black's adjustment for dividends is implemented. Annualized volatility estimates are obtained using the daily standard deviations using the returns for that day plus the previous 45-day stock returns, which are then annualized using a 252-trading day approach.
- (a) For Call Options which (1) expired on or prior to February 7, 2007; (2) were exercised prior to February 7, 2007; or (3) were sold (position closed out) prior to February 7, 2007, the Recognized Loss Claim shall be zero.
- (b) For Call Options which were purchased or acquired between May 5, 2005, and February 7, 2007, and (1) expired on or after February 8, 2007; (2) were exercised on or between February 8, 2007, and March 13, 2007; or (3) were sold (position closed out) on or between February 8, 2007, and March 13, 2007, the Recognized Loss Claim shall be that number of Options multiplied by the lesser of:
- (1) the difference between Artificial Inflation per Call Option on the date of purchase and Artificial Inflation per Call Option on the date of expiration, exercise, or sale, as appropriate; or
- (2) the difference between the purchase price per Option and the sale price per Option (\$0.00 if the Call Option expired worthless).

An example at this point might be useful. Suppose on February 6, 2007, an investor purchases 100 Call Options (long one contract) with a March 17, 2007 maturity and exercise price of \$20. The Call Option inflation on this date is \$10.40 from Table 8, annexed hereto. Hence, this investor paid \$10.40 too much for the Call Option on February 6, 2007. This investor then sells these Call Options on February 9, 2007, when the Call Option inflation was \$1.60 (see Table 8). Thus, this investor received \$1.60 too much for the Call Option on February 9, 2007. For this investor, the Recognized Loss Claim is the difference in call price inflation on these two dates (\$10.40 - \$1.60, or \$8.80) times number of Options (100), for a total of \$880.00; assuming that the difference between the purchase price and the sale price was greater than \$8.80.

- (c) For Call Options which were purchased or acquired between February 8, 2007, and March 2, 2007, and (1) expired on or after March 5, 2007, (2) were exercised on or between March 5, 2007, and March 13, 2007; or (3) were sold (position closed out) on or between March 5, 2007, and March 13, 2007, the Recognized Loss Claim shall be that number of Options multiplied by the lesser of:

- (1) the difference between Artificial Inflation per Call Option on the date of purchase and Artificial Inflation per Call Option on the date of expiration, exercise, or sale, as appropriate; or
 - (2) the difference between the purchase price per Option and the sale price per Option (\$0.00 if the Call Option expired worthless).
- (d) For Call Options which were purchased or acquired between March 5, 2007, and March 12, 2007, and (1) expired on or after March 13, 2007; (2) were exercised on or after March 13, 2007; or (3) were sold (position closed out) on or after March 13, 2007, the Recognized Loss Claim shall be that number of Options multiplied by the lesser of:
- (1) the Artificial Inflation per Call Option on the date of purchase; or
 - (2) the difference between the purchase price per Option and the sale price per Option (\$0.00 if the Call Option expired worthless).

79. With respect to purchases (covers) and sales of Put Options during the period May 5, 2005, through and including March 13, 2007, the Artificial Inflation per Option on a given day shall be the dollar change in the value of Put Options on that day as a result of the inflation in New Century's Common Stock share price. The dollar change in the value of Put Options will be calculated using the Black-Scholes put option pricing formula (using Black's adjustment for dividends and the annualized standard deviation estimated from 46-day historical daily volatility estimates) using the closing share price of New Century Common Stock on the transaction date, compared with the Black-Scholes put pricing formula value for the Put Option using the uninflated share closing share price of New Century Common Stock on that same date as determined by: (1) the reported closing share price minus the Common Stock Price inflation per share set forth in the annexed Table 2 for Put Options subsequently purchased between May 5, 2005, and March 13, 2007, and (2) the reported closing share price minus the Common Stock price inflation per share set forth in the annexed Table 2 for Put Options initially sold between May 5, 2005, and March 13, 2007. Once again, Black's adjustment for dividends is implemented. Annualized volatility estimates are obtained using the daily standard deviations using the returns for that day plus the previous 45-day stock returns, which are then annualized using 252 trading day approach.

- (a) For Put Options which (1) expired on or prior to February 7, 2007; (2) were exercised prior to February 7, 2007; or (3) were purchased (position closed out) prior to February 7, 2007, the Recognized Loss Claim shall be zero.
- (b) For Put Options which were sold between May 5, 2005, and February 7, 2007, and (1) expired on or after February 8, 2007; (2) were exercised on or between February 8, 2007, and March 13, 2007; or (3) were purchased (position closed out) on or between February 8, 2007, and March 13, 2007, the Recognized Loss Claim shall be that number of Options multiplied by the lesser of:
 - (1) the difference, multiplied by minus one, between Artificial Inflation per Put Option on the date of sale and Artificial Inflation per Put Option on the date of expiration, exercise, or purchase (\$0.00 if the Put Option expired worthless), as appropriate; or
 - (2) the difference, multiplied by minus one, between the sale price per Put Option and the purchase price of the Put Option (\$0.00 if the Put Option expired worthless).

An example at this point might be useful. Suppose on February 6, 2007, an investor sells 100 Put Options (short one contract) with a March 17, 2007 maturity and exercise price of \$20. The Put inflation on this date is -\$14.22 from Table 8. Hence, this investor received \$14.22 too little for the Put Option on February 6, 2007. This investor purchases (closes) these Put Options on February 9, 2007, when the Put inflation was -\$9.07 (see Table 8). Thus, this investor paid \$9.07 too little for the Call Option on February 9, 2007. For this investor, the Recognized Loss Claim is the difference in purchase inflation and sale inflation on these two dates $(-\$9.07 - (-\$14.22) = \$5.15)$ times number of Put Options, 100 for a total of \$515.00; assuming that the difference between the Put purchase price and the Put sale price was greater than \$5.15.

- (c) For Put Options which were initially sold between February 8, 2007, and March 2, 2007, and (1) expired on or after March 5, 2007; (2) were exercised on or between March 5, 2007 and March 13, 2007; or (3) were purchased (position closed out) on or between March 5, 2007, and March 13, 2007, the Recognized Loss Claim shall be that number of Options multiplied by the lesser of:

- (1) the difference, multiplied by minus one, between Artificial Inflation per Put Option on the date of sale and Artificial Inflation per Put Option on the date of expiration, exercise, or purchase (\$0.00 if the Put Option expired worthless), as appropriate; or
 - (2) the difference, multiplied by minus one, between the sale price per Put Option and the purchase price of the Put Option (\$0.00 if the Put Option expired worthless).
- (d) For Put Options which were sold between March 5, 2007, and March 12, 2007, and (1) expired on or after March 13, 2007; (2) were exercised on or after March 13, 2007; or (3) were purchased (position closed out) on or after March 13, 2007, the Recognized Loss Claim shall be that number of Options multiplied by the lesser of:
- (1) the Artificial Inflation per Put Option on the date of sale, multiplied by minus one; or
 - (2) the difference, multiplied by minus one, between the sale price per Put Option and the purchase price of the Put Option (\$0.00 if the Put Option expired worthless).

Another example might be helpful here. Suppose on March 6, 2007, an investor sold 100 Put Options (short one contract) with an exercise price of \$10. The put inflation for this option on March 6, 2007, was -\$0.68. Hence, this investor received \$68 too little for selling these 100 options. Further suppose that this investor purchased (covered) 100 Put Options after March 13, 2007, when Put inflation was zero. The Recognized Loss Claim for this investor will be \$68 (negative of the Put inflation on the sale date), assuming that the difference in purchase price of the Put option and sale price of the Put option was greater than \$0.68 per Put Option.

III. OTHER PROVISIONS OF THE PLAN

80. A payment to any Class Member that would amount to less than \$10.00 in total will not be included in the calculation of the distribution of the Underwriter Allotment and Individual-Auditor Allotment, and no such payment will be made.
81. The determination of the price paid and the price received for a particular security shall be exclusive of all commissions, taxes, fees and charges.
82. The Court has reserved jurisdiction to modify, amend, or alter the Plan of Allocation without further notice, or to allow, disallow or adjust the claim of any Class Member on equitable grounds, to ensure a fair and equitable distribution of funds. No person shall have any claim against the Plaintiffs or their counsel or any claims administrator or other agent designated by Plaintiffs or their counsel, or against Defendants or their counsel, based on distributions made substantially in accordance with the Stipulations and the Settlements contained therein, the Plan of Allocation, or further orders of the Court.
83. The Defendants and their counsel shall have no involvement in, or responsibility for, or liability whatsoever for the distribution of the Settlement Fund or the Underwriter Allotment or Individual-Auditor Allotment, for the Plan of Allocation, for the determination, administration and calculation of, or payment pursuant to, Proofs of Claim, for the payment or withholding of Taxes owed by the Settlement Fund, the Underwriter Allotment or Individual-Auditor Allotment, or for acts or omissions of the Escrow Agent or any losses incurred in connection therewith.
84. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member.
85. The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiff 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.

WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENTS?

86. If the Settlements are approved, the Court will enter judgments (the "Judgments"). The Judgments will dismiss with prejudice the claims against the Defendants and other related persons and entities and will provide that Lead Plaintiff and all other Class Members will provide releases as described below.
87. Pursuant to the Global Officer And Director Stipulation, Plaintiffs and members of the Class will be deemed by operation of law to have released, waived, discharged and dismissed each and every Settled Class Claim as against each and every Released Officer And Director and the Insurance Carriers (as defined in the Global Officer And Director Stipulation), and shall be deemed to forever be enjoined from prosecuting any or all of the Settled Class

Claims against each and every Released Officer And Director and the Insurance Carriers. "Settled Class Claim" in this paragraph means any and all claims and causes of action of every nature and description, whether known or Unknown Claims, whether arising under federal, state, common or foreign law, that Plaintiffs or any other member of the Class (a) asserted in the Consolidated Action, or (b) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Consolidated Action, and that arise out of or relate to the purchase of New Century Common Stock, New Century Series A Preferred Stock, New Century Series B Preferred Stock, and/or New Century Call Options and/or the sale of New Century Put Options during the Class Period. Settled Class Claims does not include claims relating to the enforcement of the Settlement. "Released Officers And Directors" in this paragraph means (i) the Individual Defendants, David Kenneally, Kevin Cloyd, Patrick Flanagan, Stergios Theologides, Joseph F. Eckroth, Jr., and Jeffrey D. Goldberg, and any of their respective heirs, executors, administrators, predecessors, successors, assigns, employees, agents and retained professionals; and (ii) all directors, officers, employees, and other natural persons affiliated with New Century (including any of its subsidiaries and affiliates) included in the definition of "Assured" or "Insured" as defined in the Policies (defined in the Global Officer And Director Stipulation) and any and all of their respective heirs, executors, administrators, predecessors, successors and assigns, employees, agents and retained professionals (other than KPMG or the Underwriter Defendants).

