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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

Efrain Munoz, *et al.* Individually,
and On Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

PHH Corp., PHH Mortgage Corp.,
PHH Home Loans, LLC, and
Atrium Insurance Corp.,

Defendants.

Case No. 1:08-cv-00759-MMB-BAM

SETTLEMENT AGREEMENT

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This Settlement Agreement (the “Agreement”) is made and entered into as of July 11, 2025 by and between Plaintiffs Efrain Munoz, Leona Lovette, Stephanie Melani, John Hoffman, and Daniel Maga II (collectively, “Plaintiffs”), both individually and on behalf of the Settlement Class defined below, and Defendants PHH Corp., PHH Mortgage Corp., PHH Home Loans, LLC, and Atrium Insurance Corp. (collectively, “Defendants”). (Plaintiffs and Defendants shall be referred to as the “Settling Parties” or “Parties”).

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WHEREAS, on December 10, 2010, Plaintiffs filed the operative First Amended Class Action Complaint (the “Action”). Dkt. 96.

WHEREAS, on June 11, 2015, the Court certified a nationwide class of people who obtained residential mortgage loans originated and/or acquired by PHH and/or its affiliates, and, in connection therewith, purchased private mortgage insurance and whose loans were included within PHH's captive mortgage insurance arrangements. Dkt. 230, 288.

WHEREAS, on September 9, 2016, the Parties filed cross-motions for summary judgment, which the Court granted in part and denied in part on August 12, 2020. Dkt. 340, 342, 417.

WHEREAS, on June 11, 2021, the Court set the case for trial to begin on February 15, 2022. Dkt. 456.

WHEREAS, on August 9, 2021, this case was reassigned to the Honorable M. Miller Baker, Judge of the United States Court of International Trade, sitting by designation. Dkt. 460.

WHEREAS, on January 31, 2022, the Court entered an order precluding Plaintiffs from proffering at trial certain evidence that Plaintiffs contend would support their economic harm theory of standing

1 (the “January 31, 2022 Order”). Dkt. 538.

2 WHEREAS, on February 2, 2022, the Parties submitted a
3 stipulation and proposed order of dismissal in which Plaintiffs
4 acknowledged that economic harm is the only theory of standing that they
5 are pursuing, and that as a result of the January 31, 2022 Order, they
6 could not meet their burden to show Article III standing, a necessary
7 element of their claims. Dkt. 548.

8 WHEREAS, on February 3, 2022, the Court entered an order
9 dismissing the case and entering judgment, subject to Plaintiffs’ ability to
10 appeal the January 31, 2022 Order. Dkt. 551, 552.

11 WHEREAS, on February 24, 2023, the Ninth Circuit reversed the
12 January 31, 2022 Order, and remanded the case to the district court for
13 further proceedings. Dkt. 557.

14 WHEREAS, on May 30, 2023, the Court ordered the Parties to
15 complete additional discovery mandated by the Ninth Circuit’s decision,
16 and to file any additional pretrial motions by December 15, 2023. Dkt.
17 568.

18 WHEREAS, on October 20, 2023, the Parties filed motions to
19 exclude certain expert testimony, and on December 15, 2023, Defendants
20 filed a motion for summary judgment. Dkt. 570, 571, 577.

21 WHEREAS, on January 31, 2025, the Court decided the motions
22 filed on October 20, 2023 and December 15, 2023, and ordered the Parties
23 to meet and confer to propose dates for a combination *Daubert* hearing
24 and bench trial regarding the issue of Plaintiffs’ alleged economic harm,
25 as well as dates for a jury trial on the merits of Plaintiffs’ RESPA claim,
26 if necessary. Dkt. 598.

27 WHEREAS, on February 18, 2025, the Court set the combination
28 *Daubert* hearing and bench trial to take place on March 26, 2025 and

1 March 27, 2025, and on February 20, 2025, the Court set the jury trial, if
2 necessary, to begin on October 15, 2025. Dkt. 602, 604.

3 WHEREAS, since the Ninth Circuit's remand order, the Settling
4 Parties have engaged in extensive settlement negotiations, and engaged
5 the assistance of mediator Marc E. Isserles of JAMS ADR, including
6 participating in a full-day mediation session.

7 WHEREAS, Plaintiffs, individually and on behalf of the Settlement
8 Class (defined below), desire to settle the Action upon the terms and
9 conditions of this Agreement (the "Settlement"). The Settling Parties
10 have concluded, after due investigation and after carefully considering
11 the relevant circumstances, including, without limitation, the claims
12 asserted in the Action, the legal and factual defenses thereto and the
13 applicable law, that it is in the best interest of the Settling Parties to enter
14 into this Agreement to avoid the uncertainties of litigation and to assure
15 that the benefits set forth below are obtained for Plaintiffs and the
16 Settlement Class. Further, Class Counsel (defined below) considers the
17 Settlement set forth in this Agreement to be fair, reasonable, and
18 adequate and in the best interests of Plaintiffs and the Settlement Class.

19 NOW THEREFORE, in consideration of the foregoing and the
20 covenants and agreements set forth herein, and for other good and
21 valuable consideration, the receipt and sufficiency of which is
22 acknowledged herein, the Settling Parties agree, subject to the approval
23 by the Court, as follows:

24 **I. SETTLEMENT PROCEDURES**

25 **A. Reasonable Best Efforts to Effectuate This Settlement.** The
26 Settling Parties: (a) acknowledge that it is their intent to consummate
27 this Agreement, and (b) agree, subject to their fiduciary and other legal
28 obligations, to cooperate to the extent reasonably necessary to effectuate

1 and implement the terms and conditions of this Agreement and to
2 exercise their best efforts to accomplish the terms and conditions of this
3 Agreement. The Parties, Class Counsel, and Defendants' Counsel agree
4 to cooperate with one another reasonably and in good faith in (a) seeking
5 Court approval of the Preliminary Approval Order (defined below), the
6 Agreement, and the Final Approval Order (defined below) and Final
7 Judgment and, in the event of any appeal(s), to use their reasonable best
8 efforts to effect prompt consummation of this Agreement and the proposed
9 Settlement; (b) promptly agreeing upon and executing all such other
10 documents as may be reasonably required to obtain final approval of the
11 Agreement; and (c) resolving any disputes that may arise in the
12 implementation of the terms of this Agreement.

13 **B. Certification of Settlement Class and Appointment of Class**
14 **Counsel.** The Settling Parties agree to class certification, pursuant to
15 Fed. R. Civ. P. Rules 23(a) and 23(b)(3), of a "Settlement Class" defined
16 as follows:

17 All persons who obtained residential mortgage loans
18 originated and/or acquired by PHH and/or its affiliates from
19 January 1, 2007 through December 31, 2009, and, in
20 connection therewith, purchased private mortgage insurance
21 and whose loans were included within PHH's captive
22 mortgage reinsurance agreements, including the successors,
23 heirs and/or assigns of such persons.¹

24 The following entities and individuals are excluded from the
25 Settlement Class: (a) Defendants' officers, directors, and employees; (b)

26 ¹ Each loan obtained by a person meeting this class definition will be
27 defined as a single "Settlement Class Member," regardless of the number
28 of original obligors on such loan, and only one claim will be allowed per
loan / Settlement Class Member.

