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COUNTRYWIDE HOME LOANS, INC.  
6 AND ANGELO MOZILO

7  
8 **UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
9 **SAN JOSE DIVISION**

10 \_\_\_\_\_ )  
MICHAEL BLOMQUIST, )  
11 )  
Plaintiff, )  
12 )  
v. )  
13 )  
WASHINGTON MUTUAL, *et al.*, )  
14 )  
Defendants. )  
15 \_\_\_\_\_ )

Case No. C07-04108 HRL  
**ANSWER OF COUNTRYWIDE  
HOME LOANS, INC. AND  
ANGELO MOZILO TO  
AMENDED COMPLAINT**

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1 Defendants Countrywide Home Loans, Inc. (“Countrywide”) and Angelo Mozilo  
2 (collectively, “CHL Defendants”), for their Answer to Plaintiff’s Amended Complaint  
3 (“Complaint”), state as follows:

4 **Venue and Jurisdiction**

5 1. The CHL Defendants deny the factual allegations in this paragraph. The remainder  
6 of the allegations in this paragraph are legal conclusions to which no response is required. To the  
7 extent a response is required, the CHL Defendants deny the allegations. In this paragraph and  
8 elsewhere in the complaint, plaintiff refers to himself in the plural (e.g., “Plaintiffs’ primary  
9 counties of business” in this allegation). The CHL Defendants understand that there is only one  
10 plaintiff in this action – Michael Blomquist – and interpret references to “plaintiffs” throughout  
11 this complaint to refer only to Michael Blomquist.

12 **Plaintiffs**

13 2. The CHL Defendants have insufficient information to either admit or deny the  
14 allegation. To the extent a response is required, the CHL Defendants deny the allegation.

15 **Allegations**

16 3. The CHL Defendants have insufficient information to either admit or deny the  
17 allegation to the extent it is directed to other defendants and to the extent it related to the plaintiff.  
18 To the extent the allegation is directed to the CHL Defendants, the CHL Defendants deny the  
19 allegation. The CHL Defendants specifically deny that they engaged in improper, illegal, or  
20 unethical conduct.

21 4. The CHL Defendants have insufficient information to admit or deny the allegations  
22 in the first three sentences of this paragraph. The remainder of the paragraph is introductory in  
23 nature and expresses opinion to which no response is required. To the extent a response is  
24 required, the CHL Defendants deny the allegation. The CHL Defendants specifically deny that  
25 they engaged in improper, illegal, or unethical conduct.

26 5. The CHL Defendants have insufficient information to admit or deny the allegations  
27 in this paragraph relating to plaintiff or third parties. To the extent the allegations in this  
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1 paragraph are directed at the CHL Defendants, the CHL Defendants deny the allegations. The  
2 CHL Defendants specifically deny that they engaged in improper, illegal, or unethical conduct.

3 6. This allegation is introductory in nature and expresses opinion to which no  
4 response is required. Further, the CHL Defendants have insufficient information to admit or deny  
5 plaintiff's claims about plaintiff's knowledge or belief. To the extent a response is required, the  
6 CHL Defendants deny the allegation. The CHL Defendants specifically deny that they engaged in  
7 improper, illegal, or unethical conduct.

8 7. This allegation is introductory in nature and expresses opinion to which no  
9 response is required. Further, the CHL Defendants have insufficient information to admit or deny  
10 plaintiff's claims about plaintiff's knowledge or belief. To the extent a response is required, the  
11 CHL Defendants deny the allegation. The CHL Defendants specifically deny that they engaged in  
12 improper, illegal, or unethical conduct.

13 8. This allegation is introductory in nature and expresses opinion to which no  
14 response is required. Further, the CHL Defendants have insufficient information to admit or deny  
15 plaintiff's claims about plaintiff's knowledge or belief. To the extent a response is required, the  
16 CHL Defendants deny the allegation. The CHL Defendants specifically deny that they engaged in  
17 improper, illegal, or unethical conduct.

18 9. This allegation is introductory in nature and expresses opinion to which no  
19 response is required. Further, the CHL Defendants have insufficient information to admit or deny  
20 plaintiff's claims about plaintiff's knowledge or belief. To the extent a response is required, the  
21 CHL Defendants deny the allegation. The CHL Defendants specifically deny that they engaged in  
22 improper, illegal, or unethical conduct.

