

1 QUINN EMANUEL URQUHART &
SULLIVAN, LLP
2 Faith E. Gay (*pro hac vice*)
Robert C. Juman (*pro hac vice*)
3 51 Madison Avenue, 22nd Floor
New York, New York 10010
4 Telephone: (212) 849-7000
Facsimile: (212) 849-7100
5 E-mail: faithgay@quinnemanuel.com

COVINGTON & BURLING LLP
David B. Bayless (SBN 189235)
Tammy Albarrán (SBN 215605)
One Front Street
San Francisco, CA 94111-5356
Telephone: (415) 591-6000
Facsimile: (415) 591-6091
Attorneys for Kimon P. Daifotis

6 Richard A. Schirtzer (CA Bar No. 150165)
865 Figueroa St., 10th Floor
7 Los Angeles, California 90017
Telephone: (213) 443-3000
8 Facsimile: (213) 443-3100

9 Karin Kramer (CA Bar No. 87346)
Patrick Doolittle (CA Bar No. 203659)
10 50 California Street, 22nd Floor
San Francisco, California 94111
11 Telephone: (415) 875-6600
12 Facsimile: (415) 875-6700

Attorneys for The Charles Schwab Corporation,
13 Charles Schwab & Co., Inc., Charles Schwab
Investment Management, Inc., Schwab Investments,
14 Charles R. Schwab, Randall W. Merk, Evelyn
Dilsaver, George Pereira, Matthew Hastings, Mariann
15 Byerwalter, Donald F. Doward, William A. Hasler,
Robert G. Holmes, Gerald B. Smith, Donald R.
16 Stephens, and Michael W. Wilsey

17 UNITED STATES DISTRICT COURT

18 NORTHERN DISTRICT OF CALIFORNIA

19 SAN FRANCISCO DIVISION

20 IN RE CHARLES SCHWAB CORP.
SECURITIES LITIGATION

Master File No. C-08-01510-WHA

21 CLASS ACTION

22 JOINT NOTICE OF SIGNED
MEMORANDUM OF
23 UNDERSTANDING TO AMEND
24 SETTLEMENT AND RESOLVE
OUTSTANDING ISSUE RE: SCOPE
25 OF RELEASE

26 This Document Relates to All Cases

Judge: Hon. William H. Alsup

1 Lead Plaintiffs (the Yield Plus Investor Group), the Schwab Defendants¹, and Defendant
2 Kim Daifotis hereby notify the Court that they have signed a Memorandum Of Understanding
3 ("MOU")(Exh. A) resolving the disputed issues regarding the scope of the release and dismissal
4 with prejudice of all claims related to the Federal Stipulation of Settlement ("Federal Stipulation,"
5 Dkt.) in this litigation. Briefly, as reflected by the MOU, the parties have agreed to clarify the
6 scope of the release including that plaintiffs will release and dismiss all claims of all class
7 members under California Business & Professions Code § 17200 for the class period, including
8 those belonging to non-California residents. With the Court's approval, the parties will send a
9 supplemental notice to members of the Federal Classes who (1) held Yield Plus shares on
10 September 1, 2006; (2) reside outside of California; and (3) are not part of the California class.

11 The parties are working to prepare the final settlement documents so that they may be
12 presented to the Court as early as possible tomorrow. The parties intend to add an Amendment 4
13 to the Federal Stipulation clarifying the scope of the release and reflecting the terms in the MOU
14 and other agreements previously agreed to relating to the intermediary accounts. If the Court
15 approves the parties' request to add Amendment 4, the case will be settled, pending final approval.

16
17
18
19
20
21
22
23
24
25

Dated: November 17, 2010

FAITH E. GAY
QUINN EMANUEL URQUHART &
SULLIVAN, LLP

By: /s/ Faith E. Gay
Faith E. Gay

Attorneys for Defendants

¹ The Schwab Defendants include: The Charles Schwab Corporation, Charles Schwab & Co., Inc., Charles Schwab Investment Management, Inc., Schwab investments, Charles R. Schwab, Randall W. Merk, Evelyn Dilsaver, George Pereira, Matthew Hastings, Mariann Byerwalter, Donald F. Doward, William A. Hasler, Robert G. Holmes, Gerald B. Smith, Donald R. Stephens, and Michael W. Wilsey.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ATTESTATION

I, Patrick Doolittle, am the ECF user whose ID and password were used to file Joint Notice of Signed Memorandum of Understanding to Amend Settlement and Resolve Outstanding Issue re: Scope of Release. I hereby attest that concurrence in the filing of the Joint Notice of Signed Memorandum of Understanding to Amend Settlement and Resolve Outstanding Issue re: Scope of Release was obtained from the signatory.

Dated: November 17, 2010

By: /s/ Patrick Doolittle
Patrick Doolittle