

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

vs.

**MICHAEL W. PERRY and A. SCOTT
KEYS,**

Defendants.

Case No. CV11 01309

**REBUTTAL EXPERT REPORT OF TSVETAN N. BELORESHKI
FTI CONSULTING, INC.
APRIL 23, 2012**

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I. INTRODUCTION

A. Background and overview

1. This report discusses a number of issues that are relevant to the dispute between the Securities and Exchange Commission (“SEC”) and Messrs. Michael W. Perry and A. Scott Keys.

2. I have been retained by counsel for Defendants and asked to review the expert report submitted by professor Anthony Saunders on April 6, 2012 (the “Saunders Report”) and to comment on the opinions that the “[d]isclosure of the [s]tart and [d]ilutive [e]ffects of DSPP sales” was “[i]nadequate,” and that the “dilutive effect on IndyMac’s existing shareholders” from “[t]he sale of IndyMac common stock through the DSPP in the first and second quarters of 2008” was “significant” and “material.”¹

3. In particular, I have been asked to calculate the impact of the stock issuance executed pursuant to the IndyMac’s Direct Stock Purchase Plan (“DSPP”) on the equity book value of the Company.

B. Summary of conclusions

4. Based on my review of the data, I conclude that:

- IndyMac’s DSPP stock issuance between February 26, 2008 and February 29, 2008 reduced the book value of the company’s equity by \$0.09 per share.² That amount equals 0.57% of the \$16.61 per share book value as of December 31, 2007.
- IndyMac’s DSPP stock issuance during the first quarter of 2008 reduced the book value of the company’s equity by \$0.47 per share. That amount equals 2.84% of the \$16.61 per share book value as of December 31, 2007. The decline in the book value of the company’s equity during the first quarter of 2008 was attributable overwhelmingly to factors others than the DSPP, among those the net realized and unrealized losses that flowed through shareholders’ equity.

¹ See Saunders Report, ¶¶ 6, 36 - 42.

² All calculations presented in this report are rounded to two decimal places.

- IndyMac's hypothetical DSPP stock issuance of \$50 million worth of Company stock between February 26, 2008 and March 31, 2008 would have reduced the book value of the company's equity by \$0.62 per share. That amount equals 3.74% of the \$16.61 per share book value as of December 31, 2007.

The bases for these opinions are discussed in section II.

C. Qualifications

5. FTI Consulting, Inc. ("FTI") is a leading global firm that organizations rely on for advice and solutions in the areas of forensic analysis, investigations, economic analysis, restructuring, due diligence, strategic communication, financial communication and technology when confronting the critical legal, financial and reputational issues that shape their future. FTI currently employs over 3,000 professionals worldwide.

6. I am a Senior Managing Director in the Forensic and Litigation Consulting practice of FTI, where I specialize in securities and financial economics, concentrating on structured finance products, financial engineering, and risk management. Over my career, I have provided consulting services to individuals, financial institutions, investment managers, corporations, and governments.

7. I have been qualified at trial and in arbitration hearings as an expert in financial economics, securities markets, structured finance (including auction-rate securities), financial engineering, securities valuation, market microstructure, and industry customs and practices.

8. Prior to my consulting career, I was a member of Banque Paribas' Structured Products and Credit Derivatives team in London and New York. In my role as a trader, I analyzed and managed the risks associated with an array of complex financial instruments, and effected transactions with a number of broker-dealers, institutional investors, hedge funds, and high-net worth individuals. I also was responsible for developing methodologies used in the identification of credit and cross-currency arbitrage opportunities as well as in relative value trading across the spectrum of fixed income instruments, asset swaps and credit derivatives markets. I held a National Association of Securities Dealers General Securities Representative license (Series 7).

9. I have a Masters in Business Administration degree and a Bachelor of Arts degree from the University of Chicago. My studies there focused primarily on financial economics, asset pricing, derivative securities, financial engineering, statistics and econometrics.

