

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

WAYMAN TRIPP and SVEN MOSSBERG,
Individually and on Behalf of all Others Similarly
Situated,

Plaintiffs,

v.

INDYMAC BANCORP, INC. and MICHAEL W.
PERRY,

Defendants.

Case No. 2:07-CV-1635-GW (VBK)

**NOTICE OF PENDENCY OF CLASS ACTION AND
PROPOSED SETTLEMENT, MOTION FOR
ATTORNEYS' FEES AND EXPENSES AND
SETTLEMENT FAIRNESS HEARING**

The Honorable George H. Wu

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT,
MOTION FOR ATTORNEYS' FEES AND EXPENSES AND SETTLEMENT FAIRNESS HEARING**

IF YOU PURCHASED OR OTHERWISE ACQUIRED INDYMAC BANCORP, INC. COMMON STOCK FROM MARCH 1, 2006 THROUGH MARCH 1, 2007, INCLUSIVE,¹ YOU MAY BE ELIGIBLE TO RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Securities and Time Period of Potential Eligibility: IndyMac Bancorp, Inc. ("IndyMac" or the "Company") common stock purchased or otherwise acquired from March 1, 2006 through March 1, 2007, inclusive.

Settlement Amount: \$5,500,000 in cash plus interest (the "Settlement Fund"). Your recovery from the Settlement Fund will depend on the amount and timing of your purchases/acquisitions of IndyMac common stock, and the timing of your sales, if any, of such common stock. Depending on the number of claims filed and when Class Members purchased, acquired and sold their IndyMac common stock, the estimated average recovery per damaged share of IndyMac common stock will be approximately \$0.083. **Please Note: This average is only an estimate, and is before deduction of Court-approved fees and expenses.**

The Lawsuit: The Settlement resolves class action litigation over allegations as to whether materially false and misleading statements were issued concerning, *inter alia*, IndyMac's growth and stability, resulting from the quality and success of the Company's strong internal/operational controls and underwriting, causing financial injury to members of the Class. See Question 2 below for more information.

Attorneys' Fees and Expenses: Lead Counsel has litigated this Action on a contingent basis and has conducted this litigation and advanced the expenses of litigation with the expectation that if it was successful in recovering money for the Class, it would receive fees and be reimbursed for its expenses from the Settlement Fund, as is customary in this type of litigation. Court-appointed Lead Counsel will apply to the Court for attorneys' fees not to exceed 25% of the Settlement Amount and reimbursement of out-of-pocket expenses not to exceed \$525,000, plus interest earned on both amounts at the same rate earned on the Settlement Fund, all to be paid from the Settlement Fund. If the above amounts are requested and approved by the Court, the average cost per damaged share of IndyMac common stock will be approximately \$0.029. Please note that this amount is only an estimate. In addition, Lead Plaintiff may seek reimbursement from the Settlement Fund in an amount not to exceed \$6,000 for reasonable costs and expenses (including lost wages) incurred by the Lead Plaintiff in connection with his representation of the Class.

¹ This Class was certified by the Court pursuant to Order dated November 15, 2011.

Deadlines:

Submit Claim:	December 28, 2012
Request Exclusion:	December 28, 2012
File Objection:	December 28, 2012
Court Hearing on Fairness of Settlement:	January 28, 2013

More Information:**Claims Administrator:**

Rust Consulting, Inc.
P.O. Box 2760
Faribault, MN 55021-9760
Tel: 1-866-801-0469
Email: Info@IndyMacClassActionSettlement.com
Website: www.IndyMacClassActionSettlement.com

Lead Counsel:

John J. Gross, Esq.
Jennifer L. Enck, Esq.
Kessler Topaz Meltzer & Check, LLP
280 King of Prussia Road
Radnor, PA 19087
Tel: 1-610-667-7706
Fax: 1-610-667-7056

Your legal rights are affected whether you act or do not act. Please read this Notice carefully.

Statement of Recovery

Lead Plaintiff estimates that approximately 66.6 million shares of IndyMac common stock were purchased during the Class Period and potentially damaged. Lead Plaintiff estimates that if valid claim forms for all damaged shares are submitted, the average recovery per damaged share of IndyMac common stock will be \$0.083 before deduction of attorneys' fees, costs, and expenses, as approved by the Court. A Class Member's actual recovery will depend on: (1) the number of claims filed; (2) when Class Members purchased and/or acquired their IndyMac common stock; (3) whether Class Members sold their shares of IndyMac common stock and, if so, when; (4) administrative costs, including the costs of notice, for the Action; (5) the amount awarded by the Court to Lead Counsel for attorneys' fees and expenses; and (6) the amount awarded by the Court to Lead Plaintiff in connection with his representation of the Class. Distributions to Class Members will be made based on the Plan of Allocation set forth in this Notice or other plan of allocation as may be ordered by the Court. See Plan of Allocation attached as Appendix A hereto.²

The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff prevailed on each claim alleged. The Parties' positions are as follows:

- **Plaintiff's Position:** Lead Plaintiff estimates total damages, if the Class were to prevail on each and every claim alleged in the Complaint, including all the disclosures alleged therein, at \$190,640,540. As a result, Lead Plaintiff estimates the average amount of damages per share that would be recoverable if the plaintiff prevailed on each claim alleged at \$2.86 per damaged share.
- **Defendant's Position:** Defendant disputes that the Class Members suffered any damages. Even if Lead Plaintiff could establish that there was a false or misleading statement, that it was material, and that Defendant acted with scienter -- all of which Mr. Perry vigorously disputes -- any decline in IndyMac's stock price was caused by macroeconomic events, not by any purported revelation of the "truth" of any alleged misstatement.