23 10. The allegations in this paragraph are legal conclusions and opinions to which no  
24 response is required. To the extent a response is required, the CHL Defendants deny the  
25 allegation. The CHL Defendants specifically deny that they engaged in improper, illegal, or  
26 unethical conduct.

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**Defendants and Related Allegations**

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2 11. To the extent that these allegations are directed at other defendants or addresses  
3 plaintiff's place of business, the CHL Defendants have insufficient information to either admit or  
4 deny them. The CHL Defendants answer that Countrywide transacted business and originated,  
5 underwrote, serviced, and sold estate secured loans in the United States including in the state of  
6 California, including in Santa Clara and San Mateo counties. The CHL Defendants otherwise  
7 deny this allegation. The CHL Defendants have insufficient information to either admit or deny  
8 the second sentence of this paragraph, but deny that Countrywide is insolvent.

9 12. This allegation is introductory in nature, characterizes the complaint, and expresses  
10 opinion rather than making factual allegations. The complaint speaks for itself, and no further  
11 response is required. To the extent a response is required, the CHL Defendants deny the  
12 allegation. The CHL Defendants specifically deny that they engaged in improper, illegal, or  
13 unethical conduct.

14 13. This allegation is directed toward a third-party. The CHL Defendants have  
15 insufficient information to either admit or deny the allegation. To the extent a response is  
16 required, the CHL Defendants deny the allegation.

17 13a. This allegation is directed toward a third-party. The CHL Defendants have  
18 insufficient information to either admit or deny the allegation. To the extent a response is  
19 required, the CHL Defendants deny the allegation.

20 13b. This allegation is directed toward a third-party. The CHL Defendants have  
21 insufficient information to either admit or deny the allegation. To the extent a response is  
22 required, the CHL Defendants deny the allegation.

23 14. The CHL Defendants answer that Countrywide Home Loans, Inc. is a New York  
24 Corporation. Countrywide Bank, N.A. was a national bank until its charter was converted to a  
25 federal thrift chart; it is now Countrywide Bank, FSB. ReconTrust Company, FSB is a wholly  
26 owned subsidiary of Countrywide Bank, FSB; it was formerly ReconTrust Company, N.A.

1 Countrywide Bank, FSB is an FDIC insured financial institution that had total deposits of \$60.57  
2 billion as of June 30, 2007. Otherwise, the allegation is denied.

3 14a. The CHL Defendants deny the allegation.

4 15. This allegation is directed toward a third-party. The CHL Defendants have  
5 insufficient information to either admit or deny the allegation. To the extent a response is  
6 required, the CHL Defendants deny the allegation.

7 16. This allegation is directed toward a third-party. The CHL Defendants have  
8 insufficient information to either admit or deny the allegation. To the extent a response is  
9 required, the CHL Defendants deny the allegation.

10 17. This allegation is directed toward a third-party. The CHL Defendants have  
11 insufficient information to either admit or deny the allegation. To the extent a response is  
12 required, the CHL Defendants deny the allegation.

13 18. This allegation is directed toward a third-party. The CHL Defendants have  
14 insufficient information to either admit or deny the allegation. To the extent a response is  
15 required, the CHL Defendants deny the allegation.

16 19. This allegation is directed toward a third-party. The CHL Defendants have  
17 insufficient information to either admit or deny the allegation. To the extent a response is  
18 required, the CHL Defendants deny the allegation.

19 20. This allegation is directed toward a third-party. The CHL Defendants have  
20 insufficient information to either admit or deny the allegation. To the extent a response is  
21 required, the CHL Defendants deny the allegation.

22 21. This allegation is directed toward a third-party. The CHL Defendants have  
23 insufficient information to either admit or deny the allegation. To the extent a response is  
24 required, the CHL Defendants deny the allegation.

25 22. This allegation is directed toward a third-party. The CHL Defendants have  
26 insufficient information to either admit or deny the allegation. To the extent a response is  
27 required, the CHL Defendants deny the allegation.

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1           23.     This allegation is directed toward a third-party. The CHL Defendants have  
2 insufficient information to either admit or deny the allegation. To the extent a response is  
3 required, the CHL Defendants deny the allegation.

4           24.     This allegation is directed toward a third-party. The CHL Defendants have  
5 insufficient information to either admit or deny the allegation. To the extent a response is  
6 required, the CHL Defendants deny the allegation.

