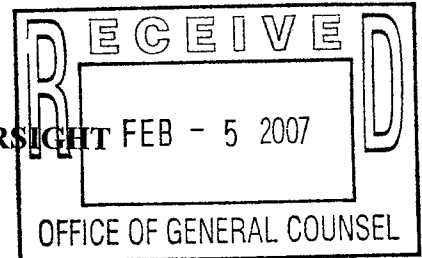


UNITED STATES OF AMERICA  
OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT



**In the Matter of:**

**FRANKLIN D. RAINES,**  
**J. TIMOTHY HOWARD, and**  
**LEANNE G. SPENCER,**  
**Respondents.**

**Notice Number 2006-1**

**Judge William B. Moran**

**DECLARATION OF ALEX G. ROMAIN**

I, **ALEX G. ROMAIN**, hereby state and affirm as follows:

1. I am a partner in the law firm of Williams & Connolly LLP, and I represent Mr. Franklin D. Raines in this proceeding. I submit this declaration, under penalty of perjury, in support of Franklin D. Raines's Memorandum Concerning the Requirements of 12 U.S.C. § 4633(a)(2), filed this same date.

**2004 OFHEO Report**

2. On July 17, 2003, Armando Falcon, then the Director of the Office of Federal Housing Enterprise Oversight ("OFHEO"), announced to a Senate Committee that OFHEO intended to conduct a special examination of Fannie Mae's accounting.

3. In September 2004, OFHEO issued a 198-page public Report concluding that Fannie Mae had intentionally misapplied two accounting standards in contravention of Generally Accepted Accounting Principles ("GAAP") and questioning whether Fannie Mae had adequate internal controls over its financial reporting and its accounting policies and practices.

4. The 2004 OFHEO Report concluded that there were problems with Fannie Mae's accounting policies and practices relating to its premium and discount amortization and to its derivatives and hedging activities. *See* 2004 OFHEO Report at i. The 2004 OFHEO Report also concluded that Fannie Mae's management developed a culture that, among other alleged failures, created "an operating environment that tolerated weak or non-existent internal controls." *Id.* The 2004 Report accused Fannie Mae's management of failing to put in place adequate internal controls over the financial reporting process, for failing to remedy an improper segregation of duties in the Office of the Controller, and for allowing key person dependencies in several important offices, including in the Office of Financial Standards, which developed Fannie Mae's accounting policies.

5. The Report was transmitted to Fannie Mae's Board on September 20, 2004. In his letter accompanying this Report, Director Falcon stated that the findings of the Report "cannot be explained as mere differences in interpretation of accounting principles, but [are] clear instances in which management sought to misapply and ignore accounting principles for the purposes of meeting investment analyst expectations [and] reducing volatility in reported earnings." A true and correct copy of this letter is available at <http://www.ofheo.gov/media/pdf/92004ltrtoFNMboard.pdf> (last visited Feb. 2, 2007).

6. This Report was released to the public two days later, and posted on the agency's website with a statement from the Director. A true and correct copy of the news release is available at <http://www.ofheo.gov/News.asp?FormMode=Releases&ID=185> (last visited Feb. 2, 2007).

## **Rudman Report**

7. In response to the 2004 OFHEO Report, Fannie Mae's Board of Directors entered into an agreement with OFHEO that required Fannie Mae to retain independent counsel to conduct a review of the questions the 2004 OFHEO Report raised about the company's accounting. A true and correct copy of that Agreement, dated Sept. 27, 2004 ("September 2004 Agreement"), is available at <http://www.ofheo.gov/media/pdf/fnmagreement92704.pdf> (last visited Feb. 2, 2007).

8. Fannie Mae commissioned former United States Senator Warren Rudman and Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul Weiss") to conduct the review.

9. Independently of Fannie Mae, OFHEO was entitled to meet with Paul Weiss and to review its examination plans and work product, including its interim, draft, and final reports. *See* September 2004 Agreement at VI.2(c).

10. According to Paul Weiss, the Rudman investigation continued for more than a year after the SEC announced its determination that Fannie Mae had misapplied two accounting standards and failed to maintain adequate internal controls. *See* Paul Weiss, *Report to the Special Review Committee of the Board of Directors of Fannie Mae* (Feb. 23, 2006) ("Rudman Report"). In February 2006, after reviewing more than four million documents and conducting more than 241 witness interviews, Paul Weiss issued a 600-page investigative report. A true and correct copy of the Rudman Report is available at <http://download.fanniemae.com/report.pdfRudman+Report> (last visited Feb. 2, 2007).