The Circumstances of the Settlement

The principle reason for Lead Plaintiff's consent to the Settlement is to provide an immediate benefit to the Class. While Lead Counsel believes that Lead Plaintiff's claims would survive a motion for summary judgment and ultimately result in a verdict for the Class, it also recognizes that continued litigation and trial come with risks. The benefit of the present Settlement must be compared to the risk that no recovery might be achieved after

² All terms used in this Notice shall have the same meanings as in the Stipulation. For instructions on how to obtain the Stipulation, please refer to ¶24 on page 10.

contested motions, a contested trial and likely appeals, possibly years into the future. The claims advanced by the Class in this Action involve numerous complex legal and factual issues, which would require additional discovery, including extensive expert discovery and testimony, adding considerably to the expense and duration of the litigation. If the Action were to proceed, Lead Plaintiff would have to overcome significant defenses. Among other things, the Parties disagree about (i) whether Lead Plaintiff or the Class have suffered damages, (ii) whether the price of IndyMac common stock was artificially inflated by reasons of the alleged misrepresentations, omissions, or otherwise, and (iii) whether Lead Plaintiff or the Class were harmed by the conduct alleged in the Sixth Amended Complaint dated February 16, 2010. Even after extensive investigation and discovery, questions remain regarding the extent of Defendant’s liability and the extent to which a jury might find the Defendant liable, if at all. Furthermore, the alleged corporate wrongdoer, IndyMac, filed for bankruptcy protection in August 2008 and is no longer a defendant in this Action and thus, not a viable source of recovery for the Class.³ This Settlement therefore enables the Class to recover without incurring any additional risk or costs. As a result, Lead Plaintiff believes this Settlement is a fair, reasonable, and adequate recovery for the Class.

The Defendant has denied and continues to deny that he has committed any act or omission giving rise to any liability and/or violation of law. Nonetheless, the Defendant is entering into this Settlement to eliminate the burden and expense of further litigation and the risk of not prevailing at trial and, therefore, has determined that it is desirable that the Action fully and finally be settled in the manner and upon the terms and conditions set forth in the Stipulation and Agreement of Settlement dated June 25, 2012 (the “Stipulation”).

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM	The only way to receive a payment from the Settlement Fund. The deadline for submitting a claim form is December 28, 2012.
EXCLUDE YOURSELF	Receive no payment from the Settlement Fund. This is the only option that allows you to participate in another lawsuit against the Defendant or the Released Parties concerning the Released Claims ⁴ as defined in the Stipulation. The deadline for submitting a request to exclude yourself from the Class is December 28, 2012.
OBJECT	You may write to the Court if you do not like this Settlement, the Plan of Allocation, Lead Counsel’s request for attorneys’ fees and expenses, and/or Lead Plaintiff’s request for reimbursement of costs and expenses. The deadline for filing an objection is December 28, 2012.
GO TO A HEARING	You may ask to speak in Court about the fairness of the Settlement, if you make a request no later than December 28, 2012.
DO NOTHING	Receive no payment from the Settlement Fund and give up your rights with regard to the claims in this lawsuit.

- These rights and options – and the deadlines to exercise them – are explained in this Notice. Please note the date of the Settlement Fairness Hearing – currently scheduled for January 28, 2013 – is subject to change without further notice. If you plan to attend the hearing, you should check with Lead Counsel as set forth above, or with the Court, to be sure that no change to the date and time of the hearing has been made.
- The Court in charge of this Action still has to decide whether to approve the Settlement. Payments will be made to Class Members if the Court approves the Settlement and that approval is upheld after any appeals are filed. Please be patient.

³ Michael W. Perry (the “Defendant” or “Perry”) is the only defendant remaining in the Action.

⁴ “Released Claims” does not include any of the claims asserted in *Daniels v. Perry, et al.*, Case No. 08-cv-[03812] (C.D. Cal.).

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BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or otherwise acquired shares of IndyMac common stock from March 1, 2006 through March 1, 2007, inclusive. If this description applies to you or someone in your family, you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive them.

2. What Is This Lawsuit About?

On March 12, 2007, the following putative securities class action was filed against IndyMac and certain of the Company's officers: *Claude Reese v. IndyMac Financial, Inc. et al.*, CV07-01635 JFW (VBKx).⁵ By Order dated June 18, 2007, the Court appointed Wayman Tripp and Sven Mossberg as lead plaintiffs and approved their

⁵ On April 18, 2007, this case was transferred to the Honorable George H. Wu.

selection of Schiffrin Barroway Topaz & Kessler, LLP (now known as Kessler Topaz Meltzer & Check, LLP) to serve as lead counsel.