1 Defendants' affiliates and affiliates' officers, directors, and employees; (c)
2 the Released Persons (defined below); (d) all persons who have previously
3 excluded themselves from the certified class (Dkt. 230, 288, 314); and (e)
4 any person otherwise in the Settlement Class who timely and properly
5 excludes themselves from the Settlement Class as provided in this
6 Agreement and the Settlement Class Notices (defined below).

7 Additionally, the Settling Parties agree to the Court's appointment
8 of Kessler Topaz Meltzer & Check, LLP and Larson LLP, together, as co-
9 class counsel for the Settlement Class ("Class Counsel").

10 **C. Preliminary Approval.** After good-faith consultation with
11 Defendants' Counsel, and within twenty (20) days after the execution of
12 this Agreement by all Parties, Class Counsel shall move the Court for
13 entry of an order granting preliminary approval of the Settlement and
14 this Agreement substantially in the form of Exhibit A hereto (the
15 "Preliminary Approval Order"), which order shall (a) preliminarily
16 approve the Settlement memorialized in this Agreement as fair,
17 reasonable, and adequate; (b) approve the proposed Summary Notice and
18 Long-Form Notice ("Settlement Class Notices"), in the forms attached
19 hereto as Exhibits B and C, authorize their dissemination to the
20 Settlement Class, and determine that such Settlement Class Notices
21 comply with all legal requirements, including, but not limited to, the Due
22 Process Clause of the United States Constitution; (c) set a date for a final
23 approval hearing (the "Final Approval Hearing"); (d) set deadlines
24 consistent with this Agreement for the dissemination of the Settlement
25 Class Notices, the submission of objections and exclusions, and the filing
26 of papers in connection with the Final Approval Hearing; (e) require
27 Settlement Class Members who wish to exclude themselves from the
28 Settlement Class to submit an appropriate and timely written request for

1 exclusion by the deadline set forth pursuant to (d) above, as directed in
2 this Agreement and the Settlement Class Notices, and advise that a
3 failure to do so shall prevent those Settlement Class Members from
4 excluding themselves from the Settlement Class and shall bind those
5 Settlement Class Members who remain in the Settlement Class; (f)
6 appoint and approve the Settlement Administrator (as defined below); (g)
7 authorize the Settling Parties to take all necessary and appropriate steps
8 to establish the means necessary to implement this Agreement; and (h)
9 issue related orders to effectuate the preliminary approval of this
10 Agreement and the Settlement. The Settling Parties shall, in good faith,
11 take reasonable steps to secure expeditious entry by the Court of the
12 Preliminary Approval Order.

13 **D. Settlement Class Notices.** As part of the motion for
14 preliminary approval, Class Counsel shall submit to the Court for
15 approval a proposed form of, method for, and schedule for dissemination
16 of notice to the Settlement Class (the “Notice Plan”) to be administered
17 by JND Legal Administration (the “Settlement Administrator”).

18 The Settlement Administrator shall administer the Settlement in a
19 cost-effective and timely manner. Without limiting any of its other
20 obligations as stated herein, the Settlement Administrator shall be
21 responsible for mailed notice, emailed notice, publication notice, website
22 notice, the settlement website, internet advertising, administration of the
23 Settlement Relief (defined below), and providing all other related support,
24 reporting, and administration as further stated in this Agreement.

25 Defendants will coordinate with the Settlement Administrator to
26 provide notice to the Settlement Class, as provided in this Agreement,
27 with Class Counsel’s participation and oversight. Because the
28 information about Settlement Class Members that will be provided to the

1 Settlement Administrator will consist of confidential information, non-
2 public personal information, and other information protected by privacy
3 laws, any such information shall be deemed “Confidential” under ¶ 4 of
4 the protective order entered in this Action on February 26, 2009, and shall
5 be used only for the purpose of administering this Settlement.

6 The Notice Plan shall, at a minimum, include direct notice by mail
7 and email, where available, and by publication notice, which shall
8 continue periodically until the conclusion of the 12-month settlement
9 claims period, which shall begin to run upon entry of the Preliminary
10 Approval Order (“Claims Period”). In addition, a settlement website and
11 call center will be established and maintained by the Settlement
12 Administrator during the pendency of the 12-month claims period. The
13 Notice Plan shall ask the Court to find that the proposed form of and
14 method for dissemination of notice to the Settlement Class constitutes
15 valid, due, and sufficient notice to the Settlement Class; constitutes the
16 best notice practicable under the circumstances; and complies fully with
17 the requirements of Fed. R. Civ. P. 23 and constitutional due process. The
18 Settlement Class Notices shall be in a form substantially similar to
19 Exhibits B and C to this Agreement (provided that the font size, folding,
20 and other printing elements or presentation may be adjusted to
21 accommodate a booklet format and for efficient envelope and postage
22 considerations). Defendants shall pay all notice and settlement
23 administration costs up to \$500,000, including serving the notices
24 required by the Class Action Fairness Act of 2005, 28 U.S.C. § 1715.

25 Any Settlement Class Member who does not properly submit a
26 completed Claim Form on or before the last day of the Claims Period, or
27 in the case of a mailed Claim Form, that is postmarked by the last day of
28 the Claims Period, shall be deemed to have waived any claim to

1 Settlement Relief and any such Claim Form submitted by that Settlement
2 Class Member will be rejected.

3 The Parties agree to promptly provide each other with copies of
4 objections, exclusion requests, or other similar documents received from
5 Settlement Class Members in response to the Settlement Class Notice(s).

6 **E. Settlement Class Member Identification.** Within ten (10)
7 business days of entry of the Preliminary Approval Order, the Parties
8 shall jointly provide to the Settlement Administrator all available
9 records, data and information necessary to identify and locate Settlement
10 Class Members. After delivery of such records, data and information, the
11 Settlement Administrator shall obtain updates, if any, to the addresses
12 contained therein using (a) information reasonably available from a
13 Lexis-Nexis persons search performed as to each Settlement Class
14 Member; (b) information reasonably available from the National Change
15 of Address (“NCOA”) database maintained by the United States Postal
16 Service (“Postal Service”); and (c) such additional efforts as the
17 Settlement Administrator reasonably believes are appropriate to identify
18 updated addresses or other contact information, if any, for each
19 Settlement Class Member and/or as the Court may direct.

20 **F. Dissemination of Settlement Class Notices.** As soon as
21 practicable after receiving the information in paragraph I.E. above, the
22 Settlement Administrator shall begin the process of mailing, and where
23 an email address is available, emailing, the Summary Notice, with
24 attached Claim Form, to each Settlement Class Member and shall
25 complete that process as soon as practicable.

