

JS 44 (Rev. 11/04)

CIVIL COVER SHEET

APPENDIX H

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

<p>I. (a) PLAINTIFFS</p> <p>William Maslar</p> <p>(b) County of Residence of First Listed Plaintiff <u>MARION</u> (EXCEPT IN U.S. PLAINTIFF CASES)</p> <p>(c) Attorney's (Firm Name, Address, and Telephone Number) D. SEAMUS KASKELA, ESQUIRE 280 King of Prussia Road Radnor, PA 19087 (610) 667 7706</p>	<p>DEFENDANTS</p> <p>Radian Group Inc.</p> <p>County of Residence of First Listed Defendant <u>PHILADELPHIA</u> (IN U.S. PLAINTIFF CASES ONLY)</p> <p>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.</p> <p>Attorneys (If Known)</p>
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II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

<input type="checkbox"/> 1 U.S. Government Plaintiff	<input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)
<input type="checkbox"/> 2 U.S. Government Defendant	<input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

PTF	DEF	PTF	DEF
Citizen of This State	<input type="checkbox"/> 1 <input checked="" type="checkbox"/> 1 Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 4
Citizen of Another State	<input checked="" type="checkbox"/> 2 <input type="checkbox"/> 2 Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3 <input type="checkbox"/> 3 Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	REAL PROPERTY	TORTS	FORFEITURE/PENALTY	LABOR	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations & Disclosure Act <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes

V. ORIGIN (Place an "X" in One Box Only)

<input checked="" type="checkbox"/> 1 Original Proceeding	<input type="checkbox"/> 2 Removed from State Court	<input type="checkbox"/> 3 Remanded from Appellate Court	<input type="checkbox"/> 4 Reinstated or Reopened	<input type="checkbox"/> 5 Transferred from another district (specify)	<input type="checkbox"/> 6 Multidistrict Litigation	<input type="checkbox"/> 7 Appeal to District Judge from Magistrate Judgment
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VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
15 USC SECTIONS 78j(b); Section 78t(a); 17 CFR Section 240.10(b)5

Brief description of cause:
Violation of the Federal Securities Laws

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

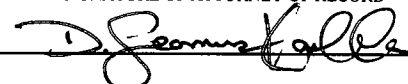
DEMAND \$ _____

CHECK YES only if demanded in complaint:
 JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions):

JUDGE Mary A. McLaughlin DOCKET NUMBER 2:07-CV-03375

DATE September 11, 2007

SIGNATURE OF ATTORNEY OF RECORD


FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

CASE MANAGEMENT TRACK DESIGNATION FORM

WILLIAM MASLAR, Individually and On Behalf
of All Others Similarly Situated,

Plaintiff,

vs.

RADIAN GROUP INC., STANFORD IBRAHIM,
and C. ROBERT QUINT,

Defendants.

CIVIL ACTION

NO.

In accordance with the Civil Justice Expense and Delay Reduction Plan of this court, counsel for plaintiff shall complete a case Management Track Designation Form in all civil cases at the time of filing the complaint and serve a copy on all defendants. (See § 1:03 of the plan set forth on the reverse side of this form.) In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a case management track designation form specifying the track to which that defendant believes the case should be assigned.

SELECT ONE OF THE FOLLOWING CASE MANAGEMENT TRACKS:

- (a) Habeas Corpus – Cases brought under 28 U.S.C. §2241 through §2255. ()
- (b) Social Security – Cases requesting review of a decision of the Secretary of Health and Human Services denying plaintiff Social Security Benefits ()
- (c) Arbitration – Cases required to be designated for arbitration under Local Civil Rule 53.2. ()
- (d) Asbestos – Cases involving claims for personal injury or property damage from exposure to asbestos. ()
- (e) Special Management – Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases.) (X)
- (f) Standard Management – Cases that do not fall into any one of the other tracks. ()

September 11, 2007
Date


Attorney-at-law

Plaintiff William Maslar
Attorney for

(610) 667-7706
Telephone

(610) 667-7056
FAX Number

skaskela@sbtclaw.com
E-Mail Address

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

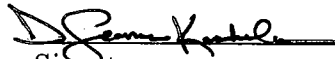
_____)	
WILLIAM MASLAR, Individually and On Behalf)	
of All Others Similarly Situated,)	
)	CIVIL ACTION NO.
Plaintiff,)	
)	
vs.)	
)	
RADIAN GROUP INC., STANFORD IBRAHIM,)	
and C. ROBERT QUINT,)	
)	
Defendants.)	
_____)	

DISCLOSURE STATEMENT FORM

Please check one box:

- The nongovernmental corporate party, Radian Group Inc., in the above listed civil action does not have any parent corporation and publicly held corporation that owns 10% or more of its stock.
- The nongovernmental corporate party, _____, in the above listed civil action has the following parent corporation(s) and publicly held corporation(s) that owns 10% or more of its stock:

September 11, 2007
Date


Signature

Counsel for: Plaintiff

Federal Rule of Civil Procedure 7.1 Disclosure Statement

(a) WHO MUST FILE: NONGOVERNMENTAL CORPORATE PARTY. A nongovernmental corporate party to an action or proceeding in a district court must file two copies of a statement that identifies any parent corporation and any publicly held corporation that owns 10% or more of its stock or states that there is no such corporation.

