

**UNITED STATES OF AMERICA
OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT**

Notice Number 2006-1

_____)
In The Matter Of:)

FRANKLIN D. RAINES)

J. TIMOTHY HOWARD)

LEANNE G. SPENCER)
_____)

**J. TIMOTHY HOWARD'S
ANSWER TO OFHEO'S NOTICE OF CHARGES**

J. Timothy Howard hereby answers the Notice of Charges filed against him by the Office of Federal Housing Enterprise Oversight ("OFHEO") in the above-captioned matter. Pursuant to 12 C.F.R. § 1780.21(b), Mr. Howard responds below to each paragraph of the Notice of Charges. Any allegation of fact not expressly admitted is hereby denied. Moreover, to the extent Mr. Howard denies an allegation, he may do so not only because the allegation is false and untrue, but also because it suggests personal knowledge by Mr. Howard when in fact there was none.

PRELIMINARY STATEMENT

As set forth specifically below, Mr. Howard denies that, as the former Chief Financial Officer of Fannie Mae, he engaged in any misconduct or violated any statute, rule or order cited in the Notice of Charges. Far from constituting unsafe and unsound conduct, the decisions, practices, and policies challenged in the Notice of Charges were prudent, reasonable, and undertaken in good faith. They were reviewed and approved not only by the company's internal auditors and accountants, but also by the company's outside auditor, KPMG. They also were

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reviewed and approved by OFHEO itself in the course of its annual examination process. Indeed, year after year OFHEO reported to Congress that Fannie Mae was managed in a fashion that “exceeded” its expectations. The Notice of Charges, and the Special Examination that preceded it, are nothing more than an attempt by OFHEO to rewrite its own conclusions to meet political ends it now finds expedient.

RESPONSES TO NUMBERED PARAGRAPHS

1. The allegations in Paragraph 1 assert legal conclusions to which no response is required. To the extent that a response is required, Mr. Howard denies the allegations.

2. The allegations in the first sentence of Paragraph 2 assert legal conclusions to which no response is required. To the extent that a response is required, Mr. Howard denies the allegations. Mr. Howard denies the allegations in the remaining sentences of Paragraph 2.

3. Mr. Howard denies the allegations in Paragraph 3.

4. The allegations in Paragraph 4 assert legal conclusions to which no response is required. To the extent that a response is required, Mr. Howard denies the allegations.

5. Mr. Howard denies the allegations in Paragraph 5, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that Mr. Raines was a Director at certain times. To the extent that Paragraph 5 characterizes Mr. Raines as an “executive officer,” it asserts a legal conclusion to which no response is required. To the extent that a response is required, Mr. Howard denies the allegation.

6. Mr. Howard denies the allegations in Paragraph 6, except to aver that he was a Director at certain times. To the extent that Paragraph 6 characterizes Mr. Howard as an

“executive officer,” it asserts a legal conclusion to which no response is required. To the extent that a response is required, Mr. Howard denies the allegation.

7. Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 7 and, for that reason, denies the allegations except to aver that Ms. Spencer was Controller of the Enterprise at certain times. To the extent that Paragraph 7 characterizes Ms. Spencer as an “executive officer,” it asserts a legal conclusion to which no response is required.

8. The allegations in Paragraph 8 assert legal conclusions to which no response is required. To the extent that a response is required, Mr. Howard denies the allegations.

9. Mr. Howard denies the allegations in Paragraph 9, except to aver that any reports, restatements, and financial statements speak for themselves and are the best evidence of their contents.

10. Mr. Howard denies the allegations in Paragraph 10, except to aver that Fannie Mae and OFHEO agreed to a consent order. The consent order speaks for itself and is the best evidence of its contents.

11. Mr. Howard denies the allegations in Paragraph 11.

12. Mr. Howard denies the allegations in Paragraph 12, except to aver that Mr. Howard received compensation, including but not limited to salary, Annual Incentive Plan (“AIP”) awards, Performance Share Plan (“PSP”) awards, and stock options and to admit that certain compensation was tied to Core Business Earnings Per Share.

13. Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 13 and, for that reason, denies them, except to aver that stock option grants were a component of compensation, that the Enterprise exceeded earnings

targets in 2003, and that any announcements, restatements, or option grants speak for themselves and are the best evidence of their contents.

14. Mr. Howard denies the allegations in Paragraph 14, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that Mr. Raines was Chairman and CEO at certain times.

15. Mr. Howard denies the allegations in Paragraph 15, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

16. Mr. Howard denies the allegations in Paragraph 16, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that Mr. Raines was Chairman of the Board at certain times.

17. Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 17 and, for that reason, denies them.

18. Mr. Howard denies the allegations in Paragraph 18, except to aver that for a period of time Mr. Howard was Chief Financial Officer (“CFO”) and for a period of time reported to Mr. Raines.

19. Mr. Howard denies the allegations in Paragraph 19, except to aver that at certain times Mr. Howard served on management teams and committees and was a member of the Office of the Chairman.

20. Mr. Howard denies the allegations in Paragraph 20, except to aver that Mr. Howard was compensated by Fannie Mae in a form and amount approved by compensation consultants, the Board of Directors, and even OFHEO itself, and in a form and amount reported to Congress and made public.

21. Mr. Howard denies the allegations in Paragraph 21, except to aver that Ms. Spencer served as Fannie Mae's Senior Vice President and Controller at certain times.

22. Mr. Howard denies the allegations in Paragraph 22, except to aver that Ms. Spencer attended meetings and made presentations.