26 Within thirty (30) business days after entry of the Preliminary
27 Approval Order, the Settlement Administrator shall also cause the
28 Summary Notice, with linked Claim Form, to be disseminated and

1 published according to the Notice Plan. In addition, prior to the date of
2 the mailing, and emailing, of the Summary Notice, the Settlement
3 Administrator shall cause the Long-Form Notice, this Agreement, and the
4 Claim Form to be made available on the dedicated settlement website.

5 If any mailed Settlement Class Notice sent is returned by the Postal
6 Service as undeliverable, the Settlement Administrator shall re-mail the
7 Settlement Class Notice immediately to the forwarding address, if any,
8 provided by the Postal Service on the face of the returned mail.

9 **G. Claim Review Process.** As soon as practicable after a Claim
10 Form is submitted, the Settlement Administrator shall confirm that such
11 Claim Form is in the form required, that such Claim Form was submitted
12 in a timely fashion, and that the person submitting the Claim Form is a
13 member of the Settlement Class. In the case that a Claim Form is not
14 submitted in the form required, the Settlement Administrator shall
15 promptly contact the Settlement Class Member who submitted such
16 Claim Form, and provide them with the opportunity to cure any
17 deficiency.

18 Within thirty (30) days after the conclusion of the Claims Period,
19 the Settlement Administrator shall provide Class Counsel and
20 Defendants' Counsel with a list of all Settlement Class Members who filed
21 a Claim Form, whether the Claim Form was rejected or accepted, and if
22 rejected, the reason it was rejected. The Parties will use their best efforts
23 to amicably resolve any dispute about the processing of any Claim Form.

24 The Settlement Administrator shall have thirty (30) days after the
25 date upon which the Final Approval Order and Final Judgement are no
26 longer subject to appeal (the "Effective Date") to process and remit the
27 appropriate Settlement Relief by check to Settlement Class Members for
28 accepted Claims submitted before the Effective Date. With regard to

1 timely Claims submitted after the Effective Date, the Settlement
2 Administrator shall promptly process each such Claim and remit the
3 appropriate Settlement Relief amounts by check to Settlement Class
4 Members for accepted Claims within 30 days of the date of acceptance of
5 the Claim.

6 Class Counsel and Defendants shall have the right to communicate
7 directly with the Settlement Administrator regarding the administration
8 of this Settlement, provided that each notifies the other
9 contemporaneously of all such interactions.

10 **H. Final Approval.** Not more than seventy-five (75) days after
11 entry of the Preliminary Approval Order, Class Counsel shall submit a
12 motion for final approval of this Agreement by the Court (“Final Approval
13 Motion”). Class Counsel shall also seek entry of the final approval order
14 (“Final Approval Order”) and Final Judgment, which shall be approved
15 as to form and content by Defendants prior to submission by Class
16 Counsel. The Final Approval Order shall (a) find that the Court has
17 personal jurisdiction over all Settlement Class Members, subject-matter
18 jurisdiction over the claims asserted in this Action, and that venue is
19 proper; (b) finally approve the Settlement as fair, reasonable, and
20 adequate; (c) give the terms of this Agreement final and complete effect;
21 (d) permanently bar the Settlement Class Releasers (defined below),
22 including Plaintiffs and all Settlement Class Members who have not
23 requested exclusion from the Settlement Class, from filing, commencing,
24 prosecuting, intervening in, or participating in (as class members or
25 otherwise) any action in any jurisdiction for the Released Claims (defined
26 below); (e) find that, by operation of the entry of the Final Judgment, the
27 Settlement Class Releasers shall be deemed to have forever released,
28 relinquished, and discharged the Released Persons (defined below) from

1 any and all Released Claims; (f) authorize the Settling Parties to
2 implement the terms of this Agreement; (g) retain jurisdiction relating to
3 the administration, consummation, enforcement, and interpretation of
4 this Agreement, the Final Approval Order, and the Final Judgment, and
5 for any other necessary purpose; (h) find that all other requirements
6 necessary to effectuate this Settlement have been met and satisfied; and
7 (i) otherwise enter final judgment in the Action, including any related
8 orders necessary to effectuate the final approval of the Agreement and its
9 continued implementation. The Settling Parties agree to support entry of
10 the Final Approval Order and the Final Judgment. The Settling Parties
11 will reasonably cooperate with one another in seeking entry of the Final
12 Approval Order and of the Final Judgment. Once entered, the Settlement
13 Administrator shall publish the Final Approval Order and Final
14 Judgment on the settlement website.

15 Class Counsel, also will request that the Court approve, by separate
16 order(s), an application for Plaintiffs' class representative service awards
17 and Class Counsel's attorneys' fees and reimbursement of expenses, as
18 described below.

19 Class Counsel and Defendants' Counsel agree to exchange drafts of
20 any motions, memoranda or other materials to be filed with the Court in
21 connection with this Settlement at least ten (10) days prior to the date
22 any such motion, memoranda or other materials are to be filed with the
23 Court. Upon entry of the Final Approval Order and the Final Judgment:
24 (i) the Agreement shall be the exclusive remedy for any and all Settlement
25 Class Members, except those who have properly requested exclusion
26 (opted out) in accordance with the terms and provisions hereof; (ii) the
27 Released Persons shall not be subject to liability or expense for any of the
28 Released Claims to any Settlement Class Member(s) except as set forth

1 in this Agreement; and (iii) Settlement Class Members who have not
2 requested exclusion from the Settlement Class shall be permanently
3 barred from filing, commencing, prosecuting, intervening in, or
4 participating in (as class members or otherwise) any action in any
5 jurisdiction based on any of the Released Claims.

6 **II. SETTLEMENT RELIEF**

7 In full, complete, and final settlement of the Settlement Class's
8 Released Claims, Defendants agree to pay compensation to the
9 Settlement Class as follows: Defendants shall pay each Settlement Class
10 Member a distribution of \$875 ("Settlement Relief"). Distributions shall
11 be made pursuant to the Claim Form attached hereto as Exhibit D, which
12 shall be mailed and emailed, where an email address is available, to
13 Settlement Class Members and which shall also be made available on the
14 settlement website. Completed Claim Forms may be submitted to the
15 Settlement Administrator by mail or electronically, including on the
16 settlement website and by email. Settlement Class Members shall be able
17 to submit Claim Forms for a period of 12 months from entry of the
18 Preliminary Approval Order.

19 Each Settlement Class Member who makes a valid claim shall be
20 mailed one settlement check per affected loan. Only one settlement check
21 per loan will be distributed. All settlement checks shall be mailed to the
22 address provided for the Settlement Class Member or, if applicable, to any
23 updated address provided to and/or obtained by the Settlement
24 Administrator and/or Class Counsel prior to the date of entry of the Final
25 Approval Order. The Settling Parties and their respective counsel shall
26 have no liability to any co-borrower arising from any claim regarding the
27 division of the Settlement Relief among co-borrowers, where applicable.

28 All settlement checks issued shall be void if not deposited within

1 ninety (90) calendar days of their date of issue and shall state on the face
2 of the check that the check will expire and become null and void unless
3 cashed within ninety (90) days after the date of issuance. The Settlement
4 Administrator shall mail a reminder postcard to each Settlement Class
5 Member who has not negotiated a settlement check after sixty (60)
6 calendar days from the mailing of the settlement check.