(b) TIME FOR FILING; SUPPLEMENTAL FILING. A party must:

- (1) file the Rule 7.1(a) statement with its first appearance, pleading, petition, motion, response, or other request addressed to the court, and
- (2) promptly file a supplemental statement upon any change in the information that the statement requires.

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar.

Address of Plaintiff: William Maslar, 18820 S.W. 93RD Loop, Dunnellow, FL 34432

Address of Defendant: See attached

Place of Accident, Incident or Transaction: Philadelphia, PA (Use Reverse Side For Additional Space)

Does this civil action involve a nongovernmental corporate party with any parent corporation and any publicly held corporation owning 10% or more of its stock? (Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a)). Yes [] No [X]

Does this case involve multidistrict litigation possibilities? Yes [X] No [] RELATED CASE, IF ANY:

Case Number: 2:07-cv-03375 Judge Hon. Mary A. McLaughlin Date Terminated: Pending

Civil cases are deemed related when yes is answered to any of the following questions:

- 1. Is this case related to property included in an earlier numbered suit pending or within one year previously terminated action in this court? Yes [] No [X]
2. Does this case involve the same issue of fact or grow out of the same transaction as a prior suit pending or within one year previously terminated action in this court? Yes [] No [X]
3. Does this case involve the validity or infringement of a patent already in suit or any earlier numbered case pending or within one year previously terminated action in this court? Yes [] No [X]

CIVIL: (Place _ in ONE CATEGORY ONLY)

A. Federal Question Cases:

- 1. [] Indemnity Contract, Marine Contract, and All Other Contracts
2. [] FELA
3. [] Jones Act-Personal Injury
4. [] Antitrust
5. [] Patent
6. [] Labor-Management Relations
7. [] Civil Rights
8. [] Habeas Corpus
9. [X] Securities Act(s) Cases
10. [] Social Security Review Cases
11. [] All other Federal Question Cases (Please specify)

B. Diversity Jurisdiction Cases:

- 1. [] Insurance Contract and Other Contracts
2. [] Airplane Personal Injury
3. [] Assault, Defamation
4. [] Marine Personal Injury
5. [] Motor Vehicle Personal Injury
6. [] Other Personal Injury (Please specify)
7. [] Products Liability
8. [] Products Liability — Asbestos
9. [] All other Diversity Cases (Please specify)

ARBITRATION CERTIFICATION

(Check appropriate Category)

I, D. Seamus Kaskela, counsel of record do hereby certify:
[X] Pursuant to Local Civil Rule 53.2, Section 3(c)(2), that to the best of my knowledge and belief, the damages recoverable in this civil action case exceed the sum of \$150,000.00 exclusive of interest and costs;
[X] Relief other than monetary damages is sought.

DATE: September 11, 2007

[Signature] Attorney-at-Law

204351 Attorney I.D.#

NOTE: A trial de novo will be a trial by jury only if there has been compliance with F.R.C.P. 38.

I certify that, to my knowledge, the within case is not related to any case now pending or within one year previously terminated action in this court except as noted above.

DATE: September 11, 2007

[Signature] Attorney-at-Law

204351 Attorney I.D.#

Richard A. Maniskas (ID No. 85942)
D. Seamus Kaskela (ID No. 204351)
SCHIFFRIN BARROWAY TOPAZ & KESSLER, LLP
280 King of Prussia Road
Radnor, PA 19087
Telephone: 610-667-7706
Fax: 610-667-7056

UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA

<hr/>)	
WILLIAM MASLAR, Individually and On Behalf)		
of All Others Similarly Situated,)		
)	CIVIL ACTION NO.	
)		
Plaintiff,)		
)		
vs.)	CLASS ACTION	
)		
RADIAN GROUP INC., STANFORD IBRAHIM)		
and C. ROBERT QUINT,)	<u>JURY TRIAL DEMANDED</u>	
)		
Defendants.)		
)		
<hr/>)		

SUPPLEMENT TO DESIGNATION FORM – ADDRESSES OF DEFENDANTS

1. Defendant Radian Group Inc.
1601 Market Street, Philadelphia, Pennsylvania.
2. Defendant Stanford Ibrahim,
Address Currently Unknown.
3. Defendant C. Robert Quint,
Address Currently Unknown.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

<hr/>)	
WILLIAM MASLAR, Individually and On Behalf)	
of All Others Similarly Situated,)	
)	CIVIL ACTION NO.
)	
	Plaintiff,)	
)	
vs.)	CLASS ACTION COMPLAINT
)	
)	
RADIAN GROUP INC., STANFORD A.)	
IBRAHIM, and C. ROBERT QUINT,)	<u>JURY TRIAL DEMANDED</u>
)	
)	
	Defendants.)	
)	
<hr/>)	

Plaintiff, William Maslar ("Plaintiff"), alleges the following based upon the investigation by Plaintiff's counsel, which included, among other things, a review of the defendants' public documents, conference calls and announcements made by defendants, United States Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Radian Group Inc. ("Radian" or the "Company"), securities analysts' reports and advisories about the Company, and information readily available on the Internet, and Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION AND OVERVIEW

1. This is a federal class action on behalf of purchasers of Radian's securities between January 23, 2007 and July 31, 2007, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Radian is a global credit risk management company. The Company's business segments include mortgage insurance, financial guaranty and financial services. The mortgage insurance business provides credit protection for mortgage lenders and other financial services companies on residential mortgage assets through traditional mortgage insurance, as well as other mortgage-backed structured products. The financial guaranty business insures and reinsures credit-based risks and provides synthetic credit protection on various asset classes through credit default swaps. The financial services business segment consists mainly of the Company's ownership interests in Credit-Based Asset Servicing and Securitization LLC ("C-BASS"), a mortgage investment and servicing firm specializing in credit-sensitive, residential mortgage assets and residential mortgage-backed securities.