## **2006 OFHEO Report**

11. On May 23, 2006, OFHEO publicly issued a second report on Fannie Mae. The *Report of the Special Examination of Fannie Mae* is more than 340 pages long.

12. The 2006 OFHEO Report concludes, *inter alia*, that senior management “deliberately and intentionally manipul[at]ed] accounting to hit earnings targets,” and that “[e]arnings management made a significant contribution to the compensation of Fannie Mae Chairman and CEO Franklin Raines.” 2006 OFHEO Report, Summary of the Report.

13. On April 29, 2006, James B. Lockhart, III, became the Acting Director of OFHEO. Mr. Lockhart became OFHEO’s Director on June 15, 2006.

14. The 2006 OFHEO Report concluded that Mr. Raines had engaged in intentional misconduct related to earnings: “From the very beginning of Mr. Raines’ tenure as CEO, his goal was clear: EPS results mattered, not how they were achieved,” *id.* at 31; “[a]lthough the actions of many members of senior management shaped Fannie Mae’s culture, it was influenced to the greatest extent by Franklin Raines,” *id.* at 53; “[e]arnings management made a significant contribution to the compensation of Fannie Mae Chairman and CEO Franklin Raines, which totaled over \$90 million from 1998 through 2003,” *id.* at Summary. The Report made findings of fact with respect to nearly every charge now raised in the recent Notice of Charges, and in almost every instance it made findings adverse to Mr. Raines. For example, with respect to Charges 1 to 3, which seek penalties for “Improper Earnings Management,” the 2006 OFHEO Report concluded that “[e]arnings management made a significant contribution” to Mr. Raines’s compensation, and that “over \$52 million” of his compensation “was directly tied to achieving earnings per share targets.” *Id.* Similarly, with respect to the allegation in Charge 94 that “Mr. Raines Failed to Ensure a Proper Tone at the Top,” the 2006 OFHEO Report stated that the actions of Mr. Raines and the other Respondents set an “inappropriate” tone at the top. *Id.* at 51–53. The Notice of Charges is part of the record in this proceeding.

15. In a press release accompanying the 2006 OFHEO Report, Director Lockhart pointed the finger directly at Fannie Mae's former senior management including Mr. Raines:

Senior management manipulated accounting; reaped maximum, undeserved bonuses; and prevented the rest of the world from knowing.

A true and correct copy of this OFHEO news release, "OFHEO Report: Fannie Mae Façade; Fannie Mae Criticized for Earnings Manipulation," is available at <http://www.ofheo.gov/media/pdf/fnmserelease.pdf> (last visited Feb. 2, 2007).

16. Director Lockhart has also made many other public statements that directly accuse Mr. Raines and others in senior management of serious misconduct. The examples below, of which there are many more, reflect some of the Director's statements in that regard:

- a. Director Lockhart appeared on the Jim Lehrer News Hour on May 23, 2006, and announced that he had already determined that Mr. Raines had engaged in fraud and that he would order Raines to disgorge more than \$50 million, if Fannie Mae did not recover those monies in civil litigation:

JEFFREY BROWN: The example you have in your report is former CEO Franklin Raines who earned \$90 million from 1998 to 2003. Your report says that, of that, \$52 million was from achieving these targets.

JAMES LOCKHART: Yes, \$52 million from the bonuses, and probably a lot of the other salary was related to their performance and earnings. *And, yet, they were basically fraudulently attained*, as the SEC said today.

JEFFREY BROWN: Fraudulently. So is anybody trying to get it back? Does he, do others face criminal charges here?

JAMES LOCKHART: We have asked the company to go after them to try to get the money back. *If the company fails, we will do it.*

A true and correct copy of “Interview of Office of Federal Housing Enterprise Oversight Acting Director James Lockhart,” News Hour with Jim Lehrer, May 23, 2006, is available at [http://www.pbs.org/newshour/bb/business/jan-june06/fanniemae\\_05-23.html](http://www.pbs.org/newshour/bb/business/jan-june06/fanniemae_05-23.html) (last visited Feb. 2, 2007) (emphases added).