10. My curriculum vitae is attached as Exhibit 1.

Exhibit 1. Curriculum Vitae of Tsvetan N. Beloreshki

D. Relevant Materials Relied Upon

11. The relevant materials reviewed and materials relied upon in the preparation of this report are listed in Exhibit 2.

Exhibit 2. Relevant Materials Relied Upon

II. IMPACT OF INDYMAC'S DSPP STOCK ISSUANCE ON THE BOOK VALUE OF THE COMPANY'S EQUITY

12. In this section, I calculate the impact of the stock issuance executed pursuant to the IndyMac's DSPP on the equity book value of the Company during the first quarter of 2008.

13. That time period covers February 26, 2008, the start date of the DSPP sales, and extends through March 31, 2008, the last date of publicly available financial information that can be used for the purposes of such a calculation.

14. The book value of IndyMac's equity declined by \$5.70 per share over the course of the first quarter of 2008 – from \$16.61 as of December 31, 2007 to \$10.92 as of March 31, 2008.³ As disclosed in the Company's webcast presentation on May 12, 2008, that decline was attributable to a number of factors impacting the total shareholders' equity and the number of shares outstanding.⁴

15. One of these factors was the Company's sale of share pursuant to its DSPP.⁵ Between February 26, 2008 and March 31, 2008 IndyMac generated net proceeds of \$39,055,558 through the issuance of 7,067,104 equity shares pursuant to the Company's DSPP.⁶

16. Exhibit 3 provides the calculation of the impact of IndyMac's DSPP stock issuance on the book value of the Company's equity under three specific scenarios.

Exhibit 3. Impact of IndyMac's DSPP Stock Issuance on the Book Value of the Company's Equity

17. Other things being equal, had the Company not issued shares pursuant to its DSPP during the first quarter of 2008, the book value of IndyMac's equity would have declined by

³ IndyMac Bancorp, Inc. SEC Form 10-Q filed on 5/12/08 for the period ending 3/31/08, pp. 6 and 8.

⁴ IndyMac Bancorp, Inc. SEC Form 8-K filed on 5/12/08.

⁵ IndyMac Bancorp, Inc. SEC Form 8-K filed on 5/12/08 and Exhibits 570 and 726.

⁶ Price and volume data for stock issuance pursuant to the DSPP obtained from Bates BONYM-00000384, BONYM-00000393, BONYM-00000395, BONYM-00000397, BONYM-00000565, BONYM-00000567, BONYM-00000569, BONYM-00000571, BONYM-00000573, BONYM-00000577, BONYM-00000582-84, BONYM-00000590-91, BONYM-00000593-94, BONYM-00000596-97, BONYM-00000600-01, BONYM-00000603-04, BONYM-00001522, BONYM-00001551, BONYM-00001563-64, BONYM-00001579-80.

\$5.22 per share – from \$16.61 per share as of December 31, 2007 to \$11.39 per share as of March 31, 2008.

18. Therefore, IndyMac's DSPP stock issuance during the first quarter of 2008 reduced the book value of the company's equity by \$0.47 per share (\$5.70 minus \$5.22). That amount equals 2.84% of the \$16.61 per share book value as of December 31, 2007.

19. Other things being equal, had the Company not issued shares pursuant to its DSPP during March 2008, the book value of IndyMac's equity would have declined by \$5.32 per share – from \$16.61 per share as of December 31, 2007 to \$11.30 per share as of March 31, 2008.

20. Therefore, IndyMac's DSPP stock issuance between February 26, 2008 and February 29, 2008 reduced the book value of the company's equity by \$0.09 per share (\$5.32 minus \$5.22). That amount equals 0.57% of the \$16.61 per share book value as of December 31, 2007.

21. Other things being equal, had the Company, in addition to its other business operations, sold stock in sufficient amounts to raise \$50 million through the issuance of shares pursuant to the Company's DSPP between February 26, 2008 and March 31, 2008,⁷ the book value of IndyMac's equity would have declined by \$5.85 per share – from \$16.61 per share as of December 31, 2007 to \$10.77 per share as of March 31, 2008.

