UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA

EFRAIN MUNOZ, *individually and on behalf of all others similarly situated, et al.*, Plaintiffs, v. PHH MORTGAGE CORPORATION, *et al.*, Defendants.	No. 1:08-cv-00759-MMB-BAM **OPINION AND ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT AND CONDITIONAL CLASS CERTIFICATION**

Before the court is Plaintiffs' unopposed motion for preliminary approval of a class action settlement. *See* ECF 614. For the reasons explained below, the court grants both preliminary approval of the proposed settlement and conditional certification of the settlement class.

Background

The court has summarized this case's lengthy factual and procedural history, dating back over 17 years, multiple times in various orders. *See, e.g.*, *Munoz v. PHH Mortg. Corp.*, 478 F. Supp. 3d 945, 954–61 (E.D. Cal. 2020) (ECF 417); ECF 538, at 2–7. There is little benefit to be gained by repeating that background here; instead, the court addresses such matters below in conjunction with the substantive issues to which they relate. For present

purposes, suffice it to say that the court scheduled a combined *Daubert*[1] hearing and bench trial on economic harm for late March 2025 to decide the disputed issue of Plaintiffs' standing. ECF 602. This was to be followed, if necessary, by a trial on the merits in October. ECF 604. About a week before the bench trial, the parties notified the court that they had reached an agreement in principle to settle, so the court cancelled both that hearing and the later jury trial. ECF 608. A few months later, Plaintiffs filed the pending motion for preliminary approval of the settlement agreement and for certification of a settlement class. ECF 614.

I. Legal standards

Federal Rule of Civil Procedure 23 governs class actions. Court approval is required for any settlement, voluntary dismissal, or compromise of "[t]he claims, issues, or defenses of a certified class—or a class proposed to be certified for purposes of settlement." Fed. R. Civ. P. 23(e). Thus, the motion now before the court presents two overall issues—whether to certify the settlement class and whether to give preliminary approval to the settlement itself.

A. Certification of settlement class

Certification of a class, such as the settlement class proposed here, requires that the class is so numerous that joinder of all members is

[1] *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579 (1993).

impracticable, there are questions of law or fact common to the class, the claims brought by the representative parties are typical of the class members' claims or defenses, and the representative parties fairly and adequately protect the class members' interests. *Id.* 23(a)(1)–(4). If the court finds all four elements satisfied, it may then certify the class if it finds that any of the circumstances described in Rule 23(b) apply.

A court faced with a motion to certify a settlement class must give the Rule 23 considerations "undiluted, even heightened, attention" because it "will lack the opportunity, present when a case is litigated, to adjust the class, informed by the proceedings as they unfold." *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997). The requirements set forth in Rule 23(a) and (b) apply to settlement classes because Rule 23(e) "was designed to function as an additional requirement, not a superseding direction, for the 'class action' to which Rule 23(e) refers is one qualified for certification under Rule 23(a) and (b)." *Id.* at 621. The "dominant concern[s]" under the latter two provisions are "whether a proposed class has sufficient unity so that absent members can fairly be bound by decisions of class representatives," an issue that "persists when settlement, rather than trial, is proposed." *Id.*

B. Approval of settlement

Rule 23 also imposes several prerequisites to approval of a settlement. "The parties must provide the court with information sufficient to enable it to

determine whether to give notice of the proposal to the class," Fed. R. Civ. P. 23(e)(1)(A), and the court must then direct the giving of notice and conduct a hearing before approving the settlement, *id.* 23(e)(2).[2] "The parties seeking approval must file a statement identifying any agreement made in connection with the proposal." *Id.* 23(e)(3). And the court must allow class members an opportunity to object to the proposed settlement. *Id.* 23(e)(5). In addition, in cases where (as here) the court certified the class action under Rule 23(b)(3),[3] "the court may refuse to approve a settlement unless it affords a new opportunity to request exclusion to individual class members who had an earlier opportunity to request exclusion but did not do so." *Id.* 23(e)(4).