- b. In a June 6, 2006, prepared statement to Congress, Director Lockhart detailed his specific findings that “Fannie Mae’s management directed employees to manipulate accounting and earnings to trigger maximum bonuses for senior executives from 1998 to 2004,” and that “by deliberately and intentionally manipulating accounting to hit earnings targets, senior management maximized their bonuses and other compensation, which came at the expense of shareholders.” Director Lockhart specifically stated:

The previous management team, led by Chairman and Chief Executive Officer (CEO) Franklin Raines, violated [the public] trust. . . . [T]hey did serious harm to Fannie Mae while enriching themselves through earnings manipulation.

A true and correct copy of “OFHEO’s Report of the Special Examination of Fannie Mae,” Statement of the Hon. James B. Lockhart, III, Acting Director, OFHEO, Before the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises (June 6, 2006), is available at <http://www.ofheo.gov/media/pdf/lockharttestimony6606.pdf> (last visited Feb. 2, 2007).

- c. In September 2006, Director Lockhart asserted that “Fannie was mismanaged—and it was mismanaged, *in my view, on purpose to be able to manipulate earnings*

*to maximize bonuses.*” He further told the press that “[t]he SEC says its fraud and *I cannot disagree with them.*” A true and correct copy of the *Mortgage Banking* article, Louise L. Schiavone, “The New OFHEO Chief,” quoting the Director is attached hereto as Exhibit 1 (emphases added).

- d. On December 18, 2006, and at a time entirely of OFHEO’s choosing, OFHEO filed its Notice of Charges against Mr. Raines. The Notice seeks hundreds of millions of dollars in civil monetary penalties, restitution, and disgorgement. Director Lockhart issued a contemporaneous press release to publicize his conclusions regarding Mr. Raines’s alleged misconduct:

The Notice of Charges details the harm to Fannie Mae resulting from the conduct of these individuals from 1998 to 2004. . . . The 101 charges reveal how the individuals improperly manipulated earnings to maximize their bonuses, while knowingly neglecting accounting systems and internal controls, misapplying over twenty accounting principles and misleading the regulator and the public. The Notice explains how they submitted six years of misleading and inaccurate accounting statements and inaccurate capital reports that enabled them to grow Fannie Mae in an unsafe and unsound manner. The misconduct cost the Enterprise and shareholders many billions of dollars and damaged the public trust.

A true and correct copy of OFHEO’s December 18, 2006, news release, “OFHEO Files Notice of Charges Against Former Fannie Mae Executives Franklin Raines, Timothy Howard and Leanne Spencer,” is available at <http://www.ofheo.gov/media/pdf/RainesNOC121806.pdf> (last visited Feb. 2, 2007).

17. For more than six months before bringing a Notice of Charges, Director Lockhart leveled public charges against Mr. Raines in the media and before Congress. Mr. Raines has not been afforded any opportunity to be heard with respect to the Director’s attacks,

nor does he share access to the Director's public pulpit or the Director's ability to release confidential OFHEO documents whenever he chooses.

**May 2006 Agreement Between OFHEO and Fannie Mae**

18. In May 2006, OFHEO imposed a Consent Order on Fannie Mae. In that Order, art. I.3, the parties agreed that "Franklin Raines . . . may not be engaged, employed or otherwise provide services to Fannie Mae, whether for compensation or not, subsequent to the separation of these employees from Fannie Mae." A true and correct copy of In the Matter of the Federal National Mortgage Association, Stipulation and Consent to the Issuance of a Consent Order (May 23, 2006) ("Consent Order"), is available at <http://www.ofheo.gov/media/pdf/attachsettlement.pdf> (last visited Feb. 2, 2007).

19. Without notice to Mr. Raines, OFHEO's Order disallowed Fannie Mae from ever again hiring Mr. Raines for any position or work whatsoever (and even from using his services free of charge). Mr. Raines was afforded no notice or opportunity to be heard to respond to OFHEO's Order.

**OFHEO Has Long Advertised its Thorough Review of the Relevant Information**

20. OFHEO has asserted that its 2004 Report "was based on an *exhaustive investigation by OFHEO* of significant problems with respect to the Enterprise's accounting policies and practices" relating to FAS 91 and FAS 133 and that "the report also dealt with more general problems relating to accounting policy development, poor segregation of duties, and other internal control deficiencies." 2006 OFHEO Report at 15 (emphasis added).

