



2. A hearing (the "Settlement Fairness Hearing") pursuant to the Texas Rules of Civil Procedure is hereby scheduled to be held before the Court on November 12, 2009, at 1:30 p.m. for the following purposes:

a. to determine whether the proposed Settlement is fair, reasonable, and adequate, and whether it should be approved by the Court;

b. to determine whether the Order and Final Judgment as provided under the Stipulation should be entered, dismissing this Litigation on the merits and with prejudice;

c. to consider whether to award \$15,000 in fees to the Class Representative;

d. to consider Class Counsel's application for an award of attorneys' fees and expenses ("Class Counsel" being MacIntyre & McCulloch, LLP and Thompson & Knight LLP); and

e. to rule upon such other matters as the Court may deem appropriate.

3. The Court reserves the right to approve the Settlement with or without modification and with or without further notice of any kind. The Court further reserves the right to enter its Order and Final Judgment approving the settlement and dismissing all claims in the Litigation on the merits and with prejudice regardless of whether it has approved the allocation of the Class's share of the settlement proceeds or awarded attorneys' fees and expenses. The Court may also continue or adjourn the Settlement Fairness Hearing or modify any of the dates herein without further notice to members of the Class.

4. The Court approves the form and substance of the amended Notice of Class Action Settlement (the "Notice") that is Exhibit "A" to Third Party Plaintiff Timothy J. Blair's Verified Motion for Entry of an Amended, Preliminary Approval Order Concerning a Class

Action Settlement and for Approval of Notice and the Scheduling of a Final Settlement Fairness Hearing.

5. The Court approves the appointment of Compton & Wendler, P.C., Two Houston Center, 909 Fannin, Suite 3150, Houston, Texas 77010, as the Claims Administrator. The Claims Administrator shall cause the Notice and the Proof of Claim to be mailed, by first class mail, postage prepaid, on or before October 15, 2009, to all Class Members identified in the records of Prudential Financial, Inc. Class Counsel may pay the Claims Administrator the reasonable fees and out of pocket costs associated with giving notice to the Class and the review of claims and administration of the Settlement out of the Class's portion of the Settlement proceeds, including paying taxes, without further order of the Court.

6. The form and content of the Notice, and the method set forth herein of notifying the Class of the Settlement and its terms and conditions, meet the requirements of the Texas Rules of Civil Procedure, and due process, constitute the best notice practicable under the circumstances, and shall constitute due notice to all persons and entities entitled thereto.

7. The Court will consider Class member objections to the Settlement, the allocation of the Class's share of the Settlement proceeds, the award of attorneys' fees and reimbursement of expenses, or the award of fees to the Class Representative, only if such objections with supporting papers are filed in writing with:

Mr. Loren Jackson  
Harris County District Clerk  
201 Caroline, Suite 420  
Houston, Texas 77002

And copies of all such papers are delivered or sent by first class mail, on or before November 5, 2009, seven (7) calendar days prior to the date set forth herein for the Settlement Fairness Hearing, upon each of the following:

***On behalf of the Class Representative:***

Robert S. MacIntyre, Jr.  
MACINTYRE & MCCULLOCH, LLP  
3900 Essex Lane, Suite 220  
Houston, Texas 77027

David A. Furlow  
Matthew R. Reed  
THOMPSON & KNIGHT LLP  
333 Clay Street, Suite 3300  
Houston, Texas 77002

***On behalf of First City Financial Corporation***

Odean L. Volker  
HAYNES AND BOONE, L. L. P.  
1221 McKinney, Suite 2100  
Houston, Texas 77010

***On behalf of FCLT Loans Asset Corporation***

G. Michael Curran  
CURRAN TOMOKO TARSKI, LLP  
1700 Pacific Avenue, Suite 4545  
Dallas, Texas 75201

***On behalf of JP Morgan Chase Bank***

John L. Hopwood  
Charlie Baumann  
Gina D. Patterson  
LOCKE LORD BISSELL & LIDDELL LLP  
600 Travis Street, Suite 3400  
Houston, Texas 77002

8. Attendance at the hearing is not necessary; however, persons wishing to be heard orally in opposition to the approval of the Settlement, the allocation of the Class's portion of the Settlement, the fees to be awarded to the Class Representative, and/or the fees and expenses to be awarded Class Counsel are required to indicate in their written objection their intention to appear at the hearing. Persons who intend to object to the Settlement and desire to present evidence at

the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

9. Any Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection, unless otherwise ordered by the Court, but shall otherwise be bound by the judgment to be entered and the releases to be given.

10. Pending final determination of whether the Settlement should be approved, the Class Representative, all Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action which asserts settled claims against any released party.

11. All papers in support of the Settlement shall be filed with the Court and served upon all counsel of record by overnight mail or hand delivery no later than November 5, 2009, seven (7) calendar days prior to the date set herein for the Settlement Fairness Hearing.