The Ninth Circuit holds district courts to a "higher procedural standard" when considering whether a proposed class-action settlement is substantively fair. *Roes, 1–2 v. SFBSC Mgmt., LLC*, 944 F.3d 1035, 1043 (9th Cir. 2019). The "heightened inquiry" applies regardless of whether the settlement comes before or after class certification. *Briseño v. Henderson*, 998 F.3d 1014, 1023 (9th Cir. 2021). The concern is to ensure that there is no collusion or other conflict

[2] Rule 23(e)(2) prescribes four factors the court must consider in deciding whether a proposed settlement is "fair, reasonable, and adequate," but they are for consideration during the fairness hearing, not as part of the preliminary approval process.

[3] Rule 23(b)(3) allows a federal district court to certify a class if it "finds that the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy."

of interest that would breach "the fiduciary duty owed the class during settlement." *In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 946–47 (9th Cir. 2011). While the court must ultimately weigh the eight factors prescribed by *Churchill Village, L.L.C. v. General Electric*, 361 F.3d 566, 575 (9th Cir. 2004), a full fairness analysis is unnecessary at the preliminary approval stage. *Alberto v. GMRI, Inc.*, 252 F.R.D. 652, 665 (E.D. Cal. 2008). Instead, preliminary approval—and notice to the class members of a formal fairness hearing—is appropriate if the settlement appears to be the product of serious, informed, non-collusive negotiations; has no obvious deficiencies; does not improperly grant preferential treatment to class representatives or segments of the class; and falls within the range of possible approval. *In re Tableware Antitrust Litig.*, 484 F. Supp. 2d 1078, 1079 (N.D. Cal. 2007) (citing *Schwartz v. Dallas Cowboys Football Club, Ltd.*, 157 F. Supp. 2d 561, 570 n.12 (E.D. Pa. 2001), which in turn cited *Manual for Complex Litigation 2d* § 30.44 (1985)).

II. Analysis

A. Settlement class

The parties have proposed certification of the following settlement class under Rules 23(a) and 23(b)(3):

> All persons who obtained residential mortgage loans originated and/or acquired by PHH and/or its affiliates on or after January 1, 2007, through December 31, 2009, and, in connection therewith, purchased private mortgage insurance and whose loans were included within PHH's captive mortgage reinsurance agreements.

ECF 614, at 21. They note that the proposed class is slightly enlarged from the one originally certified in 2013, which used June 2, 2007, as the beginning date. *Id.* at 34. While the proposed class members whose loans originated, or were acquired, between January 1 and June 2, 2007, were not part of the class during the litigation process, Plaintiffs point out that the statute of limitations on such individuals' claims has "likely long since run," such that the settlement "provides a benefit that is otherwise foreclosed to them." *Id.*

Aside from that expansion, the proposed settlement class is materially identical to the class the court certified in 2015 when it adopted the Magistrate Judge's findings and recommendations filed May 15, 2013 (ECF 230), except as to a proposed "tolling subclass" that is no longer at issue. *See* ECF 288. In an exceptionally comprehensive analysis, the Magistrate Judge found all four of the Rule 23(a) factors satisfied, ECF 230, at 14–34, and found certification under Rule 23(b)(3) appropriate, *id.* at 34–39. The court later denied multiple motions by Defendants to decertify the class. *See* 478 F. Supp. 3d at 984–88 (ECF 417); ECF 538, at 18–20. The court can find no reason to depart from its previous analyses.

Finally, the proposed settlement class does not present a Rule 23(e)(4) problem because the parties have proposed giving all potential class members—regardless of whether they were covered by the previous certification or

are newly added to the settlement class—the chance to opt out, and the order the court is entering together with this opinion effectuates that option.

The court therefore grants the motion for conditional certification of the settlement class as proposed by the parties.