23. Paragraph 23 does not contain any allegation of fact for which a response is required. To the extent that a response is required, Mr. Howard denies the allegation.

24. Mr. Howard denies the allegations in Paragraph 24.

25. Mr. Howard denies the allegations in Paragraph 25.

26. Mr. Howard denies the allegations in Paragraph 26, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to certain of the allegations, except to aver that any estimates, drafts, or memoranda speak for themselves and are the best evidence of their contents.

27. Mr. Howard denies the allegations in Paragraph 27, except to aver that Mr. Howard's performance review speaks for itself and is the best evidence of its contents.

28. Mr. Howard denies the allegations in Paragraph 28.

29. Mr. Howard denies the allegations in Paragraph 29.

30. Mr. Howard denies the allegations in Paragraph 30.

31. Mr. Howard denies the allegations in Paragraph 31, except to aver that any releases and reports speak for themselves and are the best evidence of their contents.

32. Mr. Howard denies the allegations in Paragraph 32, except to aver that any memos speak for themselves and are the best evidence of their contents.

33. Mr. Howard denies the allegations in Paragraph 33.

34. Mr. Howard denies the allegations in Paragraph 34, except to aver that any documents speak for themselves and are the best evidence of their content.

35. Mr. Howard denies the allegations in Paragraph 35, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

36. Mr. Howard denies the allegations in Paragraph 36.

37. Mr. Howard denies the allegations in Paragraph 37.

38. Mr. Howard denies the allegations in Paragraph 38.

39. Mr. Howard denies the allegations in Paragraph 39.

40. Mr. Howard denies the allegations in Paragraph 40.

41. Mr. Howard denies the allegations in Paragraph 41.

42. Mr. Howard denies the allegations in Paragraph 42.

43. Mr. Howard denies the allegations in Paragraph 43.

44. Mr. Howard denies the allegations in Paragraph 44, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to certain of the allegations.

45. Mr. Howard denies the allegations in Paragraph 45.

46. Mr. Howard denies the allegations in Paragraph 46.

47. Mr. Howard denies the allegations in Paragraph 47, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to certain of the allegations.

48. Mr. Howard denies the allegations in Paragraph 48, except to aver that Core Business Earnings Per Share did not include FAS 133 accounting.

49. Mr. Howard denies the allegations, except to aver that the SEC's Office of the Chief Accountant announced that Fannie Mae's accounting under FAS 133 was not GAAP compliant but without specifying why or how and to aver that Mr. Howard's self-assessment speaks for itself and is the best evidence of its contents.

50. Mr. Howard denies the allegations in Paragraph 50.

51. Mr. Howard denies the allegations in Paragraph 51.

52. Mr. Howard denies the allegations in Paragraph 52.

53. Mr. Howard denies the allegations in Paragraph 53.

54. Mr. Howard denies the allegations in Paragraph 54.

55. Mr. Howard denies the allegations in Paragraph 55.

56. The allegations in Paragraph 56 assert legal conclusions for which no response is required. To the extent a response is required, Mr. Howard denies the allegations.

57. Paragraph 57 states a legal conclusion to which no response is required. To the extent that a response is required, the allegations are denied.

58. The Enterprise's 1998 annual report speaks for itself and is the best evidence of its contents. To the extent a response is required, Mr. Howard denies the allegations.

59. The Enterprise's 1999 annual report speaks for itself and is the best evidence of its contents. To the extent a response is required, Mr. Howard denies the allegations.

60. The Enterprise's 2000 annual report speaks for itself and is the best evidence of its contents. To the extent a response is required, Mr. Howard denies the allegations.

61. The Enterprise's 2001 annual report speaks for itself and is the best evidence of its contents. To the extent a response is required, Mr. Howard denies the allegations.

62. The Enterprise's 2002 annual report speaks for itself and is the best evidence of its contents. To the extent a response is required, Mr. Howard denies the allegations.

63. The Enterprise's 2003 annual report speaks for itself and is the best evidence of its contents. To the extent a response is required, Mr. Howard denies the allegations.

64. The cited materials and regulations speak for themselves and are the best evidence of their contents. To the extent a response is required, Mr. Howard denies the allegations.

65. The cited regulations speak for themselves and are the best evidence of their contents. To the extent a response is required, Mr. Howard denies the allegations.

66. Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 66 and, for that reason, denies them.

67. Any minimum capital reports speak for themselves and are the best evidence of their contents. To the extent a response is required, Mr. Howard denies the allegations.

68. Mr. Howard denies the allegations in Paragraph 68.

69. Mr. Howard denies the allegations in Paragraph 69, except to aver that any quarterly minimum capital reports speak for themselves and are the best evidence of their contents.

70. Mr. Howard denies the allegations in Paragraph 70, except to aver that any restatement speaks for itself and is the best evidence of its contents and that Mr. Howard lacks knowledge or information sufficient to form a belief as to the cost of the restatement.

71. Mr. Howard denies the allegations in Paragraph 71.

72. Mr. Howard denies the allegations in Paragraph 72.

73. Mr. Howard denies the allegations in Paragraph 73.

74. Mr. Howard denies the allegations in Paragraph 74.

75. Mr. Howard denies the allegations in Paragraph 75.

76. Mr. Howard denies the allegations in Paragraph 76, including because Mr.

Howard lacks knowledge or information sufficient to form a belief as to certain of the allegations.