88. Pursuant to the KPMG Stipulation, Plaintiffs and members of the Class will be deemed by operation of law to have released, waived, discharged and dismissed each and every Settled Claim, and shall forever be enjoined from prosecuting any or all Settled Claims, against any Released Auditor Party. "Settled Claim" in this paragraph means any and all claims and causes of action of every nature and description, whether known or Unknown, whether arising under federal, state, common or foreign law, that Plaintiffs or any other member of the Class (a) asserted in the Complaint, or (b) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint, and that arise out of or relate to the purchase of New Century Common Stock, New Century Series A Preferred Stock, New Century Series B Preferred Stock, and/or New Century Call Options and/or the sale of New Century Put Options during the Class Period. "Settled Claims" does not include claims relating to the enforcement of the Settlements. "Released Auditor Party" means KPMG and any and all of its partners, principals, officers, directors, employees, agents, attorneys and affiliates. "Released Auditor Parties" does not include any Defendants other than KPMG.
89. Pursuant to the Underwriter Stipulation, Plaintiffs and members of the Class, on behalf of themselves, their parent companies, subsidiaries, affiliates, heirs, executors, administrators, predecessors, successors and assigns, and any and all of their current and former officers, directors, employees, agents and attorneys shall be deemed by operation of law to have released, waived, discharged and dismissed each and every Settled Claim, and shall forever be enjoined from prosecuting any or all Settled Claims, against any Released Underwriter Party. "Settled Claim" in this paragraph means any and all claims and causes of action of every nature and description, whether known or Unknown, whether arising under federal, state, common or foreign law, that Plaintiffs or any other member of the Class (a) asserted in the Complaint, or (b) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint, and that arise out of or relate to the purchase of New Century Common Stock, New Century Series A Preferred Stock, New Century Series B Preferred Stock, and/or New Century Call Options and/or the sale of New Century Put Options during the Class Period. "Settled Claims" does not include claims relating to the enforcement of the Settlements. "Released Underwriter Party" means the Underwriter Defendants and any and all of their respective parent companies, subsidiaries, affiliates, heirs, executors, administrators, predecessors, successors and assigns, and any and all of their current and former officers, directors, employees, agents and attorneys. "Released Underwriter Parties" does not include any Defendants other than the Underwriter Defendants.
90. "Released Parties" means the Released Officers And Directors, the Released Auditor Parties, and the Released Underwriter Parties.
91. "Unknown Claims" means any and all claims that Lead Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlements. With respect to any and all settled claims, the Lead Plaintiff shall expressly waive, and each Class Member shall be deemed to have waived, and by operation of the Judgment 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, that 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.

92. Lead Plaintiff and Class Members by operation of law shall be deemed to have acknowledged that the inclusion of "Unknown Claims" in the definition of Settled Claims and Settled Class Claims was separately bargained for and was a key element of the Settlements.
93. As specified in the Stipulations, the Judgments will also provide that the Released Auditor Parties, the Released Underwriter Parties, and the Released Officers And Directors will release certain claims against Lead Plaintiff and the Class. In addition, certain Defendants and other persons and entities will also release claims against each other and other persons and entities as set forth in the Stipulations.

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

94. Lead Counsel has not received any payment for its services in pursuing claims against Defendants on behalf of the Class, nor has Lead Counsel been reimbursed for its out-of-pocket expenses. Before final approval of the Settlements, Lead Counsel intends to apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 12% of the Settlement Amount, plus interest from the date of funding at the same rate as earned by the Settlement Fund. Lead Counsel will not calculate attorneys' fees based upon, or seek attorneys' fees or expenses with respect to, any disgorgements or penalties obtained by the Securities and Exchange Commission in the SEC Action. At the same time, Lead Counsel also intends to apply for the reimbursement of Litigation Expenses not to exceed \$4.5 million, plus interest from the date of funding at the same rate as earned by the Settlement Fund. Included in Lead Counsel's overall request for reimbursement of Litigation Expenses will be a request for an award to Lead Plaintiff and/or named plaintiffs Carl Larson and Charles Hooten for reimbursement of their reasonable costs and expenses (including lost wages) directly related to their representation of the Class. The Court will determine the amount of the awards.

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

95. If you purchased or otherwise acquired New Century Common Stock, New Century Series A Preferred Stock, New Century Series B Preferred Stock, and/or New Century Call Options and/or sold New Century Put Options, during the period from May 5, 2005, through and including March 13, 2007, either in the Offerings, pursuant to a registration statement, or in the market, and were injured upon disclosure of certain facts alleged in the Complaint, 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. You will be bound by the proposed Settlements if approved by the Court, and by any judgment or determination of the Court affecting the Class. If you are a Class Member, you must submit a Claim Form and supporting documentation to establish your entitlement to share in the Settlements. A Claim Form is included with this Notice, or you may go to the website maintained by the Claims Administrator for the Settlements to download a copy of the Claim Form or request that a Claim Form be mailed to you. The website is www.newcenturysettlement.com. You may also request a Claim Form by calling toll-free 1-866-308-7615. Copies of the Claim Form can also be downloaded from Lead Counsel's website at www.blbglaw.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 Settlements. Please retain all records of your ownership of, or transactions in, New Century Securities, as they may be needed to document your Claim.
96. As a Class Member, you are represented by Lead Plaintiff 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 notice of appearance on the attorneys listed in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlements?," below.

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97. If you do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Part Of The Class And The Settlements? How Do I Exclude Myself?," below.
98. If you wish to object to the Settlements or any of the terms of the Settlements, the proposed Plan of Allocation, or 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.

**WHAT IF I DO NOT WANT TO BE A PART OF THE SETTLEMENTS?
HOW DO I EXCLUDE MYSELF?**

99. Each Class Member will be bound by all determinations and judgments in this lawsuit, including those concerning the 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 New Century Securities Litigation Settlement, c/o Analytics, Inc., Claims Administrator, P.O. Box 2004, Chanhassen, MN 55317-2004. The exclusion request must be *received* no later than October 18, 2010. You will not be able to exclude yourself from the Class after that date. Each request for exclusion must (i) state the name and address of the person or entity requesting exclusion; (ii) state that such person or entity requests exclusion from the Class in *In re New Century*, 2:07-CV-00931-DDP; (iii) be signed by the person or entity requesting exclusion; (iv) provide a telephone number for that person or entity; and (v) provide the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of New Century Securities during the Class Period. 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.
100. If you do not want to be part of the Class, 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 Claims.
101. 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 Settlements.
102. The Individual Defendants, Insurance Carriers, Underwriter Defendants or KPMG may terminate the Settlements if requests for exclusion are received from potential Class Members representing over a certain amount of shares as stated in Supplemental Agreements. The three settlement agreements are closely related and, if one of the three Settlements should not become final for any reason, it could affect the finality and enforceability of the other Settlements.

**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?

103. If you do not wish to object in person to the proposed Settlements, 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. You can object to or participate in the Settlements without attending the Settlement Hearing.
104. The Settlement Hearing will be held on November 8, 2010, before the Honorable Dean D. Pregerson, at the United States District Court for the Central District of California, 312 North Spring Street, Courtroom 3, Los Angeles, California 90012. The Court reserves the right to approve the Settlements, the Plan of Allocation or the request for attorneys' fees and reimbursement of Litigation Expenses at or after the Settlement Hearing without further notice to the members of the Class. The Settlements will become effective only if all three Settlements are approved by the Court.
105. Any Class Member who does not submit a valid exclusion that is *received* no later than October 18, 2010, may object to the Settlements, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation 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 transactions in New Century Securities during the Class Period) and briefs, with the Clerk's Office at the United States District Court for the Central District of California at

the address set forth below on or before October 18, 2010. You must also serve the papers on Lead Counsel for the Class at the address set forth below so that the papers are *received* on or before October 18, 2010.

Clerk's Office

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT
OF CALIFORNIA
Clerk of the Court
312 N. Spring Street
Los Angeles, CA 90012

Lead Counsel for the Class

BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP
Salvatore J. Graziano, Esq.
1285 Avenue of the Americas
New York, NY 10019

Representative Counsel for Directors and Officers

MUNGER, TOLLES & OLSON LLP
Kathleen M. McDowell
355 South Grand Avenue, 35th Floor
Los Angeles, CA 90071-1560

Counsel for Underwriter Defendants

PAUL, HASTINGS, JANOFSKY & WALKER LLP
William F. Sullivan
John S. Durrant
515 South Flower Street, 25th Floor
Los Angeles, CA 90071

Counsel for KPMG

SIDLEY AUSTIN LLP
Michael L. Rugen
555 California Street, Suite 2000
San Francisco, CA 94104

106. The filing must demonstrate your membership in the Class, including the number of shares of New Century Securities purchased or otherwise acquired or sold during the Class Period and the price(s) paid and received. You may not object to the Settlements or any aspect of them, if you are not a Class Member or if you excluded yourself from the Class.
107. You may file a written objection without having to appear at the Settlement Hearing. You may not appear at the Settlement Hearing to present your objection, however, unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.
108. If you wish to be heard orally at the hearing in opposition to the approval of the Settlements, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you have filed and served a timely written objection as described above, you also must notify the above counsel on or before October 18, 2010 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.
109. 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 so that the notice is *received* on or before October 18, 2010.
110. The Settlement Hearing may be adjourned by the Court without further written notice to the Class. 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 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 Litigation Expenses. Class 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?