7           25.     This allegation is directed toward a third-party. The CHL Defendants have  
8 insufficient information to either admit or deny the allegation. To the extent a response is  
9 required, the CHL Defendants deny the allegation.

10          26.     This allegation is directed toward a third-party. The CHL Defendants have  
11 insufficient information to either admit or deny the allegation. To the extent a response is  
12 required, the CHL Defendants deny the allegation.

13          27.     This allegation is directed toward a third-party. The CHL Defendants have  
14 insufficient information to either admit or deny the allegation. To the extent a response is  
15 required, the CHL Defendants deny the allegation.

16          28.     This allegation is directed toward a third-party. The CHL Defendants have  
17 insufficient information to either admit or deny the allegation. To the extent a response is  
18 required, the CHL Defendants deny the allegation.

19          29.     This allegation is directed toward a third-party. The CHL Defendants have  
20 insufficient information to either admit or deny the allegation. To the extent a response is  
21 required, the CHL Defendants deny the allegation.

22          30.     This allegation is directed toward a third-party. The CHL Defendants have  
23 insufficient information to either admit or deny the allegation. To the extent a response is  
24 required, the CHL Defendants deny the allegation.

25          31.     This allegation is directed toward a third-party. The CHL Defendants have  
26 insufficient information to either admit or deny the allegation. To the extent a response is  
27 required, the CHL Defendants deny the allegation.

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1 allegation. The CHL Defendants specifically deny that they engaged in improper, illegal, or  
2 unethical conduct.

3 **DEFENDANTS' BUSINESS PRACTICES & LOAN PROGRAMS**

4 48. The CHL Defendants have insufficient information to either admit or deny the  
5 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
6 the CHL Defendants, the CHL Defendants answer that Countrywide originates and services real  
7 estate secured loans in the United States, including in Santa Clara and San Mateo counties in  
8 California. The CHL Defendants further admit that some of these loans were originated through  
9 storefront consumer branches. Otherwise, the allegation is denied.

10 48A. The CHL Defendants have insufficient information to either admit or deny the  
11 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
12 the CHL Defendants, the CHL Defendants deny the factual allegations in this paragraph. The  
13 remainder of the paragraph is opinion to which no response is required. To the extent a response  
14 is required, the CHL Defendants deny the allegation.

15 48B. The CHL Defendants have insufficient information to either admit or deny the  
16 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
17 the CHL Defendants, the CHL Defendants deny the factual allegations in this paragraph. The  
18 remainder of the paragraph is opinion to which no response is required. To the extent a response  
19 is required, the CHL Defendants deny the allegation.

20 48C. The CHL Defendants have insufficient information to either admit or deny the  
21 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
22 the CHL Defendants, the CHL Defendants deny the factual allegations in this paragraph. The  
23 remainder of the paragraph is opinion to which no response is required. To the extent a response  
24 is required, the CHL Defendants deny the allegation.

25 48D. The CHL Defendants have insufficient information to either admit or deny the  
26 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
27 the CHL Defendants, the CHL Defendants deny the allegation.

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1 48E. The CHL Defendants have insufficient information to either admit or deny the  
2 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
3 the CHL Defendants, the CHL Defendants deny allegation.

4 48F. The CHL Defendants have insufficient information to either admit or deny the  
5 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
6 the CHL Defendants, the CHL Defendants deny the allegations in this paragraph.

7 48G. The CHL Defendants have insufficient information to either admit or deny the  
8 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
9 the CHL Defendants, the CHL Defendants deny the allegations in this paragraph.

10 48H. The CHL Defendants have insufficient information to either admit or deny the  
11 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
12 the CHL Defendants, the CHL Defendants deny the allegations in this paragraph.

13  
14 **FIRST CAUSE OF ACTION AGAINST ALL DEFENDANTS**  
15 **(UDAP; false or deceptive statements that restrain trade**  
16 **and creates unfair competition)**  
17 **FOR INJUNCTIVE RELIEF, RESTITUTION (INTEREST), PUNITIVE,**  
18 **TREBLE DAMAGES AND ATTORNEY FEES**

19 49. The CHL Defendants reallege and incorporate by reference its responses in all  
20 paragraphs above.

21 50. This allegation is legal conclusion and opinion to which no response is required.  
22 To the extent a response is required, the CHL Defendants deny the allegation.

23 51. The CHL Defendants have insufficient information to either admit or deny the  
24 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
25 the CHL Defendants, the CHL Defendants deny the allegations in this paragraph.

