

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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IN RE GENWORTH FINANCIAL, INC.  
SECURITIES LITIGATION

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: Case No. 14-CV-02392 (AKH)

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: JURY TRIAL DEMANDED

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:  
: ANSWER TO SECOND AMENDED  
: CLASS ACTION COMPLAINT  
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Defendants Genworth Financial, Inc. (“Genworth”), Michael D. Fraizer (“Fraizer”), and Martin P. Klein (“Klein”) (collectively “Defendants”), by their attorneys Dentons US LLP, hereby answer Plaintiffs’ Second Amended Complaint (the "Complaint").

Except as otherwise expressly stated, Defendants deny every allegation contained in each paragraph of the Complaint, including all headings and subheadings; specifically deny any liability to Plaintiffs or any members of the putative class that Plaintiffs purport to represent; and deny that any of the claims asserted against the Defendants may properly be maintained as a class action. Whenever any paragraph of this Answer states that no response to an allegation is required, to the extent a response is required, the Defendants deny the allegation. This statement is incorporated in each of the specific responses below as if stated fully therein.

As to the unnumbered paragraph preceding Plaintiffs' numbered allegations, Defendants state that they do not contain assertions of fact, and consequently, no response is required. To the extent a response is required, all such allegations are denied.

As to the specific paragraphs of the Complaint, Defendants respond based upon knowledge with respect to themselves and their own acts and on information and belief with respect to all other matters as follows:

**RESPONSES TO SPECIFIC ALLEGATIONS**

1. Defendants admit that Plaintiffs have filed this action against Genworth, Fraizer, and Klein and that Plaintiffs purport to represent a putative class as described in the Complaint. Defendants deny that Plaintiffs are entitled to the relief they seek and deny any and all remaining allegations set forth in Paragraph 1 of the Complaint.

2. As Plaintiffs otherwise allege in the Complaint, Genworth is a holding company that does not have any significant operations of its own. Defendants therefore deny that Genworth provides any of the services alleged in paragraph 2 of the Complaint but admit that Genworth is a holding company for various subsidiaries that have offered, at certain points in time, life security products and services, including payment protection coverages in Canada, Mexico, Europe, and the United States, as well as life insurance products and care coordination and wellness services. Defendants refer the Court to Genworth's public disclosures and financial statements for further information on the business of its subsidiaries. Defendants deny any and all remaining allegations, if any, in Paragraph 2 of the Complaint not expressly admitted herein.

3. As Plaintiffs otherwise allege in the Complaint, Genworth is a holding company that does not have any significant operations of its own. Defendants therefore deny that Genworth provides any of the services alleged in paragraph 3 of the Complaint but admit that Genworth is a holding company for various subsidiaries that have offered, at certain points in time, mortgage insurance products and have been leading providers of mortgage insurance products in Canada, Australia, Mexico and multiple European countries. Defendants further admit that at certain points in time the mortgage insurance products offered through its international operating segment predominantly insure prime-based, individually underwritten residential mortgage loans, also known as flow mortgage insurance. Defendants admit that for

the year ended December 31, 2011, the International Mortgage Insurance segment's net income and net operating income were \$357 million and \$332 million, respectively. Defendants refer the Court to Genworth's public disclosures and financial statements for further information on the business of its subsidiaries. Defendants deny any and all remaining allegations, if any, in Paragraph 3 of the Complaint not expressly admitted herein.

4. Defendants admit that for the year ended December 31, 2011, Genworth's U.S. Mortgage Insurance segment's net loss and net operating loss were \$477 million and \$507 million, respectively, and that Genworth's Australian Mortgage Insurance business did not report an operating loss until the first quarter of 2011. Defendants deny any and all remaining allegations, if any, in Paragraph 4 of the Complaint not expressly admitted herein.

5. To the extent Paragraph 5 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants otherwise admit that Genworth is a holding company with no significant business operations of its own, Genworth depends on dividends or other distributions from its subsidiaries as the principal source of cash to meet its obligations, Genworth received \$215 million in combined dividends and/or distributions from its Canadian and Australian mortgage insurance subsidiaries in 2011, and that Genworth received a total of \$478 million in dividends and/or distributions from its subsidiaries in 2011. Defendants deny any and all remaining allegations, if any, in Paragraph 5 of the Complaint not expressly admitted herein.

6. To the extent Paragraph 6 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny

any and all remaining allegations, if any, set forth in Paragraph 6 of the Complaint, except admit that Genworth released a presentation on or about September 26, 2011.

7. To the extent Paragraph 7 of the Complaint purports to describe the content of any document said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 7 of the Complaint.