3. C-BASS is a mortgage credit joint venture between Defendant Radian and MGIC Investment Corporation ("MGIC"). Throughout the Class Period, C-BASS was reportedly worth \$1 billion, and Radian and MGIC each possessed a 46 percent equity stake in the company worth approximately \$466 million each. In February 2007, Radian and MGIC announced that they had agreed to merge and form a new company entitled MGIC Radian Financial Group, Inc. pursuant to a stock-for-stock transaction, which was valued at approximately \$4.9 billion. It was reported that the two companies planned to sell down their combined stake in C-BASS by 50 percent at the time of the merger, which was scheduled to close late in the third quarter or fourth quarter of 2007.

4. On July 30, 2007, after the close of the market, Radian shocked investors when it disclosed that the value of its investment in C-BASS was materially impaired. The Company admitted that since February 2007, the market for subprime mortgages had experienced significant turmoil, with market dislocations recently accelerating and deteriorating. The

Company stated that its investment in C-BASS was approximately \$518 million at the time, and that impairment charges, the level of which could not be determined, could cost Radian its entire investment in C-BASS.

5. Then on July 31, 2007, before the market opened, C-BASS disclosed that due to the "frequency and magnitude" of margin calls, its liquidity was materially affected. C-BASS revealed that during the first 6 months of 2007, it had met \$290 million in lender margin calls, and since that time it was forced to meet an additional \$260 million of margin calls. As such, C-BASS stated that it was exploring strategic options in an attempt to mitigate its liquidity risk.

6. On this news, Radian's shares fell \$6.49 per share, or over 16 percent, to close on July 31, 2007 at \$33.71 per share, on unusually heavy trading volume. The following day, the Company's shares fell an additional \$6.20 per share, or over 18 percent, to close on August 1, 2007 at \$27.51 per share, again on heavy trading volume.

7. The Complaint alleges that, throughout the Class Period, defendants failed to disclose material adverse facts about the Company's financial well-being, business relationships, and prospects. Specifically, defendants failed to disclose or indicate the following: (1) that the Company's investment in C-BASS was materially impaired due to increasing margin calls; (2) that C-BASS' investments were, at an alarming rate, substantially declining in value; (3) that the Company overstated its financial results by failing to properly and timely value its declining investment in C-BASS; (4) that the Company's financial statements were not prepared in accordance with Generally Accepted Accounting Principles ("GAAP"); and (5) that, as a result of the foregoing, the Company's financial statements were materially false and misleading at all relevant times.

8. As a result of defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class Members have suffered significant losses and damages.

JURISDICTION AND VENUE

9. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act, (15 U.S.C. §§ 78j(b) and 78t(a)), and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5).

10. This Court has jurisdiction over the subject matter of this action pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331.

11. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b). Many of the acts and transactions alleged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this Judicial District. Additionally, Radian's principal executive offices are located within this Judicial District.

12. In connection with the acts, conduct and other wrongs alleged in this Complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

13. Plaintiff, William Maslar, as set forth in the accompanying certification, incorporated by reference herein, purchased Radian's securities at artificially inflated prices during the Class Period and has been damaged thereby.

14. Defendant Radian is a Delaware corporation with its principal executive offices located at 1601 Market Street, Philadelphia, Pennsylvania.

15. Defendant Stanford A. Ibrahim ("Ibrahim") was, at all relevant times, the Company's Chief Executive Officer ("CEO").

16. Defendant C. Robert Quint ("Quint") was, at all relevant times, the Company's Chief Financial Officer ("CFO"), Principal Accounting Officer, and Executive Vice President.

17. Defendants Ibrahim and Quint are collectively referred to hereinafter as the "Individual Defendants." The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Radian's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. Each defendant was provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, each of these defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each "group-published" information, the result of the collective actions of the Individual Defendants.

SUBSTANTIVE ALLEGATIONS

Background

18. Radian is a global credit risk management company. The Company's business segments include mortgage insurance, financial guaranty and financial services. The mortgage

insurance business provides credit protection for mortgage lenders and other financial services companies on residential mortgage assets through traditional mortgage insurance, as well as other mortgage-backed structured products. The financial guaranty business insures and reinsures credit-based risks and provides synthetic credit protection on various asset classes through credit default swaps. The financial services business segment consists mainly of the Company's ownership interests in C-BASS, a mortgage investment and servicing firm specializing in credit-sensitive, residential mortgage assets and residential mortgage-backed securities.

19. C-BASS is a mortgage credit joint venture between Defendant Radian and MGIC. Throughout the Class Period, C-BASS was reportedly worth \$1 billion, and Radian and MGIC each possessed a 46 percent equity stake in the company worth approximately \$466 million each.