22. Therefore, a hypothetical DSPP stock issuance of \$50 million worth of Company stock between February 26, 2008 and March 31, 2008 would have reduced the book value of the company's equity by \$0.62 per share (\$5.85 minus \$5.22). That amount equals 3.74% of the \$16.61 per share book value as of December 31, 2007.

⁷ The calculation is based on the weighted average stock price received by IndyMac in raising \$50 million through the sale of stock pursuant to the DSPP through April 7, 2008.

III. MISCELLANEOUS

23. My work is ongoing and my opinions are subject to revision based on new information (including reports or testimony by Plaintiff's experts), which subsequently may be provided to or obtained by me.

Respectfully submitted,



Tsvetan N. Beloreshki

Exhibit 1

Tsvetan N. Beloreshki

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Education

MBA in Econometrics,
University of Chicago
Graduate School of
Business

B.A. in Economics,
University of Chicago

Tsvetan Beloreshki is a senior managing director in the FTI Consulting Forensic and Litigation Consulting segment and is based in New York. Mr. Beloreshki's practice is driven by his unique combination of economics expertise, strong quantitative skills, and vast marketplace experience as a trader in fixed income and credit derivative instruments and an active participant in the securities industry.

Mr. Beloreshki specializes in securities and financial economics, focusing on credit products, foreign exchange and commodities, derivative instruments, and structured finance. He has been qualified at arbitration hearings and at trial as an expert in financial economics, securities markets, structured finance, financial engineering, securities valuation, market microstructure, suitability, due diligence, document spoliation, and industry customs and practices.

Mr. Beloreshki has provided economic consulting and dispute resolution/litigation services in cases involving the valuation of fixed income securities, mortgage-backed securities, collateralized mortgage obligations, collateralized debt obligations, auction-rate securities, and other structured finance products. He has worked on analyses of liability and damages in commercial and broker/dealer disputes, claims of market manipulation, and lawsuits relating to hedge funds, banking, and real estate investment, as well as litigation cases involving, among others, complex financial and tax structures and derivative securities, equity, hybrid and credit derivatives, convertible securities, foreign exchange, fixed income instruments, hedge funds characteristics and performance, and the effects of financial crises on market performance and liquidity.

Prior to his consulting career, Mr. Beloreshki was a member of Banque Paribas' Structured Products and Credit Derivatives team in London and New York. In his role as a trader, he analyzed the credits and made markets in sovereign and corporate bonds as well as in an array of credit derivative instruments. In addition to his responsibilities related to the active trading and risk management of a book of complex debt instruments, Mr. Beloreshki was responsible for developing methodologies used in the identification of credit and cross-currency arbitrage opportunities as well as in relative value trading across the spectrum of fixed income instruments, asset swaps and credit derivatives markets. Mr. Beloreshki held a National Association of Securities Dealers General Securities Representative license (Series 7).

Mr. Beloreshki has also worked with a diverse base of banking institutions in the United States, Canada and Great Britain in establishing and maintaining a proprietary software system dealing with asset-liability management in the context of portfolios of mortgage-backed securities and collateralized mortgage obligations.

Mr. Beloreshki has published articles and working papers in the areas of fixed income securities valuation, comparative analyses of the major rating agencies' methodologies with respect to modeling credit in the context of structured finance products, as well as on various liabilities and damages issues related to the litigation of fixed income instruments, hybrid derivatives, and structured finance products. He has presented at a number of seminars and conferences on topics ranging from the economics and valuation of derivative securities and structured finance products to financial economic issues as these relate to various aspects of securities litigation.

