



FAIRHOLME FUNDS, INC.

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**FAIRHOLME FUNDS, INC. FILES BRIEF TO COMPEL TREASURY TO PRODUCE
DOCUMENTS IN FANNIE MAE AND FREDDIE MAC LITIGATION**

*Filing Cites Overbroad and Otherwise Improper Claims
of Privilege to Withhold Important Documents*

WASHINGTON, DC, February 12, 2016 – Yesterday, Fairholme Funds, Inc., (“Fairholme”) filed the public version of its reply brief in support of its request that the Court of Federal Claims order the federal government to turn over documents it is unlawfully withholding in *Fairholme Funds, Inc. v. United States*, No. 13-465 (Fed. Cl.). In that case, Fairholme is challenging the so-called “Net Worth Sweep” – the federal government’s unprecedented decision in August 2012 to expropriate private shareholders’ investments in Fannie Mae (“Fannie”) and Freddie Mac (“Freddie”) by requiring those highly profitable companies to pay their entire net worth to the Department of Treasury every quarter in perpetuity.

In February 2014, the Court of Federal Claims authorized Fairholme to receive documents from the federal government related to the Net Worth Sweep. During these last two years, the Department of Justice has employed “overbroad and otherwise improper claims of privilege to withhold some of the most important documents in this case” (see relevant filing [here](#)) – particularly documents that show the government’s case is based on outright falsehoods.

“Today’s filing challenges the latest example of foot-dragging and evasion by those attempting to defend the government’s indefensible decision to enrich itself by putting Fannie and Freddie on the permanent brink of insolvency,” said Bruce Berkowitz, Founder and Chief Investment Officer of Fairholme Capital Management. “It is outrageous that the government has unjustifiably withheld key documents at every turn, only to hand some of them over at the eleventh hour when challenged. The government’s persistent obfuscation has the purpose and effect of inflicting economic harm on our tens of thousands of shareholders and other innocent investors,” said Mr. Berkowitz.

A decision on this matter could come from the Court at any time.

The Funds’ investment objectives, risks, charges, and expenses should be considered carefully before investing. The [prospectus](#) contains this and other important information about the Funds, and it may be obtained by calling Shareholder Services at (866) 202-2263 or visiting our website www.FairholmeFunds.com. Read it carefully before investing.

Fairholme Distributors, LLC (2/16)