

EXHIBIT G

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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 MARVIN L.**
15 **FRANK IN SUPPORT OF LEAD**
16 **COUNSEL'S REQUEST FOR**
17 **ATTORNEYS' FEES AND**
18 **REIMBURSEMENT OF**
19 **LITIGATION EXPENSES**

Judge: Hon. Dean D. Pregerson

20 I, MARVIN L. FRANK, declare as follows:

21 1. I am a partner of the law firm of Murray, Frank & Sailer LLP. I
22 submit this declaration in support of Lead Counsel's application for an award of
23 attorneys' fees in connection with services rendered by Plaintiffs' Counsel in the
24 above-captioned consolidated securities class action (the "Action"), as well as for
25 reimbursement of expenses incurred by my firm in connection with the Action.
26 My firm is counsel of record for Carl Larson, a named plaintiff in the Action. In
27 this capacity, my firm performed the following tasks: investigation of the facts and
28 law relevant to the prosecution of this Action; briefing motions for appointment of

1 lead plaintiff; drafting an initial complaint; assisting in drafting the second
2 amended consolidated complaint, the memorandum of law in opposition to
3 Defendants' motion to dismiss the second amended consolidated complaint, and
4 motion to certify a class; responding to discovery requests; communications and
5 meetings with counsel to Defendants and non-parties; settlement negotiations
6 including preparing Lead Plaintiff's mediation statement and representing Mr.
7 Larson at the mediation; drafting and negotiating the terms of the Stipulations of
8 Settlement and related papers; and representing Mr. Larson at the preliminary
9 approval hearing.

10 2. The schedule attached hereto as Exhibit 1 is a detailed summary
11 indicating the amount of time spent by each attorney and professional support staff
12 of my firm who was involved in this Action, and the lodestar calculation based on
13 my firm's current billing rates. For personnel who are no longer employed by my
14 firm, the lodestar calculation is based upon the billing rates for such personnel in
15 his or her final year of employment by my firm. The schedule was prepared from
16 contemporaneous daily time records regularly prepared and maintained by my
17 firm, which are available at the request of the Court. Time expended in preparing
18 this application for fees and reimbursement of expenses has not been included in
19 this request.

20 3. The hourly rates for the attorneys and professional support staff in my
21 firm included in Exhibit 1 have been accepted in other securities or shareholder
22 litigation.

23 4. The total number of hours expended on this litigation by my firm
24 through August 16, 2010, is 542.6. The total lodestar for my firm is \$350,417.

25 5. My firm's lodestar figures are based upon the firm's billing rates,
26 which rates do not include charges for expense items. Expense items are billed
27 separately and such charges are not duplicated in my firm's billing rates.
28

6. As detailed in Exhibit 2, my firm has incurred a total of \$8,935.54 in paid unreimbursed expenses in connection with the prosecution of the Action.

7. The expenses incurred in this action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

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

Executed this August 16, 2010.



MARVIN L. FRANK

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EXHIBIT 1

MURRAY, FRANK & SAILER LLP

TIME REPORT

Inception through August 16, 2010

NAME	HOURS	HOURLY RATE	LODESTAR
Partners:			
Brian P. Murray	44.5	\$750	\$33,375
Marvin L. Frank	315.3	\$750	\$236,475
Associates:			
Gregory B. Linkh	31.4	\$550	\$17,270
Brian D. Brooks	12.3	\$475	\$5,843
Bridget V. Hamill	60.1	\$450	\$27,045
Bradley Dyer	58.4	\$425	\$24,820
Thomas J. Kennedy	8.2	\$425	\$3,485
Eva Hromadkova	0.5	\$400	\$200
Paralegals:			
Nevila Gjyrezi	5.2	\$160	\$832
Molly Gottshall	6.7	\$160	\$1,072
TOTAL LODESTAR	542.6		\$350,417

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EXHIBIT 2

MURRAY, FRANK & SAILER LLP

EXPENSE REPORT

Inception through August 16, 2010

CATEGORY	AMOUNT
On-Line Research	\$371.92
Telephones	\$806.40
Express Mail -FedEx	\$383.36
Postage	\$5.83
Internal Copying \$0.10 per page	\$81.50
Travel, Meals & Lodging	\$3,317.78
Experts	\$3,968.75
TOTAL EXPENSES:	\$8,935.54