7 The Settlement Administrator shall provide periodic reports to
8 Class Counsel and Defendants' Counsel reflecting the status of all
9 payments to Settlement Class Members.

10 Notwithstanding any other provision in this Agreement, the Parties
11 agree that, if any person(s) not on the Settlement Class Member list (a)
12 identifies himself, herself or themselves to Class Counsel or Defendants'
13 Counsel as a Settlement Class Member or potential Settlement Class
14 Member prior to the Final Approval Hearing date and (b) the Parties
15 agree that he, she or they are or shall be treated as a Settlement Class
16 Member, then the person(s) shall be treated as a Settlement Class
17 Member under this Agreement and be bound by its terms, including
18 without limitation the release provisions herein.

19 Neither the Settling Parties nor their counsel shall have any
20 responsibility for, or liability whatsoever with respect to, the distribution
21 of payments by the Settlement Administrator to Settlement Class
22 Members; the Settlement Administrator's determination, administration,
23 or calculation of the payments to Settlement Class Members; or any losses
24 incurred in connection with any such matters. In addition to the releases
25 set forth herein, the Settlement Class Releasers hereby fully, finally, and
26 forever release, relinquish, and discharge the Settling Parties and their
27 counsel from any and all such liability.

28

1 **III. RELEASES**

2 Subject to the Court's entry of the Final Approval Order and Final
3 Judgment, the Settling Parties provide the following releases:

4 **A. Release.** Upon entry of the Final Approval Order and the
5 Final Judgment, Plaintiffs and each and every Settlement Class Member
6 who has not opted out of the Settlement Class, on behalf of himself or
7 herself and on behalf of his or her respective heirs, assigns, beneficiaries,
8 successors, agents, administrators, servants, employees, representatives,
9 executors, trustees, joint venturers, partners, predecessors, and attorneys
10 (the "Settlement Class Releasers") shall be deemed to have fully,
11 conclusively, irrevocably, forever, and finally released, relinquished, and
12 discharged Defendants, and each of their future, present and former
13 direct and indirect parents, subsidiaries, divisions, affiliates,
14 predecessors, successors and assigns, and the future, present and former
15 directors, officers, employees, managers, servants, principals, agents,
16 insurers, reinsurers, shareholders, investors, attorneys, advisors,
17 consultants, representatives, partners, joint venturers, divisions,
18 predecessors, successors, assigns, and agents thereof ("Released Persons")
19 from any and all claims, causes of action, suits, obligations, debts,
20 demands, agreements, promises, liabilities, damages, losses,
21 controversies, costs, expenses and attorneys' fees of any nature
22 whatsoever, whether based on any federal law, state law, common law,
23 territorial law, foreign law, contract, rule, regulation, any regulatory
24 promulgation (including, but not limited to, any opinion or declaratory
25 ruling), common law or equity, whether known or unknown, suspected or
26 unsuspected, asserted or unasserted, foreseen or unforeseen, actual or
27 contingent, liquidated or unliquidated, punitive or compensatory, as of
28 the date of final approval of the Settlement, which were raised or could

1 have been raised in this Action (“Released Claims”).

2 Without in any way limiting their scope, the Released Claims cover
3 by example and without limitation, any and all claims for attorneys’ fees,
4 costs, expert fees, or consultant fees, interest, or litigation fees, or any
5 other fees, costs, and/or disbursements incurred by Class Counsel,
6 Plaintiffs, or any Settlement Class Member in connection with or related
7 in any manner to this Settlement, the administration of this Settlement,
8 and/or the Released Claims, except to the extent otherwise specified in
9 this Agreement.

10 Plaintiffs and the Settlement Class Members covenant and agree:
11 (a) not to file, commence, prosecute, intervene in, or participate in (as
12 class members or otherwise) any action in any jurisdiction based on any
13 of the Released Claims against any of the Released Persons; and (b) that
14 this Agreement shall be a complete defense to any of the Released Claims
15 against any of the Released Persons. However, this Agreement is not
16 intended to and does not prohibit a Settlement Class Member from
17 responding to inquiries from federal, state or local agencies and/or law
18 enforcement, even if the inquiries relate to the Released Claims.
19 Similarly, this Agreement is not intended to and does not prohibit a
20 Settlement Class Member from bringing their concerns to federal, state
21 or local agencies and/or law enforcement, even if those inquiries relate to
22 the Released Claims.

23 Defendants’ execution of this Agreement shall not be construed to
24 release—and Defendants expressly do not intend to release—any claim
25 they may have or make against any insurer, reinsurer, indemnitor, client,
26 loan investor, prior loan servicers, consultant, or vendor for any
27 judgment, payment, liability, cost or expense incurred in connection with
28 this Agreement, including, without limitation, for attorneys’ fees and

1 costs.

2 **B. Waiver of California Civil Code § 1542 and Similar Laws.**

3 In addition, Plaintiffs expressly acknowledge, and each Settlement
4 Class Member will be deemed to acknowledge, that he, she, or they are
5 familiar with and, upon entry of the Final Approval Order and the Final
6 Judgment, Plaintiffs and each Settlement Class Member waives and
7 releases with respect to the Released Claims any and all provisions,
8 rights, and benefits conferred (a) by Section 1542 of the Civil Code of the
9 State of California, and any statute, rule and legal doctrine similar,
10 comparable, or equivalent to it, which reads:

11 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
12 **THAT THE CREDITOR OR RELEASING PARTY DOES NOT**
13 **KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT**
14 **THE TIME OF EXECUTING THE RELEASE AND THAT, IF**
15 **KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY**
16 **AFFECTED HIS OR HER SETTLEMENT WITH THE**
17 **DEBTOR OR RELEASED PARTY.**

18 and (b) by any law or principle of law of any jurisdiction that would limit
19 or restrict the effect or scope of the provisions of the release set forth in
20 the Agreement.

21 Plaintiffs recognize, and each Settlement Class Member will be
22 deemed to recognize, that, even if they may later discover facts in addition
23 to or different from those which they now know or believe to be true, they
24 fully, finally, and forever settle and release any and all claims covered by
25 these Releases upon entry of the Final Judgment. The Settling Parties
26 acknowledge that the foregoing Releases were bargained for and are a
27 material element of the Agreement.

28 This Agreement and the Releases herein do not affect the rights of

1 Settlement Class Members who timely and properly submit a request for
2 exclusion from the Settlement Class in accordance with the requirements
3 in Section V.A. of this Agreement.

4 **IV. SERVICE AWARDS, ATTORNEYS' FEES, AND** 5 **REIMBURSEMENT OF EXPENSES**

6 **A. Representative Plaintiff Service Award Application.** At the
7 time appointed by the Court, and no later than fourteen (14) days before
8 the deadline for the filing of objections to the Settlement set by the Court,
9 Class Counsel and Plaintiffs shall file a request for representative
10 plaintiff service awards (the "Service Award Application"), which shall be
11 paid by Defendants within ten (10) business days after entry of an order
12 approving same. Class Counsel and Plaintiffs agree that the Service
13 Award Application shall seek no more than \$5,000 per Plaintiff to each of
14 the following Plaintiffs Efrain Munoz, Leona Lovette, Stephanie Melani,
15 John Hoffman, and Daniel Maga II.