Employment History

FTI Consulting, Inc.	Senior Managing Director	2010 – present
	Managing Director	2008 – 2009
	Director	2006 – 2007
Deloitte & Touche LLP	Senior Manager	2005 – 2006
NERA Economic Consulting	Consultant / Senior Consultant	1999 – 2005
Banque Paribas	Trader, Structured Finance	1997 – 1999
QRM, Inc.	Senior Consultant	1997

Expert Reports, Depositions & Testimony

Testimony and affidavits before the Supreme Court of the State of New York in *Indosuez International Finance B.V. v. National Reserve Bank* on damages stemming from a breach of non-deliverable foreign currency forward contracts following the 1998 moratorium imposed by the Russian Federation.

Memorandum and expert report before the Belgium Court of Claims and in proceedings in the United Kingdom in *National Reserve Bank v. Indosuez International Finance B.V.* on the appropriate amount of Ukrainian Eurobonds required to secure plaintiff's claim. Estimated market-implied probabilities of default on sovereign debt issues and opined on expected recovery rates upon event of default.

Testimony and affidavits before the Ad Hoc International Arbitration Tribunal in *Crédit Agricole Indosuez Luxembourg, S.A. v. National Reserve Bank* on common practices in the foreign exchange marketplace, the nature and mechanics of foreign exchange option contracts, as well as on the appropriate methodology for the damages calculation given the lack of liquidity and the extreme market conditions during the relevant time period.

Expert report, deposition and court testimony before the United States District Court, Southern District of New York in *John S. Pereira v. Marshall S. Cogan et al.* on the impact of the 1998 worldwide financial crisis on certain corporate securities.

Expert reports (with Dr. Frederick C. Dunbar) on "Just Compensation Aspects of the River Center Condemnation Apart from Land Value and Entrepreneurial Profit."

Expert report before the United States District Court for the Southern District of New York in *Alvaro Davila Pena v. Gary D. Morgan* on damages associated with breach of contract to deliver shares in a restricted stock trade in an illiquid marketplace.

Testimony before the National Association of Securities Dealers in *Angela Streater v. Scotia Capital, Inc. and Scotia Capital (USA), Inc.* on the structuring, origination, marketing, and trading in equity derivative products (e.g., prepaid forward contracts, equity collars, total return swaps).

Expert report, declaration and deposition testimony before the United States District Court, Southern District of New York in *Internet Law Library, Inc., et al. v. Southridge Capital Management, LLC, et al.* and *Cootes Drive LLC v. Internet Law Library, Inc.* on the salient economic characteristics, optimal investing strategies, and empirical evidence of market manipulation via short selling of the underlying equity related to certain equity derivative securities.

Expert report before the United States District Court for the Northern District of Alabama, Southern Division in *AAL High Yield Bond Fund and Delaware Delchester Fund v. Harold Ruttenberg, Randall L. Haines, Deloitte & Touche LLP and Banc of America Securities LLC f/k/a NationsBanc Montgomery Securities LLC* in opposition to plaintiffs' motion for class certification of the class of holders of high yield corporate (convertible) debt instruments issued as restricted securities pursuant to the provisions of Rule 144A of the Securities Act of 1933.

Expert reports and deposition testimony before the United States District Court for the District of Connecticut in *Jeffrey Saye v. Old Hill Partners, Inc.* on the nature of a typical hedge fund's operations, the value of proprietary information in the context of the hedge fund industry, the appropriate methodology for the valuation of illiquid minority shareholdings, and the reasonableness of a portfolio manager's mark-to-market of certain portfolio holdings.

Affidavit to the September 11th Victim Compensation Fund of 2001 regarding the valuation of a victim's equity options compensation.

Expert report (with Andrew S. Carron), in the Matter of an Arbitration Before the CPR Institute for Dispute Resolution, *AT&T Corp. v. AT&T Wireless Services, Inc.* on the value of certain employee stock options in the context of a corporate transaction (acquisition).

Expert report and deposition testimony before the United States District Court for the Southern District of Texas in re *Enron Corporation Securities Litigation* on liability and damages issues related to a hedge fund's investments in convertible securities and convertible arbitrage strategies.

