

## **DECLARATION OF JASON ARNOLD**

I, Jason Arnold, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a resident of San Francisco, California. I have personal knowledge of the facts set forth in this declaration.

2. I am currently a Director in the Equity Research Department at RBC Capital Markets (“RBC”). I joined RBC as a Senior Equity Research Analyst in May 2007, where I focused on a diverse group of specialty finance companies and banks, including mortgage finance, mortgage REIT, credit card issuer, and business development companies.

3. As an analyst at RBC, I started providing research coverage on IndyMac Bancorp, Inc. (“IndyMac”) in August 2007, and continued to do so until July 2008. In this capacity, I wrote research reports that were published by RBC regarding IndyMac on November 7, 2007, February 13, 2008, and May 13, 2008. In writing these reports, I considered all publicly available information, including IndyMac’s SEC filings and statements by IndyMac management on conference calls with analysts.

4. I found that IndyMac’s public disclosures were comprehensive and informative, and were in fact more detailed than the disclosures of other mortgage lenders. I believed that IndyMac management was doing their best to disclose as much information as possible to investors, as evidenced by IndyMac’s releases in Form 8-Ks and its use of a corporate blog to disclose information to the public.

5. Between November 2007 and May 2008, I was aware of IndyMac’s Direct Stock Purchase Plan (“DSPP”) and the fact that IndyMac used it as a means of raising capital. Because IndyMac Bank was the principal asset and only operating subsidiary of IndyMac Bancorp, I fully

understood that IndyMac Bancorp used funds raised through the DSPP to address deficiencies in the capital levels of IndyMac Bank if necessary.

6. I previously stated, in a declaration that I executed on January 29, 2012 at the request of the Securities and Exchange Commission (“January 29 Declaration”) that while the resumption of the DSPP sales would have been a source of concern and material information, it would not have changed my overall rating of the company. This is because I believed that the relatively small amounts of capital that IndyMac was raising through the DSPP would have had minimal effect and was not a material issue with respect to the company’s finances, in light of the profound challenges that IndyMac was facing at this time and therefore, I did not refer to the DSPP in the research reports that I wrote about IndyMac on November 7, 2007, February 13, 2008, and May 13, 2008.

7. On February 13, 2008, I downgraded my rating of IndyMac’s stock from “Sector Perform” to “Underperform,” the lowest rating available in the RBC Capital Markets Rating System. My February 13, 2008 report also assigned IndyMac a “Speculative” Risk Qualifier. After February 13, 2008, I could not have assigned a lower rating or a higher Risk Qualifier to IndyMac than I already had. In other words, beginning on February 13, 2008, my ratings of IndyMac were as low as they could possibly be.

8. As my research reports reflected, I had serious concerns about the adequacy of IndyMac Bank’s capital beginning in November 2007. However, I was not familiar with the precise calculations or risk-weighting used to calculate IndyMac Bank’s capital ratios. As I stated in my January 29 Declaration, while I would have wanted to know that IndyMac had obtained approval from OTS to no longer double risk weight its subprime assets, it would not have changed my view on the company’s already sizable capital adequacy challenges. This is

because, if in fact IndyMac was calculating its capital ratios in a manner directed or approved by its regulators, I did not need to know additional information about the particular risk-weightings used in these calculations.


9. I did not rely exclusively on IndyMac management's forecasts in writing my research reports or formulating the opinions expressed therein. Instead, I performed my own independent analysis of the company's condition and outlook.

10. I am aware that in its earnings presentation on May 12, 2008, IndyMac disclosed that \$88 million had been contributed by IndyMac Bancorp to IndyMac Bank during the First Quarter of 2008. I do not believe that this disclosure was significant, because in my opinion this was not a large enough amount of capital to address the capital adequacy challenges faced by IndyMac. As a result, I did not refer to this disclosure in my May 13, 2008 report about IndyMac.

11. Although I previously stated, in my January 29 Declaration, that the \$18 million capital contribution in May 2008 would have "raised my concerns about the integrity of IndyMac's management," I was not aware at the time that I made that statement that IndyMac's management had sought and received permission from the company's regulator and independent outside auditor to make this transaction. I have now been informed that IndyMac's regulator and auditor approved the manner in which IndyMac conducted and accounted for this transaction. If IndyMac did in fact obtain such approvals, IndyMac's failure to disclose the information would not raise concerns about the integrity of IndyMac's management.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on May 3, 2012, in San Francisco, California.

  
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Jason Arnold