On September 7, 2007, lead plaintiffs filed their first amended complaint. Thereafter, multiple rounds of briefing on motions to dismiss ensued and lead plaintiffs amended their first amended complaint several times.

On August 2, 2008, IndyMac filed for Chapter 7 bankruptcy protection. Pursuant to section 362(a) of the Bankruptcy Reform Act of 1978, 11 U.S.C. § 101 et seq., all proceedings against IndyMac were automatically stayed.

On October 5, 2009, lead plaintiffs filed their fifth amended complaint, which the Defendant moved to dismiss on October 26, 2009. Following further briefing and oral argument, on December 10, 2009, the Court issued a tentative ruling denying the Defendant's motion to dismiss, which it adopted as its final ruling on December 11, 2009 (the "December Order"). On January 4, 2010, the Defendant requested that the Court certify its December Order for interlocutory appeal pursuant to 28 U.S.C. § 1292(b). Lead plaintiffs opposed Defendant's request. On January 26, 2010, the Defendant filed his answer to the fifth amended complaint.

Thereafter, the Court ordered lead plaintiffs to file an amended complaint to fix certain technical pleading issues. On February 16, 2010, lead plaintiffs filed the operative complaint, the Sixth Amended Class Action Complaint for Violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Sixth Amended Complaint" or the "Complaint"). The Complaint alleged, among other things, that during the relevant time period, IndyMac and Perry issued materially false and misleading statements concerning, *inter alia*, IndyMac's growth and stability, resulting from the quality and success of the Company's strong internal/operational controls and underwriting. The Complaint further asserted that, as a result of this alleged conduct, the price of IndyMac common stock was artificially inflated, causing damage to lead plaintiffs and the other members of the Class who purchased or otherwise acquired IndyMac common stock during the Class Period (*i.e.*, March 1, 2006 through March 1, 2007, inclusive).

Mr. Perry vigorously denies the allegations of the Sixth Amended Complaint. He denies, *inter alia*, that he or IndyMac made any false or misleading statements and asserts that IndyMac's public disclosures were in full compliance with the securities laws. He denies that the price of IndyMac stock was artificially inflated by alleged false or misleading statements and asserts that the stock price accurately reflected the market's understanding of IndyMac's financial condition. Mr. Perry further denies that any purported loss incurred by plaintiffs was due to any alleged wrongful conduct. And he asserts that he acted in complete good faith at all times -- the opposite of scienter.

On March 29, 2010, the Court certified its December Order for interlocutory review. The same day, the Court issued an Order denying the Defendant's motion to dismiss the Sixth Amended Complaint, and the Defendant answered the Complaint.

On May 20, 2010, following briefing, the Ninth Circuit denied the Defendant's §1292(b) petition.

On July 26, 2010, the Parties filed a Stipulation Regarding Partial Stay Pending Mediation, which the Court granted by Order dated July 27, 2010. The Parties thereafter engaged in mediation, but were unable to reach an agreement to resolve the Action. Following their efforts to mediate, the Parties engaged in substantial discovery.

On August 29, 2011, Lead Plaintiff moved to certify the Class.⁶ The Defendant opposed Lead Plaintiff's motion on October 13, 2011, and Lead Plaintiff filed a reply in further support of his motion on November 2, 2011. Following oral argument, the Court issued a tentative ruling granting Lead Plaintiff's motion to certify the Class, which it adopted as its final ruling on November 15, 2011.

While discovery was ongoing, the Parties resumed their discussions regarding a possible resolution of the Action, with the assistance of an experienced mediator, Judge Daniel Weinstein (Ret.). Pursuant to a stipulation by the Parties, the Court stayed the Action on February 16, 2012 pending the Parties' ongoing mediation efforts. Following additional months of negotiations, the Parties reached a tentative agreement to settle the Action in May 2012.

⁶ On September 15, 2011, the Court granted Wayman Tripp's request to withdraw as a lead plaintiff in this Action. Accordingly, Mr. Mossberg sought appointment as sole class representative.

On July 20, 2012, Arch Insurance Company and Ace American Insurance Company, (*i.e.*, the insurers providing coverage to IndyMac’s former officers and directors for the period March 1, 2007 through March 1, 2008, from which the Settlement Fund, pursuant to the Stipulation, is to be funded), filed an interpleader action against certain of IndyMac’s former officers and directors, including the Defendant in this Action.⁷ The insurers are requesting that the Court, among other things, determine the allocation of the remaining policy proceeds among the various insureds under their policies.

3. Why Is This Action a Class Action?

In a class action, one or more individuals and/or entities called class representatives (in this case the court-appointed Lead Plaintiff, Sven Mossberg) prosecute their claims on behalf of individuals and entities who have similar claims. All of these individuals and entities who have similar claims are referred to collectively as a class, or individually as class members. One court resolves the issues for all class members, except for those who exclude themselves from the class. The United States District Court for the Central District of California, the Honorable George H. Wu, is in charge of this Action.