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EXHIBIT H

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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 JEFFREY C.**
15 **ZWERLING IN SUPPORT OF**
16 **LEAD COUNSEL'S REQUEST**
17 **FOR ATTORNEYS' FEES AND**
18 **REIMBURSEMENT OF**
19 **LITIGATION EXPENSES**

Judge: Hon. Dean D. Pregerson

20 I, Jeffrey C. Zwerling, declare as follows:

21 1. I am a partner of the law firm of Zwerling, Schachter & Zwerling,
22 LLP. I submit this declaration in support of Lead Counsel's application for an
23 award of attorneys' fees in connection with services rendered by Plaintiffs' Counsel
24 in the above-captioned consolidated securities class action (the "Action"), as well
25 as for reimbursement of expenses incurred by my firm and local counsel to this
26 form in connection with the Action.
27
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1 2. My firm is counsel of record for Charles Hooten, a named plaintiff in
2 the Action. The Rossbacher Firm is local counsel to my firm on behalf of Charles
3 Hooten. In these capacities, our firms performed the following tasks:

4
5 Preparation of pleadings on behalf class of option buyers and
6 sellers represented by named plaintiff and class representative,
7 Charles Hooten; in connection therewith, conferences with
8 client regarding purchases and sales, responsibilities of the
9 named plaintiff and a class representative;

10
11 Conferences and discussions (in conjunction with lead counsel)
12 regarding motions to dismiss the operative consolidated class
13 action complaint.

14
15 Participation in discovery requests both directed to plaintiffs
16 and to defendants, and third party discovery and analysis; in
17 conjunction therewith, discussions with lead counsel and with
18 client, including review of client documents and discovery
19 demands of defendants directed to client; in furtherance thereto,
20 correspondence and telephone calls with lead counsel regarding
21 discovery;

22
23 Preparation for deposition of client, including preparation of
24 deposition outline for review with client and client production
25 of documents in conjunction with such review; review of
26 document request of accountants as directed to client and in
27 connection therewith supplemental discovery discussed and
28 reviewed with lead counsel; review and produce documents to

1 co-counsel and lead counsel in regard to document production;
2 telephone conversations with lead counsel regarding response
3 to defendant document request and meeting in regard thereto;
4

5 At the direction of lead counsel, prepare and review meet and
6 confer letters with lead plaintiff and defendants and research
7 and preparation of memoranda regarding loss causation and
8 summary judgment as same relate to accounting issues;
9

10 Conference calls and discussions with lead counsel regarding
11 accountant summary judgment motion;
12

13 Review of proposed settlement papers and allocation formulae
14 and analysis of same; review of proposed Notice to class
15 members regarding settlement and plan of allocation; in
16 connection therewith, discussion with damages expert and
17 review of all settlement papers and confidential damage
18 analysis by plaintiff's expert;
19

20 Discussions with lead counsel in regard to allocation of
21 settlement proceeds to option buyers and sellers; negotiation of
22 amendment to proposed allocation;
23

24 Preparation for and attendance by telephone at Court hearing on
25 preliminary approval of proposed settlement agreement with
26 Plan of Allocation adjusted as per prior discussions with lead
27 counsel; miscellaneous telephone calls and correspondence in
28 regard to the foregoing.

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1
2 In connection with the foregoing, miscellaneous telephone calls
3 and conferences regarding ongoing matters concerning the
4 litigation, and in connection therewith, telephone calls and
5 discussions with client as to various issues and status of
6 litigation at various stages.
7

8 3. The schedule attached hereto as Exhibit 1 is a detailed summary
9 indicating the amount of time spent by each attorney and professional support staff
10 of our firms who was involved in this Action, and the lodestar calculation based on
11 our firms' current billing rates. For personnel who are no longer employed by my
12 firm, the lodestar calculation is based upon the billing rates for such personnel in
13 his or her final year of employment by my firm. The schedule was prepared from
14 contemporaneous daily time records regularly prepared and maintained by the
15 firms, which are available at the request of the Court. Time expended in preparing
16 this application for fees and reimbursement of expenses has not been included in
17 this request.