21. As for "[t]he facts and conclusions set forth in [the 2006 OFHEO Report]," OFHEO has stated they were based on the agency's review of *7.6 million pages* of documentation (in both hard copy and electronic form) and its conduct or review of *376*



*interviews* of current and former Fannie Mae personnel and third parties. *See* 2006 OFHEO Report at 19. In the course of its “exhaustive investigation,” OFHEO has reviewed documents from Fannie Mae, the Counsel to the Special Review Committee of Fannie Mae, KPMG LLP (Fannie Mae’s external auditors), Ernst & Young (who assisted the Special Review Committee), and the SEC. *See id.*

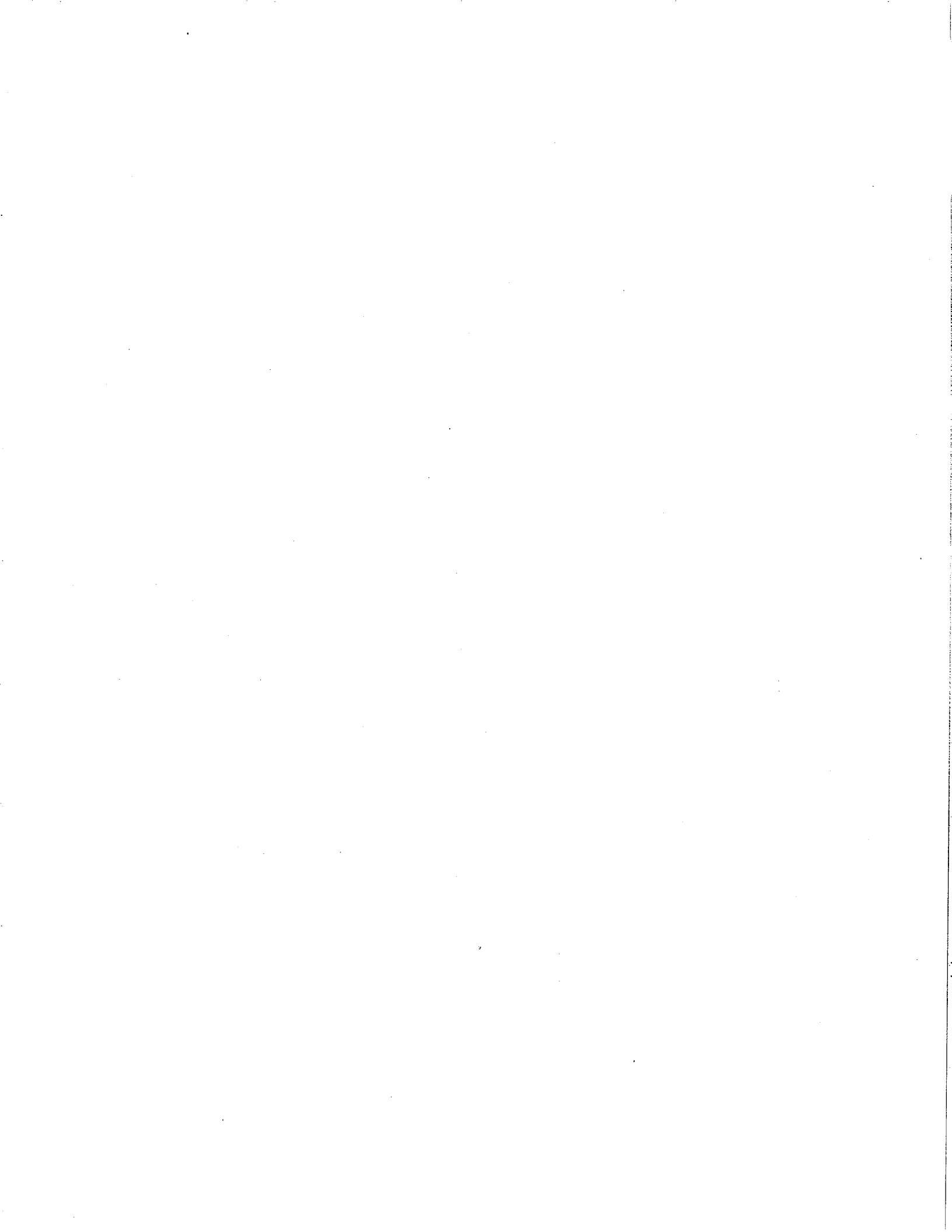
22. When OFHEO brought its Notice of Charges in December 2006, it had had unrestricted access to Fannie Mae’s files and to its personnel *for over three years*.

