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Re: In re Countrywide Corporation Shareholders Litigation
C.A. No. 3464-VCN
Date Submitted: June 5, 2009

Dear Counsel:

In this letter opinion, the Court addresses Plaintiffs' application for an award of fees and expenses to their attorneys. Although the Plaintiffs initially sought an award in excess of \$1.4 million,¹ they have now agreed with the Defendants to reduce their application for a combined award of fees and expenses to \$750,000, and

the Defendants have withdrawn their opposition to an award of fees and expenses up to that amount.²

This shareholder class action challenged the acquisition of Countrywide Corporation (“Countrywide”) by Bank of America (“BOA”). The matter was settled and, as a result of that settlement, a so-called therapeutic benefit consisting of additional disclosures to Countrywide’s stockholders was obtained.

The Court’s task in determining fair and reasonable compensation for Plaintiffs’ counsel is guided by the familiar factors set forth in *Sugarland Industries, Inc.*³ The Court, thus, turns to a review of these factors.⁴

¹ See, e.g., Lead Pls.’ Br. in Supp. of Proposed Settlement and Appl. by Pls.’ Counsel for an Award of Attorneys’ Fees and Expenses at 31-38.

² Letter of Scott W. Perkins, Esq., dated April 24, 2009.

³ *Sugarland Indus., Inc. v. Thomas*, 420 A.2d 142 (Del. 1980).

⁴ Whether the settlement of this action should have been approved was vigorously contested. See *In re Countrywide Corporation S’holder Litig.*, 2009 WL 846019 (Del. Ch. Mar. 31, 2009); *In re Countrywide S’holders Litig.*, 2009 WL 2595739 (Del. Ch. Aug. 24, 2009). Only a few objections were filed with respect to the attorneys’ fees. None of the objections was specific. Instead, the objections can fairly and generally be considered as tendering arguments to the effect that the request for fees is simply excessive.

Much of the factual context for this analysis is taken from the Joint Declaration of Lynda J. Grant and Jeffrey W. Golan in Support of Final Approval of the Proposed Settlement and Certification of the Class, and an Award of Attorneys’ Fees and Reimbursement of Expenses to Plaintiffs’ Counsel.

1. The Benefit Achieved

Of the *Sugarland* factors, this is the most significant consideration. Although the benefit achieved for the class was not monetary, the supplemental and additional disclosures, which benefited the shareholders by increasing their understanding of the transaction submitted to them for their consideration, justify a fee award. The additional information appearing in the final proxy statement included disclosure that BOA was the only suiter for Countrywide; that there had been discussions earlier of a higher price; and that changing forecasts had influenced Countrywide's financial advisors in the preparation of their fairness opinions. These disclosures were both material and beneficial to the class.

2. Whether the Benefits are Attributable to the Efforts of Plaintiffs' Counsel

The additional disclosures were achieved through the efforts of Plaintiffs' counsel.

3. Whether the Fees are Contingent

Plaintiffs' counsel undertook this litigation on a fully contingent basis.

4. Time and Effort Devoted to the Litigation

This litigation was pursued on an expedited basis, with depositions in several states, extensive document review, and consultation with experts among the tasks undertaken by Plaintiffs' counsel. Also, a motion for a preliminary injunction was filed.

Plaintiffs' counsel report having incurred expenses in excess of \$200,000 and having devoted almost 4,000 hours to the cause through August 30, 2008.⁵

5. Difficulty and Complexity of the Litigation

As noted, this was expedited litigation involving difficult issues. Plaintiffs' counsel were confronted with numerous challenging issues and certain practical obstacles related both to the national economy and Countrywide's specific circumstances.

⁵ Some of the 3,970 hours reported occurred after settlement was reached. Although not part of the Court's formal analysis, it is sometimes useful to check on the effective hourly rate. In light of the hours documented before settlement was achieved and the expenses incurred, the proposed fee award does not lead to an effective hourly rate that could reasonably be viewed as excessive compensation. It should also be noted that challenges to the proposed settlement required additional but undocumented effort by Plaintiffs' counsel. That additional effort has not been considered here.

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6. Standing and Ability of Counsel

Plaintiffs' counsel are experienced and skilled in complex Delaware corporate class action litigation.

After considering the foregoing factors, the Court concludes, in the exercise of its discretion, that a combined fee and expense award to Plaintiffs' counsel in the amount of \$750,000 would be both fair and reasonable under the circumstances.

The final order implementing the Court's approval of the settlement of this action will include the fee award prescribed in this letter opinion.

Very truly yours,

/s/ John W. Noble

JWN/cap

cc: Stuart M. Grant, Esquire
Andre G. Bouchard, Esquire
Register in Chancery-K