8. To the extent Paragraph 8 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 8 of the Complaint.

9. To the extent Paragraph 9 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof, and respectfully refer the Court to said document for its full content and context. Defendants admit that, on or about November 3, 2011, Genworth reported its 3Q 11 earnings and announced it planned to pursue a minority IPO of its Australian mortgage insurance business in the second quarter of 2012 “subject to market conditions and regulatory review and approval.” Defendants aver that Genworth’s November 3, 2011 disclosures included the cautionary language that “there can be no assurance that this transaction can be executed within the targeted timeframe or on the desired terms,” and “[a]dverse market or other conditions might delay or impede the planned IPO.” (Q3 2011 Form 10-Q). Defendants admit that Genworth completed a minority IPO of its Canadian mortgage insurance subsidiary in July 2009, retaining 57.7% of outstanding shares. Defendants deny any and all remaining allegations, if any, in paragraph 9 of the Complaint not expressly admitted herein.

10. To the extent Paragraph 10 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 10 of the Complaint.

11. To the extent Paragraph 11 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants admit that the reported loss ratios for Genworth's Australian mortgage insurance subsidiary were 45%, 48%, 48% and 46% for Q1, Q2, Q3 and Q4 2011, respectively. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 11 of the Complaint not expressly admitted herein.

12. To the extent Paragraph 12 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 12 of the Complaint.

13. To the extent Paragraph 13 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 13.

14. To the extent Paragraph 14 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 14.

15. To the extent Paragraph 15 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 15 of the Complaint.

16. Defendants admit that in 2012 Jerome Upton was the CFO of Genworth's Global Mortgage Insurance business. To the extent Paragraph 16 purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, in Paragraph 16 of the Complaint not expressly admitted herein.

17. To the extent Paragraph 17 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 17 of the Complaint and state that Plaintiffs have acknowledged in the Complaint that Genworth acts as a holding company and does not have any significant operations of its own.

18. Paragraph 18 of the Complaint describes the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 18 of the Complaint.

19. To the extent Paragraph 19 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any

characterizations thereof, and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 19 of the Complaint.

20. To the extent Paragraph 20 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 20 of the Complaint.

21. To the extent Paragraph 21 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 21 of the Complaint.

22. To the extent Paragraph 22 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 22 of the Complaint.

23. To the extent Paragraph 23 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 23 of the Complaint.

24. Defendants deny all the allegations set forth in Paragraph 24 of the Complaint, except admit that on April 18, 2012, Genworth's stock price decreased approximately 23%, admit that approximately 75,000,000 shares of Genworth's stock were traded on that day, that the

average daily trading volume in Genworth shares was approximately \$9.3 million over the class period, and admit that Fraizer resigned as chairman of Genworth on or about May 1, 2012.

25. Paragraph 25 of the Complaint calls for a legal conclusion to which no response is required. To the extent a response is required, Defendants deny any and all allegations and legal conclusions set forth in Paragraph 25 of the Complaint.

26. Paragraph 26 of the Complaint calls for a legal conclusion to which no response is required. To the extent a response is required, Defendants deny any and all allegations and legal conclusions set forth in Paragraph 26 of the Complaint except admit that Plaintiffs purport to assert jurisdiction under 28 U.S.C. § 1331 and 15 U.S.C. § 78aa.

27. Paragraph 27 of the Complaint calls for a legal conclusion to which no response is required. To the extent a response is required, Defendants deny any and all allegations and legal conclusions set forth in Paragraph 27 of the Complaint except admit that Plaintiffs purport to assert venue under 28 U.S.C. § 1391(b) and 15 U.S.C. § 78aa.

28. Defendants deny the allegations set forth in Paragraph 28 of the Complaint.

29. Defendants admit that the Court entered an Order in this case on July 25, 2014, and respectfully refer the Court to the Order for its full content and context.

30. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations set forth in Paragraph 30 of the Complaint, and therefore deny all the allegations in Paragraph 30 of the Complaint. Defendants further deny that they engaged in any misconduct and that any damages suffered by Plaintiffs, if any, were caused by Defendants' conduct.

31. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations set forth in Paragraph 31 of the Complaint, and therefore deny all the



allegations in Paragraph 31 of the Complaint. Defendants further deny that they engaged in any misconduct and that any damages suffered by Plaintiffs, if any, were caused by Defendants' conduct.

32. Defendants deny that Genworth has 15 million customers and that Genworth has approximately 6,400 employees as stated in Paragraph 32 of the Complaint but otherwise admit the remaining allegations in Paragraph 32 of the Complaint.

33. Defendants admit that Fraizer was Genworth's President, Chief Executive Officer, and Chairman of the Board of Directors during the time including November 3, 2011 through April 17, 2012 and that Fraizer resigned in or about May 2012. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 33 of the Complaint.