B. Settlement agreement

1. Procedural fairness

The court must next consider whether the proposed settlement "appears to be the product of serious, informed, non-collusive negotiations." *In re Tableware*, 484 F. Supp. 2d at 1079. "A settlement following sufficient discovery and genuine arms-length negotiation is presumed fair. A court is more likely to approve a settlement if most of the discovery is completed because it suggests that the parties arrived at a compromise based on a full understanding of the legal and factual issues surrounding the case." *Adoma v. Univ. of Phoenix, Inc.*, 913 F. Supp. 2d 964, 977 (E.D. Cal. 2012) (cleaned up and citing *Nat'l Rural Telecommc'ns Coop. v. DirecTV, Inc.*, 221 F.R.D. 523, 527–28 (C.D. Cal. 2004)). This case has been pending for over 17 years. The parties have exchanged voluminous amounts of discovery, undertaken two mediation sessions, litigated an appeal to the Ninth Circuit, and ultimately reached an agreement shortly before a bench trial that could have resulted in a victory for Defendants. Those facts all point to a conclusion that the parties' negotiations here were intensive and non-collusive, supporting a finding of fairness.

There is more to the analysis, however. The court must "be particularly vigilant not only for explicit collusion, but also for more subtle signs that class counsel have allowed pursuit of their own self-interests and that of certain class members to infect the negotiations." *Bluetooth*, 654 F.3d at 947. Examples of such signs include counsel receiving a "disproportionate distribution of the settlement" or obtaining a large fee while the class members receive no monetary payment. *Id.* Another is "when the parties negotiate a 'clear sailing' arrangement providing for the payment of attorneys' fees separate and apart from class funds, which carries the potential of enabling a defendant to pay class counsel excessive fees and costs in exchange for counsel accepting an unfair settlement on behalf of the class." *Id.* (cleaned up). A third is where the settlement directs that fees not awarded will revert to the defendants rather than being added to the class fund. *Id.*

Here, the proposed agreement provides that each member of the settlement class who submits a valid and timely claim will receive an $875 payment per affected loan. ECF 614-2, at 12.[4] The parties have explained that there is no hard cap on the gross settlement amount—in other words, unlike many class-action settlements where there is a fixed pool of money and an individual

[4] A particular claimant could receive multiple payments if the borrower had multiple affected loans. *See id.* ("Each Settlement Class Member who makes a valid claim shall be mailed one settlement check per affected loan.")

payment depends on the number of people submitting claims, class members here will receive the full $875 per loan regardless of the number of other claimants. ECF 614, at 22. Their estimate of the overall aggregate payout to class members, based on Defendants' records and the parties' approximation of the total class membership, is approximately $30,500,000. *Id.* The settlement agreement further provides that class counsel shall seek a maximum of $9,031,000 in attorneys' fees. ECF 614-2, at 18. The fee award is to be separate from any claim payments to class members. ECF 614, at 23.

The court finds that the proposed fee award is not disproportionate to the estimated class payout. Assuming, for present purposes, that the parties' estimated aggregate claims payment figure is the actual amount paid, and that the court awards the maximum stated amount of attorneys' fees, the fee award would come to 29.6 percent of the claims payout. That percentage is somewhat less than the one-third figure that is common in contingent-fee arrangements. And, as noted, the fee award covers around 17 years of work.

The settlement does allow for a "clear sailing" arrangement because the parties have represented that Defendants will not object to the payment of an attorneys' fees award, provided it does not exceed the agreed-upon maximum figure. *Id.* In theory, therefore, class counsel's payment could represent a higher percentage of the total class payout if the number of claims submitted falls significantly short of the estimated count, or if the administrator rejects

claims as improper or unsupported by sufficient information. But even with the clear sailing provision, the class still stands to receive a greater monetary award than it might have had the case not settled. The parties reached their settlement a week before a combined *Daubert* hearing and bench trial on economic harm. Had the court ruled for Defendants on those issues, Plaintiffs would have lost the case because they would have lacked Article III standing.

Therefore, while the Ninth Circuit has admonished district courts that "clear sailing" provisions "are important warning signs of collusion," *Kim v. Allison*, 8 F.4th 1170, 1180 (9th Cir. 2021) (citing *Roes*, 944 F.3d at 1051), and that they require close scrutiny as to "the relationship between attorneys' fees and benefit to the class," *id.*, here the court preliminarily finds that on balance the benefit to the class members is significant enough to overcome the prospect of collusion. That is especially true for the new settlement class members who were not part of the earlier litigation class and whose claims would otherwise be time-barred. But the court directs the parties to be prepared to discuss this issue further at the final fairness hearing in view of the importance the Ninth Circuit places on it.