77. Mr. Howard denies the allegations in Paragraph 77.

78. Mr. Howard denies the allegations in Paragraph 78.

79. Mr. Howard denies the allegations in Paragraph 79.

80. Mr. Howard denies the allegations in Paragraph 80.

81. Mr. Howard denies the allegations in Paragraph 81, except to admit that Mr.

Howard reported to Mr. Raines at certain times.

82. Mr. Howard denies the allegations in Paragraph 82.

83. Mr. Howard denies the allegations in Paragraph 83.

84. Mr. Howard denies the allegations in Paragraph 84.

85. Mr. Howard denies the allegations in Paragraph 85.

86. Mr. Howard denies the allegations in Paragraph 86.

87. Mr. Howard denies the allegations in Paragraph 87.

88. Mr. Howard denies the allegations in Paragraph 88, including because Mr.

Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

89. Mr. Howard denies the allegations in Paragraph 89, including because Mr.

Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

90. Mr. Howard denies the allegations in Paragraph 90, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

91. Mr. Howard denies the allegations in Paragraph 91, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

92. Mr. Howard denies the allegations in Paragraph 92.

93. Mr. Howard denies the allegations in Paragraph 93.

94. Mr. Howard denies the allegations in Paragraph 94, except to aver that Mr. Howard was not a CPA and that it was not necessary for him to be one.

95. Mr. Howard denies the allegations in Paragraph 95, except to aver that Mr. Howard was not a CPA and relied on internal and external accounting and auditing professionals in connection with accounting policies.

96. Mr. Howard denies the allegations in Paragraph 96.

97. Mr. Howard denies the allegations in Paragraph 97.

98. Mr. Howard denies the allegations in Paragraph 98.

99. Mr. Howard denies the allegations in Paragraph 99, except to aver that any memoranda speak for themselves and are the best evidence of their contents.

100. Mr. Howard denies the allegations in Paragraph 100, except to aver that the PDA Policy speaks for itself and is the best evidence of its contents.

101. Mr. Howard denies the allegations in Paragraph 101, except to aver that there was complexity in implementing FAS 149.

102. Mr. Howard denies the allegations in Paragraph 102, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that any memoranda speak for themselves and are the best evidence of their contents.

103. Mr. Howard denies the allegations in Paragraph 103, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that any documents speak for themselves and are the best evidence of their contents and that the Controller's Office worked diligently.

104. Mr. Howard denies the allegations in Paragraph 104, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

105. Mr. Howard denies the allegations in Paragraph 105, except to aver that any performance evaluations speak for themselves and are the best evidence of their contents.

106. Mr. Howard denies the allegations in Paragraph 106, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

107. Mr. Howard denies the allegations, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that the Controller's Office worked diligently.

108. Mr. Howard denies the allegations in Paragraph 108, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

109. Mr. Howard denies the allegations in Paragraph 109, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

110. Mr. Howard denies the allegations in Paragraph 110, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

111. Mr. Howard denies the allegations in Paragraph 111, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

112. Mr. Howard denies the allegations in Paragraph 112, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that any memoranda speak for themselves and are the best evidence of their contents.

113. Mr. Howard denies the allegations in Paragraph 113, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

114. Mr. Howard denies the allegations in Paragraph 114, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

115. Mr. Howard denies the allegations in Paragraph 115, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

116. Mr. Howard denies the allegations in Paragraph 116, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

117. Mr. Howard denies the allegations in Paragraph 117, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that any reports or manuals speak for themselves and are the best evidence of their content.

118. Mr. Howard denies the allegations in Paragraph 118, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that any manuals speak for themselves and are the best evidence of their contents.

119. Mr. Howard denies the allegations in Paragraph 119, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that any documents speak for themselves and are the best evidence of their contents.

120. Mr. Howard denies the allegations in Paragraph 120, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that any documents speak for themselves and are the best evidence of their contents.

121. Mr. Howard denies the allegations in Paragraph 121, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

122. Mr. Howard denies the allegations in Paragraph 122.

123. Mr. Howard denies the allegations in Paragraph 123.

124. Mr. Howard denies the allegations in Paragraph 124, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that any Audit Reports speak for themselves and are the best evidence of their contents.

125. Mr. Howard denies the allegations in Paragraph 125, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that any certifications or Audit Reports speak for themselves and are the best evidence of their contents.

126. Any audit report speaks for itself and is the best evidence of its contents. To the extent a response is required, Mr. Howard denies the allegations.

127. Mr. Howard denies the allegations in Paragraph 127, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

128. Mr. Howard denies the allegations in Paragraph 128, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that Mr. Barnes's allegations are well-documented and speak for themselves.

129. Mr. Howard denies the allegations in Paragraph 129, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that any documents speak for themselves and are the best evidence of their contents.

130. Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 130 and, for that reason, denies them.

131. Mr. Howard denies the allegations in Paragraph 131, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that Mr. Rajappa communicated directly with the Audit Committee.

132. Mr. Howard denies the allegations in Paragraph 132, except to aver that any certifications speak for themselves and are the best evidence of their contents.

133. Mr. Howard denies the allegations in Paragraph 133.

134. Mr. Howard denies the allegations in Paragraph 134.

135. Mr. Howard denies the allegations in Paragraph 135, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

136. Mr. Howard denies the allegations in Paragraph 136, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that PDAMS performed limited functions.

137. Mr. Juliane's remarks speak for themselves and are the best evidence of their content. To the extent that a response is required, Mr. Howard denies the allegations.