26 52. The CHL Defendants have insufficient information to either admit or deny the  
27 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
28 the CHL Defendants, the CHL Defendants deny the allegations in this paragraph, and specifically  
deny that punitive damages are warranted.

1                                   **SECOND CAUSE OF ACTION AGAINST ALL DEFENDANTS**  
2                                   **(unsafe and unsound lending that restrains trade and**  
3                                   **creates unfair competition)**  
4                                   **FOR INJUNCTIVE RELIEF, RESTITUTION (INTEREST), PUNITIVE,**  
5                                   **TREBLE DAMAGES AND ATTORNEY FEES**

6           53.     The CHL Defendants reallege and incorporate by reference its responses in all  
7 paragraphs above.

8           54.     The first two sentences of this allegation are legal conclusions and opinions to  
9 which no response is required. To the extent a response is required, the CHL Defendants deny the  
10 allegation. The CHL Defendants deny the remaining two sentences of the allegation.

11           55.     The CHL Defendants have insufficient information to either admit or deny the  
12 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
13 the CHL Defendants, the CHL Defendants deny the allegations in this paragraph.

14           56.     The CHL Defendants have insufficient information to either admit or deny the  
15 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
16 the CHL Defendants, the CHL Defendants deny the allegations in this paragraph, and specifically  
17 deny that punitive damages are warranted.

18                                   **THIRD CAUSE OF ACTION AGAINST ALL DEFENDANTS**  
19                                   **(selling products below cost to restrain trade and create**  
20                                   **unfair competition)**  
21                                   **FOR INJUNCTIVE RELIEF, RESTITUTION (INTEREST), PUNITIVE,**  
22                                   **TREBLE DAMAGES AND ATTORNEY FEES**

23           57.     The CHL Defendants reallege and incorporate by reference its responses in all  
24 paragraphs above.

25           58.     This allegation is a legal conclusion to which no response is required. To the  
26 extent a response is required, the CHL Defendants deny the allegation.

27           59.     The CHL Defendants have insufficient information to either admit or deny the  
28 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
the CHL Defendants, the CHL Defendants deny the allegations in this paragraph.

          60.     The CHL Defendants have insufficient information to either admit or deny the  
allegation to the extent it is directed to other defendants. To the extent the allegation is directed to

1 the CHL Defendants, the CHL Defendants deny the allegations in this paragraph, and specifically  
2 deny that punitive damages are warranted.

3 **FOURTH CAUSE OF ACTION AGAINST ALL DEFENDANTS**  
4 **(fraud and conspiracy that restrains trade and creates**  
5 **unfair competition**  
6 **FOR INJUNCTIVE RELIEF, RESTITUTION (INTEREST), PUNITIVE,**  
7 **TREBLE DAMAGES AND ATTORNEY FEES**

8 61. The CHL Defendants reallege and incorporate by reference its responses in all  
9 paragraphs above.

10 62. This allegation is a legal conclusion to which no response is required. To the  
11 extent a response is required, the CHL Defendants deny the allegation.

12 63. The CHL Defendants have insufficient information to either admit or deny the  
13 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
14 the CHL Defendants, the CHL Defendants deny the allegations in this paragraph, and specifically  
15 deny that punitive damages are warranted.

16 **FIFTH CAUSE OF ACTION AGAINST ALL DEFENDANTS**  
17 **(administrative procedure act)**  
18 **FOR INJUNCTIVE RELIEF**

19 64. The CHL Defendants reallege and incorporate by reference its responses in all  
20 paragraphs above.

21 65. This allegation is directed toward a third-party, and therefore no response by the  
22 CHL Defendants is required. To the extent a response is required, the CHL Defendants deny the  
23 allegation.

24 66. This allegation is directed toward a third-party, and therefore no response by the  
25 CHL Defendants is required. To the extent a response is required, the CHL Defendants deny the  
26 allegation.

27 67. This allegation is directed toward a third-party, and therefore no response by the  
28 CHL Defendants is required. To the extent a response is required, the CHL Defendants deny the  
allegation.

1                                   **SIXTH CAUSE OF ACTION AGAINST ALL DEFENDANTS**  
2                                   **(fraudulent transaction of domestic securities; restraint**  
3                                   **of trade and unfair competition)**  
4                                   **FOR RESTITUTION (INTEREST), PUNITIVE, TREBLE DAMAGES AND**  
5                                   **ATTORNEY FEES**

6           68.     The CHL Defendants reallege and incorporate by reference its responses in all  
7 paragraphs above.