Finally, while the settlement here does effectively provide that legal fees not awarded will not go to the class members, the court concludes that the arrangement does not render the settlement unfair because each claimant is to receive the same amount regardless of the fee award. In other words, the

class payout is $875 times the number of valid timely claims, independent of what happens with attorneys' fees. Adding "unawarded" fees to the hypothetical class pool would not increase the amount paid—but a larger-than-anticipated fee award likewise would not decrease the amount.

2. Substantive fairness

The remaining issues the court must address are whether the proposed settlement agreement has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class, and falls within the range of possible approval.

The court can find no obvious deficiencies in the settlement agreement. The agreement does grant the five named class representatives "service awards" of up to $5,000 each, subject to court approval. ECF 614-2, at 17. Such awards are neither a deficiency nor improper "preferential treatment." The named class representatives are also the named plaintiffs. The Ninth Circuit has held that "named plaintiffs, as opposed to designated class members who are not named plaintiffs, are eligible for reasonable incentive payments" if the court considers "relevant factors including the actions the plaintiff has taken to protect the interests of the class, the degree to which the class has benefitted from those actions, [and] the amount of time and effort the plaintiff expended in pursuing the litigation." *Staton v. Boeing Co.*, 327 F.3d 938, 977 (9th Cir. 2003) (cleaned up). Here, the named plaintiffs have been actively engaged in

this litigation for about 17 years, participated in the discovery process, and obtained a settlement that would provide significant monetary payments to many borrowers. The incentive payments appear reasonable.[5] *Cf. Lewis v. Starbucks Corp.*, No. 2:07-cv-00490, 2008 WL 4196690, at *7 (E.D. Cal. Sept. 11, 2008) (preliminarily finding $5,000 incentive payment reasonable). The court will further consider this issue as part of the final approval hearing.

Determining whether the proposed settlement agreement is "within the range of possible approval" requires preliminary consideration of the factors listed in Rule 23(e)(2): whether the class representatives and counsel have adequately represented the class, Fed. R. Civ. P. 23(e)(2)(A); whether the proposed agreement resulted from arm's-length negotiations, *id.* 23(e)(2)(B); whether the relief provided for the class is adequate, *id.* 23(e)(2)(C); and whether the proposal "treats class members equitably relative to each other," *id.* 23(e)(2)(D). Adequacy of relief, in turn, requires consideration of "the costs, risks, and delay of trial and appeal," *id.* 23(e)(2)(C)(i); the effectiveness of the proposed method of distributing relief and processing class members' claims, *id.* 23(e)(2)(C)(ii); the terms of the attorneys' fee award, including timing of

[5] The parties' estimate of a total class payout of $30,500,000 at $875 per eligible loan equals 34,857 eligible loans. The maximum aggregate incentive payment of $25,000 is a minuscule fraction (which is eight ten-thousandths as a raw figure, or eight one-hundredths of one percent, of the whole) of the estimated total class payout. *Cf. id.* at 976–77 (citing cases in which courts of appeals affirmed small incentive awards when the named plaintiffs were small fractions of large classes).

payment, *id.* 23(e)(2)(C)(iii); and "any agreement required to be identified under Rule 23(e)(3)," *id.* 23(e)(2)(C)(iv).

The court easily concludes that the named plaintiffs (as representatives) and counsel have adequately represented the class for the reasons already stated involving this case's years of litigation and the effective result. Also for the reasons discussed above, the court preliminarily concludes that the proposed settlement resulted from arm's-length negotiations, subject to further discussion of the fee award at the final approval hearing. And the proposal treats class members equitably because they will receive the same payout per affected loan regardless of the number of claims submitted.

As to the adequacy-of-relief factors, the class members faced a material risk of obtaining no relief had the case continued. The court could have found that the plaintiffs, and by extension the class, lacked Article III standing, or the jury could have found for Defendants on the merits.

Consideration of "the effectiveness of any proposed method of distributing relief" and of claims processing requires the court to consider the proposed settlement's provisions for giving notice to class members. "Adequate notice is critical to court approval of a class settlement under Rule 23(e)." *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1025 (9th Cir. 1998), *overruled on other grounds by Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338 (2011).