16 Plaintiffs acknowledge and agree that the Court may deny the
17 Service Award Application or award an amount less than \$5,000 per
18 Plaintiff. Plaintiffs further agree that their agreement to this Settlement
19 is not conditioned upon the possibility of receiving a Service Award in any
20 amount and represent and warrant that they support the Settlement even
21 in the absence of a Service Award.

22 **B. Attorneys' Fees and Expense Applications.** At the time
23 appointed by the Court, and no later than fourteen (14) days before the
24 deadline for the filing of objections to the Settlement set by the Court,
25 Class Counsel shall file a motion for payment of: (a) reasonable attorneys'
26 fees; plus (b) reimbursement of reasonable expenses incurred in
27 connection with prosecuting the Action (the "Fee and Expense
28 Application"), which shall be paid by Defendants within thirty (30) days

1 after entry of an order approving same. Class Counsel agrees that the
2 Fee and Expense Application shall seek no more than \$9,031,000 in
3 attorneys' fees and no more than \$2,100,000 in expenses.

4 This Agreement, including its terms, effect, and validity, shall not
5 be impacted by the Court's order, if any, related to Class Counsel's request
6 for attorneys' fees and expenses. Class Counsel, Plaintiffs, and the
7 Settlement Class Members each hereby agree not to challenge this
8 Agreement or any portion of it on the basis that the attorneys' fees and
9 expenses ultimately awarded were different than the requested
10 amount(s).

11 **V. CONDITIONS OF SETTLEMENT AND EFFECT OF**
12 **DISAPPROVAL, CANCELLATION, OR TERMINATION**

13 **A. Settlement Class Member Exclusions.** Any Settlement Class
14 Member who wishes to exclude themselves from the Settlement Class (an
15 "Opt-Out") must serve a timely, signed request for exclusion upon the
16 Settlement Administrator on or before the deadline set by the Court for
17 serving Opt-Outs (the "Exclusion Deadline"). The request for exclusion
18 must include all information specified in the Settlement Class Notice(s),
19 including (a) name and address of the potential Settlement Class Member
20 requesting exclusion; (b) loan number and address of the property
21 bringing the Settlement Class Member within the scope of the Settlement
22 Class; (c) personal signature by the potential Settlement Class Member
23 requesting exclusion; and (d) statement that reasonably indicates a desire
24 to be excluded from the Settlement Class. Opt-Outs may opt out of the
25 Settlement Class only on an individual basis; so-called "mass" or "class"
26 opt-outs shall not be allowed and shall be of no force or effect. Any
27 potential member of the Settlement Class who properly opts out of the
28 Settlement Class shall: (a) not be bound by any orders or judgments

1 relating to the Settlement; (b) not be entitled to relief under, or be affected
2 by, this Agreement; (c) not gain any rights by virtue of this Agreement;
3 and (d) not be entitled to object to any aspect of the Settlement.

4 The Settlement Administrator will provide copies of all opt-out
5 requests to Class Counsel and Defendants' Counsel within ten (10) days
6 of the receipt of each such request. No later than five (5) days after the
7 Exclusion Deadline, the Settlement Administrator shall provide Class
8 Counsel and Defendants' Counsel a complete and final list of Opt-Outs.
9 Class Counsel will file with the Court a complete list of Opt-Outs,
10 including the name and address of the person(s) requesting exclusion (the
11 "Opt-Out List").

12 If exclusion requests for five percent (5%) or more of the loans are
13 received and are deemed to be proper and timely, then the Settlement
14 may be deemed null and void upon notice by Defendants or Class Counsel
15 without penalty or sanction.

16 The Court shall have jurisdiction to resolve any disputes regarding
17 the validity of Opt-Outs. Except for those potential members of the
18 Settlement Class who timely and properly file a request for exclusion in
19 accordance with this subsection, all other potential members of the
20 Settlement Class will be deemed to be Settlement Class Members for all
21 purposes under this Agreement, and upon entry of the Final Approval
22 Order and Final Judgment, will be bound by its terms, regardless of
23 whether they receive any Settlement Relief.

24 With respect to any loans with co-borrowers that may be subject to
25 this Settlement, in the case that one co-borrower opts-outs and the other
26 submits a valid, timely Claim Form, the co-borrower that submitted such
27 Claim will be entitled to receive the full Settlement Relief.

28 **B. Settlement Class Member Objections.** Any Settlement Class

1 Member who wishes to object to the Settlement must serve a timely,
2 signed written objection (“Objection”) upon the Settlement Administrator,
3 Class Counsel, and Defendants’ Counsel, on or before the deadline set by
4 the Court for filing Objections (the “Objection Deadline”). Each Objection
5 must (a) include a detailed statement of the Settlement Class Member’s
6 objection(s), as well as the specific reasons, if any, for each such objection,
7 including all evidence, argument, and legal authority the Settlement
8 Class Member wishes to bring to the Court’s attention; (b) set forth the
9 Settlement Class Member’s full name, current address, and telephone
10 number, (c) contain the loan number and address of the property bringing
11 the Settlement Class Member within the scope of the Settlement Class;
12 (d) state that the Settlement Class Member objects to the Settlement, in
13 whole or in part; (e) state whether the objection applies only to the
14 objector or to the entire Settlement Class; (f) state whether the Settlement
15 Class Member intends to appear at the Final Approval Hearing; and (g)
16 state whether the Settlement Class Member will be represented by
17 separate counsel.

18 Objections may be served and filed by counsel for a Settlement Class
19 Member. Lawyers asserting objections on behalf of Settlement Class
20 Members shall: (1) file a notice of appearance with the Court before the
21 Objection Deadline; (2) file a sworn declaration (a) attesting to his or her
22 representation of each Settlement Class Member on whose behalf the
23 objection is being filed, (b) stating whether the objection applies only to
24 the objector(s) or to the entire Settlement Class; (c) stating with specificity
25 the grounds for the objection; and (d) specifying the number of times
26 during the prior five-year period they have objected to a class action
27 settlement on their own behalf or on behalf of a class member; and (3)
28 disclose any agreement, formal or informal, with other attorneys or law

1 firms regarding the objection.

2 Any Settlement Class Member who does not submit a timely
3 Objection in complete accordance with this Agreement, the Settlement
4 Class Notice, and any order of the Court shall not be treated as having
5 filed a valid Objection to the Settlement, and shall not be permitted to
6 object to any terms or approval of the Settlement at the Final Approval
7 Hearing, and shall be foreclosed from seeking any review of the
8 Settlement or the terms of this Agreement by appeal or other means,
9 unless the Court otherwise directs.