138. Mr. Howard denies the allegations in Paragraph 138, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

139. Mr. Howard denies the allegations in Paragraph 139, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

140. Mr. Howard denies the allegations in Paragraph 140, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

141. Mr. Howard denies the allegations in Paragraph 141, except to aver that audit differences were communicated to members of the Board of Directors at certain times.

142. Mr. Howard denies the allegations in Paragraph 142.

143. Mr. Howard denies the allegations in Paragraph 143, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

144. Mr. Howard denies the allegations in Paragraph 144, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

145. Mr. Howard denies the allegations in Paragraph 145, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

146. Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 146 and, for that reason, denies them.

147. Mr. Howard denies the allegations in Paragraph 147, except to aver that any audit reports speak for themselves and are the best evidence of their contents.

148. Mr. Howard denies the allegations in Paragraph 148, except to aver that any audit reports speak for themselves and are the best evidence of their contents.

149. Mr. Howard denies the allegations in Paragraph 149, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations, except to aver that any audit reports speak for themselves and are the best evidence of their contents.

150. Mr. Howard denies the allegations in Paragraph 150, including because Mr. Howard lacks knowledge or information sufficient to form a belief as to the truth of certain of the allegations.

151. Mr. Howard denies the allegations in Paragraph 151, including because Paragraph 151 includes allegations to which Mr. Howard lacks sufficient knowledge and information.

152. Mr. Howard denies the allegations in Paragraph 152, including because Paragraph 152 includes allegations to which Mr. Howard lacks sufficient knowledge or information.

153. Mr. Howard denies the allegations in Paragraph 153

154. Mr. Howard denies the allegations in Paragraph 154, including because Paragraph 154 includes allegations to which Mr. Howard lacks sufficient knowledge or information.

155. Mr. Howard denies the allegations in Paragraph 155, including because Paragraph 155 includes allegations to which Mr. Howard lacks sufficient knowledge or information.

156. Mr. Howard denies the allegations in Paragraph 156, including because Paragraph 156 includes allegations to which Mr. Howard lacks sufficient knowledge or information.

157. Mr. Howard denies the allegations in Paragraph 157, including because Paragraph 157 includes allegations to which Mr. Howard lacks sufficient knowledge or information.