"[T]he class must be notified of a proposed settlement in a manner that does not systematically leave any group without notice; the notice must indicate that a dissident can object to the settlement and to the definition of the class . . . ." *Officers for Justice v. Civil Serv. Comm'n of City and County of San Francisco*, 688 F.2d 615, 624 (9th Cir. 1982). The court finds the notices here to be adequate to provide class members with sufficient information to make informed decisions. The procedures include sending notice by U.S. mail and, where possible, electronic mail, establishment of a website and a toll-free phone number, and follow-up reminder notices as needed. The proposed notices clearly and concisely convey necessary information about the litigation, the right to opt out and appear through separate counsel if desired, the need to timely submit a claim form and how to do so, and the binding effect of the settlement on class members who do not opt out. The notices therefore comply with Rule 23(e)'s requirement that they include "sufficient detail simply to alert those with adverse viewpoints to investigate and to come forward and be heard." *In re Online DVD-Rental Antitrust Litig.*, 779 F.3d 934, 946 (9th Cir. 2015).

Finally, nothing in the motion for preliminary approval suggests that there is any "agreement made in connection with the proposal," Fed. R. Civ. P. 23(e)(3), other than the settlement agreement itself.

Thus, the court preliminarily finds the proposed settlement agreement is fair for purposes of giving notice and scheduling a final approval hearing.

III. Order

Based on the foregoing findings, the court orders as follows:

1. The court has subject-matter jurisdiction over this matter under 28 U.S.C. § 1332(d) and has personal jurisdiction over the parties and the settlement class members as defined below in ¶ 3. Venue is proper in this district.

2. The motion for preliminary approval of settlement is granted.

3. The court provisionally certifies the following class under Fed. R. Civ. P. 23(b)(3) and 23(e):

> All persons who obtained residential mortgage loans originated and/or acquired by PHH and/or its affiliates from January 1, 2007, through December 31, 2009, and, in connection therewith, purchased private mortgage insurance and whose loans were included within PHH's captive mortgage insurance agreements, including successors, heirs, and/or assigns of such persons.[6]

The following entities and individuals are excluded from the settlement class: (a) Defendants' officers, directors, and employees; (b) Defendants' affiliates and affiliates' officers, directors, and employees; (c) Defendants' future, present, and former direct and indirect parents, subsidiaries, divisions, affiliates, predecessors, successors, and assigns, and their future, present, and former

[6] Each loan obtained by a person meeting this class definition will be defined as a single "settlement class member," regardless of the number of original obligors on such loan, and only one claim will be allowed per loan/settlement class member.

directors, officers, employees, managers, servants, principals, agents, insurers, reinsurers, shareholders, investors, attorneys, advisors, consultants, representatives, partners, joint venturers, divisions, predecessors, successors, assigns, and agents thereof; (d) all persons who have previously excluded themselves from the certified class (*see* ECF 230, 288, and 314); and (e) any person otherwise in the settlement class who timely and properly excludes himself from the settlement class as provided in the settlement agreement and class notices.

4. The court preliminarily approves the settlement agreement and its terms under Fed. R. Civ. P. 23(e) for the reasons stated in Part II of the foregoing analysis.

5. The court also finds that the class defined in ¶ 3 meets the requirements for certification under Fed. R. Civ. P. 23(a) and 23(b)(3) for settlement purposes only. The settlement class members are sufficiently numerous for joinder to be impracticable; questions of law and fact are common to settlement class members; the proposed class representatives' claims are typical of those of class members; the proposed representatives and settlement class counsel have fairly and adequately represented, and will continue to fairly and adequately represent, the class members' interests; and the predominance and superiority requirements of Fed. R. Civ. P. 23(b)(3) are satisfied.

6. Certification of the settlement class is solely for settlement purposes and is without prejudice to the settling parties if the settlement is not finally approved by the court or otherwise does not take effect. If either of those events occurs, the parties preserve all rights and defenses regarding class certification.