10 Any Settlement Class Member who wishes to appear at the Final
11 Approval Hearing, whether *pro se* or through counsel, must file a Notice
12 of Appearance in the Action, take all other actions or make any additional
13 filings as may be required in the Settlement Class Notice(s) or as
14 otherwise ordered by the Court, and serve the Notice of Appearance and
15 Notice of Intention to Appear upon Class Counsel and Defendants'
16 Counsel within the time set by the Court (or by the Objection Deadline, if
17 the Court does not set another date). The Notice of Intention to Appear
18 must include the Settlement Class Member's full name, address, and
19 telephone number, as well as any copies of any papers, exhibits, or other
20 evidence that the objecting Settlement Class Member will present to the
21 Court in connection with the Final Approval Hearing. Any Settlement
22 Class Member who does not file a Notice of Intention to Appear in
23 accordance with the deadlines and other specifications set forth in the
24 Agreement and Settlement Class Notices shall not be entitled to appear
25 at the Final Approval Hearing or raise any objections.

26 The Settlement Administrator shall retain copies of all
27 communications from the Settlement Class, including all objections to the
28 Settlement. The Settlement Administrator shall provide copies of these

1 documents to Class Counsel and Defendants' Counsel.

2 **C. Termination.** Plaintiffs, through Class Counsel, and
3 Defendants shall have the right, but not the obligation, to terminate this
4 Agreement if: (1) the total number of timely and valid requests for opt
5 outs exceeds five percent (5%) of the loans; (2) the Court rejects, modifies,
6 or denies approval of any material portion of this Agreement or the
7 Settlement that results in a substantial modification to any material term
8 of the Settlement; or (3) the Court, or any appellate court(s), does not
9 enter or completely affirm, or alters, narrows or expands, any portion of
10 the Final Approval Order, that results in a substantial modification to
11 any material term of the Settlement. However, the Settling Parties agree
12 to act in good faith to secure final approval of this Settlement and to
13 attempt to address in good faith concerns regarding the Settlement
14 identified by the Court or any appellate court. The terminating party
15 must exercise the option to withdraw from and terminate this Agreement,
16 as provided in this Agreement, by a signed writing served on the Settling
17 Parties no later than ten (10) days after receiving notice of the event
18 prompting the termination. If, but only if, this Agreement is terminated
19 pursuant to this section then:

20 1. The Parties will be returned to their positions *status quo*
21 *ante* and this Agreement shall be null and void and shall
22 have no force or effect and all of its provisions, and all
23 negotiations, statements, and proceedings relating to it shall
24 be without prejudice to the rights of Plaintiffs, Defendants
25 or any Settlement Class Member, all of whom shall be
26 restored to their respective positions existing immediately
27 before the execution of this Agreement;

28 2. Neither this Agreement, the fact of its having been made,

1 nor the negotiations leading to it, shall be admissible or
2 entered into evidence for any purpose whatsoever; and

3 3. Any Settlement-related order(s) or judgment(s) entered in
4 this Action after the date of execution of this Agreement
5 shall be deemed vacated and shall be without any force or
6 effect.

7 VI. MISCELLANEOUS PROVISIONS

8 **A. Plaintiffs' Representations and Warranties.** Each of Plaintiffs
9 Efrain Munoz, Leona Lovette, Stephanie Melani, John Hoffman, and
10 Daniel Maga II represent and warrant that they are the sole and exclusive
11 owners of all of their Released Claims and that they have not assigned or
12 otherwise transferred any interest in any of their Released Claims
13 against any of the Released Persons, and further covenant that they will
14 not assign or otherwise transfer any interest in any of their Released
15 Claims. Each Plaintiff also represents and warrants that they have no
16 surviving claim or cause of action against any of the Released Persons
17 with respect to any of the Released Claims.

18 **B. Voluntary Settlement.** The Settling Parties agree that the
19 terms of the Settlement as described herein were negotiated at arms-
20 length and in good faith by the Settling Parties and their counsel, and
21 reflect a settlement that was reached voluntarily after consultation with
22 competent legal counsel. The Settling Parties represent and warrant that
23 they are relying solely upon their own judgment, belief, and knowledge,
24 and the advice and recommendations of their own independently selected
25 counsel, concerning the nature, extent and duration of their rights and
26 claims hereunder and regarding all matters which relate in any way to
27 the subject matter hereof; and that, except as provided herein, they have
28 not been influenced to any extent whatsoever in executing the Agreement

1 by representations, statements, or omissions pertaining to any of the
2 foregoing matters by any Settling Party or by any person representing
3 any Settling Party. Each of the Settling Parties assumes the risk of
4 mistake as to facts or law.

5 **C. No Admission of Liability.** The Settlement compromises
6 claims that are contested and will not be deemed an admission by any
7 Settling Party as to the merits of any claim or defense. Defendants deny
8 the claims alleged in the Action and do not by this Agreement or otherwise
9 admit any liability or wrongdoing of any kind. Defendants have agreed
10 to enter into this Agreement to avoid further expense, inconvenience, and
11 distraction of burdensome and protracted litigation. Neither the
12 Agreement, nor any act performed or document executed pursuant to or
13 in furtherance of the Agreement: (a) is or may be deemed to be, or may
14 be used as, an admission of, or evidence of, the validity of any claim made
15 by Plaintiffs or any other Settlement Class Members, or of any
16 wrongdoing or liability of the Released Persons; or (b) is or may be deemed
17 to be, or may be used as, an admission of, or evidence of, any fault,
18 omission, wrongdoing, or liability of any of the Released Persons, in the
19 Action or in any proceeding in any court, administrative agency, or other
20 tribunal.

21 Defendants may file this Agreement (including the Exhibits hereto),
22 the Final Approval Order, and/or the Final Judgment in any action that
23 may be brought against them in order to support any defense or
24 counterclaim, including, without limitation, those based on principles of
25 res judicata, collateral estoppel, release, good-faith settlement, judgment
26 bar or reduction, or any other theory of claim preclusion, issue preclusion,
27 or similar defense or counterclaim.

28 **D. Confidentiality and Non-Disparagement.** All agreements

1 made and orders entered during the course of the Action relating to the
2 confidentiality of information will survive this Agreement. Plaintiffs and
3 Class Counsel, to the extent not prohibited by law, agree to refrain from
4 issuing, or otherwise causing to be issued, any press release,
5 advertisement, or Internet posting, or otherwise making statements
6 likely to be publicly quoted or referred to, which (a) disparages
7 Defendants, their affiliates, or Defendants' Counsel with respect to any
8 facts, circumstances, matters or issues alleged or asserted in the Action
9 or relating to the Settlement; or (b) includes evidence or information
10 protected from disclosure by the applicable Protective Order or other
11 applicable law.

12 **E. Subsequent Events Impacting Administration.** If there are
13 any developments in the effectuation and administration of this
14 Agreement that are not dealt with by the terms of this Agreement, then
15 such matters shall be dealt with as agreed upon by the Settling Parties,
16 and failing agreement, as shall be ordered by the Court.

17 **F. Claims in Connection with Administration.** No Person shall
18 have any claim against Plaintiffs, Defendants, Defendants' Counsel,
19 Class Counsel, the Settlement Administrator, or the Released Persons or
20 their agents based on the administration of the Settlement substantially
21 in accordance with the terms of the Agreement or any order of the Court
22 or any appellate court.