Expert report and deposition testimony before the United States District Court for the Southern District of Texas in re *Enron Corporation Securities Litigation* on whether the termination claims related to certain swap transactions were "actively traded" contracts under the relevant definition for the purposes of the physical settlement of credit default swaps.

Expert report and testimony before the Financial Industry Regulatory Authority in *Ramius Capital Group et al. v. Bear, Stearns & Co., Inc. et al.* investigating whether the underperformance of the senior tranche of a hybrid structured finance collateral debt obligation ("CDO") is attributable to a mispricing of the CDO collateral assets as a result of an application of a pricing methodology that is flawed and inconsistent with standard industry practices (fair market valuation).

Declarations and testimony before the United States District Court for the Southern District of Texas in *Oscar S. Wyatt, Jr. v. El Paso Corporation, et al.* on the economic rationale and empirical foundation, or lack thereof, for the imposition of certain limitations, within the context of a class action litigation settlement, on the damages recoverable by holders of equity option contracts on the basis of an asserted "speculative and derivative nature" of these financial instruments.

Expert report before the American Arbitration Association in *William N. Melton, Patricia S. Smith and Myer Berlow v. Deutsche Bank A.G. and Deutsche Bank Securities, Inc. d/b/a Deutsche Bank Alex Brown* on the economic characteristics, rationale, and valuation of certain foreign exchange option transactions, as well as on the performance of the calculating agent in certain structured derivative transactions.

Expert report and deposition testimony before the United States District Court for the Southern District of Indiana in *Interactive Intelligence, Inc. v. KeyCorp, KeyBank National Association and Adam Ravens* on certain salient characteristics of the over-the-counter foreign exchange marketplace and on common business practices related to the setting of prices and transaction costs in that marketplace.

Expert report and deposition testimony before the United States District Court for the Southern District of New York in *Securities and Exchange Commission v. Nelson J. Obus et al.* on issues related to alleged insider trading, portfolio holdings and investment strategies, as well as on the impact of long-term debt issuance on the performance of a company's common stock.

Expert reports, declaration, and deposition testimony before the United States District Court for the Southern District of New York in *The Pension Committee of the University of Montreal Pension Plan, et al. v. Banc of America Securities LLC, et al.* on the issues of document spoliation, due diligence, loss causation and investor damages stemming from the failure of a family of offshore hedge funds.

Expert report and deposition testimony before the American Arbitration Association in *Forethought Investment Management, Inc., et al. v. SCM Advisors LLC* on the role of collateral managers in the structured finance marketplace, on the reasonableness of the due diligence performed by respondent, and on liability and damages issues related to the losses incurred by claimant on its holdings of certain collateralized debt obligations.

Expert Reports (with Stephen R. Prowse) in *Pet Quarters, Inc. v. Thomas Badian, et al.* (AAA) on the salient economic characteristics, optimal (profit-maximizing) investing strategies, and evidence of market manipulation via short selling of the underlying equity related to certain equity derivative (hybrid) securities.

Expert Reports (with Stephen R. Prowse) and deposition testimony before the United States District Court, Southern District of New York in *SEC v. Andreas Badian, et al.* on the salient economic characteristics, optimal (profit-maximizing) investing strategies, and evidence of market manipulation via short selling of the underlying equity related to certain equity derivative (hybrid) securities.

Hearing testimony in *ST Microelectronics v Credit Suisse Securities (USA) LLC* (FINRA) on liability and damages issues related to the losses incurred by claimant as a result of misrepresentations of the salient risk characteristics of certain structured finance instruments (auction-rate securities, CDO and CDO² tranches, credit derivative product companies, credit-linked notes, etc.).

Expert report in *460 Park Avenue South et al., v. CitiGroup Global Markets, Inc.* (FINRA) on liability and damages issues related to the losses incurred by claimant as a result of misrepresentations of the liquidity and salient risk characteristics of certain structured finance instruments (auction-rate securities backed by student loans).

