

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

In Re Fannie Mae Securities

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**Civil Action No. 04-1639 (RJL)
Consolidated Action**

ORDER

Upon due consideration of defendants' motions to dismiss, all relevant pleadings as to those motions, oral arguments, and the relevant law, and assuming, as it must, all facts alleged by the plaintiffs to be true, *Conley v. Gibson*, 355 U.S. 41, 45-46 (1957), it is the opinion of this Court that the plaintiffs, in their consolidated complaint, have pled sufficient facts, if believed, to give rise to "the strong inference" required under the Private Securities Litigation Reform Act of 1995 ("PSLRA") that the defendants acted with the requisite scienter in violation of Section 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. *See Novak v. Kasaks*, 216 F.3d 300, 311 (2d Cir. 2000). Therefore, it is this 9th day of February, 2006, hereby

ORDERED that defendant Leanne G. Spencer's [#73] motion to dismiss is **DENIED**; defendants Franklin Raines and J. Timothy Howard's [#75] joint motion to dismiss is **DENIED**; and that defendant Federal National Mortgage Association's ("Fannie Mae") [#77] motion to dismiss is **DENIED**; and it is further

ORDERED that defendant Fannie Mae's [#77] request for judicial notice in

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support of its motion to dismiss the consolidated class action complaint is **GRANTED IN PART AND DENIED IN PART** in that the Court will take judicial notice of the documents attached as exhibits # 1-19 and # 25 to the Declaration of Robert M. Stern in Support of Defendant Fannie Mae's Request for Judicial Notice and Appendix of Authorities ("Stern Declaration"), but will not take judicial notice of the documents attached as exhibits # 20 and # 22-24 to the Stern Declaration; and it is further

ORDERED that a status hearing is scheduled in the above-captioned action for February 23rd, 2006 at 11:00 am/pm in Courtroom #14 before this Court and that all parties in the above-captioned securities action are to appear, including plaintiffs from recently consolidated actions.

SO ORDERED.



RICHARD J. LEON
United States District Judge