7. The court appoints Plaintiffs as settlement class representatives.

8. The court appoints Kessler Topaz Meltzer Check, LLP, and Larson LLP as settlement class counsel.

9. The court appoints JND Legal Administration as settlement administrator and directs it to carry out all duties and responsibilities of that role as specified in the settlement agreement and herein.

Notice Program

10. The court approves the proposed notice plan set forth in the motion for preliminary approval under Fed. R. Civ. P. 23(e)(1), 23(c)(2)(A), and 23(c)(2)(B). The notice plan meets the due process requirements of the U.S. Constitution and Rule 23, and for the reasons set forth in the foregoing analysis, the court finds it is the best notice practicable under the circumstances and thus will constitute due and sufficient notice to all persons entitled to such.

11. The proposed form and content of the settlement class notices, attached to the settlement agreement as Exhibits B and C (ECF 614-2, .PDF pages 57–59 and 61–72, respectively), are adequate and will give the

settlement class members sufficient information to enable them to make informed decisions as to whether to remain in the settlement class, object, or opt out, as well as about the proposed settlement and its terms. The proposed notices clearly and concisely state, in plain, easily understood language: (a) the nature of the action; (b) the definition of the settlement class; (c) the class claims and issues; (d) class members' right to enter an appearance through counsel if desired; (e) the necessity of submitting a timely claim via a valid claim form to be eligible to receive compensation under the settlement; (f) the time and manner for submitting a claim form; (g) that the court will exclude from the settlement class any member who timely and validly requests such; (h) the time and manner for requesting exclusion; and (i) the binding effect of a class judgment on settlement class members under Rule 23(c)(3). The parties may make non-material changes to the proposed notice plan, including the form and content of the settlement class notices, without seeking further court approval.

12. The settlement administrator and the parties shall implement the notice plan as set forth in the settlement agreement as soon as practicable after entry of this preliminary approval order, but in no event later than September 10, 2025.

13. All reasonable and necessary costs incurred by the settlement administrator will be paid by Defendants consistent with the settlement

agreement, and specifically subject to the agreement that Defendants shall pay all notice and settlement administration costs up to $500,000.

14. Defendants, with the assistance of the settlement administrator, shall comply with the obligation to give notice under the Class Action Fairness Act, 28 U.S.C. § 1711 *et seq.*, consistent with the settlement agreement's terms, and specifically subject to the agreement that Defendants shall pay all notice and settlement administration costs up to $500,000.

15. In connection with the forthcoming motion for final approval, the settlement administrator will provide settlement class counsel with a declaration to be filed with the court (a) identifying the people who have timely and validly opted out of the settlement class and (b) detailing the scope, method, and results of the notice plan.

Opt-Out and Objection Procedures

16. Settlement class members may exclude themselves from the class by personally signing and submitting a written request to the settlement administrator. Electronic signatures, including DocuSign, are invalid and will not be considered personal signatures. The request must be postmarked or e-mailed to the address provided in the settlement class notices or on the settlement website no later than the opt-out deadline and must contain clear and unambiguous wording substantially in the form, "I wish to exclude myself from the settlement class in *Munoz, et al. v. PHH Corp., et al.*, No. 1:08-cv-00759-

MMB-BAM (E.D. Cal.)." For an opt-out to be valid, in addition to the statement unambiguously requesting exclusion, the written request must include all information specified in the settlement class notices, including (a) name and address of the potential class member requesting exclusion; (b) loan number and address of the property bringing the potential class member within the scope of the settlement class; and (c) personal signature of the potential class member requesting exclusion. Settlement class members wishing to opt out must do so on an individual basis—so-called "mass" or "class" opt-outs are not permitted and will be of no force or effect. Any potential settlement class member who does properly opt out shall (a) not be bound by any order or judgments relating to the settlement; (b) not be entitled to relief under, or be affected by, the settlement agreement; (c) not gain any rights by virtue of the settlement agreement; and (d) not be entitled to object to any aspect of the settlement.

17. The settlement administrator will provide copies of all opt-out requests to settlement class counsel and Defendants' counsel within ten days of the receipt of each such request. The settlement administrator and the settling parties shall, promptly after receipt, provide copies of any requests for exclusion, objections, and/or related correspondence to each other.