34. Defendants admit that Klein is Genworth's Chief Financial Officer and Executive Vice President. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 34 of the Complaint.

35. Paragraph 35 of the Complaint merely defines certain terms and contains no allegations and therefore a response is not required. To the extent a response is required, Defendants deny the entirety of Paragraph 35 of the Complaint.

36. Defendants deny the allegations set forth in Paragraph 36 of the Complaint.

37. To the extent Paragraph 37 of the Complaint calls for legal conclusions, no response is required. To the extent a response is required, Defendants deny any and all legal conclusions set forth in Paragraph 37 of the Complaint. Defendants further assert that Paragraph 37 of the Complaint uses ambiguous and undefined terms that make responding to most of Paragraph 37 of the Complaint impossible. To the extent Defendants can respond, Defendants deny any and all remaining allegations set forth in Paragraph 37 of the Complaint and direct the

Court to Genworth's public filings and disclosures describing the operations and performance of its Australian mortgage insurance subsidiary as well as Fraizer's and Klein's positions at Genworth during the purported class period.

38. Paragraph 38 of the Complaint calls for legal conclusions to which no response is required. To the extent a response is required, Defendants deny any and all allegations and legal conclusions set forth in Paragraph 38 of the Complaint.

39. Paragraph 39 of the Complaint calls for legal conclusions to which no response is required. To the extent a response is required, Defendants deny any and all allegations and legal conclusions set forth in Paragraph 39 of the Complaint, except admit that Genworth's securities were registered with the SEC and traded on the NYSE during the purported class period.

40. Paragraph 40 of the Complaint calls for legal conclusions to which no response is required. To the extent a response is required, Defendants deny any and all allegations and legal conclusions set forth in Paragraph 40 of the Complaint. Defendants further state that Plaintiffs have acknowledged in the Complaint that Genworth acts as a holding company and does not have any significant operations of its own.

41. Paragraph 41 of the Complaint calls for legal conclusions to which no response is required. To the extent a response is required, Defendants deny any and all legal conclusions and allegations set forth in Paragraph 41 of the Complaint.

42. To the extent Paragraph 42 of the Complaint reiterates the allegations contained in Paragraph 3 of the Complaint, Defendants incorporate herein their answer to Paragraph 3 of the Complaint. As Plaintiffs allege, Genworth is a holding company and does not have any significant operations of its own. Defendants therefore deny that Genworth provides any of the services alleged in Paragraph 42 of the Complaint. Defendants refer to Genworth's public

disclosures and financial statements for further information on the business of its subsidiaries.

Defendants deny any and all remaining allegations, if any, in Paragraph 42 of the Complaint not expressly admitted herein.

43. To the extent Paragraph 43 of the Complaint reiterates the allegations in Paragraph 5 of the Complaint, Defendants incorporate herein their answer to Paragraph 5 of the Complaint. Defendants deny any and all allegations in Paragraph 43 of the Complaint not expressly admitted herein.

44. To the extent Paragraph 44 of the Complaint calls for a legal conclusion no response is required. To the extent a response is required, Defendants deny any and all allegations and legal conclusions set forth in Paragraph 44 of the Complaint . As Plaintiffs allege in the Complaint, Genworth is a holding company for its subsidiaries and does not have any significant operations of its own.

45. To the extent Paragraph 45 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 45 of the Complaint, except admit that, on or about November 3, 2011, Genworth reported its 3Q11 earnings and announced it planned to pursue a minority IPO of its Australian mortgage insurance business in the second quarter of 2012 “subject to market conditions and regulatory review and approval” and aver that Genworth’s November 3, 2011 disclosures included the cautionary language that “there can be no assurance that this transaction can be executed within the targeted timeframe or on the desired terms,” and “[a]dverse market or other conditions might delay or impede the planned IPO.” (Q3 2011 Form 10-Q).

46. To the extent Paragraph 46 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof, and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 46 of the Complaint.

47. To the extent Paragraph 47 of the Complaint purports to describe the content of any document, Defendants state that said document speaks for itself. Defendants deny any characterizations thereof, and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 47 of the Complaint.

48. To the extent Paragraph 48 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 48 of the Complaint.

49. To the extent Paragraph 49 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 49 of the Complaint.

50. To the extent Paragraph 50 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 50 of the Complaint except admit

that the reported loss ratios for Genworth's Australian mortgage insurance subsidiary were 45%, 48%, 48% and 46% for Q1, Q2, Q3 and Q4 2011, respectively.

51. To the extent Paragraph 51 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 51 of the Complaint.

52. To the extent Paragraph 52 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 52 of the Complaint.

53. To the extent Paragraph 53 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 53 of the Complaint.

54. To the extent Paragraph 54 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 54 of the Complaint.

55. To the extent that Paragraph 55 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof, and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 55 of the Complaint.