18 4. The hourly rates for the attorneys and professional support staff
19 included in Exhibit 1 are the same as the regular current rates charged for their
20 services in non-contingent matters and/or which have been accepted in other
21 securities or shareholder litigation.

22 5. The total number of hours expended on this litigation by my firm and
23 local counsel through September 20, 2010, is 1,276.6. The total lodestar for the
24 firms is \$ 592,492.00.

25 6. The firms' lodestar figures are based upon the firms' billing rates,
26 which rates do not include charges for expense items. Expense items are billed
27 separately and such charges are not duplicated in the firms' billing rates.
28

EXHIBIT H
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7. As detailed in Exhibit 2, the firms have incurred a total of \$ 22,377.56 in paid unreimbursed expenses in connection with the prosecution of the Action.

8. The expenses incurred in this action are reflected on the books and records of the firms. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

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

Executed this 29th day of September, 2010



Jeffrey C. Zwerling

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EXHIBIT 1

Zwerling, Schachter & Zwerling, LLP

TIME REPORT

Inception through September 15, 2010

NAME	HOURS	HOURLY RATE	LODESTAR
Partners:			
Jeffrey C. Zwerling	73.2	\$675	\$ 49,410
Robert S. Schachter	9.7	\$675	\$ 6,548
Susan Salvetti	0.5	\$650	\$ 325
Richard Speirs	274.3	\$625	\$ 171,438
Senior Counsel:			
Hillary Sobel	0.4	\$525	\$ 210
Stephen Brodsky	307.7	\$495	\$ 152,312
Associates:			
Sona R. Shah	0.8	\$445	\$ 356
Shaye J. Fuchs	0.8	\$395	\$ 316
Ana Cabassa	219.9	\$395	\$ 86,861
Stephanie E. Kirwan	4.7	\$325	\$ 1,528
Kevin McGee	161.1	\$470	\$ 75,717
Paralegals:			
Jayne C. Nykolyn	73.0	\$195	\$ 14,235
Donald R. Lanier	1.4	\$195	\$ 273
Willy T. Gonzalez	24.9	\$195	\$ 4,856
TOTAL LODESTAR	1152.4		\$ 564,382

The Rossbacher Firm

TIME REPORT

Inception through September 20, 2010

NAME	HOURS	HOURLY RATE	LODESTAR
Partners:			
Henry H. Rossbacher	8.8	625.00	6,250.00
Associates:			
James S. Cahill	60	475.00	28,500
Talin K. Tenley	13.20	360.00	4,752.00
Paralegals:			
Martha E. Guilmette	42.2	140.00	6,608.00
TOTAL LODESTAR	124.20		46,110.00

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EXHIBIT 2

Zwerling, Schachter & Zwerling, LLP

EXPENSE REPORT

Inception through September 15, 2010

CATEGORY	AMOUNT
Court Costs Jeffrey C. Zwerling Pro Hac Vice Filing Fees	\$645
On-Line Legal Research Westlaw	\$2,573.45
Facsimile	\$109.75
Telephones	\$77.28
Express Mail Fed Ex	\$430.90
Postage	\$211.82
Internal Copying (.25/21549)	\$5,387.25
PR Newswire	\$1,180
Out of Town Travel Richard Speirs, 6/17/07- 6/18/07, Lead Plaintiff Hearing.	\$1,205.55
Richard Speirs, 11/16/07- 11/17/07, Meeting with Charles Hooten.	\$904.60
Jeffrey C. Zwerling, 11/16/07- 11/17/07 Meeting with Charles Hooten.	\$2,482.67
Richard Speirs, 3/24/09 – 3/26-09, Client meeting and preparation for deposition.	\$937.46
Total Travel	\$5,530.28

Secretarial Overtime	\$297.91
TOTAL EXPENSES:	\$16,443.64

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The Rossbacher Firm
EXPENSE REPORT