4. Why Is There a Settlement?

In order to avoid the cost and risks of further litigation and trial, both sides agreed to a settlement. As explained above, Lead Plaintiff and Lead Counsel believe the Settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

To see if you will potentially receive money from the Settlement, you first have to determine if you are a Class Member.

5. How Do I Know if I Am Part of the Settlement?

The Class includes all persons and entities who purchased or otherwise acquired IndyMac common stock from March 1, 2006 through March 1, 2007, inclusive, *except those persons and entities that are excluded, as described below.*

6. What Are the Exceptions to Being Included?

Excluded from the Class are IndyMac, the Defendant, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns and any entity in which IndyMac or the Defendant has or had a controlling interest. Also excluded from the Class are all persons and entities who exclude themselves from the Class by timely requesting exclusion in accordance with the requirements set forth herein.

If you sold IndyMac common stock during the Class Period (*i.e.*, March 1, 2006 through March 1, 2007, inclusive), that alone does not make you a Class Member. You are a Class Member only if you purchased or otherwise acquired IndyMac common stock during the Class Period.

If one of your mutual funds purchased or owns IndyMac common stock, that alone does not make you a Class Member.

7. I Am Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call the Claims Administrator, Rust Consulting, Inc., at 1-866-801-0469 or email the Claims Administrator at Info@IndyMacClassActionSettlement.com, for more information. Or you can fill out and return the claim form described in Questions 9 and 10 to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU RECEIVE

8. What Does the Settlement Provide?

The Defendant has agreed to create a \$5,500,000 cash Settlement Fund. The balance of this fund, after payment of Court-approved attorneys’ fees and expenses and the costs of claims administration (the “Net

⁷ On July 27, 2012, the insurers filed an amended complaint, adding AXIS Reinsurance Company as an additional plaintiff.

Settlement Fund”), will be divided among Class Members who submit timely and valid claim forms (“Authorized Claimants”) pursuant to a Court-approved plan of allocation.

9. How Much Will My Payment Be?

Each person or entity claiming to be an Authorized Claimant shall be required to submit a separate Proof of Claim and Release form (“Proof of Claim”) signed under penalty of perjury and supported by such documents as specified in the Proof of Claim as are reasonably available to the Authorized Claimant. If you are entitled to a payment, your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Class Members submit, the amount of IndyMac common stock you purchased and/or acquired during the Class Period, and when you sold your IndyMac common stock. By following the Plan of Allocation described herein and set forth in Appendix A, you can calculate your “Recognized Claim.” The Claims Administrator will distribute the Net Settlement Fund according to the Plan of Allocation after the deadline for submission of Proofs of Claim has passed.

All Proofs of Claim must be postmarked or received by December 28, 2012, addressed as follows:

IndyMac Class Action Settlement
c/o Rust Consulting, Inc.
P.O. Box 2760
Faribault, MN 55021-9760

Unless otherwise ordered by the Court, any Class Member who fails to submit a properly completed and signed Proof of Claim within such period, or such other period as may be ordered by the Court, shall be forever barred from receiving any payments pursuant to the Stipulation, but will in all other respects be bound by all of the terms of the Settlement, including the terms of the final judgment to be entered in the Action and will be barred from bringing any Released Claim against any Released Parties, including Unknown Claims (as those terms are defined in the Proof of Claim enclosed with this Notice and in the Stipulation dated June 25, 2012, which is available at www.IndyMacClassActionSettlement.com, or through the mail upon request).

The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class Member on equitable grounds. Each claimant is deemed to have submitted to the jurisdiction of the Court with respect to the claimant’s claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that claimant’s status as a Class Member and the validity and amount of that claimant’s claim. No discovery shall be allowed on the merits of the Action.

HOW YOU RECEIVE A PAYMENT – SUBMITTING A CLAIM FORM

10. How Will I Receive a Payment?

To qualify for payment, you must be an eligible Class Member and you must submit a Proof of Claim. A Proof of Claim is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form requests, sign it, and mail it in an envelope addressed to the Claims Administrator, postmarked no later than December 28, 2012. Please retain a copy of everything you mail, in case the materials are lost or destroyed during shipping.

11. When Will I Receive My Payment?

The Court will hold a hearing on January 28, 2013, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain in what manner appeals, if any, will be resolved, and resolving them can take time, perhaps several years. In addition, the Claims Administrator must process all of the Proofs of Claim. The processing of the claims is complicated and will take many months. Please be patient.

12. What Am I Giving Up By Staying in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendant or the Released Parties about the Released Claims. It also means that all of the Court’s orders will apply to you and legally bind you, and you will release your claims in this Action against the Defendant. The terms of the release are included in the Proof of Claim that is enclosed.

EXCLUDING YOURSELF FROM THE CLASS

If you do not want a payment from this Settlement, but you want to keep the right to sue or continue to sue the Defendant on your own about the same claims being released in this Settlement, then you must take steps to exclude yourself from the Class. This is sometimes referred to as “opting out” of the Class.