56. To the extent Paragraph 56 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof, and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 56 of the Complaint.

57. To the extent Paragraph 57 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 57 of the Complaint.

58. To the extent Paragraph 58 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 58 of the Complaint.

59. Defendants deny any and all allegations set forth in Paragraph 59 of the Complaint.

60. Paragraph 60 of the Complaint describes the alleged statements or recollections of an unidentified witness and is vague and ambiguous. To the extent Defendants comprehend the allegations of Paragraph 60 of the Complaint, Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 60 of the Complaint.

61. Paragraph 61 of the Complaint describes the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a

belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 61 of the Complaint.

62. Paragraph 62 of the Complaint describes that alleged statements or recollection of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 62 of the Complaint.

63. Paragraph 63 of the Complaint describes the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 63 of the Complaint.

64. Paragraph 64 of the Complaint describes the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 64 of the Complaint.

65. Paragraph 65 of the Complaint references the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 65 of the Complaint.

66. Paragraph 66 of the Complaint references the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 66 of the Complaint.

67. Paragraph 67 of the Complaint references the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 67 of the Complaint.

68. Paragraph 68 of the Complaint references the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 68 of the Complaint.

69. Paragraph 69 of the Complaint references the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 69 of the Complaint

70. Paragraph 70 of the Complaint references the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 70 of the Complaint.

71. Paragraph 71 of the Complaint references the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 71 of the Complaint.

72. Paragraph 72 of the Complaint references the alleged statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a



belief regarding what such individual allegedly stated or believes and therefore deny any and all allegations set forth in Paragraph 72 of the Complaint.

73. Paragraph 73 of the Complaint references the statements or recollections of an unidentified witness. Defendants are without knowledge or information sufficient to form a belief regarding what such individual allegedly stated or believes and therefore deny any and all remaining allegations, if any, set forth in Paragraph 73 of the Complaint.

74. Paragraph 74 of the Complaint purports to describe the contents of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof, and respectfully refer the Court to said document for its full content and context. Defendants deny and all remaining allegations, if any, set forth in Paragraph 74 of the Complaint.

75. To the extent that Paragraph 75 of the Complaint purports to describe the contents of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof, and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 75 of the Complaint.

76. To the extent the allegations set forth in Paragraph 76 of the Complaint and footnote 4 thereto call for a legal conclusion no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. To the extent that Paragraph 76 of the Complaint and footnote 4 thereto attempt to describe the contents of any document, such document speaks for itself. Defendants deny any characterizations thereof, and respectfully refer the Court to said document for its full content and context. Further, to the extent that the allegations set forth in Paragraph 76 of the Complaint and footnote 4 thereto

purport to characterize or draw conclusions from Generally Accepted Accounting Principles (“GAAP”), Defendants respectfully refer the Court to the relevant GAAP provisions for a complete and accurate statement of their contents. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 76 of the Complaint and footnote 4 thereto.

77. To the extent the allegations set forth in Paragraph 77 of the Complaint and footnote 5 thereto call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that Paragraph 77 of the Complaint and footnote 5 thereto attempt to describe the contents of any document, said document speaks for itself. Defendants deny any characterizations thereof, and respectfully refer the Court to said document or statement for its full content and context. Further, to the extent that the allegations set forth in Paragraph 77 of the Complaint and footnote 4 thereto purport to characterize or draw conclusions from GAAP, Defendants respectfully refer the Court to the relevant GAAP provisions for a complete and accurate statement of their contents. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 77 of the Complaint and footnote 5 thereto, except admit that Genworth filed its 3Q 2011 Form 10-Q with the SEC on or about November 3, 2011, that Genworth filed its FY 2011 Form 10-K with the SEC on or about February 27, 2012, and that the 3Q 2011 Form 10-Q and FY 2011 Form 10-K included financial results.

78. To the extent that the allegations set forth in Paragraph 78 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that Paragraph 78 of the Complaint purports to describe the contents of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document

for its full content and context. Further, to the extent that the allegations set forth in Paragraph 78 of the Complaint purport to characterize or draw conclusions from GAAP, Defendants respectfully refer the Court to the relevant GAAP provisions for a complete and accurate statement of their contents. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 78 of the Complaint.

79. To the extent that the allegations set forth in Paragraph 79 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that the allegations set forth in Paragraph 79 of the Complaint purport to characterize or draw conclusions from GAAP, Defendants respectfully refer the Court to the relevant GAAP provisions for a complete and accurate statement of their contents. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 79 of the Complaint.