158. Mr. Howard denies the allegations in Paragraph 158.

159. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

160. Mr. Howard denies the allegations in Paragraph 160.

161. Mr. Howard denies the allegations in Paragraph 161.

162. Mr. Howard denies the allegations in Paragraph 162.

163. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

164. Mr. Howard denies the allegations in Paragraph 164.

165. Mr. Howard denies the allegations in Paragraph 165.

166. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

167. Mr. Howard denies the allegations in Paragraph 167.

168. Mr. Howard denies the allegations in Paragraph 168.

169. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

170. Mr. Howard denies the allegations in Paragraph 170.

171. Mr. Howard denies the allegations in Paragraph 171.

172. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

173. Mr. Howard denies the allegations in Paragraph 173.

174. Mr. Howard denies the allegations in Paragraph 174.

175. Mr. Howard denies the allegations in Paragraph 175.

176. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

177. Mr. Howard denies the allegations in Paragraph 177.

178. Mr. Howard denies the allegations in Paragraph 178.

179. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

180. Mr. Howard denies the allegations in Paragraph 180.

181. Mr. Howard denies the allegations in Paragraph 181.

182. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

183. Mr. Howard denies the allegations in Paragraph 183.

184. Mr. Howard denies the allegations in Paragraph 184.

185. Mr. Howard denies the allegations in Paragraph 185.

186. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

187. Mr. Howard denies the allegations in Paragraph 187.

188. Mr. Howard denies the allegations in Paragraph 188.

189. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

190. Mr. Howard denies the allegations in Paragraph 190.

191. Mr. Howard denies the allegations in Paragraph 191.

192. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

193. Mr. Howard denies the allegations in Paragraph 193.

194. Mr. Howard denies the allegations in Paragraph 194.

195. Mr. Howard denies the allegations in Paragraph 195.

196. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

197. Mr. Howard denies the allegations in Paragraph 197.

198. Mr. Howard denies the allegations in Paragraph 198.

199. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

200. Mr. Howard denies the allegations in Paragraph 200.

201. Mr. Howard denies the allegations in Paragraph 201.

202. Mr. Howard denies the allegations in Paragraph 202.

203. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

204. Mr. Howard denies the allegations in Paragraph 204.

205. Mr. Howard denies the allegations in Paragraph 205.

206. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

207. Mr. Howard denies the allegations in Paragraph 207.

208. Mr. Howard denies the allegations in Paragraph 208.

209. Mr. Howard denies the allegations in Paragraph 209.

210. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

211. Mr. Howard denies the allegations in Paragraph 211.

212. Mr. Howard denies the allegations in Paragraph 212.

213. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

214. Mr. Howard denies the allegations in Paragraph 214.

215. Mr. Howard denies the allegations in Paragraph 215.

216. Mr. Howard denies the allegations in Paragraph 216.

217. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

218. Mr. Howard denies the allegations in Paragraph 218.

219. Mr. Howard denies the allegations in Paragraph 219

220. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

221. Mr. Howard denies the allegations in Paragraph 221.

222. Mr. Howard denies the allegations in Paragraph 222.

223. Mr. Howard denies the allegations in Paragraph 223.

224. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

225. Mr. Howard denies the allegations in Paragraph 225.

226. Mr. Howard denies the allegations in Paragraph 226.

227. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

228. Mr. Howard denies the allegations in Paragraph 228.

229. Mr. Howard denies the allegations in Paragraph 229.

230. Mr. Howard denies the allegations in Paragraph 230.

231. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

232. Mr. Howard denies the allegations in Paragraph 232.

233. Mr. Howard denies the allegations in Paragraph 233.

234. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

235. Mr. Howard denies the allegations in Paragraph 235.

236. Mr. Howard denies the allegations in Paragraph 236.

237. Mr. Howard denies the allegations in Paragraph 237.

238. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

239. Mr. Howard denies the allegations in Paragraph 239.

240. Mr. Howard denies the allegations in Paragraph 240.

241. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

242. Mr. Howard denies the allegations in Paragraph 242.

243. Mr. Howard denies the allegations in Paragraph 243.

244. Mr. Howard denies the allegations in Paragraph 244.

245. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

246. Mr. Howard denies the allegations in Paragraph 246.

247. Mr. Howard denies the allegations in Paragraph 247.

248. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

249. Mr. Howard denies the allegations in Paragraph 249.

250. Mr. Howard denies the allegations in Paragraph 250.

251. Mr. Howard denies the allegations in Paragraph 251.

252. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

253. Mr. Howard denies the allegations in Paragraph 253.

254. Mr. Howard denies the allegations in Paragraph 254.

255. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

256. Mr. Howard denies the allegations in Paragraph 256.

257. Mr. Howard denies the allegations in Paragraph 257.

258. Mr. Howard denies the allegations in Paragraph 258.

259. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

260. Mr. Howard denies the allegations in Paragraph 260.

261. Mr. Howard denies the allegations in Paragraph 261.

262. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

263. Mr. Howard denies the allegations in Paragraph 263.

264. Mr. Howard denies the allegations in Paragraph 264.

265. Mr. Howard denies the allegations in Paragraph 265.

266. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

267. Mr. Howard denies the allegations in Paragraph 267.

268. Mr. Howard denies the allegations in Paragraph 268.

269. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

270. Mr. Howard denies the allegations in Paragraph 270.

271. Mr. Howard denies the allegations in Paragraph 271.

272. Mr. Howard denies the allegations in Paragraph 272.

273. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

274. Mr. Howard denies the allegations in Paragraph 274.

275. Mr. Howard denies the allegations in Paragraph 275.

276. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

277. Mr. Howard denies the allegations in Paragraph 277.

278. Mr. Howard denies the allegations in Paragraph 278.

279. Mr. Howard denies the allegations in Paragraph 279.

280. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

281. Mr. Howard denies the allegations in Paragraph 281.

282. Mr. Howard denies the allegations in Paragraph 282.

283. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

284. Mr. Howard denies the allegations in Paragraph 284.

285. Mr. Howard denies the allegations in Paragraph 285.

286. Mr. Howard denies the allegations in Paragraph 286.

287. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

288. Mr. Howard denies the allegations in Paragraph 288.

289. Mr. Howard denies the allegations in Paragraph 289.

290. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

291. Mr. Howard denies the allegations in Paragraph 291.

292. Mr. Howard denies the allegations in Paragraph 292.

293. Mr. Howard denies the allegations in Paragraph 293.

294. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

295. Mr. Howard denies the allegations in Paragraph 295, except to aver that the final sentence of the paragraph states a legal conclusion to which no response is required and to aver that any statutes and regulations speak for themselves and are the best evidence of their contents. To the extent a response is required, the allegations are denied.

296. Mr. Howard denies the allegations in Paragraph 296.

297. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

298. Mr. Howard denies the allegations in Paragraph 298, except to aver that the final sentence of the paragraph states a legal conclusion to which no response is required and to aver that any statutes and regulations speak for themselves and are the best evidence of their contents. To the extent a response is required, the allegations are denied.

299. Mr. Howard denies the allegations in Paragraph 299.

300. Mr. Howard denies the allegations in Paragraph 300.

301. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

302. Mr. Howard denies the allegations in Paragraph 302, except to aver that the final sentence of the paragraph states a legal conclusion to which no response is required and to aver that any statutes and regulations speak for themselves and are the best evidence of their contents. To the extent a response is required, the allegations are denied.

303. Mr. Howard denies the allegations in Paragraph 303.

304. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

305. Mr. Howard denies the allegations in Paragraph 305, except to aver that the final sentence of the paragraph states a legal conclusion to which no response is required and to aver that any statutes and regulations speak for themselves and are the best evidence of their contents. To the extent a response is required, the allegations are denied.

306. Mr. Howard denies the allegations in Paragraph 306.

307. Mr. Howard denies the allegations in Paragraph 307.

308. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

309. Mr. Howard denies the allegations in Paragraph 309, except to aver that the final sentence of the paragraph states a legal conclusion to which no response is required and to aver that any statutes and regulations speak for themselves and are the best evidence of their contents. To the extent a response is required, the allegations are denied.

310. Mr. Howard denies the allegations in Paragraph 310.

311. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

312. Mr. Howard denies the allegations in Paragraph 312, except to aver that the final sentence of the paragraph states a legal conclusion to which no response is required and to aver that any statutes and regulations speak for themselves and are the best evidence of their contents. To the extent a response is required, the allegations are denied.

313. Mr. Howard denies the allegations in Paragraph 313.

314. Mr. Howard denies the allegations in Paragraph 314.

315. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

316. Mr. Howard denies the allegations in Paragraph 316, except to aver that the final sentence of the paragraph states a legal conclusion to which no response is required and to aver that any statutes and regulations speak for themselves and are the best evidence of their contents. To the extent a response is required, the allegations are denied.