8           69.     The CHL Defendants have insufficient information to either admit or deny the  
9 allegation to the extent it is directed to other defendants. To the extent the allegation is directed to  
10 the CHL Defendants, the CHL Defendants deny the allegations in this paragraph, and specifically  
11 deny that punitive damages are warranted.

12                                   **PRAYER FOR RELIEF**

13           Response to Wherefore paragraphs:

14           1.     The CHL Defendants deny the allegations in this paragraph, and specifically deny  
15 that any such relief is appropriate.

16           2.     The CHL Defendants deny the allegations in this paragraph, and specifically deny  
17 that any such relief is appropriate.

18           3.     The CHL Defendants deny the allegations in this paragraph, and specifically deny  
19 that any such relief is appropriate. To the extent this prayer for relief seeks redress for persons not  
20 a party to this lawsuit, by way of class action or otherwise, the CHL Defendants specifically deny  
21 that such relief is appropriate.

22           4.     The CHL Defendants deny the allegations in this paragraph, and specifically deny  
23 that any such relief is appropriate. To the extent this prayer for relief seeks redress for persons not  
24 a party to this lawsuit, by way of class action or otherwise, the CHL Defendants specifically deny  
25 that such relief is appropriate.

26           5.     The CHL Defendants deny the allegations in this paragraph, and specifically deny  
27 that any such relief is appropriate.

28           6.     The CHL Defendants deny the allegations in this paragraph, and specifically deny  
that any such relief is appropriate. To the extent this prayer for relief seeks redress for persons not

1 a party to this lawsuit, by way of class action or otherwise, the CHL Defendants specifically deny  
2 that such relief is appropriate.

3 7. The CHL Defendants deny the allegations in this paragraph, and specifically deny  
4 that any such relief is appropriate.

5 8. The CHL Defendants deny that any such relief is appropriate.

6 Response to unnumbered annotations in exhibits D-M: Plaintiff's annotations in exhibits  
7 D-M are not proper pleading and are not susceptible to a response. The CHL Defendants request  
8 that these exhibits be stricken from the complaint.

9 **AFFIRMATIVE DEFENSES**

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11 **FIRST AFFIRMATIVE DEFENSE**

12 The Complaint fails to state a claim upon which relief may be granted.

13 **SECOND AFFIRMATIVE DEFENSE**

14 Plaintiff's claims are barred, in whole or in part, to the extent they are preempted by  
15 federal law.

16 **THIRD AFFIRMATIVE DEFENSE**

17 Some or all of the claims in this case are barred by applicable statutes of limitations and/or  
18 statutes of repose.

19 **FOURTH AFFIRMATIVE DEFENSE**

20 Plaintiff's claims are barred to the extent he failed to satisfy any conditions precedent to  
21 the alleged obligations that form the basis for their claims against the CHL Defendants.

22 **FIFTH AFFIRMATIVE DEFENSE**

23 Plaintiff's claims are barred by the doctrine of waiver, laches, and estoppel.

24 **SIXTH AFFIRMATIVE DEFENSE**

25 Plaintiffs' claims are barred, in whole or in part, by the voluntary payment of the sums at  
26 issue.

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**SEVENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred by accord and satisfaction, compromise and release, or novation.

**EIGHTH AFFIRMATIVE DEFENSE**

Plaintiff's claims for equitable relief are barred by want of equity and other available equitable defenses. Such defenses include that Plaintiff's equitable claims are barred or limited by unclean hands, by Plaintiff's acts and inequitable conduct, by Plaintiff's lack of irreparable harm, by governing standards of equity and good conscience, and because the requested relief would result in unjust enrichment.

**NINTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred, in whole or in part, to the extent they are based on, and/or the damages alleged in the Complaint were caused by, the acts or omissions of third parties over whom the CHL Defendants had no control or right of control.

**TENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred, in whole or in part, by lack of privity.

**ELEVENTH AFFIRMATIVE DEFENSE**

Plaintiff suffered no actual damages as a result of any actions or omissions by the CHL Defendants.

**TWELFTH AFFIRMATIVE DEFENSE**

To the extent this prayer for relief seeks redress for persons not a party to this lawsuit, by way of class action or otherwise, the CHL Defendants reserve their right to raise any additional individual or class defenses related to those individuals.

**THIRTEENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred by his own contributory negligence.

**FOURTEENTH AFFIRMATIVE DEFENSE**

To the extent the Complaint attempts to state a claim for fraud, it fails to comply with Rule 9(b) of the Federal Rules of Civil Procedure and with the Private Securities Litigation Reform Act,

1 15 U.S.C. Sec. 78u-4(b), and does not give sufficient notice of the circumstances surrounding any  
2 alleged fraud.

3 **FIFTEENTH AFFIRMATIVE DEFENSE**

4 The Complaint fails to comply with Rule 8 of the Federal Rules of Civil Procedure.

5 **SIXTEENTH AFFIRMATIVE DEFENSE**

6 The CHL Defendants engaged in no conduct warranting the imposition of punitive  
7 damages in this action.

8 **SEVENTEENTH AFFIRMATIVE DEFENSE**

9 Plaintiff lacks standing to bring some or all of the claims in this case.

10 **EIGHTEENTH AFFIRMATIVE DEFENSE**

11 Plaintiff lacks antitrust standing.

12 **NINETEENTH AFFIRMATIVE DEFENSE**

13 Plaintiff has failed to join necessary parties to this litigation.

14 **TWENTIETH AFFIRMATIVE DEFENSE**

15 Plaintiff's claims are barred by his failure to mitigate damages and by the doctrine of set-  
16 off.

17 **TWENTY-FIRST AFFIRMATIVE DEFENSE**

18 Plaintiff's tort claims are barred by the economic loss rule.

19 **TWENTY-SECOND AFFIRMATIVE DEFENSE**

20 Plaintiff's claims are barred because the CHL Defendants acted in good faith at all times  
21 and took no acts or engaged in no conduct with the intent of causing Plaintiff any harm.

22 **TWENTY-THIRD AFFIRMATIVE DEFENSE**

23 Plaintiff's claims are barred, in whole or in part, because the CHL Defendants' conduct  
24 was privileged or by other permission granted to or reserved for the CHL Defendants under state  
25 law.

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**TWENTY-FOURTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred because Plaintiff, or his agents, consented to or approved of the conduct that forms the basis for their claims.

**TWENTY-FIFTH AFFIRMATIVE DEFENSE**

Plaintiff requests forms of relief for which there is no basis in law or equity.

**TWENTY-SIXTH AFFIRMATIVE DEFENSE**

Plaintiff has failed to allege antitrust injury.

**TWENTY-SEVENTH AFFIRMATIVE DEFENSE**

Plaintiff has failed to allege antitrust injury the CHL Defendants' conduct is immune from antitrust liability pursuant to the Noerr-Pennington doctrine and/or the state-action immunity doctrine.

**TWENTY-EIGHTH AFFIRMATIVE DEFENSE**

The CHL Defendants' conduct did not unreasonably restrain competition in any properly defined relevant market.

**TWENTY-NINTH AFFIRMATIVE DEFENSE**

The CHL Defendants' conduct served legitimate, pro-competitive business purposes.

**THIRTIETH AFFIRMATIVE DEFENSE**

The CHL Defendants' conduct is immune from antitrust liability because it is subject to extensive regulation.

**THIRTY-FIRST AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, because there were no misstatements or misrepresentations made by or attributable to the CHL Defendants, and Plaintiff cannot prove that the CHL Defendants had a role in the publication of any alleged misstatements or omissions.

**THIRTY-SECOND AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, because at all relevant times The CHL Defendants had no duty to disclose any allegedly omitted information.

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**THIRTY-THIRD AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, because at all relevant times the CHL Defendants acted without intent to defraud and without recklessness, and Defendants believed, as the time that any alleged statements that form the basis of this suit were made, those statements were correct and not misleadingly incomplete.

**THIRTY-FOURTH AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, because at all relevant times the Plaintiff did not rely on any material misrepresentations or omissions, or on the market price or on the integrity of the market price affected by any alleged misrepresentations or omissions in purchasing securities.

**THIRTY-FIFTH AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, because any reliance by Plaintiff on the statements, acts, or omissions alleged in the Complaint to have been made or taken, if any were in fact made or taken, was unreasonable.

**THIRTY-SIXTH AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, due to the absence of transaction and/or loss causation.