I, Alex G. Romain, declare, under penalty of perjury under the laws of the United States of America, that the foregoing is true and accurate.

Dated: February 2, 2007



Alex G. Romain



# THE NEW OFHEO Chief

**A**s the Vietnam War still raged, James B. Lockhart III, a 1968 graduate of Yale University, volunteered for service in the Navy. Aboard the nuclear submarine USS George W. Carver, Lockhart served as the supply officer. The motto there was "Strength Through Knowledge." He admits the motto and the service aboard a submarine loaded with explosives was probably good training for where he finds himself today, in a different kind of government service. The 60-year-old Lockhart was called by his old classmate—now President—George W. Bush to run the Office of Federal Housing Enterprise Oversight (OFHEO) just as the public was digesting explosive news about the two major government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac. It wasn't the first tough government assignment for Lockhart. Earlier in the Bush administration, Lockhart was deputy commissioner of Social Security, which incorporated duties as Social Security Administration chief operating officer and secretary to the Social Security board of trustees.

**A Bush insider, new OFHEO Director James Lockhart, is a take-charge guy.**

BY  
LOUISE L. SCHIAVONE

And under the first President George Bush, Lockhart served as executive director of the Pension Benefit Guaranty Corporation.

Today, he finds himself presiding over historic accounting clean-ups at mortgage giants Fannie Mae and Freddie Mac, backers of 40 percent of what OFHEO now estimates to be a \$10 trillion home mortgage market in the United States. When it comes to debt, Fannie and Freddie are champions. With the U.S. government the biggest borrower, the Federal Home Loan Banks are No. 2; fueled by short-term debt issues, Fannie is No. 3; and Freddie is No. 4.

Lockhart finds the GSEs' state of affairs terrifically worrisome. "They have about \$2.6 trillion in guaranteed MBS [mortgage-backed securities] outstanding, and they own another \$1.4 trillion of mortgage assets, whether they're MBS or home mortgages. And they have about \$1.5 trillion in debt and \$1.3 trillion in derivatives to hedge the difference between the debt and the investments. And they're very large," says Lockhart. "So, very small capital supporting very large positions. And their eggs are all in one basket, if you will, because it's all in the mortgage market."

It used to be that that kind of talk was derided by senior executives at Fannie and Freddie, undercut in whispers by the best Washington lobbyists money can buy, and ignored by many in Congress—courted, as they were, by corporate largesse.

James B. Lockhart III is an elegant, assertive, yet soft-spoken Ivy League brainiac with a specialty in corporate risk management. It could be argued that President Bush's decision to appoint Lockhart at this juncture was inspired.

Banking analyst Bert Ely, president of Ely & Co. Inc., Alexandria, Virginia, believes Lockhart is off to a good start. "He clearly is getting up to speed quite quickly on GSE issues," says Ely. "More importantly, keeping in mind that actions speak louder than words, his actions since he took over at OFHEO have spoken *very loudly*. He is showing that Fannie and Freddie can be reined in, even under present law—that is good."

Lockhart has presided with conviction over the release of an OFHEO report suggesting criminal manipulation of earnings, portraying the worst kind of cronyism, and raw executive self-interest resulting in millions upon millions of allegedly ill-gotten corporate bonuses.

The air and the tone are cool in his office next to the Old Executive Office Building, on Pennsylvania Avenue in Washington, D.C. While the city battled a heat wave, the seasoned executive was relaxed, in charcoal-gray business slacks, a tailored shirt and a pale yellow tie with a small tasteful repeating pattern of lighthouses. He doesn't care where he sits or you sit for a chat. He knows what he's talking about, and he can say it anywhere.

At Fannie Mae, led by one super-connected Democratic party insider after another, "there was sort of a revolving door with, you know, political appointees and other people in Washington. In retrospect, we can all say they were too political and not enough managerial. They didn't have the business skills or want to have the business skills," says Lockhart.