80. To the extent that the allegations set forth in Paragraph 80 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that Paragraph 80 of the Complaint purports to describe the contents of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Further, to the extent that the allegations set forth in Paragraph 80 of the Complaint purport to characterize or draw conclusions from GAAP, Defendants respectfully refer the Court to the relevant GAAP provisions for a complete and accurate statement of their contents. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 80 of the Complaint.

81. To the extent the allegations set forth in Paragraph 81 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that the allegations set forth in Paragraph 81 of the Complaint purport to characterize or draw conclusions from GAAP, Defendants respectfully refer the Court to the relevant GAAP provisions for a complete and accurate statement of their contents. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 81 of the Complaint.

82. To the extent the allegations set forth in Paragraph 82 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that Paragraph 82 of the Complaint purports to describe the contents of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 82 of the Complaint.

83. To the extent the allegations set forth in Paragraph 83 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that Paragraph 83 of the Complaint purports to describe the contents of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 83 of the Complaint.

84. To the extent the allegations set forth in Paragraph 84 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny

any such allegations and legal conclusions. Further, to the extent that the allegations set forth in Paragraph 84 of the Complaint purport to characterize or draw conclusions from GAAP, Defendants respectfully refer the Court to the relevant GAAP provisions for a complete and accurate statement of their contents. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 84 of the Complaint.

85. To the extent Paragraph 85 of the Complaint purports to describe the contents of a document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 85 of the Complaint.

86. To the extent Paragraph 86 of the Complaint purports to describe the contents of a document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 86 of the Complaint.

87. To the extent Paragraph 87 of the Complaint purports to describe the contents of a document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 87 of the Complaint.

88. To the extent that Paragraph 88 of the Complaint and footnotes 6 and 7 thereto attempt to describe the contents of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full

content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 88 of the Complaint and footnotes 6 and 7 thereto.

89. To the extent the allegations set forth in Paragraph 89 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that Paragraph 89 of the Complaint purports to describe the contents of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 89 of the Complaint.

90. To the extent the allegations set forth in Paragraph 90 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that Paragraph 90 of the Complaint purports to describe the contents of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 90 of the Complaint.

91. To the extent the allegations set forth in Paragraph 91 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that Paragraph 91 of the Complaint purports to describe the contents of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 91 of the Complaint.

92. To the extent the allegations set forth in Paragraph 92 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that Paragraph 92 of the Complaint purports to describe the contents of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 92 of the Complaint.

93. Defendants deny the allegations set forth in Paragraph 93 of the Complaint.

94. To the extent the allegations set forth in Paragraph 94 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that Paragraph 94 of the Complaint purports to describe the contents of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 94 of the Complaint.

95. To the extent the allegations set forth in Paragraph 95 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Further, to the extent that Paragraph 95 of the Complaint purports to describe the contents of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 95 of the Complaint.

96. To the extent Paragraph 96 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 96 of the Complaint.

97. To the extent the allegations set forth in Paragraph 97 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. To the extent Paragraph 97 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 97 of the Complaint.

98. To the extent the allegations set forth in Paragraph 98 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. To the extent Paragraph 98 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 98 of the Complaint.

99. To the extent the allegations set forth in Paragraph 99 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. To the extent Paragraph 99 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants



deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 99 of the Complaint.

100. To the extent the allegations set forth in Paragraph 100 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 100 of the Complaint.

101. To the extent the allegations set forth in Paragraph 101 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. To the extent Paragraph 101 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 101 of the Complaint.

102. To the extent the allegations set forth in Paragraph 102 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. To the extent Paragraph 102 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations set forth in Paragraph 102 of the Complaint.

103. To the extent the allegations set forth in Paragraph 103 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny

any such allegations and legal conclusions. To the extent Paragraph 103 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 103 of the Complaint.

104. To the extent the allegations set forth in Paragraph 104 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. To the extent Paragraph 104 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 104 of the Complaint.

105. To the extent the allegations set forth in Paragraph 105 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 105 of the Complaint.

106. To the extent the allegations set forth in Paragraph 106 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. To the extent Paragraph 106 purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 106 of the Complaint.

107. To the extent the allegations set forth in Paragraph 107 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. To the extent Paragraph 107 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 107 of the Complaint.

108. To the extent the allegations set forth in Paragraph 108 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny any such allegations and legal conclusions. To the extent Paragraph 108 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 108 of the Complaint.

109. To the extent Paragraph 109 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 109 of the Complaint, except admit that Genworth issued a press release on or about April 17, 2012 and a Form 8-K on or about April 18, 2012.

110. Defendants deny all the allegations set forth in Paragraph 110 of the Complaint, except admit that on April 18, 2012, Genworth's stock price decreased approximately 23%, admit that approximately 75,000,000 shares of Genworth's stock were traded on that day, and

that the average daily trading volume in Genworth shares was approximately \$9.3 million over the class period.