13. How Do I Exclude Myself from the Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from the Class in *Mossberg, et al. v. IndyMac Bancorp, Inc., et al.*, Case No. 2:07-CV-1635-GW (VBK). You must include your name, address, telephone number, your signature, and information concerning your purchase(s) and acquisition(s) of IndyMac common stock during the Class Period and your sale(s) of such IndyMac common stock, including the date(s), price(s) and amount(s) of all purchases and/or acquisitions of IndyMac common stock you made during the Class Period and your sales of such IndyMac common stock. You must mail your exclusion request so that it is received by December 28, 2012 to:

IndyMac Class Action Settlement
EXCLUSIONS
c/o Rust Consulting, Inc.
P.O. Box 2760
Faribault, MN 55021-9760

Please keep a copy of everything you send by mail, in case it is lost or destroyed during shipping.

You cannot exclude yourself over the phone or by email. If you ask to be excluded from the Class, you are not eligible to receive any payment from the Net Settlement Fund, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit and you will be able to pursue the claims that are being released in the Settlement.

The Defendant shall have the option to terminate the Settlement in the event that members of the Class who would otherwise be entitled to participate in the Class, but who timely and validly request exclusion in accordance with the requirements set forth in this Notice, purchased and/or otherwise acquired, in the aggregate, a certain amount of shares of IndyMac common stock.

14. If I Do Not Exclude Myself, Can I Sue the Defendant for the Same Thing Later?

No. Unless you exclude yourself, you give up any right to sue the Defendant or the Released Parties for the claims being released by the Settlement. If you have a pending lawsuit relating to the claims being released in this Action against the Defendant, speak to your lawyer in that case immediately. Remember, the exclusion deadline is December 28, 2012.

15. If I Exclude Myself, Can I Receive a Payment from This Settlement?

No. If you exclude yourself, do not send in a claim form. But, you may sue, continue to sue, or be part of a different lawsuit asserting the claims being released in the Settlement against the Defendant or the Released Parties.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The Court appointed the law firm of Kessler Topaz Meltzer & Check, LLP to represent you and the other Class Members. These lawyers are called Lead Counsel. You will not be separately charged for these lawyers beyond your *pro rata* share of any attorneys' fees and expenses awarded by the Court that will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Lead Counsel will apply to the Court for attorneys' fees not to exceed 25% of the Settlement Amount and for reimbursement of Lead Counsel's out-of-pocket expenses advanced in connection with the Action up to an amount of \$525,000, plus interest on both amounts at the same rate as earned by the Settlement Fund. *Such sums*

as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel for its efforts in achieving this Settlement and for its risk in undertaking this representation on a wholly contingent basis. To date, Lead Counsel has not been paid for its services for conducting this Action on behalf of Lead Plaintiff and the Class or for its substantial out-of-pocket expenses. The fee requested will compensate Lead Counsel for its work in achieving the Settlement Fund and is well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may, however, award less than this amount.

Lead Plaintiff may also make an application to the Court for reimbursement in an amount not to exceed \$6,000 for his reasonable costs and expenses (including lost wages) in connection to his representation of the Class pursuant to 15 U.S.C. §78(u)-4(a)(4) of the Private Securities Litigation Reform Act of 1995.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a Class Member, you can object to the Settlement if you do not like any part of it. To object, you must send a letter saying that you object to the Settlement in *Mossberg, et al. v. IndyMac Bancorp, Inc., et al.*, Case No. 2:07-CV-1635-GW (VBK) and the reasons why you object to the Settlement. Be sure to include your name, address, telephone number and your signature. You must also include information (date(s), price(s) and amount(s)) concerning your purchase(s) and acquisition(s) of IndyMac common stock during the Class Period and your sale(s) of such IndyMac common stock. Any objection to the Settlement must be received by *each of the following* by December 28, 2012:

COURT

Clerk of the Court
United States District Court
Central District of California
U.S. Courthouse
312 N. Spring Street
Los Angeles, CA 90012

LEAD COUNSEL

John J. Gross, Esq.
Jennifer L. Enck, Esq.
Kessler Topaz Meltzer & Check, LLP
280 King of Prussia Road
Radnor, PA 19087

DEFENDANT'S COUNSEL

David B. Bayless, Esq.
Tammy Albarran, Esq.
Covington & Burling LLP
One Front Street
San Francisco, CA 94111

19. What is the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you do not like something about the Settlement, the Plan of Allocation, the application for attorneys' fees and expenses, and/or Lead Plaintiff's request for reimbursement of costs and expenses. You can object *only* if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT FAIRNESS HEARING

20. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a fairness hearing at 8:30 a.m., on January 28, 2013, at the United States District Court for the Central District of California, U.S. Courthouse, 312 N. Spring Street, Los Angeles, California 90012, Courtroom 10. At this hearing, the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have requested in writing by December 28, 2012 to speak at the hearing. The Court may also consider Lead Counsel's application for attorneys' fees and reimbursement of expenses and Lead Plaintiff's request for reimbursement of costs and expenses.