317. Mr. Howard denies the allegations in Paragraph 317.

318. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

319. Mr. Howard denies the allegations in Paragraph 319, except to aver that the final sentence of the paragraph states a legal conclusion to which no response is required and to aver that any statutes and regulations speak for themselves and are the best evidence of their contents. To the extent a response is required, the allegations are denied.

320. Mr. Howard denies the allegations in Paragraph 320.

321. Mr. Howard denies the allegations in Paragraph 321.

322. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

323. Mr. Howard denies the allegations in Paragraph 323, except to aver that the final sentence of the paragraph states a legal conclusion to which no response is required and to aver that any statutes and regulations speak for themselves and are the best evidence of their contents. To the extent a response is required, the allegations are denied.

324. Mr. Howard denies the allegations in Paragraph 324.

325. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

326. Mr. Howard denies the allegations in Paragraph 326.

327. Mr. Howard denies the allegations in Paragraph 327.

328. Mr. Howard denies the allegations in Paragraph 328.

329. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

330. Mr. Howard denies the allegations in Paragraph 330.

331. Mr. Howard denies the allegations in Paragraph 331.

332. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

333. Mr. Howard denies the allegations in Paragraph 333.

334. Mr. Howard denies the allegations in Paragraph 334.

335. Mr. Howard denies the allegations in Paragraph 335.

336. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

337. Mr. Howard denies the allegations in Paragraph 337.

338. Mr. Howard denies the allegations in Paragraph 338.

339. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

340. Mr. Howard denies the allegations in Paragraph 340.

341. Mr. Howard denies the allegations in Paragraph 341.

342. Mr. Howard denies the allegations in Paragraph 342.

343. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

344. Mr. Howard denies the allegations in Paragraph 344.

345. Mr. Howard denies the allegations in Paragraph 345.

346. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

347. Mr. Howard denies the allegations in Paragraph 347.

348. Mr. Howard denies the allegations in Paragraph 348.

349. Mr. Howard denies the allegations in Paragraph 349.

350. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

351. Mr. Howard denies the allegations in Paragraph 351.

352. Mr. Howard denies the allegations in Paragraph 352.

353. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

354. Mr. Howard denies the allegations in Paragraph 354.

355. Mr. Howard denies the allegations in Paragraph 355.

356. Mr. Howard denies the allegations in Paragraph 356.

357. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

358. Mr. Howard denies the allegations in Paragraph 358.

359. Mr. Howard denies the allegations in Paragraph 359.

360. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

361. Mr. Howard denies the allegations in Paragraph 361.

362. Mr. Howard denies the allegations in Paragraph 362.

363. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

364. Mr. Howard denies the allegations in Paragraph 364.

365. Mr. Howard denies the allegations in Paragraph 365.

366. Mr. Howard denies the allegations in Paragraph 366.

367. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

368. Mr. Howard denies the allegations in Paragraph 368.

369. Mr. Howard denies the allegations in Paragraph 369.

370. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

371. Mr. Howard denies the allegations in Paragraph 371.

372. Mr. Howard denies the allegations in Paragraph 372.

373. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

374. Mr. Howard denies the allegations in Paragraph 374.

375. Mr. Howard denies the allegations in Paragraph 375.

376. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

377. Mr. Howard denies the allegations in Paragraph 377.

378. Mr. Howard denies the allegations in Paragraph 378.

379. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

380. Mr. Howard denies the allegations in Paragraph 380.

381. Mr. Howard denies the allegations in Paragraph 381.

382. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

383. Mr. Howard denies the allegations in Paragraph 383.

384. Mr. Howard denies the allegations in Paragraph 384.

385. Mr. Howard denies the allegations in Paragraph 385.

386. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

387. Mr. Howard denies the allegations in Paragraph 387.

388. Mr. Howard denies the allegations in Paragraph 388.

389. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

390. Mr. Howard denies the allegations in Paragraph 390.

391. Mr. Howard denies the allegations in Paragraph 391.

392. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

393. Mr. Howard denies the allegations in Paragraph 393.

394. Mr. Howard denies the allegations in Paragraph 394.

395. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

396. Mr. Howard denies the allegations in Paragraph 396.

397. Mr. Howard denies the allegations in Paragraph 397.

398. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

399. Mr. Howard denies the allegations in Paragraph 399.

400. Mr. Howard denies the allegations in Paragraph 400.

401. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

402. Mr. Howard denies the allegations in Paragraph 402.

403. Mr. Howard denies the allegations in Paragraph 403.

404. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

405. Mr. Howard denies the allegations in Paragraph 405.

406. Mr. Howard denies the allegations in Paragraph 406.

407. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

408. Mr. Howard denies the allegations in Paragraph 408.

409. Mr. Howard denies the allegations in Paragraph 409.

410. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

411. Mr. Howard denies the allegations in Paragraph 411.

412. Mr. Howard denies the allegations in Paragraph 412.

413. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

414. Mr. Howard denies the allegations in Paragraph 414.

415. Mr. Howard denies the allegations in Paragraph 415.

416. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

417. Mr. Howard denies the allegations in Paragraph 417.

418. Mr. Howard denies the allegations in Paragraph 418.

419. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

420. Mr. Howard denies the allegations in Paragraph 420.

421. Mr. Howard denies the allegations in Paragraph 421.

422. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

423. Mr. Howard denies the allegations in Paragraph 423.

424. Mr. Howard denies the allegations in Paragraph 424.

425. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

426. Mr. Howard denies the allegations in Paragraph 426.

427. Mr. Howard denies the allegations in Paragraph 427.