111. To the extent Paragraph 111 of the Complaint purports to describe the content of any document or statement said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations set forth in Paragraph 111 of the Complaint.

112. To the extent Paragraph 112 of the Complaint purports to describe the content of any document or statement, Defendants state that said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 112 of the Complaint.

113. To the extent Paragraph 113 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 113 of the Complaint and in footnote 8 thereto.

114. To the extent Paragraph 114 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 114 of the Complaint.

115. To the extent Paragraph 115 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny any and all remaining allegations set forth in Paragraph 115 of the Complaint.

116. To the extent Paragraph 116 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 116 of the Complaint.

117. To the extent Paragraph 117 of the Complaint purports to describe the content of any document or statement, said document or statement speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document or statement for its full content and context. Defendants deny any and all remaining allegations, if any, set forth in Paragraph 117 of the Complaint.

118. Defendants admit that Plaintiffs purport to bring this class action claim against Defendants and acknowledge that Plaintiffs have excluded certain individuals from the putative class they purport to represent. Defendants deny that this case is appropriate for class action treatment and deny any and all remaining allegations set forth in Paragraph 118 of the Complaint.

119. To the extent that the allegations set forth in Paragraph 119 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny that this case is appropriate for class treatment and deny all remaining allegations and legal conclusions set forth in Paragraph 119 of the Complaint, except admit that from the period

November 3, 2011 through April 17, 2012, Genworth had more than 490 million shares of common stock outstanding that traded on the NYSE.

120. To the extent that the allegations set forth in Paragraph 120 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 120 of the Complaint and deny that this case is appropriate for class treatment.

121. To the extent that the allegations set forth in Paragraph 121 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 121 of the Complaint and deny that this case is appropriate for class treatment.

122. To the extent that the allegations set forth in Paragraph 122 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 122 of the Complaint and deny that this case is appropriate for class treatment.

123. To the extent that the allegations set forth in Paragraph 123 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 123 of the Complaint and deny that this case is appropriate for class treatment.

124. To the extent that the allegations set forth in Paragraph 124 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 124 of the Complaint and deny that Plaintiffs are entitled to a presumption of reliance.

125. To the extent that the allegations set forth in Paragraph 125 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 125 of the Complaint and deny that Plaintiffs are entitled to a presumption of reliance.

126. To the extent that the allegations set forth in Paragraph 126 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 126 of the Complaint and deny that Plaintiffs are entitled to a presumption of reliance.

127. To the extent the allegations set forth in Paragraph 127 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 127 of the Complaint and deny that Plaintiffs are entitled to a presumption of reliance.

128. To the extent that the allegations set forth in Paragraph 128 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 128.

129. To the extent the allegations set forth in Paragraph 129 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 129 of the Complaint.

130. To the extent the allegations set forth in Paragraph 130 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 130 of the Complaint.

131. To the extent the allegations set forth in Paragraph 131 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 131 of the Complaint.

132. To the extent the allegations set forth in Paragraph 132 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 132 of the Complaint.

133. To the extent Paragraph 133 of the Complaint purports to describe the content of any document, said document speaks for itself. Defendants deny any characterizations thereof and respectfully refer the Court to said document for its full content and context. Defendants deny all the allegations set forth in Paragraph 133 of the Complaint, except admit that on April 18, 2012, Genworth's stock price decreased approximately 23%, admit that approximately 75,000,000 shares of Genworth's stock were traded on that day, and that the average daily trading volume in Genworth shares was approximately \$9.3 million over the class period.

134. Defendants incorporate and reassert their answers to Paragraphs 1 through 133 of the Complaint as if fully set forth herein.

135. To the extent the allegations set forth in Paragraph 135 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 135 of the Complaint and note that that Plaintiffs have acknowledged in the Complaint that Genworth acts as a holding company and does not have any significant operations of its own.

136. To the extent the allegations set forth in Paragraph 136 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 136 of the Complaint.



137. To the extent the allegations set forth in Paragraph 137 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 137 of the Complaint.

138. To the extent the allegations set forth in Paragraph 138 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 138 of the Complaint.

139. To the extent the allegations set forth in Paragraph 139 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 139 of the Complaint.

140. To the extent the allegations set forth in Paragraph 140 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 140 of the Complaint.

141. To the extent the allegations set forth in Paragraph 141 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 141 of the Complaint.

142. To the extent the allegations set forth in Paragraph 142 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 142 of the Complaint and further state that Defendants are without knowledge or information sufficient to form a belief regarding Plaintiffs' or the putative class members knowledge or motivations.

143. To the extent the allegations set forth in Paragraph 143 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 143 of the Complaint.