20. In February 2007, Radian and MGIC announced that they had agreed to merge and form a new company entitled MGIC Radian Financial Group, Inc. This stock-for-stock merger transaction was valued at approximately \$4.9 billion. It was reported that the two companies planned to sell down their combined stake in C-BASS by 50 percent at the time of the merger, which was scheduled to close in late in the third quarter or fourth quarter of 2007.

**Materially False and Misleading
Statements Issued During the Class Period**

21. The Class Period begins on January 23, 2007. On this day, the Company issued a press release entitled "Radian Reports Record 2006 Net Income of \$582 Million." Therein, the Company, in relevant part, stated:

- Record 2006 diluted EPS increases 19.8 percent to \$7.08
- Grows book value by 16.1 percent over 2005
- Posts fourth quarter 2006 diluted EPS of \$1.96

Radian Group Inc. (NYSE: RDN) today reported that for the year ended December 31, 2006, Radian earned record net income of \$582.2 million and diluted net income per share of \$7.08. This represents an increase of 11.3 percent and 19.8 percent, respectively, over 2005. Book value per share at December 31, 2006, was \$51.23, an increase of 16.1 percent from a year earlier.

For the fourth quarter, Radian reported net income of \$158.4 million and diluted net income per share of \$1.96, compared to \$104.5 million and \$1.24 reported in the fourth quarter of 2005.

"Radian delivered record net income and grew book value by 16.1 percent, despite a challenging operating environment for our businesses including tight credit-spreads and competition from alternative products," said Chief Executive Officer S.A. Ibrahim. "This performance demonstrates that our strategy to focus on diversification while maintaining a strict risk management culture continues to deliver long-term value."

* * *

"Forecasts for interest rate stability, strong employment and improved persistency bode well for the mortgage insurance industry," Mr. Ibrahim added. "In this environment, we believe we are well positioned to benefit over the long term from both cyclical and structural opportunities in the mortgage market."

* * *

"During the year, we achieved an important milestone for our financial guaranty business when S&P affirmed the AA financial strength rating for Radian Asset Assurance, and revised its outlook upward to stable," Mr. Ibrahim said. "In the fourth quarter, we exceeded \$100 billion in net par outstanding. We believe that these milestones, along with the outstanding performance throughout the year, validate our AA franchise strategy. Our goal in 2007 is to continue to prudently grow our financial guaranty business." [Emphasis added.]

22. On February 6, 2007, the Company issued a press release entitled "MGIC Investment Corporation and Radian Group Inc. to Merge." Therein, the Company, in relevant part, stated:

MGIC Investment Corporation (NYSE: MTG), "MGIC", and Radian Group Inc. (NYSE: RDN), "Radian", today announced

they have agreed to merge, forming a preeminent mortgage and credit risk insurer.

The new company, to be called MGIC Radian Financial Group Inc., will have nearly \$15 billion in total assets, more than \$290 billion of primary mortgage insurance in force and a financial guaranty portfolio approximating \$104 billion of net par outstanding.

The agreement provides for a stock-for-stock merger in which 0.9658 shares of MGIC common stock will be exchanged for each share of Radian common stock. The merger is intended to qualify as a "tax-free reorganization" for U.S. shareholders. Based upon the closing stock prices of both companies on February 5, 2007, the pro forma combined market capitalization of the new institution would be approximately \$10 billion.

Curt S. Culver, current chairman and chief executive officer of MGIC, will serve as chairman and chief executive officer of the combined company. *S.A. Ibrahim, current chief executive officer of Radian, will serve as the president and chief operating officer of the combined company. Mr. Ibrahim will succeed Mr. Culver as chief executive officer of MGIC Radian Financial Group Inc. in 2009 and as chairman in 2010.*

* * *

"Radian shares MGIC's passion for delivering superior customer service, and the combined company will be in an excellent position to raise these service standards even higher," said Mr. Culver. "Our companies have similar goals and shared values regarding increasing shareholder value. *We will take a deliberate, methodical approach to integrating our companies, making certain that customers continue to receive high quality service and that our shareholders realize the potential benefits of this merger.*"

Mr. Ibrahim also expressed his enthusiasm for the merger, saying: "I am confident the new MGIC Radian Financial Group will emerge as a premier U.S. and international mortgage insurer and credit enhancement provider, delivering superior shareholder returns by combining the best talent, analytics, systems and processes, and the disciplined risk management cultures of both companies.

"Our businesses complement each other in many ways, and, led by one of the most experienced management teams in the

business, we will have an even greater ability to meet the credit enhancement needs of capital markets worldwide," Mr. Ibrahim continued. "The appeal of this merger is compelling by any measure – strategically, financially and operationally." [Emphasis added.]

23. On April 24, 2007, the Company issued a press release entitled "Radian Reports First Quarter Net Income of \$114 Million." Therein, the Company, in relevant part, stated:

Radian Group Inc. (NYSE: RDN) today reported that for the quarter ended March 31, 2007, Radian earned net income of \$113.5 million and diluted net income per share of \$1.42. Book value per share at March 31, 2007, was \$52.00, an increase of 14 percent from a year earlier.