23 **G. Binding Effect.** This Agreement shall be binding upon, and
24 inure to the benefit of, the successors and assigns of the Settling Parties
25 hereto. Without limiting the generality of the foregoing, each and every
26 covenant and agreement herein by Plaintiffs shall be binding upon all
27 Settlement Class Members, their representatives, heirs, successors and
28 assigns, as upon and to the benefit of Defendants. This Agreement shall

1 not be subject to collateral attack by any Settlement Class Member or any
2 recipient of the Settlement Class Notices after the Final Approval Order
3 and Final Judgment are entered.

4 **H. Notices.** Whenever this Agreement requires or contemplates
5 that one of the Settling Parties shall or may give notice to the other, notice
6 shall be provided by e-mail and/or next-day (excluding Saturdays,
7 Sundays, and legal holidays) express delivery service. All notices and
8 responses to notices directed to any Settlement Class Member shall be
9 addressed to Class Counsel at the email addresses set forth below, and if
10 directed to Defendants, shall be addressed to Defendants' Counsel at the
11 email addresses set forth below or such other email addresses as Class
12 Counsel or Defendants' Counsel may designate, from time to time, by
13 giving notice to all Settling Parties hereto in the manner described in this
14 paragraph.

15 If directed to Plaintiffs or any Settlement Class Member, email
16 address notice to: Joseph H. Meltzer at jmeltzer@ktmc.com, or via mail at
17 Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor,
18 PA 19087. If directed to Defendants, email address notice to: Richard M.
19 Strassberg at rstrassberg@goodwinlaw.com, or via mail at Goodwin
20 Procter LLP, 620 Eighth Avenue, New York, NY 10018.

21 Subject to the terms of the Final Approval Order and Final
22 Judgment, no certifications by the Settling Parties regarding their
23 compliance with the terms of the Settlement and this Agreement will be
24 required. Any dispute as to the Settling Parties' compliance with their
25 obligations under the Settlement and this Agreement shall be brought
26 and resolved only in the Action and only by the Court, and applicable
27 appellate courts, and in no other action or proceeding.

28 **I. Time Periods.** All time periods set forth herein shall be

1 computed in calendar days unless otherwise expressly provided. In
2 computing any period of time prescribed or allowed by this Agreement or
3 by order of the Court, the day of the act, event, or default from which the
4 designated period of time begins to run shall not be included. The last
5 day of the period so computed shall be included, unless it is a Saturday, a
6 Sunday or a Legal Holiday (as defined in Rule 6(a)(6) of the Federal Rules
7 of Civil Procedure), or, when the act to be done is the filing of a paper in
8 court, a day on which weather or other conditions have made the office of
9 the clerk of the court inaccessible, in which event the period shall run
10 until the end of the next day that is not one of the aforementioned days.

11 The time periods and dates described in this Agreement are subject
12 to the Court's approval. These time periods and dates may be changed by
13 the Court or by the Settling Parties' written agreement without notice to
14 the Settlement Class. The Settling Parties reserve the right, subject to
15 the Court's approval, to agree to any reasonable extensions of time that
16 might be necessary to carry out any of the provisions of this Agreement.

17 **J. No Party Deemed to Be the Drafter.** None of the Settling
18 Parties hereto shall be deemed to be the drafter of this Agreement or any
19 provision hereof for the purpose of any statute, case law, rule of
20 interpretation, or construction that would or might cause any provision to
21 be construed against the drafter hereof. All Settling Parties agree that
22 this Agreement was drafted by counsel for the Settling Parties during and
23 through extensive arm's length negotiations. No parol or other evidence
24 may be offered to explain, construe, contradict, or clarify this Agreement's
25 terms, the intent of the Settling Parties or their counsel, or the
26 circumstances under which this Agreement was made or executed.

27 **K. Choice of Law.** This Agreement shall be considered to have
28 been negotiated, executed and delivered, and to be wholly performed, in

1 the State of California. To the extent not governed by federal law, this
2 Agreement, any amendments thereto, and any claim, cause of action, or
3 dispute arising out of or relating to this Agreement shall be interpreted
4 under, enforced in accordance with, and governed by, the internal,
5 substantive laws of the State of California without giving effect to any
6 choice-of-law principles that may otherwise provide for the application of
7 the law of another jurisdiction.

8 Any disagreement and/or action seeking directly or indirectly to
9 challenge, modify, construe, obtain relief from, extend, limit, or enforce
10 this Agreement shall be commenced and maintained only in this Court
11 and in this Action. Without in any way compromising the finality of the
12 Final Approval Order and Final Judgment, the Court shall retain
13 exclusive and continuing jurisdiction over all matters related in any way
14 to the Settlement and this Agreement, including but not limited to the
15 implementation of the Settlement and the interpretation, administration,
16 supervision, enforcement and modification of this Agreement and the
17 relief it provides to Plaintiffs and the Settlement Class Members.

18 **L. Amendment; Waiver.** This Agreement shall not be modified
19 in any respect except by a writing executed by Defendants and Plaintiffs,
20 by and through Class Counsel, and the waiver of any rights conferred
21 hereunder shall be effective only if made by written instrument of the
22 waiving party. The waiver by any party of any breach of this Agreement
23 shall not be deemed or construed as a waiver of any other breach, whether
24 prior, subsequent, or contemporaneous, of this Agreement.

25 **M. Breach.** If one Party to this Agreement considers the other
26 Party to be in breach of its obligations under this Agreement, that Party
27 must provide the breaching Party with written notice of the alleged
28 breach and provide a reasonable opportunity to cure the breach before

1 taking any action to enforce any rights under this Agreement.

2 Nothing in this Agreement shall preclude any action to enforce the
3 terms of the Agreement, including participation in any of the processes
4 detailed therein. The Releases set forth herein are not intended to include
5 the release of any rights or duties of the Settling Parties arising out of
6 this Agreement, including the express warranties and covenants
7 contained herein.

8 **N. Execution in Counterparts.** This Agreement may be executed
9 in one or more counterparts. All executed counterparts and each of them
10 shall constitute a duplicate original. Counsel for the Settling Parties to
11 this Agreement shall exchange among themselves original signed
12 counterparts and a complete set of executed counterparts shall be filed
13 with the Court. This Agreement may be signed with a facsimile or PDF
14 format signature and in counterparts, each of which shall constitute a
15 duplicate original.

16 **O. Integrated Agreement.** This Agreement constitutes the sole
17 and entire agreement and understanding amongst the Settling Parties
18 with respect to its subject matter. This Agreement supersedes all prior
19 negotiations, understandings, and agreements amongst the Settling
20 Parties regarding the subject matter of this Agreement, and may not be
21 modified or amended except by a writing made in accordance with the
22 provisions of this Agreement signed by the Settling Parties (or their
23 respective successors in interest) and their respective counsel. The
24 Settling Parties acknowledge, stipulate, and agree that no covenant,
25 obligation, condition, representation, warranty, inducement, negotiation,
26 or understanding concerning any part of the subject matter of this
27 Agreement has been made or relied on except as expressly set forth in this
28 Agreement. The Settling Parties expressly acknowledge that in deciding

1 to enter into this Agreement, they each have relied solely upon their own
2 judgment and knowledge.