144. To the extent the allegations set forth in Paragraph 144 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 144 of the Complaint.

145. Defendants incorporate and reassert their answers to Paragraphs 1 through 144 of the Complaint as if fully set forth herein.

146. To the extent the allegations set forth in Paragraph 146 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 146 of the Complaint, except admit that Plaintiffs purport to bring Count II under the provisions of Rule 10(b)-5(a) and (c)

147. To the extent the allegations set forth in Paragraph 147 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 147 of the Complaint

148. To the extent the allegations set forth in Paragraph 148 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 148 of the Complaint

149. To the extent the allegations set forth in Paragraph 149 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 149 of the Complaint.

150. To the extent the allegations set forth in Paragraph 150 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 150 of the Complaint.

151. To the extent the allegations set forth in Paragraph 151 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny

all the allegations and legal conclusions set forth in Paragraph 151 of the Complaint and further state that Defendants are without knowledge or information sufficient to form a belief regarding Plaintiffs' or the putative class members knowledge or motivations.

152. To the extent the allegations set forth in Paragraph 152 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 152 of the Complaint.

153. To the extent the allegations set forth in Paragraph 153 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 153 of the Complaint.

154. Defendants incorporate and reassert their answers to Paragraphs 1 through 153 as if fully set forth herein.

155. To the extent the allegations set forth in Paragraph 155 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 155 of the Complaint and state that Plaintiffs have acknowledged in the Complaint that Genworth acts as a holding company and does not have any significant operations of its own.

156. To the extent the allegations set forth in Paragraph 156 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 156 of the Complaint and state that Plaintiffs have acknowledged in the Complaint that Genworth acts as a holding company and does not have any significant operations of its own.

157. To the extent the allegations set forth in Paragraph 157 of the Complaint call for a legal conclusion, no response is required. To the extent a response is required, Defendants deny all the allegations and legal conclusions set forth in Paragraph 157 of the Complaint.

158. Defendants deny the allegations in Plaintiffs' Prayer for Relief and deny that any relief is warranted.

### **DEFENSES**

Defendants hereby reassert all defenses raised in their Motion to Dismiss the Second Amended Complaint, and also assert the following Defenses. By asserting the below Defenses, Defendants do not waive or shift any burden of proof allocated to Plaintiffs by law or practice.

#### **FIRST DEFENSE**

The Second Amended Complaint fails to allege facts sufficient to state a claim upon which relief may be granted.

#### **SECOND DEFENSE**

The Second Amended Complaint fails to allege fraud with the requisite particularity.

#### **THIRD DEFENSE**

Plaintiffs and any putative class members are not entitled to any recovery because the SEC filings, press releases, reports and other public statements at issue did not contain any false or misleading statements of material fact or omissions of material fact. Defendants are not otherwise responsible in law or fact for any alleged false or misleading statements or omissions of material fact made, or manipulative or deceptive devices employed, by any other defendant or any non-party to this action.

**FOURTH DEFENSE**

Plaintiffs and any putative class members are not entitled to any recovery because the allegedly false or misleading statements at issue were not material to the investment decisions of a reasonable investor.

**FIFTH DEFENSE**

Any and all actions taken by the Defendants were, at all times, lawful, proper and consistent with their duties and obligations, and the Defendants did not otherwise have any obligation or duty to take any other action or make any other disclosure.

**SIXTH DEFENSE**

Plaintiffs and any putative class members are not entitled to any recovery because Defendants neither owed nor breached any duty to Plaintiffs or putative class members to disclose information allegedly omitted from the statements at issue herein.

**SEVENTH DEFENSE**

Plaintiffs and any putative class members are not entitled to any recovery because Defendants acted at all times in good faith and neither knew nor were reckless in not knowing that any alleged statement or omission was false or misleading.

**EIGHTH DEFENSE**

Defendants exercised reasonable care. After reasonable and diligent investigation, Defendants had reasonable grounds to believe, and did believe, that the alleged misstatements at issue in this case were true and omitted no material fact necessary to make those statements not misleading.

**NINTH DEFENSE**

Plaintiffs and any putative class members are not entitled to any recovery from Defendants because Plaintiffs and any putative class members purchased shares of Genworth's stock with actual or constructive knowledge of the risks involved, and thus assumed the risk that the value of their shares would decline if those risks materialized.

**TENTH DEFENSE**

If and to the extent the statements at issue herein are found to have been false or misleading (which Defendants deny), the actual facts which Plaintiffs allege to have been misrepresented or omitted were in fact known to or entered the securities market and Plaintiffs are therefore not entitled to any recovery.