428. Mr. Howard denies the allegations in Paragraph 428.

429. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

430. Mr. Howard denies the allegations in Paragraph 430.

431. Mr. Howard denies the allegations in Paragraph 431.

432. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

433. Mr. Howard denies the allegations in Paragraph 433.

434. Mr. Howard denies the allegations in Paragraph 434.

435. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

436. The allegations in Paragraph 436 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

437. The allegations in Paragraph 437 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

438. The allegations in Paragraph 438 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

439. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

440. The allegations in Paragraph 440 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

441. The allegations in Paragraph 441 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

442. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

443. The allegations in Paragraph 443 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

444. The allegations in Paragraph 444 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

445. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

446. Mr. Howard denies the allegations in Paragraph 446.

447. Mr. Howard denies the allegations in Paragraph 447.

448. Mr. Howard denies the allegations in Paragraph 448.

449. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

450. Mr. Howard denies the allegations in Paragraph 450.

451. Mr. Howard denies the allegations in Paragraph 451.

452. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

453. Mr. Howard denies the allegations in Paragraph 453.

454. Mr. Howard denies the allegations in Paragraph 454.

455. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

456. Mr. Howard denies the allegations in Paragraph 456.

457. Mr. Howard denies the allegations in Paragraph 457.

458. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

459. Mr. Howard denies the allegations in Paragraph 459.

460. Mr. Howard denies the allegations in Paragraph 460.

461. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

462. Mr. Howard denies the allegations in Paragraph 462.

463. Mr. Howard denies the allegations in Paragraph 463.

464. Mr. Howard denies the allegations in Paragraph 464.

465. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

466. Mr. Howard denies the allegations in Paragraph 466.

467. Mr. Howard denies the allegations in Paragraph 467.

468. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

469. Mr. Howard denies the allegations in Paragraph 469.

470. Mr. Howard denies the allegations in Paragraph 470.

471. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

472. The allegations in Paragraph 472 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

473. The allegations in Paragraph 473 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

474. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

475. The allegations in Paragraph 475 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

476. The allegations in Paragraph 476 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

477. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

478. The allegations in Paragraph 478 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

479. The allegations in Paragraph 479 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

480. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

481. Mr. Howard denies the allegations in Paragraph 481.

482. Mr. Howard denies the allegations in Paragraph 482.

483. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

484. The allegations in Paragraph 484 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

485. The allegations in Paragraph 485 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

486. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

487. The allegations in Paragraph 487 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

488. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

489. Mr. Howard denies the allegations in Paragraph 489.

490. Mr. Howard hereby incorporates by reference herein the responses set forth in Paragraphs 1 through 158 above.

491. The allegations in Paragraph 491 are not allegations against Mr. Howard for which a response is required. To the extent that a response is required, the allegations are denied.

492. Mr. Howard hereby incorporates by reference herein all the foregoing responses to this Notice of Charges as if expressly set forth herein.

493. Mr. Howard denies the allegations in Paragraph 493.

494. Mr. Howard denies the allegations in Paragraph 494.

495. Mr. Howard denies the allegations in Paragraph 495.

496. Mr. Howard denies the allegations in Paragraph 496.

497. Mr. Howard hereby incorporates by reference herein all the foregoing responses to this Notice of Charges as if expressly set forth herein.

498. Mr. Howard denies the allegations in Paragraph 498.

499. Mr. Howard denies the allegations in Paragraph 499.

500. Mr. Howard denies the allegations in Paragraph 500.

501. Mr. Howard hereby incorporates by reference herein all the foregoing responses to this Notice of Charges as if expressly set forth herein.

502. Mr. Howard denies the allegations in Paragraph 502.

503. Mr. Howard denies the allegations in Paragraph 503.

504. Mr. Howard denies the allegations in Paragraph 504.

505. Mr. Howard denies the allegations in Paragraph 505.

506. Paragraph 506 does not contain allegations of fact to which a response is required.

To the extent a response is required, Mr. Howard denies the allegations.

507. Paragraph 507 does not contain allegations of fact to which a response is required.

To the extent a response is required, Mr. Howard denies the allegations.

508. Paragraph 508 does not contain allegations of fact to which a response is required.

To the extent a response is required, Mr. Howard denies the allegations.

WHEREFORE, OFHEO is not entitled to any damages, penalties, or relief whatsoever from Mr. Howard.

AFFIRMATIVE DEFENSES

Without assuming any burden of proof that he would otherwise not bear, Mr. Howard also asserts the following defenses.

FIRST DEFENSE

The Notice of Charges fails to state a claim upon which the requested relief can be granted.

SECOND DEFENSE

The proper forum for this action is the United States District Court for the District of Columbia. In the alternative, this action should be arbitrated in accordance with Mr. Howard's employment agreement with Fannie Mae.

THIRD DEFENSE

The requested relief is not authorized by the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, 12 U.S.C. § 4501 and/or is not authorized to be sought by the Director of OFHEO.

FOURTH DEFENSE

The Enterprise has not sustained any legally cognizable loss caused or likely to be caused by Mr. Howard.

FIFTH DEFENSE

Mr. Howard's conduct was at all relevant times in good faith.