Expert report and hearing testimony in *Catalyst Health Solutions, Inc. v Credit Suisse Securities (USA) LLC* (FINRA) and in *CoStar Group, Inc. v Credit Suisse Securities (USA) LLC* (FINRA) on liability and damages issues related to the losses incurred by claimant as a result of misrepresentations of the liquidity and salient risk characteristics of certain structured finance instruments (auction-rate securities backed by student loans).

Expert reports and deposition testimony in re *Schwab Corporation Securities Litigation* on the accuracy or reliability of the duration estimates of certain asset- and mortgage-backed securities comprising the portfolio of a fixed income fund and market participants' reliance on third-party providers of analytical tools used to estimate various portfolio metrics.

Expert report and deposition testimony before the United States District Court, Western District of Oklahoma in *MidFirst Bank v. Keefe, Bruyette and Woods, Inc.* on liability and damages issues related to the alleged losses incurred by plaintiff as a result of alleged misrepresentations of the

risk/return characteristics of an investment in leveraged non-recourse securities (LeNS) subordinated to auction rate securities.

Expert report before the United States District Court for the Southern District of Indiana in *Greentree Real Estate, LLC, v. Bridger Commercial Funding, LLC* on common business practices and calculation of losses related to the hedging of pipeline risk associated with commercial mortgage loans.

Expert reports, deposition and trial testimony before the Circuit Court of Cook County, Illinois in *Huizenga Managers Fund, LLC v. A.R. Thane Ritchie, et al.* on liability and damages issues related to the alleged losses incurred by plaintiff as a result of alleged misrepresentations of the salient characteristics of a pool of life settlement policies comprising the warehouse of a structured finance investment.

Hearing testimony in *U.S. Airways, Inc. v. Merrill Lynch, Pierce, Fenner & Smith, Inc.* (FINRA) on suitability, liability and damages issues related to the losses incurred by claimant as a result of investments in certain structured finance instruments (auction-rate securities, CDO² tranches, credit derivative product companies).

Expert reports and testimony before the London Court of International Arbitration (LCIA) in *Michael Marino v. Eastbridge SÀRL et al.* on the salient characteristics, economic substance, and appropriate methodology for the valuation of certain derivative instruments granted to and by an executive of a privately-held company.

Expert reports and hearing testimony before the American Arbitration Association in *David Houry v. Safra National Bank of New York, et al.* and *Penfold Investment Trading, Ltd., et al., v. Safra National Bank of New York, et al.* on the duties and obligations of custodial banks with respect to providing investment advice to customers and on a customer's level of knowledge, sophistication, and experience as inferred through his contemporaneous trading activities.

Expert reports and testimony before the High Court of Justice, Queen's Bench Division Commercial Court in *Mohamed Magdy Zeid et al. v. Credit Suisse (UK) Limited* on the salient economic characteristics and valuation of certain structured finance products (e.g., worst-of barrier reverse convertible securities linked to the performance of baskets of benchmark equity indices), as well as on the issues of suitability, liability, and damages related to claimants' investments.

Expert reports before the United States District Court for the Southern District of Florida in *John Bruhl et al., v. PriceWaterhouseCoopers International Limited II, et al.* on the issues of due diligence and damages stemming from the failure of a family of offshore hedge funds.

Expert report before the American Arbitration Association in *ERIP LLC v. Nader Tavakoli, EagleRock Capital Management, LLC and EagleRock Institutional GP, LLC* on the salient characteristics and the reasonableness of the investment strategy followed by a hedge fund in the context of the 2007 – 2008 worldwide financial crisis.

Expert report and testimony before the International Chamber of Commerce in *Bagani Stiftung v. Siam Capital Management Ltd.* on the lost profits suffered by a hedge fund due to loss of reputation and business as a result of disclosures of criminality of a major investor in that fund.

Expert report and hearing testimony in *Department of Enforcement v. Richard E. Morrison* (FINRA) on whether certain auction-rate securities were "readily available" and "comparable" to the auction-rate securities purchased by Respondent's clients.