**ELEVENTH DEFENSE**

If and to the extent the statements at issue herein are found to have been false or misleading (which Defendants deny), Plaintiffs and any putative class members either knew or should have known about the matters alleged in the Second Amended Complaint, and their own negligence or other fault proximately contributed to the injuries allegedly suffered by Plaintiffs and any putative class members from the purchase or sale of Genworth stock, and bars any recovery to the extent thereof.

**TWELFTH DEFENSE**

Plaintiffs' claims are barred, in whole or in part, because they did not actually rely, or did not reasonably rely, on any statement or omission by Defendants. Further, Plaintiffs and any putative class members are not entitled to any presumption of reliance, including the "fraud-on-the-market" presumption.

**THIRTEENTH DEFENSE**

Plaintiffs and any putative class members cannot demonstrate that any alleged conduct or inaction of Defendants caused the losses for which Plaintiffs seek to recover damages. To the extent Plaintiffs or any putative class members suffered any damages their alleged losses were not actually or proximately caused by the Defendants.

**FOURTEENTH DEFENSE**

Neither Plaintiffs nor any putative class members can show transaction causation.

**FIFTEENTH DEFENSE**

Neither Plaintiffs nor any putative class members can show loss causation. Any alleged depreciation in the price of Genworth securities resulted from intervening and/or independent causes unrelated to any alleged misstatements or omissions on the part of the Defendants.

**SIXTEENTH DEFENSE**

Plaintiffs and any putative class members, at all relevant times, had a duty to take reasonable action to minimize any damages allegedly sustained as a result of the purported facts alleged in the Second Amended Complaint. To the extent that Plaintiffs and any putative class members failed to comply with that duty and are therefore barred from recovering any damages that might reasonably have been avoided.

**SEVENTEENTH DEFENSE**

Plaintiffs claims, and those of the putative class, are barred in whole or in part, by their own actions, omissions, and/or negligence.

**EIGHTEENTH DEFENSE**

Any damages or injuries suffered by Plaintiffs or any putative class members are the proximate result, either in whole or in part, of actions or omissions of persons or entities other than Defendants.

**NINETEENTH DEFENSE**

Plaintiffs and any putative class members are limited to those damages authorized by the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act, and may not recover damages in excess of those authorized by these statutes or the regulations promulgated pursuant to these statutes.

**TWENTIETH DEFENSE**

Defendants are not liable because any alleged misrepresentations by Defendants were forward-looking statements accompanied by meaningful cautionary language and/or risk disclosures and are not actionable under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and/or are not actionable under the bespeaks caution doctrine.

**TWENTY-FIRST DEFENSE**

Plaintiffs' claims are barred, in whole or in part, because the alleged misstatements and omissions were non-actionable expressions of opinion, puffery or soft information, as are the claims of any putative class members.

**TWENTY-SECOND DEFENSE**

As to the Section 20(a) claim against Defendants Fraizer and Klein as an alleged "control person" of Genworth, Plaintiffs' Section 20(a) claim is barred in whole or in part, because



Defendants Fraizer and Klein were neither a controlling nor culpable participant in any Defendants' alleged primary violation of the federal securities laws.

**TWENTY-THIRD DEFENSE**

The putative class is not certifiable under Rule 23 of the Federal Rules of Civil Procedure and is overbroad.

**TWENTY-FOURTH DEFENSE**

Plaintiffs' and putative class members' claims are barred in whole or in part to the extent that their damages, if any, are speculative, and/or to the extent that it is impossible to ascertain their alleged damages.

**TWENTY-FIFTH DEFENSE**

Plaintiffs and members of the putative class lack standing to maintain some or all of their claims against the Defendants.

**TWENTY-SIXTH DEFENSE**

Plaintiffs' claims are barred in whole or in part under applicable statutes of limitation and repose as are the claims of any putative class members.

**TWENTY-SEVENTH DEFENSE**

Plaintiffs' claims are barred by the doctrines of waiver, ratification, acquiescence, laches, estoppel, in *pari delicto*, unclean hands, and other related equitable doctrines, as are the claims of any putative class members.

**TWENTY-EIGHTH DEFENSE**

The purported claims against Defendants and the allegations upon which they are based are improperly vague, ambiguous and confusing. Defendants reserve the right to request a more definite statement.

**ADDITIONAL DEFENSES**

Defendants reserve the right to raise any additional defenses, cross-claims, and third-party claims not asserted herein of which they may become aware through discovery or other investigation, as may be appropriate at a later time.

**WHEREFORE**, for the foregoing reasons, Defendants demand judgment:

- a. Dismissing the Second Amended Complaint;
- b. Awarding Defendants their cost of suit, including attorneys' fees, incurred in defending this action; and
- c. Awarding Defendants such other and further relief as the Court deems just and proper.

Dated: September 18, 2015

Respectfully submitted,

DENTONS US LLP

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