SIXTH DEFENSE

Mr. Howard reasonably relied upon the work, conclusions, opinions, information, representations and advice provided by professional advisors, including but not limited to

accountants, auditors and attorneys, and OFHEO itself, whom Mr. Howard reasonably believed were experts in their field, and on whose advice he was entitled to rely.

SEVENTH DEFENSE

Mr. Howard reasonably relied upon the work, conclusions, opinions, information, representations and advice provided by government agency reports, including OFHEO, whom Howard reasonably believed were experts in their field, and on whose advice he was entitled to rely.

EIGHTH DEFENSE

OFHEO, by its acts, conduct, and omissions, is estopped, in whole or in part, from asserting the claims or obtaining the requested relief against Mr. Howard.

NINTH DEFENSE

OFHEO, by its acts, conduct, and omissions, have waived, in whole or in part, their claims and their right to obtain the requested relief against Mr. Howard.

TENTH DEFENSE

Civil penalties, as well as OFHEO's other claims, are barred by statutes of limitation and related statutory and/or jurisdictional bars, the doctrine of laches and/or unreasonable delay.

ELEVENTH DEFENSE

Any injury or loss sustained by the Enterprise was caused by independent, intervening, or superseding events caused by persons other than Mr. Howard.

TWELFTH DEFENSE

The penalties sought by OFHEO are excessive and exceed those permitted under the applicable law.

THIRTEENTH DEFENSE

The Notice of Charges violates the Due Process Clause of the Fifth Amendment insofar as it asserts violations of rules, regulations, orders, or laws of which Mr. Howard did not have fair notice and of rules, regulations, orders, or laws which are unconstitutionally vague, ambiguous, and/or overbroad.

FOURTEENTH DEFENSE

The Notice of Charges violates the Due Process Clause of the United States Constitution insofar as it asserts violations of purported rules, standards, and laws that took effect after Mr. Howard is alleged to have engaged in the misconduct alleged.

FIFTEENTH DEFENSE

OFHEO and its Director have predetermined the outcome of this proceeding in violation of the United States Constitution, the Administrative Procedure Act, the Safety and Soundness Act, and regulations thereunder and have forfeited their right to proceed.

SIXTEENTH DEFENSE

The Notice of Charges violates the Due Process Clause of the United States Constitution insofar as the charges were brought by a biased decision maker for an improper purpose.

SEVENTEENTH DEFENSE

The Notice of Charges violates federal law because OFHEO failed to seek the review and approval of the Secretary of Housing and Urban Development prior to filing.

EIGHTEENTH DEFENSE

The Notice of Charge's requested relief is excessive in violation of the Excessive Fines Clause of the Eighth Amendment to the United States Constitution.

NINETEENTH DEFENSE

The Notice of Charges is barred by the business judgment rule.

TWENTIETH DEFENSE

The Notice of Charges is barred by the defense of entrapment by estoppel.

TWENTY-FIRST DEFENSE

The Notice of Charges is barred by the doctrine of acquiescence.

TWENTY-SECOND DEFENSE

The Notice of Charges is barred by the doctrine of contributory and/or comparative negligence.

TWENTY-THIRD DEFENSE

The Notice of Charges is barred because Mr. Howard discharged his duties as Chief Financial Officer of Fannie Mae in good faith and in full compliance with the duties of loyalty and due care required of an executive under applicable law.

TWENTY-FOURTH DEFENSE

The Notice of Charges is barred by the doctrine of *in pari delicto*.

TWENTY-FIFTH DEFENSE

The Notice of Charges is barred by the doctrine of unclean hands.

TWENTY-SIXTH DEFENSE

The Notice of Charges is barred due to OFHEO's failure to join indispensable parties.

TWENTY-SEVENTH DEFENSE

Any liability is subject to indemnification.

TWENTY-EIGHTH DEFENSE

OFHEO lacks jurisdiction or authority over Fannie Mae's financial statements and/or reports to the extent they fall within the oversight over the Securities and Exchange Commission or are governed by the Securities and Exchange Acts.

TWENTY-NINTH DEFENSE

OFHEO has forfeited the right to proceed by violating the law in connection with its purported special examination of Fannie Mae and Notice of Charges, including by revealing to the public certain reports.

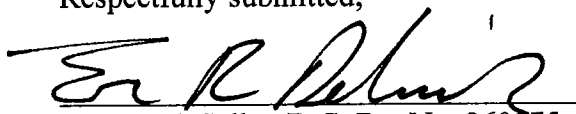
THIRTIETH DEFENSE

Mr. Howard incorporates by reference any and all other defenses asserted by any other Respondent.

THIRTY-FIRST DEFENSE

Mr. Howard specifically reserves the right to incorporate any and all defenses raised by any other Respondent and any additional defenses that become apparent during the course of this case.

Respectfully submitted,



Steven M. Salky, D.C. Bar No. 360175
Eric R. Delinsky, D.C. Bar. No. 460958
ZUCKERMAN SPAEDER LLP
1800 M Street, N.W.
Washington, D.C. 20036
(202) 778-1800

Attorneys for J. Timothy Howard

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 8th day of January, 2006 I caused to be served by hand delivery copies of J. Timothy Howard's Answer to OFHEO's Notice of Charges on:

Office of the Director
Office of Federal Housing Enterprise Oversight
1700 G Street N.W.
Washington, D.C. 20552
(original and one copy)

Office of the General Counsel
Office of Federal Housing Enterprise Oversight
1700 G Street N.W.
Washington, D.C. 20552

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