111. If you purchased or otherwise acquired or sold New Century Securities during the Class Period for the beneficial interest of a person or organization other than yourself, you must either (i) send a copy of this Notice to the beneficial owner of such New Century Securities, postmarked no later than fourteen (14) days after you receive this Notice, or (ii) provide the names and addresses of such persons no later than fourteen (14) days after you receive this Notice to In re New Century Securities Litigation Settlement, c/o Analytics, Inc. Claims Administrator, P.O. Box 2004, Chanhassen, MN 55317-2004. If you choose the first option, upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed, and you must retain the list of names and addresses for use in connection with any possible future notice to the Class. If you choose the second option, the Claims Administrator will send a copy of the Notice to the beneficial owner. 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 may also be obtained from the settlement website www.newcenturysettlement.com or Lead Counsel's website, www.blbglaw.com, or by calling toll-free 1-866-308-7615.

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

112. This Notice contains only a summary of the terms of the proposed Settlements. More detailed information about the matters involved in the Consolidated Action is available at www.newcenturysettlement.com, including, among other documents, copies of the Stipulations, Claim Form, the Complaint, the Court's Order on the Defendants' motions to dismiss the Consolidated Action and the Answers of Defendants. Copies of the Court-filed documents are also available for review during regular business hours at the address listed above. All inquiries concerning this Notice or the Claim Form should be directed to:

Claims Administrator

In re New Century Securities Litigation Settlement
c/o Analytics, Inc., Claims Administrator
P.O. Box 2004
Chanhassen, MN 55317-2004

Lead Counsel

Salvatore J. Graziano, Esq.
BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP
1285 Avenue of the Americas
New York, NY 10019
(866) 648-2524
blbg@blbglaw.com

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

Dated: August 17, 2010

By Order of the Clerk of Court
United States District Court
for the Central District of California

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Table 1

Issuer / Underlying	CUSIP	Type	Issue Date	Liquidation Preference	Rate	Share in Underwriter Allotment	Share in Individual-Auditor Allotment
New Century	64352D200	Preferred Stock Series A	6/15/2005	\$ 25.00	9.125 %	X	X
New Century	6435EV207	Preferred Stock Series B	8/15/2006	\$ 25.00	9.750 %	X	X
New Century	6435EV108	Common Stock	-	-	-		X
New Century	Various	Call Option	-	-	-		X
New Century	Various	Put Option	-	-	-		X

Table 2

Inflation per Share for Common Stock Shares Purchased between May 5, 2005, and March 13, 2007			
Period	Begin Date	End date	Inflation
1	5-May-05	7-Feb-07	\$ 25.21
2	8-Feb-07	4-Mar-07	\$ 11.09
3	5-Mar-07	12-Mar-07	\$ 0.69
4	13-Mar-07	to the present	\$ 0.00

Table 3

Common Stock PSLRA 90-Day Look-Back Loss Limitation Calculations					
Date	Closing Price (\$)	Average closing price (\$)	Date	Closing Price (\$)	Average closing price (\$)
13-Mar-2007	0.84	0.84	27-Apr-2007	0.86	1.19
14-Mar-2007	0.67	0.76	30-Apr-2007	0.89	1.18
15-Mar-2007	1.35	0.95	01-May-2007	0.85	1.17
16-Mar-2007	2.34	1.30	02-May-2007	0.83	1.16
19-Mar-2007	2.17	1.47	03-May-2007	0.80	1.15
20-Mar-2007	1.69	1.51	04-May-2007	0.72	1.14
21-Mar-2007	1.67	1.53	07-May-2007	0.59	1.12
22-Mar-2007	1.56	1.54	08-May-2007	0.58	1.11
23-Mar-2007	2.00	1.59	09-May-2007	0.53	1.10
26-Mar-2007	1.56	1.59	10-May-2007	0.43	1.08
27-Mar-2007	1.41	1.57	11-May-2007	0.43	1.06
28-Mar-2007	1.11	1.53	14-May-2007	0.41	1.05
29-Mar-2007	1.03	1.49	15-May-2007	0.37	1.03
30-Mar-2007	1.06	1.46	16-May-2007	0.36	1.02
02-Apr-2007	0.91	1.43	17-May-2007	0.36	1.01
03-Apr-2007	1.01	1.40	18-May-2007	0.39	0.99
04-Apr-2007	1.00	1.38	21-May-2007	0.44	0.98
05-Apr-2007	1.26	1.37	22-May-2007	0.43	0.97
09-Apr-2007	1.14	1.36	23-May-2007	0.47	0.96
10-Apr-2007	1.09	1.34	24-May-2007	0.45	0.95
11-Apr-2007	0.98	1.33	25-May-2007	0.47	0.94
12-Apr-2007	0.89	1.31	29-May-2007	0.46	0.93
13-Apr-2007	0.86	1.29	30-May-2007	0.45	0.92
16-Apr-2007	0.98	1.27	31-May-2007	0.44	0.92
17-Apr-2007	1.00	1.26	01-Jun-2007	0.44	0.91
18-Apr-2007	0.99	1.25	04-Jun-2007	0.43	0.90
19-Apr-2007	0.93	1.24	05-Jun-2007	0.43	0.89
20-Apr-2007	0.96	1.23	06-Jun-2007	0.45	0.88
23-Apr-2007	0.96	1.22	07-Jun-2007	0.44	0.88
24-Apr-2007	0.92	1.21	08-Jun-2007	0.44	0.87
25-Apr-2007	0.96	1.20	09-Jun-2007	0.44	0.87
26-Apr-2007	0.94	1.20	10-Jun-2007	0.44	0.87

Table 4

Inflation per Share for Series A Preferred Shares Purchased between May 5, 2005, and March 13, 2007			
Period	Begin Date	End date	Inflation
1	5-May-05	7-Feb-07	\$ 15.10
2	8-Feb-07	4-Mar-07	\$ 10.48
3	5-Mar-07	12-Mar-07	\$ 1.48
4	13-Mar-07	to the present	\$ 0.00

Table 5

Inflation per Share for Series B Preferred Shares Purchased between May 5, 2005, and March 13, 2007			
Period	Begin Date	End date	Inflation
1	5-May-05	7-Feb-07	\$ 15.41
2	8-Feb-07	4-Mar-07	\$ 11.18
3	5-Mar-07	12-Mar-07	\$ 2.03
4	13-Mar-07	to the present	\$ 0.00

Table 6

Preferred Stock, Series A, PSLRA 90-Day Look-Back Loss Limitation Calculations					
Date	Closing Price (\$)	Average closing price (\$)	Date	Closing Price (\$)	Average closing price (\$)
13-Mar-2007	6.45	6.45	27-Apr-2007	8.27	7.45
14-Mar-2007	6.20	6.33	30-Apr-2007	8.45	7.48
15-Mar-2007	9.95	7.53	01-May-2007	9.00	7.52
16-Mar-2007	10.00	8.15	02-May-2007	8.80	7.56
19-Mar-2007	9.25	8.37	03-May-2007	8.80	7.59
20-Mar-2007	8.50	8.39	04-May-2007	8.75	7.62
21-Mar-2007	8.75	8.44	07-May-2007	9.25	7.66
22-Mar-2007	8.85	8.49	08-May-2007	9.00	7.70
23-Mar-2007	9.77	8.64	09-May-2007	8.70	7.72
26-Mar-2007	8.92	8.66	10-May-2007	8.23	7.73
27-Mar-2007	6.40	8.46	11-May-2007	7.73	7.73
28-Mar-2007	6.10	8.26	14-May-2007	8.50	7.75
29-Mar-2007	6.20	8.10	15-May-2007	9.00	7.78
30-Mar-2007	6.75	8.01	16-May-2007	9.00	7.81
02-Apr-2007	6.90	7.93	17-May-2007	8.95	7.83
03-Apr-2007	7.55	7.91	18-May-2007	8.83	7.85
04-Apr-2007	8.10	7.92	21-May-2007	9.50	7.88
05-Apr-2007	8.25	7.94	22-May-2007	9.50	7.92
09-Apr-2007	7.65	7.92	23-May-2007	9.10	7.94
10-Apr-2007	7.50	7.90	24-May-2007	9.25	7.97
11-Apr-2007	7.60	7.89	25-May-2007	9.10	7.99
12-Apr-2007	7.45	7.87	29-May-2007	9.25	8.01
13-Apr-2007	7.00	7.83	30-May-2007	9.20	8.03
16-Apr-2007	7.05	7.80	31-May-2007	9.14	8.05
17-Apr-2007	6.70	7.75	01-Jun-2007	8.75	8.06
18-Apr-2007	6.30	7.70	04-Jun-2007	8.25	8.07
19-Apr-2007	6.10	7.64	05-Jun-2007	8.10	8.07
20-Apr-2007	6.15	7.59	06-Jun-2007	7.45	8.06
23-Apr-2007	5.60	7.52	07-Jun-2007	7.00	8.04
24-Apr-2007	6.00	7.47	08-Jun-2007	6.87	8.02
25-Apr-2007	6.25	7.43	09-Jun-2007	6.87	8.02
26-Apr-2007	7.37	7.43	10-Jun-2007	6.87	8.02