But on top of that, he says, "Obviously, Fannie was mismanaged—and it was mismanaged, in my view, on purpose to be able to manipulate earnings to maximize bonuses."

If it proves true, that's criminal, right?

"Yes," says Lockhart. "The SEC [Securities and Exchange Commission] says it's fraud, and I cannot disagree with them."

This spring, OFHEO and the SEC agreed that Fannie Mae should be fined \$400 million for the faulty bookkeeping that enriched its executives—one of the largest civil penalties in accounting fraud. All but \$50 million of that is for the "Fair Fund," created by the corporate accountability law, the Sarbanes-Oxley Act. The Fair Fund channels such fines to investors. In

addition, Fannie Mae will be restating its earnings going back to 2001, with the correction potentially totaling \$11 billion or more.

Lockhart articulated OFHEO's findings for the House Financial Services Committee this past June: "[Fannie Mae's] previous management team, led by Chairman Franklin Raines, violated [the] public trust. By encouraging rapid growth, unconstrained by proper internal controls, risk management and accounting systems, they did serious harm to Fannie Mae while enriching themselves through manipulating earnings.

"The result," Lockhart told Congress, "was an estimated \$10.6 billion of overstated profits, well over \$1 billion of costs to fix the problems, and ill-gotten bonuses in the hundreds of millions of dollars."

Lockhart testified that an in-depth examination discovered an arrogant corporate culture where "the ends justified the means." OFHEO found that Fannie Mae—seeking to manage earnings that were directly connected to management bonuses—gave short shrift to risks. And when interest rates fell in 2002, the cost was billions of dollars in losses.

"They co-opted their internal auditors," he told Congress, and "they stonewalled OFHEO."

The end result was lucrative for those at the top. "From 1998 to 2003, the total compensation of CEO Franklin Raines exceeded \$90 million, of which \$52 million can be directly tied to achieving earnings-per-share goals," Lockhart testified. Indeed, during that same period OFHEO found that, taken together, Fannie executives made about \$250 million in bonuses.

To be fair, the case against Raines is still under review at the SEC, and was referred to the Justice Department, which, so far, has been silent about the disposition of the case.

It could be argued that President Bush's decision to appoint Lockhart at this juncture was inspired.

Fannie Mae, says Lockhart, had such an influential and well-oiled network of lobbyists and politicians that it "really created an image. Coming from the risk-management background I did, Enron [Corporation] had that image too, in a way. They were so good. Everybody thought they were the best risk managers in the world. In many ways, Fannie and Freddie were out there selling their story that they were the best in the world, and a lot of people bought [it] and couldn't see that the emperor had no clothes. And I think some of our people [at OFHEO] bought it back then."

### Freddie's situation

The case against Fannie dwarfs the struggles of rival Freddie Mac, stricken by its own accounting crisis three years ago, as the company revealed \$5 billion worth of earnings misstatements—due principally to earnings under-reporting from 2000 to 2002. Top executives there lost their jobs, and Freddie was fined \$125 million.

Lockhart's seriousness of purpose is already having an impact on the GSEs. After a series of ongoing meetings with OFHEO, Freddie Mac announced on Aug. 1, 2006, that it would voluntarily limit the annual growth of the company's retained mortgage portfolio to no more than 2 percent above the level at June 30, 2006.

The limit, which is effective as of July 1, 2006, will remain in place until the company has returned to producing and publicly releasing timely quarterly financial statements, with the goal of returning to quarterly reporting following the release of full-year 2006 results.

In a statement, Richard F. Syron, Freddie Mac's chairman and chief executive officer, said, "We have worked cooperatively with OFHEO to reach this result, while at the same time reflecting the interests of homebuyers, shareholders, customers and employees."

Lockhart formally commended the GSE, stating, "I concur with the decision by Freddie Mac to limit retained mortgage portfolio growth as recommended by OFHEO . . . particularly in light of current operational problems surrounding accounting and internal controls." Lockhart reiterated his concern that "a large retained portfolio presents both inherent risks as well as a distraction from the task at hand for the enterprise: implementing its various remedial plans."

### The legislation

Senate Banking Committee Chairman Richard Shelby (R-Alabama) said of the GSEs: "They have engaged in complex hedging and derivatives transactions in an attempt to manage this debt, without sufficient control mechanisms."