Inception through September 20, 2010

CATEGORY	AMOUNT
Filing Fees	835.00
On-Line Legal Research LexisNexis, Pacer	154.90
Faxes In-house	268.50
Telephones	14.87
Express Mail Federal Express	139.88
Hand Delivery Charges – Attorney Service 1 st Legal	350.51
Internal Copying 8,957 pages @ \$.25	2,239.25
Outside Copying Pro Doc Management	1,114.80
Out of Town Travel	N/A
Secretarial and Staff Overtime	337.00
Secretarial and Staff Meals	94.58
Postage	348.23
Parking	36.40
TOTAL EXPENSES:	5,933.92

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EXHIBIT I

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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 NAMED
15 PLAINTIFF CHARLES HOOTEN IN
16 SUPPORT OF REQUEST FOR
17 REIMBURSEMENT OF
18 LITIGATION EXPENSES

Judge: Hon. Dean D. Pregerson

19
20 I, CHARLES HOOTEN, declare as follows:

21 1. I am a Named Plaintiff and Court-appointed Class Representative in
22 the above Action. I submit this declaration in support of my request for
23 reimbursement of my reasonable costs and expenses directly related to its
24 representation of the Class, in accordance with 15 U.S.C. § 78u-4(a)(4).

25 2. Throughout the course of this litigation, I have been in contact with
26 Lead Counsel and/or my counsel of record, Zwerling, Schachter & Zwerling, LLP,
27 and participated in the prosecution of this litigation by among other things:

28 (i) Reading and studying of briefs;

1 (ii) Reviewing and responding to ninety-eight (98) logged e-
2 mails in regard to the prosecution of this action;

3 (iii) Participation in various conference calls regarding the
4 status of the litigation and case developments;

5 (iv) Research all my trades, locate and collate documentation,
6 and prepare an account evaluation spread-sheet;

7 (v) Preparation for deposition testimony, including review
8 with lead counsel and my class counsel;

9 (vi) Provide ongoing documentation and correspondence in
10 response to discovery requests of defendants.

11 3. In performing the duties and responsibilities above, I have expended a
12 total of 29.2 hours in the prosecution of this litigation on behalf of the Class. Set
13 forth below is a summary of the work I performed, number of hours, and
14 reasonable rate, expended in the prosecution of this litigation on behalf of the
15 Class. I seek reimbursement for a total of \$3,650 for this work pursuant to
16 15 U.S.C. § 78u-4(a)(4):

17 *REIMBURSEMENT FOR TIME EXPENDED*

18 From Inception to September 15, 2010

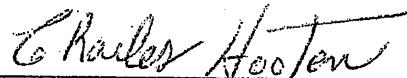
<i>Summary of Work Performed</i>	<i>Hours</i>	<i>Reasonable Rate</i>
Research all my trades, locate and collate documentation, and prepare an account evaluation spread-sheet	8.0 @	\$125
Continue and complete the account activity analysis and spread-sheet	5.6 @	\$125

Deposition preparation	4.0 @	\$125
Continued deposition preparation, and meeting with lead counsel	8.0 @	\$125
Response to additional discovery requests	3.6 @	\$125
	TOTAL:	\$3,650

4. I am an independent businessman and registered professional engineer, and my source of income is compensation for my time at a billing rate of \$125 per hour.

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

Executed this 22 day of September, 2010



Charles Hooten

EXHIBIT J

The D & O Diary

Posted at 4:56 AM on August 3, 2010 by Kevin LaCroix

First-Filed Subprime Securities Suit Settles for \$125 Million



The New Century Financial securities class action lawsuit – which was the first of the subprime-related securities class action lawsuits when it was filed in February 2007 – has been settled for \$124,827,088, subject to court approval. The plaintiffs' July 30, 2010 unopposed motion for settlement approval can be found [here](#).

The settlement actually consists of three separate settlement stipulations and three corresponding settlement funds. Of the total settlement amount, \$65,077,088 will be paid on behalf of the thirteen former New Century directors and officers; \$44,650,000 will be paid on behalf of KPMG, New Century's auditor; and \$15 million will be paid on behalf of the offering underwriter defendants.