3 **P. Not Evidence.** The Settling Parties expressly acknowledge
4 and agree that this Agreement and its exhibits, along with all related
5 drafts, motions, pleadings, conversations, negotiations, and
6 correspondence, constitute an offer of compromise and a compromise
7 within the meaning of Federal Rule of Evidence 408 and any equivalent
8 rule of evidence in any state. In no event shall this Agreement, any of its
9 provisions or any negotiations, statements or court proceedings relating
10 to its provisions, or any documents created for the purposes of mediation,
11 negotiation, or confirmatory due diligence or informal discovery, whether
12 or not exchanged with opposing counsel, in any way be construed as,
13 offered as, received as, used as, or deemed to be evidence of any kind in
14 the Action, any other action, or in any judicial, administrative, regulatory
15 or other proceeding, except in a proceeding to effectuate or enforce this
16 Agreement or the rights of the Settling Parties or their counsel. Without
17 limiting the foregoing, neither this Agreement nor any related
18 negotiations, statements, or court proceedings shall be construed as,
19 offered as, received as, used as or deemed to be evidence of an admission
20 or concession of any proposition of fact or law or of any liability or
21 wrongdoing whatsoever on the part of any person or entity, including, but
22 not limited to, the Released Persons, Plaintiffs or the Settlement Class or
23 as a waiver by the Released Persons, Plaintiffs or the Settlement Class of
24 any applicable privileges or immunities (including, without limitation,
25 the attorney-client privilege or work product immunity), claims or
26 defenses.

27 **Q. Attorneys' Fees and Costs.** Except as otherwise expressly
28 provided in Section IV.B of this Agreement, each party shall bear its own

1 costs and attorneys' fees.

2 **R. Tax Consequences.** No opinion, representations, or advice
3 regarding the tax consequences, if any, of this Agreement have been made
4 by any Settling Party, nor is any representation or warranty in this
5 regard made by virtue of this Agreement or Settlement. The Settlement
6 Class Notice(s) will direct Settlement Class Members to consult their own
7 tax advisor(s) regarding the tax consequences of the Settlement and this
8 Agreement, and any tax reporting obligations they may have with respect
9 thereto. The Settling Parties further understand and agree that each
10 Settling Party, each Settlement Class Member, Class Counsel, and each
11 Plaintiff shall be responsible for his, her, its, or their own taxes, if any,
12 resulting from this Agreement and any payments made pursuant to this
13 Agreement, and it is understood that the tax consequences may vary
14 depending on the particular circumstances of each individual Settlement
15 Class Member. Nothing in this Agreement or in the Settlement Class
16 Notices is to be construed as tax advice of any kind.

17 **S. Bankruptcy Proceedings.** The Settling Parties agree that any
18 Settlement Class Member who is in active bankruptcy proceedings or
19 previously was a party to bankruptcy proceedings during the period of
20 time covered in the definition of the Settlement Class may only
21 participate in the Settlement subject to applicable bankruptcy law and
22 procedures. The Settlement Administrator shall follow any direction of
23 the Bankruptcy Court with respect to the proceeds of any payment.


24 **T. No Conflict Intended; Headings; Recitals.** All of the Exhibits
25 to this Agreement are material and integral parts hereof and are fully
26 incorporated herein by this reference. Any inconsistency between this
27 Agreement and the Exhibits attached hereto shall be resolved in favor of
28 this Agreement. The headings used in this Agreement are intended for

1 the convenience of the reader only and shall not affect the meaning or
2 interpretation of this Agreement. The recitals of this Agreement are
3 incorporated by this reference and are part of this Agreement.




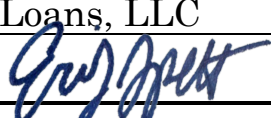
4 **U. No Waiver.** Nothing herein shall be deemed a waiver of any
5 prior release individually executed between Defendants and any
6 Settlement Class Member.

7 IN WITNESS WHEREOF, the Settling Parties hereto, through
8 their fully authorized representatives, have entered into this Agreement
9 as of the date first below written, and have executed this Agreement on
10 the date indicated below each respective signature.

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On behalf of Plaintiffs:	
DATED: July 11, 2025	 <i>Counsel for Plaintiffs and the Settlement Class</i> KESSLER TOPAZ MELTZER & CHECK, LLP Joseph H. Meltzer, Esq. Terence S. Ziegler, Esq. Donna Siegel Moffa, Esq. Lisa M. Port, Esq. 280 King of Prussia Road Radnor, PA 19087 Telephone: (610) 667-7706 Facsimile: (610) 667-7056 LARSON LLP Stephen G. Larson, Esq. (SBN 145225) Paul A. Rigali, Esq. (SBN 262948) Steven E. Bledsoe, Esq. (SBN157811) 555 South Flower Street, Suite 4400 Los Angeles, CA 90071 Telephone: (213) 436-4888 Facsimile: (213) 623 2000

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On behalf of Defendants:	
DATED: July 11, 2025	 PHH Corp. By its: Authorized Signatory, and Senior Vice President and Deputy General Counsel of Onity Group Inc., parent company of PHH Corp.
DATED: July 11, 2025	 PHH Mortgage Corp. By its: Authorized Signatory, and Senior Vice President and Deputy General Counsel of Onity Group Inc., parent company of PHH Mortgage Corp.
DATED: July 11, 2025	 PHH Home Loans, LLC By its: Authorized Signatory, and Senior Vice President and Deputy General Counsel of Onity Group Inc., parent company of PHH Home Loans, LLC
DATED: July 11, 2025	 Atrium Insurance Corp. By its: Authorized Signatory, and Senior Vice President and Deputy General Counsel of Onity Group Inc., parent company of Atrium Insurance Corp.

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Approved as to form:	
DATED: July 11, 2025	<div><hr/><i>Counsel for Defendants</i> GOODWIN PROCTER LLP Richard M. Strassberg RStrassberg@goodwinlaw.com Anne E. Railton ARailton@goodwinlaw.com Valerie A. Haggans VHaggans@goodwinlaw.com <i>Goodwin Procter LLP</i> The New York Times Building 620 Eighth Avenue New York, NY 10018-1405 Tel.: +1 212 813 8800 Fax: +1 212 355 3333 Sabrina Rose-Smith SRoseSmith@goodwinlaw.com <i>Goodwin Procter LLP</i> 1900 N Street, N.W. Washington, DC 20036-1612 Tel.: +1 202 346 4000 Fax: +1 202 346 4444 Hayes P. Hyde (SBN 308031) HHyde@goodwinlaw.com <i>Goodwin Procter LLP</i> 525 Market Street, 32nd Floor San Francisco, CA 94105 Tel: +1 415 733 6000 Fax: +1 415 677 9041</div>