Shelby added, "Their regulatory structure is weak. This, to me, seems like a potential recipe for disaster. The unfortunate fact is that the markets appear to believe that the U.S. taxpayer would be on the hook in the event of crisis at one of these institutions."

Key House Financial Services Committee member Rep. Richard Baker (R-Louisiana) says he's concerned that neither Fannie Mae nor Freddie Mac is yet able to deliver a routine financial statement. Says Baker, "Until all financials are certain, there is always room for concern. As to the underlying assets, the real estate market is still strong, and I do not believe there

is a large amount of speculative risk in their portfolio. However, there is concern over leverage and the consequences of an interest rate run-up."

For Shelby, Baker and others who have advocated against the risk exposure posed by the GSEs, Lockhart's seriousness of purpose is welcomed. Analyst Peter Wallison, resident fellow at the American Enterprise Institute (AEI), Washington, D.C., observes that "Because U.S. mortgages can be prepaid at any time, there is huge interest-rate risk associated with holding mortgages or MBS. Fannie and Freddie centralize this risk in two non-diversified institutions, and if either of them encounters serious financial losses it could have a systemic effect."

Although the idea has minimal support in Washington, Wallison has said the ultimate correction would be to privatize the GSEs. But, at the very least, he believes, "If they were not permitted to hold large portfolios, these risks would be spread throughout the economy, and this—like all diversification—would protect the economy against systemic risk."

Wallison notes that it's interesting that the drive to take on the GSEs has been led by Republicans. "I'm at a loss to understand the hold that the GSEs have over the Democrats, since these two companies are the greatest examples of corporate welfare to be seen anywhere. Their managements and shareholders are enriched, while the taxpayers take the risks. Amazing."

At Freddie Mac, Vice President Sharon McHale disagrees. "It is incorrect to assume that other financing models can operate with less inherent interest-rate risk and less concentration of risk than the GSEs," she says. "A bank portfolio is no different from our portfolio."

McHale asserts that "by having the GSEs manage and disperse a good share of the risk, the U.S. incurs less systemic risk than by putting the mortgages solely in bank portfolios."

For his part, Fannie Mae President and Chief Executive Officer Daniel H. Mudd says his company has been chastened. Mudd told the Senate Banking Committee on June 15, 2006: "Fannie Mae got a lot of things wrong from 1998 to 2004. Bad decisions about accounting and many other matters let a lot of people down, and in doing so, broke a public trust. We have learned some painful lessons about getting things right, and about hubris." MB

Louise L. Schiavone is a television reporter and freelance writer based in Washington, D.C. She can be reached at [schiavonel@aol.com](mailto:schiavonel@aol.com).

This feature article is an **excerpt** from the September 2006 issue of *Mortgage Banking*.

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**UNITED STATES OF AMERICA  
OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT**

**In the Matter of:**

**FRANKLIN D. RAINES,  
J. TIMOTHY HOWARD, and  
LEANNE G. SPENCER,  
Respondents.**

**Notice Number 2006-1**

**Judge William B. Moran**

**PROPOSED SCHEDULING ORDER**

Pursuant to the requirements of 12 U.S.C. § 4633(a)(2), and 12 CFR § 1780.34,

Respondent Franklin D. Raines proposes the following scheduling order for this proceeding:

Deadline for all Prehearing Submissions required by 12 C.F.R. § 1780.34	February 12, 2007
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Hearing begins	February 16, 2007
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Honorable William B. Moran  
U.S. Administrative Law Judge

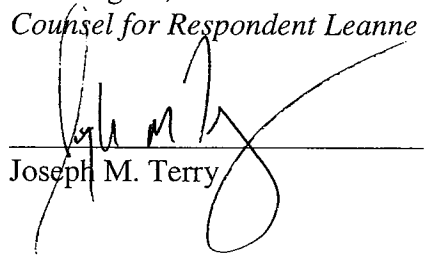
**CERTIFICATE OF SERVICE**

I hereby certify that on this 2nd day of February, 2007, I caused to be served by hand delivery true and correct copies of Respondent Franklin D. Raines's Memorandum Concerning the Requirements of 12 U.S.C. § 4633(a)(2), including exhibits, the Declaration of Alex G. Romain, and Mr. Raines's proposed scheduling order on the following:

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Joseph M. Terry