21. Do I Have to Come to the Settlement Fairness Hearing?

No. Lead Counsel will answer any questions the Court may have. But, you are welcome to attend the hearing at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long

as your written objection was received on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not required.

22. May I Speak at the Settlement Fairness Hearing?

You may ask the Court for permission to speak at the Settlement Fairness Hearing. To do so, you must send a letter stating your intention to appear in *Mossberg, et al. v. IndyMac Bancorp, Inc., et al.*, Case No. 2:07-CV-1635-GW (VBK). Be sure to include your name, address, telephone number, your signature, and also identify the date(s), price(s) and amount(s) of all purchases and/or acquisitions of IndyMac common stock you made during the Class Period and your sale(s) of such IndyMac common stock. Your notice of intention to appear must be received by December 28, 2012, and must be sent to the Clerk of the Court, Lead Counsel, and Defendant's Counsel, at the addresses listed in Question 18. You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

23. What Happens if I Do Nothing at All?

If you do nothing, you will receive no money from this Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendant or the Released Parties about the same claims being released in this Settlement.

OBTAINING MORE INFORMATION

24. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are contained in the Stipulation. You can obtain a copy of the Stipulation or more information about the Settlement by visiting www.IndyMacClassActionSettlement.com, by sending an email to the Claims Administrator at Info@IndyMacClassActionSettlement.com, or by writing to Lead Counsel listed above in Question 18. You can also obtain a copy of the Stipulation from the Clerk's office at the United States District Court for the Central District of California, U.S. Courthouse, 312 N. Spring Street, Los Angeles, California 90012, during regular business hours.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased the common stock of IndyMac during the Class Period, as nominee for a beneficial owner, then, the Court has ordered that within ten (10) calendar days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim by first class mail to all such beneficial owners; or (2) provide a list of the names and addresses of such beneficial owners to the Claims Administrator:

IndyMac Class Action Settlement
c/o Rust Consulting, Inc.
P.O. Box 2760
Faribault, MN 55021-9760

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred in connection with forwarding the Notice and the Proof of Claim and which would not have been incurred but for the obligation to forward the Notice and the Proof of Claim, upon submission of appropriate documentation to the Claims Administrator.

DATED: August 10, 2012

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

APPENDIX A

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Court may approve the Plan of Allocation with or without modifications agreed to among the settling parties, or another plan of allocation, without further notice to Class Members.

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim. Please Note: The Recognized Claim formula, set forth below, is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Claim. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Claim bears to the total Recognized Claims of all Authorized Claimants (*i.e.*, "*pro rata* share"). Payment in this manner shall be deemed conclusive against all Authorized Claimants. No distribution will be made on a claim where the potential distribution amount is less than ten dollars (\$10.00) in cash.

If any funds remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, then any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be used: (a) first, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants or to pay any late, but otherwise valid and fully documented claims received after the cut-off date used to make the initial distribution, which were not previously authorized by the Court to be paid, provided that such distributions to any late post-distribution claimants meet all of the other criteria for inclusion in the initial distribution, including the \$10.00 minimum check amount set forth herein, (b) second, to pay any additional fees and expenses incurred in administering the Settlement, and (c) finally, to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least \$10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. If any funds remain in the Net Settlement Fund six (6) months after such second distribution, if undertaken, or if such second distribution is not undertaken, these funds shall be donated to a 503(c) charity selected by Lead Counsel and approved by the Court.

THE BASIS FOR CALCULATING YOUR RECOGNIZED CLAIM:

As stated above, each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her or its recognized loss (or, "Recognized Claim") from his, her or its eligible transactions in IndyMac common stock as compared to the total Recognized Claims of all Authorized Claimants. Shares of IndyMac common stock purchased or otherwise acquired during the Class Period (*i.e.*, March 1, 2006 through March 1, 2007, inclusive) will have a resulting loss if such shares were sold on or after January 16, 2007 or such shares continue to be held.

Recognized Claims for shares of IndyMac common stock purchased or otherwise acquired during the Class Period⁸ will be computed as follows:

- A. **For each share of IndyMac common stock purchased or otherwise acquired between March 1, 2006 and February 28, 2007, inclusive, and sold before January 16, 2007,** the Recognized Claim for each such share shall be zero.
- B. **For each share of IndyMac common stock purchased or otherwise acquired between March 1, 2006 and February 28, 2007, inclusive, and sold on or between January 16, 2007 and February 28, 2007, inclusive,** the Recognized Claim for each such share shall be ***the lesser of:***
- (i) the dollar inflation applicable to each share on the date of purchase as set forth in Table 1 below ***minus*** the dollar inflation applicable to each share on the date of sale as set forth in Table 1 below; or
 - (ii) the actual purchase price of each share (excluding all fees, taxes and commissions) ***minus*** the actual sale price of each share (excluding all fees, taxes and commissions).
- C. **For each share of IndyMac common stock purchased or otherwise acquired between March 1, 2006 and February 28, 2007, inclusive, and sold on March 1, 2007,** the Recognized Claim for each such share shall be ***the lesser of:***
- (i) the dollar inflation applicable to each share on the date of purchase as set forth in Table 1 below ***minus*** the greater of: (a) the difference between the actual sale price of each share on March 1, 2007 (excluding all fees, taxes and commissions) and \$32.16 (*i.e.*, the closing price of IndyMac common stock on March 1, 2007) or (b) \$0.00;
 - (ii) the actual purchase price of each share (excluding all fees, taxes and commissions) ***minus*** the actual sale price of each share (excluding all fees, taxes and commissions); or
 - (iii) the actual purchase price of each share (excluding all fees, taxes and commissions) ***minus*** \$32.16 (*i.e.*, the closing price of IndyMac common stock on March 1, 2007).
- D. **For each share of IndyMac common stock purchased or otherwise acquired between March 1, 2006 and February 28, 2007, inclusive, and sold after March 1, 2007 and before May 30, 2007,** the Recognized Claim for each such share shall be ***the lesser of:***
- (i) the dollar inflation applicable to each share on the date of purchase as set forth in Table 1 below;
 - (ii) the actual purchase price of each share (excluding all fees, taxes and commissions) ***minus*** the actual sale price of each share (excluding all fees, taxes and commissions); or
 - (iii) the actual purchase price of each share (excluding all fees, taxes and commissions) ***minus*** the average closing price for the days following the last

⁸ Recognized Claim amounts for purchases/acquisitions of IndyMac common stock on March 1, 2007 are calculated separately from purchases/acquisitions of IndyMac common stock made during the rest of the Class Period (see Sections F through H of the Plan of Allocation). This is because most of the decline associated with the corrective disclosure on March 1, 2007 had already occurred overnight (between February 28, 2007 and March 1, 2007), such that most of the inflation had been removed by the opening of trading on March 1, 2007.

corrective disclosure on March 1, 2007 up to the date of sale as set forth in Table 2 below.

- E. **For each share of IndyMac common stock purchased or otherwise acquired between March 1, 2006 and February 28, 2007, inclusive, and held as of May 30, 2007**, the Recognized Claim for each such share shall be ***the lesser of:***
- (i) the dollar inflation applicable to each share on the date of purchase as set forth in Table 1 below; or
 - (ii) the actual purchase price of each share (excluding all fees, taxes and commissions) ***minus*** \$30.95 (*i.e.*, the average closing price during the 90-day look-back period as set forth in Table 2 below).⁹
- F. **For each share of IndyMac common stock purchased or otherwise acquired on March 1, 2007, and sold on March 1, 2007**, the Recognized Claim for each such share shall be the purchase price of each share (excluding all fees, taxes and commissions) ***minus*** the greater of:
- (i) the sales price of each share (excluding all fees, taxes and commissions); or
 - (ii) \$32.16 (*i.e.*, the closing price of IndyMac common stock on March 1, 2007).
- G. **For each share of IndyMac common stock purchased or otherwise acquired on March 1, 2007, and sold after March 1, 2007 and before May 30, 2007**, the Recognized Claim for each such share shall be ***the lesser of:***
- (i) the actual purchase price of each share (excluding all fees, taxes and commissions) ***minus*** \$32.16 (*i.e.*, the closing price of IndyMac common stock on March 1, 2007);
 - (ii) the actual purchase price of each share (excluding all fees, taxes and commissions) ***minus*** the actual sale price of each share (excluding all fees, taxes and commissions); or
 - (iii) the actual purchase price of each share (excluding all fees, taxes and commissions) ***minus*** the average closing price for the days following the last corrective disclosure on March 1, 2007 up to the date of sale as set forth in Table 2 below.
- H. **For each share of IndyMac common stock purchased or otherwise acquired on March 1, 2007, and held as of May 30, 2007**, the Recognized Claim for each such share shall be the actual purchase price of each share (excluding all fees, taxes and commissions) ***minus*** \$32.16 (*i.e.*, the closing price of IndyMac common stock on March 1, 2007).

⁹ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995 (“PSLRA”), “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the PSLRA, Recognized Claims are reduced to an appropriate extent by taking into account the closing prices of IndyMac common stock during the 90-day look-back period. The mean (average) closing price for IndyMac common stock during this 90-day look-back period was \$30.95.

Table 1: IndyMac Common Stock Inflation Per Share			
Period	Begin Date	End Date	Inflation Per Share
1	3/1/06	4/24/06	\$2.52
2	4/25/06	9/12/06	\$3.02
3	9/13/06	1/15/07	\$3.57
4	1/16/07	1/16/07	\$2.51
5	1/17/07	1/24/07	\$2.05
6	1/25/07	2/28/07	\$0.96
7	3/1/07	Current	\$0.00