Table 7

Preferred Stock, Series B, PSLRA 90-Day Look-Back Loss Limitation Calculations					
Date	Closing Price (\$)	Average closing price (\$)	Date	Closing Price (\$)	Average closing price (\$)
13-Mar-2007	6.32	6.32	27-Apr-2007	8.06	7.35
14-Mar-2007	6.35	6.34	30-Apr-2007	8.40	7.38
15-Mar-2007	9.89	7.52	01-May-2007	8.70	7.42
16-Mar-2007	10.00	8.14	02-May-2007	8.70	7.45
19-Mar-2007	9.35	8.38	03-May-2007	8.65	7.48
20-Mar-2007	8.60	8.42	04-May-2007	8.61	7.51
21-Mar-2007	9.00	8.50	07-May-2007	9.45	7.56
22-Mar-2007	9.10	8.58	08-May-2007	8.88	7.60
23-Mar-2007	9.50	8.68	09-May-2007	8.70	7.62
26-Mar-2007	8.90	8.70	10-May-2007	8.53	7.64
27-Mar-2007	6.65	8.51	11-May-2007	8.05	7.65
28-Mar-2007	5.80	8.29	14-May-2007	8.45	7.67
29-Mar-2007	6.25	8.13	15-May-2007	8.78	7.70
30-Mar-2007	6.40	8.01	16-May-2007	9.00	7.72
02-Apr-2007	7.00	7.94	17-May-2007	9.20	7.76
03-Apr-2007	7.25	7.90	18-May-2007	8.88	7.78
04-Apr-2007	8.00	7.90	21-May-2007	9.50	7.81
05-Apr-2007	8.45	7.93	22-May-2007	8.75	7.83
09-Apr-2007	7.50	7.91	23-May-2007	9.25	7.86
10-Apr-2007	7.03	7.87	24-May-2007	9.25	7.89
11-Apr-2007	7.05	7.83	25-May-2007	9.10	7.91
12-Apr-2007	6.90	7.79	29-May-2007	9.30	7.94
13-Apr-2007	6.80	7.74	30-May-2007	9.00	7.96
16-Apr-2007	6.76	7.70	31-May-2007	9.65	7.99
17-Apr-2007	6.15	7.64	01-Jun-2007	8.85	8.00
18-Apr-2007	6.00	7.58	04-Jun-2007	8.60	8.01
19-Apr-2007	6.00	7.52	05-Jun-2007	7.60	8.00
20-Apr-2007	6.05	7.47	06-Jun-2007	7.50	8.00
23-Apr-2007	5.90	7.41	07-Jun-2007	6.90	7.98
24-Apr-2007	6.00	7.37	08-Jun-2007	6.25	7.95
25-Apr-2007	6.20	7.33	09-Jun-2007	6.25	7.95
26-Apr-2007	7.25	7.33	10-Jun-2007	6.25	7.95

Table 8

Table 8 has been abbreviated for example purposes. For a complete table, visit www.newcenturysettlement.com/casedoc.html/Table_8.pdf. If you do not have access to the Internet, please contact the Claims Administrator at 1-866-308-7615 to have a copy mailed to you.

Maturity date	Exer. price	Max Close price	Min Close Price	Max Volatility	Min Volatility	Max Risk Free Rate	Min Risk Free Rate	Max Call Inflat.	Min Call Inflat.	Max Put Inflat.	Min Put Inflation
17-Mar-07	\$2.50	\$5.16	\$3.21	1.98	1.88	0.05	0.05	\$0.69	\$0.51	\$0.00	-\$0.18
21-Apr-07	\$2.50	\$5.16	\$3.21	1.98	1.88	0.05	0.05	\$0.64	\$0.49	-\$0.05	-\$0.20
19-May-07	\$2.50	\$5.16	\$3.21	1.98	1.88	0.05	0.05	\$0.62	\$0.51	-\$0.07	-\$0.19
18-Aug-07	\$2.50	\$5.16	\$3.21	1.98	1.88	0.05	0.05	\$0.62	\$0.54	-\$0.08	-\$0.15
19-Jan-08	\$2.50	\$5.16	\$3.21	1.98	1.88	0.05	0.05	\$0.63	\$0.59	-\$0.06	-\$0.11
17-Jan-09	\$2.50	\$5.16	\$3.21	1.98	1.88	0.05	0.05	\$0.66	\$0.64	-\$0.04	-\$0.05
17-Feb-07	\$5.00	\$19.75	\$17.21	0.93	0.88	0.05	0.05	\$11.09	\$11.08	\$0.00	-\$0.01
17-Mar-07	\$5.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$11.08	\$0.03	-\$0.01	-\$1.40
21-Apr-07	\$5.00	\$15.85	\$3.21	1.98	0.95	0.05	0.05	\$9.41	\$0.22	-\$0.20	-\$2.29
19-May-07	\$5.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$10.86	\$0.30	-\$0.19	-\$2.30
18-Aug-07	\$5.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$10.46	\$0.42	-\$0.16	-\$3.00
19-Jan-08	\$5.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$9.87	\$0.51	-\$0.11	-\$4.20
17-Jan-09	\$5.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$8.94	\$0.61	-\$0.06	-\$3.44
17-Feb-07	\$7.50	\$19.75	\$17.21	0.93	0.88	0.05	0.05	\$11.09	\$9.59	\$0.00	-\$1.50
17-Mar-07	\$7.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$10.75	\$0.00	-\$0.34	-\$3.87
21-Apr-07	\$7.50	\$15.85	\$3.21	1.98	0.95	0.05	0.05	\$7.07	\$0.10	-\$0.36	-\$4.69
19-May-07	\$7.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$9.97	\$0.18	-\$0.31	-\$4.56
18-Aug-07	\$7.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$9.38	\$0.33	-\$0.23	-\$4.90
19-Jan-08	\$7.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$8.75	\$0.46	-\$0.16	-\$5.63
17-Jan-09	\$7.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$7.95	\$0.59	-\$0.08	-\$4.50
17-Feb-07	\$10.00	\$19.75	\$17.21	0.93	0.88	0.05	0.05	\$9.00	\$7.10	-\$1.14	-\$3.99
17-Mar-07	\$10.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$9.10	\$0.00	-\$0.64	-\$6.33
21-Apr-07	\$10.00	\$18.77	\$3.21	1.98	0.93	0.05	0.05	\$7.98	\$0.05	-\$0.48	-\$6.82
19-May-07	\$10.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$8.54	\$0.11	-\$0.41	-\$6.51
18-Aug-07	\$10.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$8.11	\$0.27	-\$0.29	-\$6.40
19-Jan-08	\$10.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$7.68	\$0.42	-\$0.20	-\$6.70
17-Jan-09	\$10.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$7.14	\$0.57	-\$0.09	-\$5.31
17-Feb-07	\$12.50	\$19.75	\$17.21	0.93	0.88	0.05	0.05	\$6.50	\$4.60	-\$3.63	-\$6.49
17-Mar-07	\$12.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$6.80	\$0.00	-\$0.68	-\$8.50
21-Apr-07	\$12.50	\$18.77	\$3.21	1.98	0.93	0.05	0.05	\$6.05	\$0.02	-\$0.55	-\$8.45
19-May-07	\$12.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$6.95	\$0.08	-\$0.48	-\$8.00
18-Aug-07	\$12.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$6.87	\$0.15	-\$0.34	-\$7.54
19-Jan-08	\$12.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$6.72	\$0.39	-\$0.23	-\$7.51
17-Jan-09	\$12.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$6.46	\$0.55	-\$0.10	-\$5.95
17-Feb-07	\$15.00	\$19.75	\$17.21	0.93	0.88	0.05	0.05	\$4.00	\$2.16	-\$6.12	-\$8.93
17-Mar-07	\$15.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$4.70	\$0.00	-\$0.69	-\$9.97
21-Apr-07	\$15.00	\$18.77	\$3.21	1.98	0.93	0.05	0.05	\$4.35	\$0.01	-\$0.60	-\$9.54
19-May-07	\$15.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$5.40	\$0.05	-\$0.53	-\$9.05

Table 8, Continued

Maturity date	Exer. price	Max Close price	Min Close Price	Max Volatility	Min Volatility	Max Risk Free Rate	Min Risk Free Rate	Max Call Inflat.	Min Call Inflat.	Max Put Inflat.	Min Put Inflation
18-Aug-07	\$15.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$5.76	\$0.10	-\$0.38	-\$8.40
19-Jan-08	\$15.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$5.89	\$0.20	-\$0.25	-\$8.14
17-Jan-09	\$15.00	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$5.89	\$0.45	-\$0.12	-\$6.47
17-Feb-07	\$17.50	\$19.75	\$17.21	0.93	0.88	0.05	0.05	\$1.70	\$0.48	-\$8.61	-\$10.61
17-Mar-07	\$17.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$2.95	\$0.00	-\$0.69	-\$10.69
21-Apr-07	\$17.50	\$18.77	\$3.21	1.98	0.93	0.05	0.05	\$3.02	\$0.01	-\$0.63	-\$10.21
19-May-07	\$17.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$3.90	\$0.04	-\$0.56	-\$9.76
18-Aug-07	\$17.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$4.50	\$0.10	-\$0.41	-\$9.03
19-Jan-08	\$17.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$5.17	\$0.20	-\$0.28	-\$8.63
17-Jan-09	\$17.50	\$19.75	\$3.21	1.98	0.88	0.05	0.05	\$5.40	\$0.40	-\$0.13	-\$6.90
17-Feb-07	\$20.00	\$42.10	\$17.21	0.93	0.21	0.05	0.05	\$19.93	\$0.04	-\$5.28	-\$17.39
17-Mar-07	\$20.00	\$30.84	\$3.21	1.98	0.23	0.05	0.05	\$10.64	\$0.00	-\$0.69	-\$15.54
21-Apr-07	\$20.00	\$18.77	\$3.21	1.98	0.93	0.05	0.05	\$1.75	\$0.00	-\$0.65	-\$10.60
19-May-07	\$20.00	\$30.60	\$3.21	1.98	0.24	0.05	0.05	\$9.32	\$0.03	-\$0.59	-\$16.74
18-Aug-07	\$20.00	\$30.60	\$3.21	1.98	0.24	0.05	0.05	\$7.79	\$0.05	-\$0.44	-\$18.25
19-Jan-08	\$20.00	\$51.22	\$3.21	1.98	0.21	0.05	0.04	\$19.94	\$0.15	-\$0.30	-\$18.65
17-Jan-09	\$20.00	\$42.10	\$3.21	1.98	0.21	0.05	0.05	\$9.25	\$0.25	-\$0.14	-\$16.72
17-Feb-07	\$22.50	\$42.10	\$17.21	0.93	0.21	0.05	0.05	\$17.53	\$0.00	-\$7.68	-\$19.88
17-Mar-07	\$22.50	\$30.84	\$3.21	1.98	0.23	0.05	0.05	\$8.16	\$0.00	-\$0.69	-\$18.03
21-Apr-07	\$22.50	\$18.77	\$3.21	1.98	0.93	0.05	0.05	\$0.90	\$0.00	-\$0.66	-\$10.82
19-May-07	\$22.50	\$39.69	\$3.21	1.98	0.21	0.05	0.05	\$14.13	\$0.02	-\$0.61	-\$21.23
18-Aug-07	\$22.50	\$34.44	\$3.21	1.98	0.21	0.05	0.05	\$7.53	\$0.10	-\$0.47	-\$21.41
17-Feb-07	\$25.00	\$42.10	\$17.21	0.93	0.21	0.05	0.05	\$15.10	\$0.00	-\$10.11	-\$22.30
17-Mar-07	\$25.00	\$30.84	\$3.21	1.98	0.23	0.05	0.05	\$5.70	\$0.00	-\$0.69	-\$20.49
21-Apr-07	\$25.00	\$18.77	\$3.21	1.98	0.93	0.05	0.05	\$0.40	\$0.00	-\$0.67	-\$10.94
19-May-07	\$25.00	\$42.10	\$3.21	1.98	0.21	0.05	0.05	\$13.69	\$0.02	-\$0.63	-\$23.07
18-Aug-07	\$25.00	\$34.44	\$3.21	1.98	0.21	0.05	0.05	\$5.44	\$0.10	-\$0.49	-\$23.05
19-Jan-08	\$25.00	\$51.22	\$3.21	1.98	0.21	0.05	0.04	\$16.72	\$0.15	-\$0.33	-\$21.93
17-Feb-07	\$30.00	\$47.82	\$17.21	0.93	0.21	0.05	0.05	\$14.26	\$0.00	-\$10.95	-\$25.03
17-Mar-07	\$30.00	\$30.84	\$3.21	1.98	0.23	0.05	0.05	\$1.64	\$0.00	-\$0.69	-\$24.29
21-Apr-07	\$30.00	\$18.77	\$3.21	1.98	0.93	0.05	0.05	\$0.25	\$0.00	-\$0.68	-\$11.05
19-May-07	\$30.00	\$42.10	\$3.21	1.98	0.21	0.05	0.05	\$9.35	\$0.01	-\$0.65	-\$24.86
18-Aug-07	\$30.00	\$34.44	\$3.21	1.98	0.21	0.05	0.05	\$2.38	\$0.09	-\$0.52	-\$24.73
19-Jan-08	\$30.00	\$53.00	\$3.21	1.98	0.19	0.05	0.03	\$13.64	\$0.15	-\$0.36	-\$23.81
17-Jan-09	\$30.00	\$47.82	\$3.21	1.98	0.21	0.05	0.05	\$8.45	\$0.03	-\$0.17	-\$21.29
17-Feb-07	\$35.00	\$47.82	\$17.21	0.93	0.21	0.05	0.05	\$10.36	\$0.00	-\$11.09	-\$25.21
17-Mar-07	\$35.00	\$30.84	\$3.21	1.98	0.23	0.05	0.05	\$0.12	\$0.00	-\$0.69	-\$25.18
19-May-07	\$35.00	\$42.10	\$3.21	1.98	0.21	0.05	0.05	\$5.83	\$0.01	-\$0.66	-\$25.19
18-Aug-07	\$35.00	\$34.44	\$3.21	1.98	0.21	0.05	0.05	\$0.88	\$0.04	-\$0.55	-\$25.13
19-Jan-08	\$35.00	\$42.10	\$3.21	1.98	0.21	0.05	0.05	\$4.61	\$0.03	-\$0.38	-\$24.72
17-Feb-07	\$40.00	\$47.82	\$17.21	0.93	0.21	0.05	0.05	\$7.36	\$0.00	-\$11.09	-\$25.21
17-Mar-07	\$40.00	\$30.84	\$3.21	1.98	0.23	0.05	0.05	\$0.05	\$0.00	-\$0.69	-\$25.21