"Our core mortgage insurance and financial guaranty businesses had strong production performance this quarter, with a 35 percent jump in flow MI over last year and strong growth in written and earned premium for FG," said Chief Executive Officer S.A. Ibrahim.

"Our primary book was not significantly affected by the disruptions in the sub-prime market in recent months," Mr. Ibrahim added. "I believe this is a validation of our long-term approach to risk management in all areas, including sub-prime and Alt A, where we have remained disciplined in diversifying our book of business across geographies, products, clients and origination years."

In the Financial Services segment, net income was \$10.8 million, down from \$38.7 million for the same period last year, primarily as a result of an operating loss at C-BASS.

The company also provided an update on its proposed merger with MGIC, which was announced in February this year. Radian and MGIC currently anticipate completing the merger late in the third quarter or early in the fourth quarter of 2007. To do this, both Radian and MGIC must obtain stockholder approval, with votes scheduled for early next month, as well as additional regulatory approvals. [Emphasis added.]

24. On May 9, 2007, the Company issued a press release entitled "Radian Stockholders Approve Merger of Radian Group Inc. and MGIC Investment Corporation."

Therein, the Company, in relevant part, stated:

Radian Group Inc. (NYSE: RDN), a global credit risk management company, today announced that its stockholders approved the merger of Radian and MGIC Investment Corporation (NYSE: MTG). MGIC will be holding its annual meeting tomorrow, May 10, when its stockholders will also vote on the merger.

As previously announced, the companies are expecting to complete the merger late in the third quarter or early in the fourth quarter of 2007, pending all remaining regulatory approvals.

25. On July 24, 2007, the Company issued a press release entitled "Radian Reports Second Quarter Net Income of \$21 Million." Therein, the Company, in relevant part, stated:

Radian Group Inc. (NYSE: RDN) today reported net income for the quarter ended June 30, 2007, of \$21.1 million and diluted net income per share of \$0.26.

"Our second quarter results clearly illustrate the credit challenges in today's mortgage market, but I believe they also reflect long-term positive trends for our business," said S.A. Ibrahim, Chief Executive Officer. "Market conditions, particularly in California and Florida, led to an increase in defaults that impacted our results."

Mr. Ibrahim added, "The company experienced top-line growth, improved persistency and renewed demand for our traditional mortgage insurance product. Our balance sheet remains solid, with a highly rated investment portfolio of more than \$6 billion and total loss reserves of more than \$900 million. And, our financial guaranty business continues to demonstrate the benefit of our diversification by contributing strong operating earnings again this quarter."

* * *

The company also provided an update on its proposed merger with MGIC, which was announced in February this year. All significant regulatory and stockholder approvals have been completed, except for two state insurance regulatory authorities. Radian and MGIC

continue to anticipate completing the merger late in the third quarter or early in the fourth quarter of 2007. [Emphasis added.]

26. The statements contained in ¶¶ 21 – 23, and 25 were materially false and misleading when made because defendants failed to disclose or indicate the following: (1) that the Company's investment in C-BASS was materially impaired due to increasing margin calls; (2) that C-BASS' investments were, at an alarming rate, substantially declining in value; (3) that the Company overstated its financial results by failing to properly and timely value its declining investment in C-BASS; (4) that the Company's financial statements were not prepared in accordance with Generally Accepted Accounting Principles ("GAAP"); and (5) that, as a result of the foregoing, the Company's financial statements were materially false and misleading at all relevant times.

The Truth Begins to Emerge

27. On July 30, 2007, after the market had closed, the Company issued a press release entitled "Radian Comments on C-BASS Investment." Therein, the Company, in relevant part, stated:

Radian Group Inc. (NYSE: RDN) today announced that it has ***concluded that the value of its investment in Credit-Based Asset Servicing and Securitization LLC ("C-BASS") has been materially impaired.*** C-BASS is a limited liability company whose interests are owned by MGIC Investment Corporation, Radian Group Inc. and the management of C-BASS. C-BASS is principally engaged in the business of investing in the credit risk of subprime single-family residential mortgages. ***Since February 2007, the market for subprime mortgages has experienced significant turmoil,*** with market dislocations accelerating to unprecedented levels beginning in mid-July 2007 and further deteriorating in the last few days.

Radian's investment in C-BASS consists of approximately \$468 million of equity as of June 30, 2007 and an additional \$50 million drawn on July 20 and 23, 2007 under a \$50 million unsecured credit facility that Radian provided to C-BASS. On a pro forma basis reflecting the amounts drawn under this credit

facility, *Radian's investment in C-BASS was approximately \$518 million. Radian has not determined the impairment charge, although it could be Radian's entire investment, less any associated tax benefit.*

S.A. Ibrahim, Chief Executive Officer noted, "While this action clearly reflects the continuing credit challenges in today's mortgage market, we are moving forward, as planned, with our proposed merger with MGIC, which we expect to close late in the current quarter, or early in the next." [Emphasis added.]

28. Then on July 31, 2007, before the market opened, C-BASS issued a press release entitled "C-BASS LLC Responding to Liquidity Challenge." The press release, in relevant part, stated:

Company Exploring Strategic Options

C-BASS LLC, an affiliate of MGIC Investment Corporation (NYSE: MTG) and Radian Group Inc. (NYSE: RDN) today issued the following statement in response to the announcements made last night by MGIC and Radian regarding the liquidity challenges faced by C-BASS.

