# Exhibit 7

**to**

**Affidavit of Daniel M. Reilly in Support of Joint Memorandum of Law in Opposition to Proposed Settlement**

U.S. Securities and Exchange Commission

# Former Countrywide CEO Angelo Mozilo to Pay SEC's Largest-Ever Financial Penalty Against a Public Company's Senior Executive

## Settlement Permanently Bars Mozilo from Future Officer or Director Service

**FOR IMMEDIATE RELEASE**
**2010-197**

*Washington, D.C., Oct. 15, 2010* — The Securities and Exchange Commission today announced that former Countrywide Financial CEO Angelo Mozilo will pay a record $22.5 million penalty to settle SEC charges that he and two other former Countrywide executives misled investors as the subprime mortgage crisis emerged. The settlement also permanently bars Mozilo from ever again serving as an officer or director of a publicly traded company.

Mozilo's financial penalty is the largest ever paid by a public company's senior executive in an SEC settlement. Mozilo also agreed to $45 million in disgorgement of ill-gotten gains to settle the SEC's disclosure violation and insider trading charges against him, for a total financial settlement of $67.5 million that will be returned to harmed investors.

Former Countrywide chief operating officer David Sambol agreed to a settlement in which he is liable for $5 million in disgorgement and a $520,000 penalty, and a three-year officer and director bar. Former chief financial officer Eric Sieracki agreed to pay a $130,000 penalty and a one-year bar from practicing before the Commission. In settling the SEC's charges, the former executives neither admit nor deny the allegations against them.

The penalties and disgorgement paid by Sambol and Sieracki will also be returned to harmed investors.

High-Res Photo

"Mozilo's record penalty is the fitting outcome for a corporate executive who deliberately disregarded his duties to investors by concealing what he saw from inside the executive suite — a looming disaster in which Countrywide was buckling under the weight of increasing risky mortgage underwriting, mounting defaults and delinquencies, and a deteriorating business model."

**Robert Khuzami**
**Director**
**SEC Enforcement Division**

"Mozilo's record penalty is the fitting outcome for a corporate executive who deliberately disregarded his duties to investors by concealing what he saw from inside the executive suite — a looming disaster in which Countrywide was buckling under the weight of increasing risky mortgage underwriting, mounting defaults and delinquencies, and a deteriorating business model," said Robert Khuzami, Director of the SEC's Division of Enforcement.

John McCoy, Associate Regional Director of the SEC's Division of Enforcement, added, "This settlement will provide affected shareholders significant financial relief, and reinforces the message that corporate officers have a personal responsibility to provide investors with an accurate and complete picture of known risks and uncertainties facing a company."

The settlement was approved by the Honorable John F. Walter, United States District Judge for the Central District of California in a court hearing held today.

The SEC filed charges against Mozilo, Sambol, and Sieracki on June 4, 2009, alleging that they failed to disclose to investors the significant credit risk that Countrywide was taking on as a result of its efforts to build and maintain market share. Investors were misled by representations assuring them that Countrywide was primarily a prime quality mortgage lender that had avoided the excesses of its competitors. In reality, Countrywide was writing increasingly risky loans and its senior executives knew that defaults and delinquencies in its servicing portfolio as well as the loans it packaged and sold as mortgage-backed securities would rise as a result.

The SEC's complaint further alleged that Mozilo engaged in insider trading in the securities of Countrywide by establishing four 10b5-1 sales plans in October, November, and December 2006 while he was aware of material, non-public information concerning Countrywide's increasing credit risk and the risk regarding the poor expected performance of Countrywide-originated loans.

In addition to the financial penalties, Mozilo and Sambol consented to the entry of a final judgment that provides for a permanent injunction against violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. Mozilo also consented to the entry of a permanent officer and director bar, and Sambol consented to the entry of a three-year bar.

Sieracki agreed to a permanent injunction from further violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act, and consented to a one-year bar under the Commission's Rule of Practice 102(e)(3).

The SEC investigation that led to the filing and settlement of this enforcement action was conducted by Michele Wein Layne, Spencer E. Bendell, Lynn M. Dean, Paris Wynn, and Sam Puathasnanon. Together with Associate Regional Director John M. McCoy, that same team has been handling the SEC's litigation.

The SEC has filed many other enforcement actions involving mortgage-related securities and mortgage-related products linked to the financial crisis, including:

- American Home Mortgage (4/28/2009)
- Reserve Fund (5/05/2009)
- Evergreen (6/08/2009)
- New Century (12/07/2009)
- Brookstreet (12/08/2009)
- State Street (2/04/2010)
- Morgan Keegan (4/07/2010)
- Goldman Sachs (4/16/2010)
- Farkas/Taylor, Bean & Whitaker (6/16/2010)
- ICP (6/21/2010)
- Citigroup (7/29/2010)

# # #

For more information about this enforcement action, contact:

Robert S. Khuzami
Director, SEC Enforcement Division
(202) 551-4500

Lorin L. Reisner
Deputy Director, SEC Enforcement Division
(202) 551-4787

Rosalind Tyson
Regional Director, SEC Los Angeles Regional Office
(323) 965-3893

John M. McCoy III
Associate Regional Director, SEC Los Angeles Regional Office
(323) 965-4561

*http://www.sec.gov/news/press/2010/2010-197.htm*

 Modified: 10/15/2010