Table 8, Continued

Maturity date	Exer. price	Max Close price	Min Close Price	Max Volatility	Min Volatility	Max Risk Free Rate	Min Risk Free Rate	Max Call Inflat.	Min Call Inflat.	Max Put Inflat.	Min Put Inflation
19-May-07	\$40.00	\$42.10	\$3.21	1.98	0.21	0.05	0.05	\$3.43	\$0.00	-\$0.67	-\$25.21
18-Aug-07	\$40.00	\$34.44	\$3.21	1.98	0.21	0.05	0.05	\$0.50	\$0.00	-\$0.57	-\$25.20
19-Jan-08	\$40.00	\$53.00	\$3.21	1.98	0.19	0.05	0.03	\$8.65	\$0.00	-\$0.40	-\$25.06
17-Jan-09	\$40.00	\$47.82	\$3.21	1.98	0.21	0.05	0.05	\$5.52	\$0.00	-\$0.19	-\$23.29
17-Feb-07	\$45.00	\$47.82	\$17.21	0.93	0.21	0.05	0.05	\$5.11	\$0.00	-\$11.09	-\$25.21
17-Mar-07	\$45.00	\$30.84	\$3.21	1.98	0.23	0.05	0.05	\$0.02	\$0.00	-\$0.69	-\$25.21
19-May-07	\$45.00	\$42.10	\$3.21	1.98	0.21	0.05	0.05	\$1.90	\$0.00	-\$0.68	-\$25.21
18-Aug-07	\$45.00	\$34.44	\$3.21	1.98	0.21	0.05	0.05	\$0.30	\$0.00	-\$0.58	-\$25.21
19-Jan-08	\$45.00	\$42.10	\$3.21	1.98	0.21	0.05	0.05	\$2.10	\$0.00	-\$0.42	-\$25.17
17-Feb-07	\$50.00	\$47.82	\$17.21	0.93	0.21	0.05	0.05	\$3.47	\$0.00	-\$11.09	-\$25.21
19-May-07	\$50.00	\$42.10	\$3.21	1.98	0.21	0.05	0.05	\$0.98	\$0.00	-\$0.68	-\$25.21
18-Aug-07	\$50.00	\$34.44	\$3.21	1.98	0.21	0.05	0.05	\$0.25	\$0.00	-\$0.60	-\$25.21
19-Jan-08	\$50.00	\$53.00	\$3.21	1.98	0.19	0.05	0.03	\$5.32	\$0.00	-\$0.43	-\$25.20
17-Jan-09	\$50.00	\$47.82	\$3.21	1.98	0.21	0.05	0.05	\$3.68	\$0.00	-\$0.21	-\$24.18
17-Feb-07	\$55.00	\$47.82	\$17.21	0.93	0.21	0.05	0.05	\$2.31	\$0.00	-\$11.09	-\$25.21
19-May-07	\$55.00	\$42.10	\$3.21	1.98	0.21	0.05	0.05	\$0.40	\$0.00	-\$0.68	-\$25.21
19-Jan-08	\$55.00	\$51.22	\$3.21	1.98	0.21	0.05	0.05	\$4.15	\$0.00	-\$0.45	-\$25.21
17-Feb-07	\$60.00	\$47.82	\$17.21	0.93	0.21	0.05	0.05	\$1.35	\$0.00	-\$11.09	-\$25.21
19-Jan-08	\$60.00	\$53.00	\$3.21	1.98	0.19	0.05	0.03	\$3.24	\$0.00	-\$0.46	-\$25.21
17-Jan-09	\$60.00	\$47.82	\$3.21	1.98	0.21	0.05	0.05	\$2.50	\$0.00	-\$0.23	-\$24.71
19-Jan-08	\$70.00	\$53.00	\$3.21	1.98	0.19	0.05	0.03	\$1.90	\$0.00	-\$0.48	-\$25.21
17-Jan-09	\$70.00	\$47.82	\$3.21	1.98	0.21	0.05	0.05	\$1.73	\$0.00	-\$0.24	-\$24.96

**Deadline for
Claim Submission:
December 15, 2010.**

To speed processing, please fill out the form in blue or black ink, using block letters, with one letter in each square, as shown:

A	B	C	D		1	2	3	4
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PART I: CLAIMANT IDENTIFICATION																													
Beneficial Owner's First Name															Beneficial Owner's Last Name														
Joint Owner's First Name															Joint Owner's Last Name														
Street Address																													
Address 2																													
City															State/Province					Zip Code									
Postal Code										Country Name/Abbreviation																			
Record Owner's Name (if Different from Beneficial Owner Listed Above)																													
Social Security Number															Taxpayer Identification Number														
Telephone Number (Daytime)															Telephone Number (Evening)														

☐ Individual/Sole Proprietor ☐ Joint Owners ☐ Pension Plan ☐ Corporation
☐ Partnership ☐ Trust ☐ IRA ☐ Other (describe: _____)

☐ Check here if additional transactions are included on additional schedules.

GENERAL INSTRUCTIONS

1. It is important that you completely read and understand the Notice of Pendency of Class Action and Proposed Settlements, Settlement Fairness Hearing, and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice") that accompanies this Proof of Claim and Release ("Proof of Claim"), and the Plan of Allocation included in the Notice. The Notice and the Plan of Allocation describe the proposed settlements ("Settlements") that will resolve this Consolidated Action, how the Class Members are affected by the Settlements, and the manner in which the proceeds of the Settlements will be distributed, if the Court approves the Settlements and the Plan of Allocation. The Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Proof of Claim unless otherwise stated in this Proof of Claim. By signing and submitting the Proof of Claim, you will be certifying that you have read and that you understand the Notice.
2. TO PARTICIPATE IN THE SETTLEMENTS, YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE, BY FIRST-CLASS MAIL POSTAGE PREPAID, POSTMARKED ON OR BEFORE DECEMBER 15, 2010, ADDRESSED TO:

In re New Century Securities Litigation Settlement
c/o Analytics, Inc. Claims Administrator
P.O. Box 2004
Chanhassen, MN 55317-2004
1-866-308-7615

3. This Proof of Claim is directed to all persons who purchased or otherwise acquired New Century common stock, New Century 9.125% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock"), New Century 9.75% Series B Cumulative Redeemable Preferred Stock ("Series B Preferred Stock"), and/or New Century call options and/or who sold New Century put options, during the time period from May 5, 2005, through March 13, 2007, inclusive (the "Class Period"), and who, upon disclosure of certain facts alleged in the Complaint, were injured thereby (the "Class"). (The New Century common stock, Series A Preferred Stock, Series B Preferred Stock, and/or New Century call options and New Century put options are referred to collectively as "New Century Securities.")
4. "Class Member" means any person who is included in the definition of the Class and who did not timely submit a proper request for exclusion in accordance with the requirements set forth in the Notice. Excluded from the Class are certain persons or entities excluded by definition pursuant to the Court's preliminary approval of the Settlements.¹ Also excluded from the Class are any persons or entities who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in the Notice.
5. "Authorized Claimant" means a Class Member who submits a timely and valid Proof of Claim form to the Claims Administrator, in accordance with the requirements established by the Court, that is approved for payment from the Net Settlement Fund.
6. IF YOU ARE NOT A CLASS MEMBER, OR IF YOU, OR SOMEONE ACTING ON YOUR BEHALF, FILED A REQUEST FOR EXCLUSION FROM THE CLASS, DO NOT SUBMIT A PROOF OF CLAIM. YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENTS IF YOU ARE NOT A CLASS MEMBER. THUS, IF YOU FILE A VALID REQUEST FOR EXCLUSION IN A TIMELY MANNER, ANY PROOF OF CLAIM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED.
7. To recover as a Class Member, you must complete and sign this Proof of Claim and mail it to the Claims Administrator postmarked on or before December 15, 2010. If you fail to file a timely, properly addressed, and completed Proof of Claim, your claim may be rejected, and you may be precluded from receiving any distribution from the Settlements.