While nothing fundamentally has changed at C-BASS, like many other firms in the industry, the current severe state of disruption in the credit markets has caused C-BASS to be subject to an unprecedented amount of margin calls from our lenders. The frequency and magnitude of these calls have adversely affected our liquidity. To address this, C-BASS is in advanced discussions with a number of investors to provide increased liquidity and is exploring all options to mitigate the liquidity risk in this difficult market.

At the beginning of 2007, we had \$302 million of liquidity, representing greater than 30% of our capital of \$926 million. During the first 6 months of 2007, a very tumultuous time in the subprime mortgage market, C-BASS' disciplined liquidity strategy enabled the company to meet \$290 million in lender margin calls. During the first 24 days of July alone, C-BASS met an additional \$260 million of margin calls, representing greater than a 20% decline in the lender's value. We believe that nothing justifies this substantial amount of margin calls received in such a short period of time, particularly as there has been no change in the underlying fundamentals of our portfolio. [Emphasis added.]

29. On this news, Radian's shares fell \$6.49 per share, or over 16 percent, to close on July 31, 2007 at \$33.71 per share, on unusually heavy trading volume. The following day, the Company's shares fell an additional \$6.20 per share, or over 18 percent, to close on August 1, 2007 at \$27.51 per share, again on heavy trading volume.

30. On July 31, 2007, *BusinessWeek Online* published an article entitled "Will C-Bass Sink the MGIC-Radian Merger?" The article, in relevant part, stated:

Analysts think the floundering loan servicer's liquidity woes could threaten the merger of the two mortgage insurers that control it

* * *

The latest victim is C-Bass LLC, a joint venture owned by mortgage insurers MGIC Investment Corp. and Radian Group Inc. *After the closing bell on July 30, MGIC and Radian said their investments in the company had been "materially impaired" and would prompt writedowns of as much as the full value of those investments.*

Shares of MGIC and Radian each fell around 15% in late trading July 31.

MGIC and Radian each have a 46% equity stake in C-Bass worth \$466 million and MGIC also provided a \$50 million credit line to the joint venture.

An unprecedented number of margin calls has caused C-Bass's liquidity to dry up in the past month, forcing it to seek out loans that are certain to come at hefty interest rates if they materialize at all. C-Bass managed to meet \$290 million of lender margin calls stemming from a cascade of market alerts about potential defaults on subprime mortgage loans during the first six months of this year. Those margin calls ate up nearly all of the \$302 million of cash C-Bass had on hand at the start of 2007, which represented more than 30% of its \$926 million in capital. The company ponied up additional \$260 million for margin calls in the first 24 days of July.

* * *

"When you have the ABX index trading very low on a lot of concerns about subprime loans, [negative] psychology begins to

take over," said Michael Grasher, senior research analyst at Piper Jaffray & Co. ***To meet the margin calls, C-Bass had to sell down some of its assets. Now, strapped for cash, it's being forced to look for other sources of cash, such as loans.*** The mortgage loans the company has invested in continue to perform as they had been, he said.

The cash crisis at C-Bass doesn't have any wider implications for other mortgage insurers, as ***MGIC and Radian were the only companies that have invested in a company that services and packages subprime loans, he added.***

In February, MGIC and Radian agreed to merge to form a new company, to be called MGIC Radian Financial Group Inc., that will have nearly \$15 billion in total assets, and offer more than \$290 billion of primary mortgage insurance. Under the merger agreement, 0.9658 shares of MGIC common stock will be exchanged for each share of Radian common stock, with the merger meant to qualify as a tax-free reorganization for U.S. shareholders.

It's no secret that the two companies had planned to sell down their combined stake in C-Bass by 50% at the time of the merger, which is slated to close in the fourth quarter. But analysts say C-Bass's liquidity crisis now throws a sale into question.

The meltdown of C-Bass, combined with the risky nature of Radian's portfolio, could end up derailing the merger between MGIC and Radian, Standard & Poor's said in a research note.

* * *

The market, however, is clearly betting against the merger being completed, Stelmach said in an interview with BusinessWeek. He cited an 11% arbitrage spread between the prices at which the two stocks were trading Tuesday afternoon, based on the fixed exchange ratio of 0.9658.

* * *

Although a buyer would presumably still be interested in C-Bass, if there is a sale, creditors would have higher priority in getting paid, which begs the question of whether there would be anything left over for equity holders, he said. [Emphasis added.]

POST CLASS PERIOD DEVELOPMENTS

31. On September 6, 2007, *The Wall Street Journal*, in an article entitled "MGIC, Radian Untie the Merger Knot," reported:

Mortgage Insurers Fall Victim to Credit Woes; Joint Venture Goes South

The turmoil in the U.S. home-loan market has derailed the merger of mortgage insurers MGIC Investment Corp. and Radian Group Inc.

MGIC, the nation's largest mortgage insurer by market share, agreed in February to purchase Radian in a stock swap valued at about \$4.9 billion. *But the value of the proposed deal has dropped more than 50% since then, as shares of both insurers have taken a beating from worries over credit losses.*

"Current market conditions have made combining the companies significantly more challenging," MGIC and Radian said in a joint statement.