12. No person who is not a Class Member, Claims Administrator, Class Representative or Class Counsel shall have any right to any portion of, or to any distribution of, the Class's portion of the Settlement proceeds unless otherwise ordered by the Court or otherwise provided in the Stipulation.

13. The Court authorizes \$10,000 for the Claims Administrator's placement of up to two suitable Class Action Fairness Hearing advertisements, one in the *Houston Chronicle* within ten (10) days of the date of this order, and one in another periodical with widespread readership in the Texas cities formerly served by First City Bancorporation within the exercise of the

Claims Administrator's and Class Counsel's discretion, to assist in making Class Members aware of the November 12, 2009 Fairness Hearing and to provide them with a reasonable opportunity to file appropriate objections a reasonable time before that November 12, 2009 Final Approval Hearing occurred. This Court orders and decrees that the reasonable cost of that advertising shall be reimbursed to the Claims Administrator and/or Class Counsel out of the Class's net share of the Demutualization Proceeds in an amount up to \$45,000. The Court concludes that the Notice along with this advertising is sufficient to make Class Members aware of the November 12, 2009 Fairness Hearing sufficiently in advance of that hearing to file a timely, valid objection prior to that hearing.

14. The Court further authorizes Class Counsel, in the exercise of their discretion, to determine what litigation-related documents would assist Class Members to determine whether to object to the proposed Class Action Settlement and to post, in PDF printable copies of relevant pleadings, orders, the summary judgment previously signed in this Court, the contending parties' appellate briefing, and the Court of Appeals' orders and judgment on a website owned or controlled by Class Counsel or on the Claims Administrator's website, as Class Counsel and the Claims Administrator deem appropriate in the exercise of their discretion.

15. All funds held by the Trustee in its disputed ownership account for this case, pending resolution of the instant dispute and entry of the Court's Order on Plan of Allocation and Fee Award, shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed pursuant to the Stipulation and/or further order of the Court.

16. If: (a) this Settlement is terminated by the parties pursuant to the Stipulation; or (b) any specified condition to the Settlement set forth in the Stipulation is not satisfied and the

parties elect to terminate the Settlement as provided in the Stipulation, then, in any such event, the Stipulation, including any amendment(s) thereof, except as expressly provided in the Stipulation, and this Preliminary Order, shall be null and void, of no further force or effect, and without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party shall be restored to his, her or its respective position as it existed prior to the execution of the Stipulation.

17. The Court retains exclusive jurisdiction over this Litigation to consider all further matters arising out of or connected with the settlement.

Dated:           OCT 16 2009          , 2009

  
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JUDGE PRESIDING

**AGREED AS TO FORM AND SUBSTANCE  
AND ENTRY REQUESTED:**

David Furlow for himself  
Robert S. MacIntyre, Jr.  
State Bar No.: 12760700  
MACINTYRE & MCCULLOCH, LLP  
3900 Essex Lane, Suite 220  
Houston, Texas 77027

*and for Bob  
MacIntyre by  
permission*

David A. Furlow  
State Bar No.: 07555580  
Matthew R. Reed  
State Bar No.: 24046693  
THOMPSON & KNIGHT LLP  
333 Clay Street, Suite 3300  
Houston, Texas 77002

***On behalf of the Class Representative***

David Furlow for Odean Volker as unopposed  
Odean L. Volker  
State Bar No.: 20607715  
HAYNES AND BOONE, L. L. P.  
1221 McKinney, Suite 2100  
Houston, Texas 77010

*by email permission*

***On behalf of First City Financial Corporation***

David Furlow for Mike Curran  
G. Michael Curran  
State Bar No.: 05259600  
CURRAN TOMOKO TARSKI, LLP  
1700 Pacific Avenue, Suite 4545  
Dallas, Texas 75201

*by e-mailed  
permission*

***On behalf of FCLT Loans Asset Corporation***

*David Forster for*

John L. Hopwood

State Bar No.: 09993000

Charlie Baumann

State Bar No.: 01931450

Gina D. Patterson

State Bar No.: 24013301

LOCKE LORD BISSELL & LIDDELL LLP

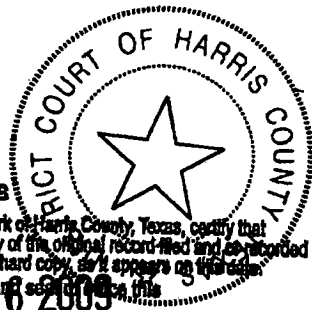
600 Travis Street, Suite 3400

Houston, Texas 77002

*John  
Hopwood  
by  
e-mailed  
permission*

*On behalf of JP Morgan Chase Bank*

STATE OF TEXAS  
COUNTY OF HARRIS



I, Loren Jackson, District Clerk of Harris County, Texas, certify that  
this is a true and correct copy of the original record filed and as recorded  
in my office, electronically or hard copy, as it appears on this date.  
Witness my official hand and seal of office this

OCT 16 2009

LOREN JACKSON, DISTRICT CLERK  
HARRIS COUNTY, TEXAS

*[Handwritten Signature]*  
Deputy