¹ The following persons are excluded from the Class: (a) the Underwriter Defendants, the Individual Defendants, and KPMG ("Defendants"); (b) members of the immediate families of the Individual Defendants; (c) the subsidiaries and affiliates of Defendants; (d) any person or entity who was a partner, executive officer, director or controlling person of New Century (including any of its subsidiaries or affiliates) or of any Defendant; (e) any entity in which any Defendant has a controlling interest; and (f) the legal representatives, heirs, successors and assigns of any such excluded party.



8. Submission of this Proof of Claim does not ensure that you will share in the proceeds of the Settlements. Distributions to Class Members from the Settlements are governed by the Plan of Allocation approved by the Court. The proposed Plan of Allocation, which is subject to the Court's approval, is included in the Notice.
9. If you have questions concerning the Proof of Claim, or need additional copies of the Proof of Claim or the Notice, you may contact the Claims Administrator, at In re New Century Securities Litigation Settlement, c/o Analytics, Inc., Claims Administrator, P.O. Box 2004, Chanhassen, MN 55317-2004, or by toll-free phone at (866) 308-7615, or you may download the documents from Lead Counsel's website, www.blbglaw.com, or the website maintained by the Claims Administrator for this Settlement, www.newcenturysettlement.com.
10. If you are a Class Member and you do not, or someone acting on your behalf does not, submit a timely request for exclusion from the Class, and if the Court approves the Settlements, you will be bound by the terms of any orders and judgments that the Court enters. You will be bound by such orders and judgments whether or not you submit a Proof of Claim.
11. You are required to submit genuine and sufficient documentation for all your **purchases and sales** of New Century Securities from May 5, 2005, through and including March 13, 2007, as well as genuine and sufficient documentation for all **sales** of New Century Common Stock and Preferred Stock between March 14, 2007, through and including June 10, 2007. You are also required to submit genuine and sufficient documentation reflecting your positions in New Century Common Stock and Preferred Stock as of the close of the market on March 13, 2007, and as of the close of the market on June 10, 2007. Documentation may be photocopies of stockbrokers' confirmation slips or stockbrokers' monthly statements (reflecting your opening and closing balances for the months specified on the actual claim form, and in which transactions during the Class Period occurred). IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL STOCK CERTIFICATES.
12. All joint purchasers must each sign this Proof of Claim.
13. Agents, executors, administrators, guardians, and trustees must complete and sign the Proof of Claim on behalf of persons represented by them, and they must:
 - (a) expressly state the capacity in which they are acting;
 - (b) identify the name, account number, Social Security Number (or taxpayer identification number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the New Century Securities; and
 - (c) furnish herewith evidence of their authority to bind to the Proof of Claim the person or entity on whose behalf they are acting. (Authority to complete and sign a Proof of Claim cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade stock in another person's accounts.)
14. By submitting a signed Proof of Claim, you will be swearing that you:
 - (a) own(ed) the New Century Securities you have listed in the Proof of Claim; or
 - (b) are expressly authorized to act on behalf of the owner thereof.
15. By submitting a signed Proof of Claim, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.

NOTICE REGARDING ELECTRONIC FILES: Certain Claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants **MUST** submit a manually signed paper Proof of Claim form listing all their transactions, whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-866-308-7615, or visit its settlement website www.newcenturysettlement.com to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written paper acknowledgment of receipt and acceptance of electronically submitted data.

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PART II: NEW CENTURY COMMON STOCK**A. Beginning Holdings:**

State the number of shares of New Century Common Stock the Claimant owned as of the close of the market on May 4, 2005. If none, write "zero" or "0." If other than zero, be sure to attach the required documentation.

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B. Purchases:

- (i) List all purchases of New Century Common Stock made during the period from May 5, 2005, through and including March 13, 2007. (NOTE: If you acquired your New Century Common Stock during this period other than by an open-market purchase, please provide a complete description of the terms of the acquisition on a separate page.) Be sure to attach the required documentation.

Trade Date(s) (List Chronologically)			Number of Shares Purchased	Purchase Price Per Share	Total Purchase Price*	Check Here if Documentation is Enclosed
M M	D D	Y Y				
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>

*excluding commissions, transfer taxes or other fees

- (ii) State the total number of shares of New Century Common Stock the Claimant purchased during the period between March 14, 2007, through and including June 10, 2007. If none, write "zero" or "0." (NOTE: These purchases, which are not in the Class Period, are not included in the calculation of Recognized Loss. This information is needed by the Claims Administrator for purposes of the overall evaluation of the Claim.)

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C. Sales:

List all sales of New Century Common Stock made during the period from May 5, 2005, through and including June 10, 2007. Be sure to attach the required documentation.

Trade Date(s) (List Chronologically)			Number of Shares Sold	Sales Price Per Share		Total Sales Price*	Check Here if Documentation is Enclosed
M M	D D	Y Y					

*excluding commissions, transfer taxes or other fees

D. Unsold Holdings:

State the total number of shares of New Century Common Stock the Claimant owned at the close of the market on March 13, 2007. If none, write "zero" or "0." If other than zero, be sure to attach the required documentation.

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E. Ending Position For 90-Day Look Back:

State the total number of shares of New Century Common Stock the Claimant owned at the close of the market on June 10, 2007. If none, write "zero" or "0." If other than zero, be sure to attach the required documentation.

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State the number of shares of New Century Series A Preferred Stock the Claimant owned as of the close of the market on May 4, 2005. If none, write "zero" or "0." If other than zero, be sure to attach the required documentation.

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[illegible]

(ii) State the total number of shares of New Century Series A Preferred Stock the Claimant purchased during the period between March 14, 2007, through and including June 10, 2007. If none, write "zero" or "0." (NOTE: These purchases, which are not in the Class Period, are not included in the calculation of Recognized Loss Amount. This information is needed by the Claims Administrator for purposes of the overall evaluation of the Claim.)

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C. Sales:

List all sales of New Century Series A Preferred Stock made during the period from May 5, 2005, through and including June 10, 2007. Be sure to attach the required documentation.

Trade Date(s) (List Chronologically)			Number of Shares Sold	Sales Price Per Share		Total Sales Price*	Check Here if Documentation is Enclosed
M	M	Y Y					
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>

*excluding commissions, transfer taxes or other fees

D. Unsold Holdings:

State the total number of shares of New Century Series A Preferred Stock the Claimant owned at the close of the market on March 13, 2007. If none, write "zero" or "0." If other than zero, be sure to attach the required documentation.

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E. Ending Position For 90-Day Look Back:

State the total number of shares of New Century Series A Preferred Stock the Claimant owned at the close of the market on June 10, 2007. If none, write "zero" or "0." If other than zero, be sure to attach the required documentation.

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PART IV: NEW CENTURY 9.75% SERIES B CUMULATIVE REDEEMABLE PREFERRED STOCK ("SERIES B PREFERRED STOCK")

A. Beginning Holdings:

State the number of shares of New Century Series B Preferred Stock the Claimant owned as of the close of the market on May 4, 2005. If none, write "zero" or "0." If other than zero, be sure to attach the required documentation.

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B. Purchases:

- (i) List all purchases of New Century Series B Preferred Stock made during the period from May 5, 2005, through and including March 13, 2007. (NOTE: If you acquired your New Century Series B Preferred Stock during this period in an Offering or otherwise or other than by an open-market purchase, please provide a complete description of the terms of the acquisition on a separate page.) Be sure to attach the required documentation.

Trade Date(s) (List Chronologically)			Number of Shares Purchased	Purchase Price Per Share		Total Purchase Price*		Check Here if Documentation is Enclosed
M M	D D	Y Y						

*excluding commissions, transfer taxes or other fees

- (ii) State the total number of shares of New Century Series B Preferred Stock the Claimant purchased during the period between March 14, 2007, through and including June 10, 2007. If none, write "zero" or "0." (NOTE: These purchases, which are not in the Class Period, are not included in the calculation of Recognized Loss. This information is needed by the Claims Administrator for purposes of the overall evaluation of the Claim.)

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C. Sales:

List all sales of New Century Series B Preferred Stock made during the period from May 5, 2005, through and including June 10, 2007. Be sure to attach the required documentation.

Trade Date(s) (List Chronologically)			Number of Shares Sold	Sales Price Per Share		Total Sales Price*	Check Here if Documentation is Enclosed
M	M	Y Y					

*excluding commissions, transfer taxes or other fees

D. Unsold Holdings:

State the total number of shares of New Century Series B Preferred Stock the Claimant owned at the close of the market on March 13, 2007. If none, write "zero" or "0." If other than zero, be sure to attach the required documentation.

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E. Ending Position For 90-Day Look Back:

State the total number of shares of New Century Series B Preferred Stock the Claimant owned at the close of the market on June 10, 2007. If none, write "zero" or "0." If other than zero, be sure to attach the required documentation.

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PART V: NEW CENTURY CALL OPTIONS**A. Beginning Holdings:**

List all Call Option contracts on New Century Common Stock open as of the close of the market on May 4, 2005.

Expiration Month and Year				Number of Call Option Contracts Open	Strike Price per Call Option Contract		Position:		Check Here if Documentation is Enclosed
M	M	Y	Y		Short	Long			
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

B. Purchases:

List all Call Option contracts on New Century Common Stock that you purchased or acquired during the period from May 5, 2005, through and including March 13, 2007. Be sure to attach the required documentation.