The proposed deal hit a snag last month when MGIC, of Milwaukee, said it didn't have to complete its planned takeover of Radian, of Philadelphia, because of losses in a joint venture investing in subprime mortgages, or loans made to people with weak credit.

MGIC subsequently filed a lawsuit against Radian, seeking additional information that MGIC believed would support its decision to walk away from the deal. Both companies said all outstanding litigation between them will be withdrawn, and no money changed hands.

During a conference call with investors, Radian Chief Executive S.A. Ibrahim said Radian needs to focus "all our energy" on dealing with the "extremely challenging" markets, where rising home-loan defaults have rattled investors world-wide and limited credit to mortgage companies.

* * *

Radian, the No. 3 mortgage insurer by market share, sought to reassure investors over its ability to survive without the deal. Mr. Ibrahim said the company has no liquidity risk, and its investment portfolio of \$6 billion as of June 30 consisted primarily of "highly rated liquid investments."

* * *

Both insurers have said the disruptions in the market for risky mortgages might have wiped out their stakes in another joint venture, C-BASS, valued at more than \$1 billion in June. The expected losses fueled market speculation that the two insurers wouldn't be able to sell their holdings in the venture, thereby derailing the merger. [Emphasis added.]

**RADIAN'S VIOLATION OF GAAP RULES
IN ITS FINANCIAL STATEMENTS
FILED WITH THE SEC**

32. These financial statements and the statements about the Company's financial results were false and misleading, as such financial information was not prepared in conformity with GAAP, nor was the financial information a fair presentation of the Company's operations due to the Company's improper accounting for, and disclosure about its revenues, in violation of GAAP rules.

33. GAAP are those principles recognized by the accounting profession as the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. Regulation S-X (17 C.F.R. § 210.4 01(a) (1)) states that financial statements filed with the SEC which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate. Regulation S-X requires that interim financial statements must also comply with GAAP, with the exception that interim financial statements need not include disclosure which would be duplicative of disclosures accompanying annual financial statements. 17 C.F.R. § 210.10-01(a).

34. Given these accounting irregularities, the Company announced financial results that were in violation of GAAP and the following principles:

- (a) The principle that "interim financial reporting should be based upon the same accounting principles and practices used to prepare annual financial

statements" was violated (APB No. 28, ¶10);

- (b) The principle that "financial reporting should provide information that is useful to present to potential investors and creditors and other users in making rational investment, credit, and similar decisions" was violated (FASB Statement of Concepts No. 1, ¶34);
- (c) The principle that "financial reporting should provide information about the economic resources of an enterprise, the claims to those resources, and effects of transactions, events, and circumstances that change resources and claims to those resources" was violated (FASB Statement of Concepts No. 1, ¶40);
- (d) The principle that "financial reporting should provide information about an enterprise's financial performance during a period" was violated (FASB Statement of Concepts No. 1, ¶42);
- (e) The principle that "financial reporting should provide information about how management of an enterprise has discharged its stewardship responsibility to owners (stockholders) for the use of enterprise resources entrusted to it" was violated (FASB Statement of Concepts No. 1, ¶50);
- (f) The principle that "financial reporting should be reliable in that it represents what it purports to represent" was violated (FASB Statement of Concepts No. 2, ¶¶ 58-59);
- (g) The principle that "completeness, meaning that nothing is left out of the information that may be necessary to insure that it validly represents underlying events and conditions" was violated (FASB Statement of

Concepts No. 2, ¶79); and

- (h) The principle that "conservatism be used as a prudent reaction to uncertainty to try to ensure that uncertainties and risks inherent in business situations are adequately considered" was violated (FASB Statement of Concepts No. 2, ¶95).

35. The adverse information concealed by Defendants during the Class Period and detailed above was in violation of Item 303 of Regulation S-K under the federal securities law (17 C.F.R. §229.303).

PLAINTIFF'S CLASS ACTION ALLEGATIONS

36. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased Radian's securities between January 23, 2007 and July 31, 2007, inclusive (the "Class Period") and who were damaged thereby. Excluded from the Class are defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

37. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Radian's securities were actively traded on the New York Stock Exchange ("NYSE"). While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Radian or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar

to that customarily used in securities class actions.

38. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

39. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

40. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- (a) whether the federal securities laws were violated by defendants' acts as alleged herein;
- (b) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Radian; and
- (c) to what extent the members of the Class have sustained damages and the proper measure of damages.

41. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

42. The market for Radian's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Radian's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Radian's securities relying upon the integrity of the market price of Radian's securities and market information relating to Radian, and have been damaged thereby.

43. During the Class Period, defendants materially misled the investing public, thereby inflating the price of Radian's securities, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

44. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, defendants made or caused to be made a series of materially false or misleading statements about Radian's financial well-being, business relationships, and prospects. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Radian and its financial well-being, business relationships, and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities

at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

45. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

46. During the Class Period, Plaintiff and the Class purchased Radian's securities at artificially inflated prices and were damaged thereby. The price of Radian's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

47. As alleged herein, defendants acted with scienter in that defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding Radian, their control over, and/or receipt and/or modification of Radian's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Radian, participated in the fraudulent scheme alleged herein.