Table 2 IndyMac Common Stock PSLRA Loss Limitation					
Date	Closing Price	Average Closing Price	Date	Closing Price	Average Closing Price
3/1/2007	\$32.16	\$32.16	4/17/2007	\$29.78	\$30.10
3/2/2007	\$31.41	\$31.79	4/18/2007	\$31.53	\$30.14
3/5/2007	\$28.85	\$30.81	4/19/2007	\$31.03	\$30.17
3/6/2007	\$29.66	\$30.52	4/20/2007	\$30.90	\$30.19
3/7/2007	\$31.18	\$30.65	4/23/2007	\$30.44	\$30.19
3/8/2007	\$31.17	\$30.74	4/24/2007	\$30.06	\$30.19
3/9/2007	\$30.64	\$30.72	4/25/2007	\$30.97	\$30.21
3/12/2007	\$29.21	\$30.54	4/26/2007	\$31.98	\$30.25
3/13/2007	\$26.98	\$30.14	4/27/2007	\$30.97	\$30.27
3/14/2007	\$28.94	\$30.02	4/30/2007	\$30.24	\$30.27
3/15/2007	\$29.37	\$29.96	5/1/2007	\$30.39	\$30.27
3/16/2007	\$28.85	\$29.87	5/2/2007	\$30.09	\$30.27
3/19/2007	\$27.42	\$29.68	5/3/2007	\$30.90	\$30.28
3/20/2007	\$28.86	\$29.62	5/4/2007	\$31.52	\$30.31
3/21/2007	\$30.19	\$29.66	5/7/2007	\$31.43	\$30.33
3/22/2007	\$29.38	\$29.64	5/8/2007	\$31.38	\$30.36
3/23/2007	\$30.00	\$29.66	5/9/2007	\$32.46	\$30.40
3/26/2007	\$29.86	\$29.67	5/10/2007	\$32.15	\$30.43
3/27/2007	\$29.53	\$29.67	5/11/2007	\$32.58	\$30.48
3/28/2007	\$31.14	\$29.74	5/14/2007	\$31.40	\$30.49
3/29/2007	\$32.74	\$29.88	5/15/2007	\$31.30	\$30.51
3/30/2007	\$32.05	\$29.98	5/16/2007	\$31.16	\$30.52
4/2/2007	\$30.65	\$30.01	5/17/2007	\$31.54	\$30.54
4/3/2007	\$31.73	\$30.08	5/18/2007	\$31.80	\$30.56
4/4/2007	\$30.75	\$30.11	5/21/2007	\$32.77	\$30.60
4/5/2007	\$31.80	\$30.17	5/22/2007	\$35.09	\$30.68
4/9/2007	\$31.26	\$30.21	5/23/2007	\$35.48	\$30.76
4/10/2007	\$29.91	\$30.20	5/24/2007	\$34.30	\$30.82
4/11/2007	\$29.53	\$30.18	5/25/2007	\$33.68	\$30.87
4/12/2007	\$29.11	\$30.14	5/29/2007	\$33.53	\$30.91
4/13/2007	\$28.97	\$30.11	5/30/2007	\$33.69	\$30.95
4/16/2007	\$30.16	\$30.11			

ADDITIONAL PLAN OF ALLOCATION PROVISIONS

For purposes of calculating your Recognized Claim, the date of purchase, acquisition or sale is the “contract” or “trade” date and not the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of IndyMac common stock during the Class Period shall not be deemed a purchase, acquisition or sale of IndyMac common stock for the calculation of an Authorized Claimant’s Recognized Claim nor shall such receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such IndyMac common stock unless (i) the donor or decedent purchased or otherwise acquired IndyMac common stock during the Class Period; (ii) no Proof of Claim was submitted by or on behalf of the donor or decedent, or by anyone else with respect to such IndyMac common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

All purchases, acquisitions and sales of IndyMac common stock shall be accounted for and matched using the first-in-first-out (“FIFO”) method of accounting. In the event that a claimant has more than one purchase or acquisition of IndyMac common stock during the Class Period, all purchases, acquisitions and sales will be matched, in chronological order, beginning with the claimant’s first purchase during the Class Period and thereafter, in chronological order, against subsequent purchases and acquisitions made during the Class Period. Class Period sales matched to shares of IndyMac common stock held at the beginning of the Class Period shall be excluded from the calculation of Recognized Claims. For calculations made pursuant to the Plan of Allocation set forth above, if the Recognized Claim calculates to a negative number, the Recognized Claim shall be zero.

The date of covering a “short sale” is deemed to be the date of purchase of IndyMac common stock. The date of a “short sale” is deemed to be the date of sale of IndyMac common stock. The Recognized Claim for “short sales” is zero. In the event that there is an opening short position in IndyMac common stock, the earliest Class Period purchases shall be matched against such opening short position, and not be matched against sales, until that short position is fully covered.

Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against the Defendant, Defendant’s Counsel, Lead Plaintiff, Plaintiffs’ Counsel or the Claims Administrator or other agent designated by Lead Counsel based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant’s Proof of Claim. All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the claims submitted in connection with the Settlement, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund shall be released and discharged from any and all claims arising out of such involvement, and all Class Members, whether or not they are to receive payment from the Net Settlement Fund, will be barred from making any further claim against the Net Settlement Fund beyond the amount allocated to them as provided in any distribution orders entered by the Court.

IndyMac Class Action Settlement
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P.O. Box 2760
Faribault, MN 55021-9760

IMPORTANT COURT DOCUMENTS