Expert Report and deposition testimony before the United States District Court, Southern District of New York in *Ritchie Risk-Linked Strategies Trading (Ireland), Limited, et al. v. Coventry First LLC, et al.* on the collateral and structural characteristics as well as on the factors that precipitated the ultimate failure of a securitization of life settlement policies.

Expert Report before the United States District Court, Southern District of New York in *Michael L. Pasternak v. Dow Kim* on the appropriate methodology for calculating lost employment income resulting from a hedge fund's failure to launch in 2007 / 2008.

Expert Report before the Circuit Court of Maryland for Montgomery County in *Lyon Villa Venetia et al. v. CSE Mortgage LLC, et al.* on the differential economic value of a right of first refusal for the purchase of a commercial real estate loan from that loan's originator and from the trust of a CDO into which that loan is securitized.

Publications

"Default and Recovery Rates in Emerging Markets," in Frank J. Fabozzi and Efi Pilarinu, eds. *Investing in Emerging Fixed Income Markets*, First Edition (John Wiley & Sons, Inc., 2002).

"Default and Recovery Rates in Emerging Markets," in Frank J. Fabozzi, ed., *Professional Perspectives on Fixed Income Portfolio Management*, Volume 3, (John Wiley & Sons, Inc., 2002).

with Perrie M. Weiner, Esq., Michael S. Rosenblum, Esq., and Caryn G. Mazin, Esq., "The Frontiers of Convertibles Financing: An Economic and Legal Perspective on Litigating Future Priced Securities," NERA Working Paper Series, June 2003.

with Andrew S. Carron and Phoebus J. Dhrymes, "Credit Ratings for Structured Products: A Review of Analytical Methodologies, Credit Assessment Accuracy, and Issuer Selectivity among the Credit Rating Agencies," NERA Economic Consulting, November 6, 2003.

"How Much is Options Back-dating Worth?," FTI Consulting, Inc. White Paper, June 2006.

"The Global Credit Crisis: What Directors Need to Know," *Corporate Board Member*, Board Governance Series, Volume XI, 2008.

Presentations

"Use of Credit Derivatives in Emerging Markets," Emerging Markets Investor (Risk magazine) conference, October 30, 1997, London

"Same Side of the Law, Different Interests: Convertible Bonds in Securities Litigation," Finance, Law and Economics Securities Litigation Seminar, National Economic Research Associates, July 2, 2001, Ojai Valley

"Recent Trends in Securities Litigation," The Insider Trading & Responsible Corporate Governance Forum, Marsh & McLennan/Mellon Bank, March 14, 2002, Boston

"Enforcing Derivatives," Finance, Law and Economics Securities Litigation Seminar, National Economic Research Associates, July 5, 2003, Sun Valley

"Structured Finance Litigation Arbitrage," 11th Annual CDO and Credit Derivatives Summit, February 22-23, 2007, New York.

"Utilizing Listed Options To Enhance Returns," 2007 Hedge Fund Leadership Forum, Argyle

Executive Forum, May 24, 2007, New York.

"Impact of the Credit Crisis on the Bond Market: What Every Lawyer Needs to Know about the Subprime Crisis," West Legalworks, March 12, 2008, New York.

"Structured Finance Securities Litigation," FTI Consulting, Inc., June 2, 2009, New York.

Exhibit 2
Relevant Materials Relied Upon

Testimony

November 12, 2009 testimony of Gregory Sosnovich

February 28, 2012 deposition of Pamela Marsh

IndyMac Bancorp, Inc's SEC filings

Form 10-K filed 2/29/08 for the period ending 12/31/07

Form 8-K filed 5/01/08 for the period ending 4/25/08

Form 8-K filed 5/12/08 for the period ending 5/12/08

Form 10-Q filed 5/12/08 for the period ending 3/31/08

Bates Stamped Documents

BONYM-00000384	BONYM-00000577	BONYM-00000849-50
BONYM-00000393	BONYM-00000582-84	BONYM-00000852-53
BONYM-00000395	BONYM-00000590-91	BONYM-00000855-56
BONYM-00000397	BONYM-00000593-94	BONYM-00001522
BONYM-00000565	BONYM-00000596-97	BONYM-00001551
BONYM-00000567	BONYM-00000600-01	BONYM-00001563-64
BONYM-00000569	BONYM-00000603-04	BONYM-00001579-80
BONYM-00000571	BONYM-00000843-44	
BONYM-00000573	BONYM-00000846-47	

