

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION**

**TIMOTHY J. PAGLIARA,**  
**Plaintiff,**

**v.**

**FEDERAL HOME LOAN  
MORTGAGE CORPORATION,**  
**Defendant.**

**No. 1:16-CV-00337 (JCC/JFA)**

**EXPEDITED MOTION TO EXTEND TIME TO  
RESPOND TO COMPLAINT**

Defendant Federal Home Loan Mortgage Corporation (“Freddie Mac”) respectfully moves to extend the current April 8, 2016 deadline to answer or otherwise respond to the complaint until seven days after the Court rules on its pending Motion to Stay the Case Pending a Decision on Transfer to MDL Proceeding or, in the Alternative, to Substitute the Federal Housing Finance Agency as Plaintiff (filed March 30, 2016) [Dkt. #10] (“Motion to Stay or Substitute”). In support of this request, Freddie Mac states as follows:

1. Freddie Mac was served the Complaint on March 18, 2016.
2. Freddie Mac removed this action on March 25, 2016. As such, under Fed. R. Civ. P. 81(c), the current deadline to answer or otherwise respond to the complaint is April 8, 2016.
3. On March 30, 2016, Freddie Mac filed the Motion to Stay or Substitute, which asks that the case be stayed pending the U.S. Judicial Panel on Multidistrict Litigation’s decision whether to transfer this case to a proposed MDL proceeding. In the alternative, the motion asks the Court to substitute Freddie Mac’s Conservator—the Federal Housing Finance Agency

(“FHFA”)—for the shareholder Plaintiff in this litigation, because 12 U.S.C. § 4617(b)(2)(A)(i) provides that Freddie Mac’s Conservator “succeed[s] to . . . *all* rights, titles, powers, and privileges . . . of any stockholder [of Freddie Mac]” (emphasis added). This provision “by its unambiguous text, removes the power” of Freddie Mac’s shareholders to exercise their rights—including any inspection rights—and “gives it to FHFA.” *See Perry Capital LLC v. Lew*, 70 F. Supp. 3d 208, 231 (D.D.C. 2014). *See generally* Motion to Stay or Substitute, at 8-15.

4. The Motion to Stay or Substitute is noticed for hearing on May 5, 2016, a few weeks after the current deadline for answering.

5. Freddie Mac respectfully submits it would be more efficient and logical to defer Freddie Mac’s deadline to answer or otherwise respond to the complaint until after it is determined (a) whether this case will be stayed pending a decision on whether an MDL transferee court will hear the case; and (b) whether FHFA will be substituted for the current Plaintiff. Judicial economy will be served by resolving these issues before Freddie Mac is required to respond to the Complaint, particularly where there is a motion to stay pending, and the purpose of Freddie Mac’s motion to transfer, which is pending before the JPML, is premised upon efficient consolidation of related actions in a single forum. Moreover, Plaintiff will suffer no prejudice if the Court grants the short extension requested here. Because the Complaint focuses on conduct related to the Third Amendment to the funding agreement between the Department of Treasury and FHFA, executed in August 2012, there is no urgency to the relief Plaintiff seeks.

6. Plaintiff opposes this request.

Freddie Mac further asks that the Court resolve this matter on an expedited briefing schedule without oral argument, in order to provide relief before the current April 8, 2016 deadline to respond to the Complaint.

Dated: March 30, 2016

Respectfully submitted,

/s/ Taylor T. Lankford

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**Local Rule 7(E) Certificate**

I affirm that in a good-faith effort to narrow the area of disagreement, counsel for Freddie Mac and FHFA spoke with Plaintiff's counsel regarding the relief sought in this Motion, but Plaintiff's counsel declined consent.

Respectfully submitted,

/s/ Taylor T. Lankford

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*Attorney for Defendant Federal Home Loan Mortgage Corporation*

**CERTIFICATE OF SERVICE**

The undersigned certifies that, on March 30, 2016, a true and correct copy of the foregoing was filed electronically using the Court's CM/ECF system, causing a true and correct copy to be served on all counsel of record.

*/s/ Taylor T. Lankford*

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**[PROPOSED] ORDER**

This matter comes before the Court on the motion by Defendant Federal Home Loan Mortgage Corporation (“Freddie Mac”) to extend the time to answer or otherwise plead. The Court, upon consideration of the motion, any opposition thereto, and the entire record in this proceeding, hereby

**ORDERS** that Freddie Mac’s motion is **GRANTED**. Freddie Mac’s deadline to answer or otherwise plead in response to the Complaint is extended until 7 days after the Court rules on the pending Motion to Stay the Case Pending a Decision on Transfer to MDL Proceeding or, in the Alternative, to Substitute the Federal Housing Finance Agency as Plaintiff (filed March 30, 2016) [Dkt. #10].

**IT IS SO ORDERED.**

\_\_\_\_\_, 2016  
Alexandria, Virginia

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James C. Cacheris  
UNITED STATES DISTRICT JUDGE