The \$65 million to be paid in the class action settlement on behalf of the individual directors and officers is actually part of a larger settlement on the individuals' behalf. As reflected in [the separate director and officer settlement stipulation](#) filed in connection the motion for settlement approval, a total of \$91,102,331.51 will be paid in cash by eleven directors' and officers' liability insurers (which are listed on page 11 of the stipulation) in order to settle in whole or in part not only the claims against them in the securities class action lawsuits but also the claims pending against some or all of the individuals in proceedings before the SEC, in separate litigation brought against them by other plaintiffs, as well as bankruptcy trustee claims.

As reflected at greater length [here](#), plaintiff investors first filed their action against the defendants in February 2007. New Century filed for bankruptcy in April 2007. In March 2008, the New Century bankruptcy examiner filed a report (refer [here](#)) finding, among other things, that the company had "engaged in a number of significant improper and imprudent practices related to its loan originations" that "created a ticking time bomb that detonated in 2007." On December 3, 2008, Central District of California Judge Dean Pregerson denied the defendants' motions to dismiss (refer [here](#)).

The New Century Financial case was one of the higher profile subprime-related securities class action lawsuits and one of the most prominent in which the motion to dismiss was denied. However, as reflected in my running tally of subprime related case resolutions and settlements (which can be

accessed [here](#)), it is only the fourth largest subprime securities suit settlement so far, behind the Countrywide settlement (\$624 million), the Merrill Lynch settlement (\$475 million) and the Merrill Lynch bondholders settlement (\$150 million).

Unlike those larger settlements, however, in the New Century Financial case there was no viable entity remaining to fund a larger settlement. The size of the insurers' contribution and the number of insurers involved in the D&O settlement stipulation suggests that the remaining D&O insurance was exhausted to fund the D&O portion of the settlement. These figures also suggest that there were certain constraints on the possible size of the settlement. KPMG's very sizeable contribution of \$44.75 million toward the settlement represents a significantly greater contribution than it paid in the much larger Countrywide settlement (\$24 million).

I suspect that this was an enormously difficult settlement to pull off. Given the number of parties, the number of proceedings, the number of insurers, and the amount of money at stake, trying to settle this case undoubtedly was challenging, particularly since continuing defense expenses eroded the amount of insurance remaining as the settlement negotiations went forward. I tip my hat to the lawyers involved in bringing this settlement together.

The SEC's separate July 30, 2010 announcement of its settlement of its enforcement action pending against three former New Century directors and officers can be found [here](#). The stipulation of settlement in the class action lawsuit specifies that the portion of the \$91 million in insurance funds is to be paid in part on behalf of the three individuals in the SEC proceeding; however, the stipulation specifies that these amounts "shall not be applied towards penalties owed pursuant to" the SEC settlement.

Another Subprime Securities Suit Settlement: In addition to the New Century Financial case, the subprime-related securities class action lawsuit involving The PMI Group also recently settled. The company announced in its August 3, 2010 filing on Form 1-Q ([here](#)) that on July 13, 2010 the parties agreed to a proposed settlement of \$31.25 million, subject to court approval. The settlement is to be funded entirely by The PMI Group's insurers. Background regarding the case can be found [here](#). Like the New Century Financial case, the PMI Group subprime-related securities class action lawsuit had also survived a motion to dismiss, as discussed [here](#).

A Different Sort of Insurance Cover: Being an astronaut is a dangerous occupation, and those that climb into space launch vehicles understandably would want life insurance in case the worst were to happen. However, life insurers have proven reluctant to insure astronauts.

As reflected in this fascinating post on the *UK Insurance* blog ([here](#)), the interesting way the crews for the Apollo 11 through 16 dealt with this issue was for each crew member to sign specially issued,

stamped and marked envelopes, with the idea that were the worst to happen, the value of the "insurance covers" would "sky-rocket" allowing the astronauts' families to secure financial benefits without formal insurance.

Fortunately, none of the missions that used this makeshift form of insurance suffered any fatalities (though Apollo 1 did meet an unfortunate fate and later Space Shuttle Challenger and Columbia missions did suffer terrible disasters). The Apollo missions "insurance covers" were never used and now trade among collectors.

Special thanks to loyal reader Chris Areheart for sending along this interesting item.

Trackbacks (0)

Comments (0)

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