Exhibits

Exhibit 570

Exhibit 571

Exhibit 641

Exhibit 726

Exhibit 769

Other

Complaint filed 2/11/11

Data from Bloomberg, LP

Exhibit 3
Impact of IndyMac's DSPP Stock Issuance on the
Book Value of the Company's Equity

(Dollars in millions, except per share data)

	As Reported, Adjusted to Exclude DSPP Stock Issuance in 2008 Q1	As Reported, Adjusted to Include DSPP Stock Issuance in February 2008	As Reported, Including DSPP Stock Issuance in 2008 Q1[A]	As Reported, Adjusted to Include \$50MM DSPP Stock Issuance in 2008 Q1
<u>12/31/07 Book Value per Share Calculation</u>				
Shareholders' Equity	\$ 1,344	\$ 1,344	\$ 1,344	\$ 1,344
Shares Outstanding	80,885,421	80,885,421	80,885,421	80,885,421
Book Value per Share	\$ 16.61	\$ 16.61	\$ 16.61	\$ 16.61
<u>Shareholders' Equity Rollforward</u>				
Balance at 12/31/07	\$ 1,344	\$ 1,344	\$ 1,344	\$ 1,344
Cumulative effect adjustment due to adoption of SFAS 159	1	1	1	1
Net loss	(184)	(184)	(184)	(184)
Other comprehensive income (loss), net of tax:				
Net unrealized loss on MBS available for sale	(230)	(230)	(230)	(230)
Net unrealized loss on derivatives used in cash flow hedges	(15)	(15)	(15)	(15)
Change in pension liability	2	2	2	2
Additional Paid-in-Capital:				
Issuance of common stock	-	11	39	50
Compensation expense for common stock options	2	2	2	2
Deferred compensation and restricted stock amortization, net of forfeitures	10	10	10	10
Treasury Stock	(10)	(10)	(10)	(10)
Balance at 3/31/08	<u>\$ 920</u>	<u>\$ 931</u>	<u>\$ 959</u>	<u>\$ 970</u>
<u>Shares Outstanding Rollforward</u>				
Balance at 12/31/07	80,885,421	80,885,421	80,885,421	80,885,421
Issuance of common stock	-	1,657,484	7,067,104	9,300,255
Deferred compensation and restricted stock amortization, net of forfeitures	(122,461)	(122,461)	(122,461)	(122,461)
Purchases of common stock	(2,582)	(2,582)	(2,582)	(2,582)
Balance at 3/31/08	<u>80,760,378</u>	<u>82,417,862</u>	<u>87,827,482</u>	<u>90,060,633</u>
<u>3/31/08 Book Value per Share Calculation</u>				
Shareholders' Equity	\$ 920	\$ 931	\$ 959	\$ 970
Shares Outstanding	80,760,378	82,417,862	87,827,482	90,060,633
Book Value per Share	\$ 11.39	\$ 11.30	\$ 10.92	\$ 10.77
Total Reduction in Book Value per Share During the First Quarter	\$ 5.22	\$ 5.32	\$ 5.70	\$ 5.85
Reduction Attributable to DSPP Stock Issuance		\$ 0.09	\$ 0.47	\$ 0.62
Reduction Attributable to DSPP Stock Issuance as a % of Book Value at 12/31/07		0.57%	2.84%	3.74%

[A] As reported in IndyMac Bancorp, Inc's Form 10-Q filed 5/12/08 for the period ending 3/31/08