48. Also, during the Class Period, the defendants were motivated to conceal the problems with the Company's C-BASS investment so that they could close the MGIC merger by late in the third quarter or fourth quarter of 2007.

49. Additionally, during the Class Period, and with the Company's securities trading at artificially inflated prices, Company insiders sold 161,804 shares of their personally held Company stock for gross proceeds of \$10,182,600, including over \$8.1 million in gross proceeds received by Defendant Quint, the Company's CFO. This trading by Company insiders is evidenced by the following chart:

Date of Trade	Inside Trader	Number of Shares	Price per Share	Gross Proceeds
May 23, 2007	KASMAR, ROY J.	3,800	\$63.95	\$243,010
May 14, 2007	IBRAHIM, SANFORD A.	5,040	\$62.42	\$314,596
May 11, 2007	KASMAR, ROY J.	7,994	\$62.90	\$502,822
February 14, 2007	IBRAHIM, SANFORD A.	1,095	\$63.53	\$69,565
February 8, 2007	CALAMARI, JOHN	14,875	\$63.70	\$947,537
February 8, 2007	QUINT, C. ROBERT	129,000	\$62.83	\$8,105,070
	TOTALS:	161,804		\$10,182,600

**Applicability of Presumption of Reliance:
Fraud On The Market Doctrine**

50. At all relevant times, the market for Radian's securities was an efficient market for the following reasons, among others:

- (a) Radian's stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;
- (b) As a regulated issuer, Radian filed periodic public reports with the SEC and the NYSE;
- (c) Radian regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as

communications with the financial press and other similar reporting services; and

- (d) Radian was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

51. As a result of the foregoing, the market for Radian's securities promptly digested current information regarding Radian from all publicly-available sources and reflected such information in Radian's stock price. Under these circumstances, all purchasers of Radian's securities during the Class Period suffered similar injury through their purchase of Radian's securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

52. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized

and/or approved by an executive officer of Radian who knew that those statements were false when made.

FIRST CLAIM
Violation of Section 10(b) of
The Exchange Act and Rule 10b-5
Promulgated Thereunder Against All Defendants

53. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

54. During the Class Period, defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Radian's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

55. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Radian's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

56. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Radian's financial well-being, business relationships, and prospects, as specified herein.

57. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Radian's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about Radian and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of Radian's securities during the Class Period.

58. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of his responsibilities and activities as a senior officer and/or director of the Company was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

59. The defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Radian's financial well-being, business relationships, and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants' overstatements and misstatements of the Company's financial well-being, business relationships, and prospects throughout the Class Period, defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

60. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of Radian's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of Radian's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by defendants, but not disclosed in public statements by defendants during the Class Period, Plaintiff and the other members of the Class acquired Radian's securities during the Class Period at artificially high prices and were damaged thereby.

61. At the time of said misrepresentations and omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that

Radian was experiencing, which were not disclosed by defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Radian securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

62. By virtue of the foregoing, defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

63. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM
Violation of Section 20(a) of
The Exchange Act Against the Individual Defendants

64. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

65. The Individual Defendants acted as controlling persons of Radian within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to be misleading prior to and/or shortly after

these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

66. In particular, each of these defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

67. As set forth above, Radian and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

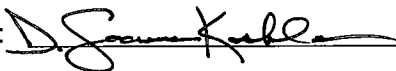
- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: ~~SEPTEMBER~~ 11, 2007

Respectfully submitted,

By:  _____

**SCHIFFRIN BARROWAY
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(610) 667-7706
(610) 667-7056 (fax)

Attorneys for Plaintiff

CERTIFICATION

I, (print name) William J. MASLAR ("Plaintiff") declare, as to the claims asserted under the federal securities laws, that:

1. Plaintiff has reviewed the Complaint, authorizes its filing, and retains Schiffrin Barroway Topaz & Kessler, LLP and such co-counsel it deems appropriate to associate with to pursue such action on a contingent fee basis.
2. Plaintiff did not purchase the security that is the subject of this action at the direction of Plaintiff's counsel or in order to participate in any private action.
3. Plaintiff is willing to serve as a representative party on behalf of the class, either individually or as part of a group, including providing testimony at deposition and trial, if necessary. I understand that this is not a claim form, and that my ability to share in any recovery as a member of the class is not dependent upon execution of this Plaintiff Certification.
4. Plaintiff's purchase and sale transaction(s) in the **Radian Group, Inc. (NYSE: RDN)** security that is the subject of this action during the Class Period is/are as follows :

Type of Security (common stock, preferred, option, or bond)	Date Purchased	Date Sold	Number of Shares	Price per share
COMMON STOCK	5/30/2007		250	62.35
		7/6/2007	250	18.65

(Please list purchases and sales on separate lines; purchases first then sales on lines below; also list additional transactions on a separate piece of paper, if necessary)

5. Plaintiff has complete authority to bring a suit to recover for investment losses on behalf of purchasers of the subject securities described herein (including plaintiff, any co-owners, any corporations or other entities, and/or any beneficial owners).
6. During the three years prior to the date of this Certification, Plaintiff has not sought to serve or served as a representative party for a class in an action filed under the federal securities laws except as described below: _____
7. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 5 day of SEPT., 2007.

William J. Maslar
Signature

William J. MASLAR
Print Name