Purchase Date(s) (List Chronologically)			Number of Option Contracts Purchased	Premium Price Per Share		Expiration Month and Year			Strike Price per Call Option Contract		Check Here if Documentation is Enclosed
M	M	Y		D	D	Y	Y	M	M	Y	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

C. Sales:

List all Call Option contracts on New Century Common Stock that you sold during the period from May 5, 2005, through and including March 13, 2007. Be sure to attach the required documentation.

Sale Date(s) (List Chronologically)			Number of Option Contracts Sold	Premium Price Per Share		Expiration Month and Year			Strike Price per Call Option Contract		Check Here if Documentation is Enclosed
M	M	Y		D	D	Y	Y	M	M	Y	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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D. Exercised Calls:

List all Call Option contracts on New Century Common Stock that you exercised during the period from May 5, 2005, through and including March 13, 2007. Be sure to attach the required documentation.

Date Exercised			Number of Option Contracts Exercised	Strike Price per Call Option Contract	Expiration Month and Year		Result:		Check Here if Documentation is Enclosed
M M	D D	Y Y			M M	Y Y	Rec'd Shares	Cash	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

E. Expired Calls:

List all Call Option contracts on New Century Common Stock that expired worthless during the period from May 5, 2005, through and including March 13, 2007. Be sure to attach the required documentation.

Date(s) Contracts Expired (List Chronologically)			Number of Option Contracts Expired	Strike Price per Call Option Contract	Expiration Month and Year		Check Here if Documentation is Enclosed
M M	D D	Y Y			M M	Y Y	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

F. Unsold/Unexpired Calls:

List Call Option contracts on New Century Common Stock that were open as of the close of the market on March 13, 2007.

Expiration Month and Year		Number of Call Option Contracts Open	Strike Price per Call Option Contract	Position:		Check Here if Documentation is Enclosed
M M	Y Y			Short	Long	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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PART VI: NEW CENTURY PUT OPTIONS**A. Beginning Holdings:**

List all Put Option contracts on New Century Common Stock open as of the close of the market on May 4, 2005.

Expiration Month and Year				Number of Put Option Contracts Open	Strike Price per Put Option Contract	Position:		Check Here if Documentation is Enclosed
M	M	Y	Y			Short	Long	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

B. Sales:

List all Put Option contracts on New Century Common Stock that you sold (wrote) during the period from May 5, 2005, through and including March 13, 2007. Be sure to attach the required documentation.

Sale Date(s) (Writing) (List Chronologically)				Number of Put Option Contracts Sold	Premium Price Per Share	Expiration Month and Year				Strike Price per Put Option Contract	Check Here if Documentation is Enclosed	
M	M	D	D			Y	Y	M	M			Y
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

C. Purchases:

List all Put Option contracts on New Century Common Stock that you purchased or acquired during the period from May 5, 2005, through and including March 13, 2007. Be sure to attach the required documentation.

Purchase Date(s) (List Chronologically)				Number of Put Option Contracts Purchased	Premium Price Per Share	Expiration Month and Year				Strike Price per Put Option Contract	Check Here if Documentation is Enclosed	
M	M	D	D			Y	Y	M	M			Y
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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D. Exercised Puts:

List all Put Option contracts on New Century Common Stock that you exercised during the period from May 5, 2005, through and including March 13, 2007. Be sure to attach the required documentation.

Date Exercised			Number of Put Option Contracts Exercised	Strike Price per Put Option Contract		Expiration Month and Year		Result:		Check Here if Documentation is Enclosed	
M M	D D	Y Y				M M	Y Y	Shares	Paid		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

E. Expired Puts:

List all Put Option contracts on New Century Common Stock that expired worthless during the period from May 5, 2005, through and including March 13, 2007. Be sure to attach the required documentation.

Date(s) Contracts Expired (List Chronologically)			Number of Put Contracts Expired	Strike Price per Put Option Contract		Expiration Month and Year		Check Here if Documentation is Enclosed
M M	D D	Y Y				M M	Y Y	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

F. Unsold/Unexpired Puts:

List Put Option contracts on New Century Common Stock open as of the close of the market on March 13, 2007.

Expiration Month and Year		Number of Unexpired Put Options Contracts	Strike Price per Put Option Contract	Position:		Check Here if Documentation is Enclosed
M M	Y Y			Short	Long	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS IN THIS SECURITY PLEASE PHOTOCOPY THIS PAGE,
WRITE YOUR NAME ON THE COPY AND CHECK THIS BOX ☐

IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES MAY NOT BE REVIEWED

EXHIBIT C
PAGE 122



YOU MUST READ THE FOLLOWING RELEASE AND SIGN ON PAGE 16.

RELEASE OF CLAIMS

Definitions

Defined terms not already defined herein have the meanings given them in the respective Stipulations of Settlement (described in the Notice) (the "Stipulations").

The Releases

Officer and Director Release

I (we) understand and acknowledge that, without further action by anyone, on and after entry of the Global Officer And Director Judgment and occurrence of the Effective Date of the Global Officer And Director Settlement, each Class Member, on behalf of themselves, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, whether or not a Proof of Claim is executed and delivered by, or on behalf of, such Class Member, will be deemed by operation of law to have released, waived, discharged and dismissed each and every Settled Class Claim as against each and every Released Officer And Director and the Insurance Carriers (as defined in the Global Officer And Director Stipulation), and shall be deemed to forever be enjoined from prosecuting any or all of the Settled Class Claims against each and every Released Officer And Director and the Insurance Carriers. "Settled Class Claim" in this paragraph means any and all claims and causes of action of every nature and description, whether known or Unknown Claims, whether arising under federal, state, common or foreign law, that Plaintiffs or any other member of the Class (a) asserted in the Consolidated Action, or (b) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Consolidated Action, and that arise out of or relate to the purchase of New Century Common Stock, New Century Series A Preferred Stock, New Century Series B Preferred Stock, and/or New Century Call Options and/or the sale of New Century Put Options during the Class Period. Settled Class Claims does not include claims relating to the enforcement of the Settlement. "Released Officers And Directors" in this paragraph means (i) the Individual Defendants, David Kenneally, Kevin Cloyd, Patrick Flanagan, Stergios Theologides, Joseph F. Eckroth, Jr., and Jeffrey D. Goldberg, and any of their respective heirs, executors, administrators, predecessors, successors, assigns, employees, agents and retained professionals; and (ii) all directors, officers, employees, and other natural persons affiliated with New Century (including any of its subsidiaries and affiliates) included in the definition of "Assured" or "Insured" as defined in the Policies (defined in the Global Officer And Director Stipulation) and any and all of their respective heirs, executors, administrators, predecessors, successors and assigns, employees, agents and retained professionals (other than KPMG or the Underwriter Defendants).

KPMG Release

I (we) understand and acknowledge that, without further action by anyone, on and after entry of the KPMG Judgment and occurrence of the Effective Date of the KPMG Settlement, each Class Member, on behalf of themselves, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, whether or not a Proof of Claim is executed and delivered by, or on behalf of, such Class Member, will be deemed by operation of law to have released, waived, discharged and dismissed each and every Settled Claim, and shall forever be enjoined from prosecuting any or all Settled Claims, against any Released Auditor Party. "Settled Claim" in this paragraph means any and all claims and causes of action of every nature and description, whether known or Unknown, whether arising under federal, state, common or foreign law, that Plaintiffs or any other member of the Class (a) asserted in the Complaint, or (b) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint, and that arise out of or relate to the purchase of New Century Common Stock, New Century Series A Preferred Stock, New Century Series B Preferred Stock, and/or New Century Call Options and/or the sale of New Century Put Options during the Class Period. "Settled Claims" does not include claims relating to the enforcement of the Settlements. "Released Auditor Party" means KPMG and any and all of its partners, principals, officers, directors, employees, agents, attorneys and affiliates. "Released Auditor Parties" does not include any Defendants other than KPMG.

EXHIBIT
PAGE

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Underwriter Release

I (we) understand and acknowledge that, without further action by anyone, on and after entry of the Underwriter Judgment and occurrence of the Effective Date of the Underwriter Settlement, each Class Member, on behalf of themselves, their parent companies, subsidiaries, affiliates, heirs, executors, administrators, predecessors, successors and assigns, and any and all of their current and former officers, directors, employees, agents and attorneys, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, whether or not a Proof of Claim is executed and delivered by, or on behalf of, such Class Member, will be deemed by operation of law to have released, waived, discharged and dismissed each and every Settled Claim, and shall forever be enjoined from prosecuting any or all Settled Claims, against any Released Underwriter Party. "Settled Claim" in this paragraph means any and all claims and causes of action of every nature and description, whether known or Unknown, whether arising under federal, state, common or foreign law, that Plaintiffs or any other member of the Class (a) asserted in the Complaint, or (b) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint, and that arise out of or relate to the purchase of New Century Common Stock, New Century Series A Preferred Stock, New Century Series B Preferred Stock, and/or New Century Call Options and/or the sale of New Century Put Options during the Class Period. "Settled Claims" does not include claims relating to the enforcement of the Settlements. "Released Underwriter Party" means the Underwriter Defendants and any and all of their respective parent companies, subsidiaries, affiliates, heirs, executors, administrators, predecessors, successors and assigns, and any and all of their current and former officers, directors, employees, agents and attorneys. "Released Underwriter Parties" does not include any Defendants other than the Underwriter Defendants.

SIGNATURE AND CERTIFICATIONS

By signing and submitting this Proof of Claim, the Claimant or the person who represents the Claimant certifies, as follows:

1. that the Claimant is a Class Member, as defined in the Notice;
2. that I (we) have read and understand the contents of the Notice and the Proof of Claim;
3. that I (we) are not acting for any of the Defendants, nor am I (are we) such a Defendant or otherwise excluded from the Class;
4. that I (we) have not filed a request for exclusion from the Class and that I (we) do not know of any request for exclusion from the Class filed on my (our) behalf with respect to my (our) transactions in New Century Securities;
5. that I (we) own(ed) the New Century Securities identified in the Proof of Claim, or that, in signing and submitting this Proof of Claim, I (we) have the authority to act on behalf of the owner(s) thereof;
6. that Claimant may be entitled to receive a distribution from the Net Settlement Fund;
7. that Claimant desires to participate in the Settlements described in the Notice and agrees to the terms and conditions thereof;
8. that I (we) submit to the jurisdiction of the United States District Court for the Central District of California for purposes of investigation and discovery under the Federal Rules of Civil Procedure with respect to this Proof of Claim;
9. that I (we) agree to furnish such additional information with respect to this Proof of Claim as the parties, the Claims Administrator or the Court may require;
10. that I (we) waive trial by jury, to the extent it exists, and agree to the Court's summary disposition of the determination of the validity or amount of the claim made by this Proof of Claim; and
11. that I (we) certify that I am (we are) not subject to backup withholding under the provisions of Section 3406(a)(1)(c) of the Internal Revenue Code.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike the language that you are not subject to backup withholding in the certification above. The Internal Revenue Service does not require your consent to any provision other than the certification required to avoid backup withholding.