**THIRTY-SEVENTH AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, because some or all of the alleged public disclosures bespoke caution.

**THIRTY-EIGHTH AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, because the statements complained of were immune from liability by the Safe Harbor provisions of the Private Securities Litigation Reform Act, 15 U.S.C. Sec. 77z-2(c).

**THIRTY-NINTH AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, because the CHL Defendants at all times acted in good faith and did not directly or indirectly cause the alleged securities laws violations complained on in the Complaint.

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**FORTIETH AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, because Plaintiff assumed the risk that the price of the stock might fall, and, therefore, he may not recover under his claims.

**FORTY-FIRST AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, by the due diligence defense set forth in the Securities Act of 1933.

**FORTY-SECOND AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, because the alleged wrongful conduct is protected by the business judgment rule.

**FORTY-THIRD AFFIRMATIVE DEFENSE**

The action is barred, in whole or in part, because any damages allegedly sustained by Plaintiff are less than the difference between (1) the consideration he paid for the security with interest thereon, less income received thereon, and (2) the depreciation in value of the security resulting from any part of a registration statement not being true or omitting to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

**FORTY-FOURTH AFFIRMATIVE DEFENSE**

If Plaintiff suffered cognizable damages (which damages are denied), those damages resulted from causes other than any alleged act or omission by the CHL Defendants.

**FORTY-FIFTH AFFIRMATIVE DEFENSE**

Plaintiff has failed to allege facts necessary to support a finding of the existence of a contract, combination, or conspiracy among the defendants.

**FORTY-SIXTH AFFIRMATIVE DEFENSE**

Plaintiff has failed to define a relevant market.

**FORTY-SEVENTH AFFIRMATIVE DEFENSE**

Plaintiff has failed to allege the elements of its purported claim for predatory pricing.

**FORTY-EIGHTH AFFIRMATIVE DEFENSE**

Plaintiff accepted the benefits of the transactions on which this suit is based.

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**FORTY-NINTH AFFIRMATIVE DEFENSE**

If Plaintiff suffered harm, such harm was caused, in whole or in part, by Plaintiff's own actions, defaults or omissions, not the CHL Defendants' actions, defaults or omissions.

**FIFTIETH AFFIRMATIVE DEFENSE**

The CHL Defendants hereby give notice that they intend to rely upon all defenses to Plaintiff's statutory claims as set forth therein.

**FIFTY-FIRST AFFIRMATIVE DEFENSE**

Plaintiff has no private right of action under various of the statutes, rules, and regulations referenced in the Complaint.

**FIFTY-SECOND AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred to the extent that they lack a private right of action under the statutes he has invoked.

**FIFTY-THIRD CAUSE OF ACTION**

Plaintiff's claims are barred to the extent he agreed to resolve this dispute through an alternative dispute mechanism, including without limitation through arbitration or mediation.

**FIFTY-FOURTH AFFIRMATIVE DEFENSE**

Based on the principle of limited liability, Defendant Mozilo cannot be held personally liable for the alleged conduct of Countrywide Home Loans, Inc.

**FIFTY-FIFTH AFFIRMATIVE DEFENSE**

Plaintiff's claim for punitive damages are so disproportionate to the injuries, if any, suffered as to violate the Due Process Clause of the United States Constitution.

**FIFTY-SIXTH AFFIRMATIVE DEFENSE**

The CHL Defendants hereby give notice that they intend to rely on such other and further defenses as may become available or apparent during discovery proceedings in this case, and they hereby reserve their right to assert such defenses.

1           WHEREFORE, the CHL Defendants demand that judgment be entered in their favor, and  
2 against Plaintiff on all claims, and that the CHL Defendants be awarded their costs, including their  
3 reasonable attorney's fees, and for such other relief and awards to which the CHL Defendants may  
4 be entitled or are determined just and appropriate by this Court.

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7 DATED: March 10, 2008

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Respectfully submitted,

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/s/ Ryan J. Thompson  
Ryan J. Thompson  
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COUNSEL FOR COUNTRYWIDE HOME LOANS, INC. AND  
ANGELO MOZILLO

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Of Counsel:

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**CERTIFICATE OF SERVICE**

I, Ryan J. Thompson, have caused the CHL Defendants' Answer to the Amended Complaint to be served by U.S. mail on Michael Blomquist. Service to any other appearing party has been effectuated by ECF.

March 10, 2008

/s/ Ryan J. Thompson