EXHIBIT

PAGE

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15



Signature of Claimant										Date Signed							
										M	M	D	D	Y	Y	Y	Y
Print Name of Claimant																	
First Name					Last Name												

Signature of Joint Claimant, if any <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>	Date Signed <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 2px;">M</td> <td style="text-align: center; padding: 2px;">M</td> <td style="text-align: center; padding: 2px;">D</td> <td style="text-align: center; padding: 2px;">D</td> <td style="text-align: center; padding: 2px;">Y</td> <td style="text-align: center; padding: 2px;">Y</td> <td style="text-align: center; padding: 2px;">Y</td> <td style="text-align: center; padding: 2px;">Y</td> </tr> <tr> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> </tr> </table>	M	M	D	D	Y	Y	Y	Y								
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Print Name of Joint Claimant, if any <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 2px;">First Name</td> <td style="text-align: center; padding: 2px;">Last Name</td> </tr> <tr> <td style="border: 1px solid black; width: 300px; height: 30px;"></td> <td style="border: 1px solid black; width: 300px; height: 30px;"></td> </tr> </table>	First Name	Last Name															
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<p>Signature of Person Completing Form</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<p>Date Signed</p> <table style="width: 100%; text-align: center;"> <tr> <td>M</td><td>M</td><td>D</td><td>D</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td> </tr> <tr> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> </tr> </table>	M	M	D	D	Y	Y	Y	Y								
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<p>Capacity of person signing on behalf of claimant, if other than an individual, e.g., executor, president, custodian, etc.</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div>																	

1. Please sign the Proof of Claim on page 16.
2. If this Claim is being made on behalf of Joint Claimants, then both must sign.
3. Please remember to attach supporting documents.
4. If you move, please send your new address to:

EXHIBIT C
PAGE 125

- The Claims Administrator will acknowledge receipt of your Proof of Claim by mail within 60 days. Your Proof of Claim is not deemed fully filed until you receive an acknowledgement postcard. If you do not receive an acknowledgment postcard within 60 days, please call the Claims Administrator toll free at (866) 308-7615.**




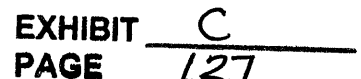
IN RE NEW CENTURY

EXHIBIT B

STATE OF TEXAS)
) ss:
CITY AND COUNTY OF DALLAS)

Joseph S. [Signature]


Notary Public



GLOBAL, NATIONAL, REGIONAL
TO ADVERTISE CALL 1.800.366.3975
FAX: 214.640.7900

WSJMEDIKIT.COM

CLASS ACTIONS

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

IN RE
NEW CENTURY

Case No. 2:07-cv-00931-DDP (FMOx)
(Lead Case)

SUMMARY NOTICE

TO: ALL PERSONS AND ENTITIES WHO PURCHASED OR ACQUIRED NEW CENTURY COMMON STOCK; NEW CENTURY 9.125% SERIES A CUMULATIVE REDEEMABLE PREFERRED STOCK ("SERIES A PREFERRED STOCK"); NEW CENTURY 9.75% SERIES B CUMULATIVE REDEEMABLE PREFERRED STOCK ("SERIES B PREFERRED STOCK"); AND/OR NEW CENTURY CALL OPTIONS AND/OR WHO SOLD NEW CENTURY PUT OPTIONS DURING THE TIME PERIOD FROM MAY 5, 2005, THROUGH MARCH 13, 2007, INCLUSIVE:

YOU ARE HEREBY NOTIFIED pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Central District of California (i) of the pendency of this action (the "Consolidated Action") as a class action on behalf of the persons and entities described above (the "Class"), except for certain persons and entities who are excluded from the Class by definition; and (ii) that three settlements ("Settlements") reached in this Consolidated Action have been proposed that will fully and finally settle all claims against and release all Defendants (i.e., a settlement with the individual Defendants in the amount of \$65,077,088.00; a settlement with the Underwriter Defendants in the amount of \$15,000,000.00; and a settlement with KPMG LLP in the amount of \$44,750,000.00). The total cash amount of the Settlements equals \$124,827,088.00. A hearing will be held before the Honorable Dean D. Pregerson at the United States District Court for the Central District of California, 312 North Spring Street, Courtroom 3, Los Angeles, California 90012 at 10:00 A.M. on November 8, 2010, to determine: (1) whether this Consolidated 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; (2) whether the proposed Settlements should be approved by the Court as fair, reasonable, and adequate; (3) whether the Plan of Allocation is fair, reasonable and adequate and therefore should be approved in connection with the Settlements; and (3) whether the application of Lead Counsel for attorneys' fees and Litigation Expenses should be approved.

IF YOU ARE A MEMBER OF THE CLASS, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENTS, AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUND. If you have not yet received the (1) Notice Of Pendency Of Class Action And Proposed Settlements, Settlement Fairness Hearing, And Motion For Attorneys' Fees And Reimbursement Of Litigation Expenses ("Notice"); and (2) Proof Of Claim And Release ("Claim Form"), you may obtain copies of these documents by contacting: In re New Century Securities Litigation Settlement c/o Analytics, Inc. Claims Administrator, P.O. Box 2004, Chanhassen, MN 55317-2004, (866) 308-7615. Copies of the Notice and Claim Form may also be downloaded from: www.bfbglaw.com or at www.newcenturysettlement.com. If you are a Class Member, in order to be eligible to share in the distribution of the Net Settlement Fund, you must submit a Claim Form no later than December 15, 2010, establishing that you are entitled to a recovery. You will be bound by any judgment entered in the Consolidated Action whether or not you make a Claim.

If you desire to be excluded from the Class, you must submit a request for exclusion to be received by October 18, 2010, in the manner and form explained in the Notice. All Class Members who do not request exclusion from the Class will be bound by any judgment entered in the Consolidated Action.

Any objection to the proposed Settlements, Plan of Allocation or application for attorneys' fees and payment of Litigation Expenses must be filed with the Court and delivered to be received by counsel for the parties no later than October 18, 2010, in the manner and form set forth in the Notice.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. Inquiries, other than requests for the Notice and Claim Form, may be made to Lead Counsel:

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP
Salvatore J. Graziano
1285 Avenue of the Americas
New York, New York 10019
Telephone: (866) 648-2524

Dated: August 17, 2010 By Order of the Clerk of the Court
United States District Court
for the Central District of California

EXHIBIT
PAGE

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IN RE NEW CENTURY

EXHIBIT C



PR Newswire
United Business Media

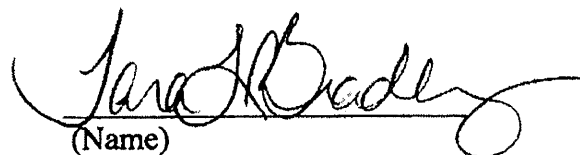
August 27, 2010

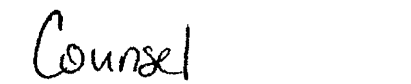
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To Claims Administrator:

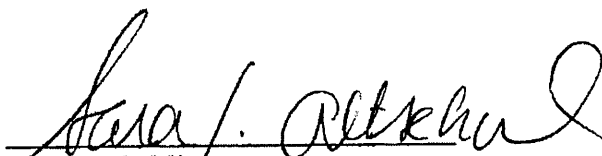
I confirm that the following press release was released on **Tuesday, August 24, 2010** for
distribution on PR Newswire's US1 National Newswire:

Summary Notice of Pendency of Class Action in Re New Century Securities Litigation


(Name)


(Position)

Subscribed and Sworn to before me
this 30th day of August, 2010


Notary Public

SARA J. ALTSCHUL
NOTARY PUBLIC, STATE OF NEW YORK
NO. 02AL6162907
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES MARCH 19, 2011

Summary Notice of Pendency of Class Action In Re New Century Securities Litigation

NEW YORK, Aug. 24 /PRNewswire/ -- Bernstein Litowitz Berger & Grossmann LLP is issuing the following statement regarding the New Century Action:

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

IN RE NEW CENTURY (Other OTOTC: NEWCQ) (Other OTOTC: NEWXQ) (Other OTOTC: NEWOQ) SECURITIES LITIGATION, 2:07-cv-00931-DDP (FMOx) (Lead Case)

Summary Notice

TO: ALL PERSONS AND ENTITIES WHO PURCHASED OR ACQUIRED NEW CENTURY COMMON STOCK; NEW CENTURY 9.125% SERIES A CUMULATIVE REDEEMABLE PREFERRED STOCK ("SERIES A PREFERRED STOCK"); NEW CENTURY 9.75% SERIES B CUMULATIVE REDEEMABLE PREFERRED STOCK ("SERIES B PREFERRED STOCK"); AND/OR NEW CENTURY CALL OPTIONS AND/OR WHO SOLD NEW CENTURY PUT OPTIONS DURING THE TIME PERIOD FROM MAY 5, 2005, THROUGH MARCH 13, 2007, INCLUSIVE

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BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP
Salvatore J. Graziano
1285 Avenue of the Americas
New York, New York 10019
Telephone: (866) 648-2524

By Order of the Clerk of the Court
United States District Court for the Central District of California

CONTACT: Salvatore J. Graziano, Esq., Tel: +1-866-648-2524, Fax: +1-212-554-1444, of BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

Web site: <http://www.blbglaw.com/cases/index>
[http:// www.newcenturysettlement.com /](http://www.newcenturysettlement.com/)

IN RE NEW CENTURY

EXHIBIT D

Class Members Requesting Exclusion

Reference Number

1013655

Name

Joanne C Brinser

Postmark

9/20/2010