18. Upon the settlement administrator's receipt of a timely and valid exclusion request, the potential member shall be deemed excluded from the settlement class. If a loan that may be subject to this settlement has co-

borrowers and one of them opts out while the other submits a valid and timely claim form, the co-borrower who submits the claim will be entitled to receive the full settlement relief.

19. Any settlement class member who does not submit a written request to opt out may present written objections, if any, explaining why the member believes the settlement, or any part thereof (including attorneys' fees and class representative incentive awards), should not be approved by the court as fair, reasonable, and adequate.

20. To be considered valid, an objection must be in writing, must be delivered to settlement class counsel and Defendants' counsel and filed with the court, must be postmarked or filed no later than November 10, 2025, and must include the following: (a) a detailed statement of the settlement class member's objection(s), as well as the specific reasons, if any, for each such objection, including all evidence, argument, and legal authority the objector wishes to bring to the court's attention; (b) the objector's full name, current address, and telephone number; (c) the loan number and address of the property bringing the objector within the scope of the settlement class; (d) an unambiguous statement that the member objects to the settlement either in whole or in part; (e) a statement of whether the objection applies only to the objector or to the entire settlement class; (f) a statement of whether the objector

intends to appear at the final approval hearing; and (g) a statement of whether the objector will be represented by separate counsel.

21. A settlement class member may object on his or her own behalf or through an attorney hired at the objector's own expense, provided the objector has not submitted a written request to opt out. The written statement submitted by a member objecting through counsel must include the items set forth in the preceding paragraph as well as the number of times the member has objected to a class action settlement within the five years preceding the date of the objection, the caption of each case in which the individual made such objection(s), and a statement of the nature of the objection(s). Attorneys asserting objections on behalf of class members must (a) file a notice of appearance with the court no later than the deadline for submitting objections, or at such time as the court may otherwise direct; (b) either file a sworn declaration attesting to representation of each settlement class member on whose behalf the objection is asserted or submit (*in camera*) a copy of any contract between the attorney and each such class member, and specify the number of times within the preceding five years that the attorney or his law firm has objected to a class-action settlement; (c) disclose any agreement, formal or informal, with other attorneys or law firms regarding the objection; and (d) comply with the procedures described in this order and the settlement agreement.

22. Settlement class counsel or Defendants' counsel may notice the deposition of an objecting settlement class member and/or seek the production of documents and tangible things relevant to the objections on an expedited basis, including agreements (formal or informal) between the objector's counsel and other attorneys related to the objection. Any objections to the scope of a deposition notice or a request to produce documents or other tangible things issued or served in connection with this provision shall be brought before the court for resolution on an expedited basis.

23. Unless the court directs otherwise, any settlement class member who fails to comply with the provisions of this order and the terms of the settlement agreement will waive and forfeit any and all rights he, she, or it may have to object to the settlement agreement and/or to appear and be heard on such objection at the final approval hearing. Failure to object waives a settlement class member's right to appeal the final approval order.

24. Not later than October 27, 2025, settlement class counsel shall file a motion or motions for final approval of the settlement and for attorneys' fees and costs for work performed in connection with the action.

Final Approval Hearing

25. The court will hold a final approval hearing on December 17, 2025, at 10:00 a.m., Pacific Time, in the U.S. District Court for the Eastern District of California, Robert T. Matsui United States Courthouse, Courtroom 1, 16th

floor, Sacramento, California. The purpose of that hearing will be to determine whether to grant final approval to the settlement agreement as fair, reasonable, and adequate as required by Fed. R. Civ. P. 23(e).

26. Any settlement class member wishing to appear at the final approval hearing, whether *pro se* or through counsel, must file a notice of appearance, take all other actions or make any additional filings as may be required under the settlement class notices or as otherwise ordered by the court, and serve the notice of appearance and notice of intent to appear upon settlement class counsel and Defendants' counsel no later than the deadline for filing objections (or such other deadline as ordered by the court). The notice of intent to appear must include the member's full name, address, and telephone number and be accompanied by copies of any papers, exhibits, or other evidence that the member will present to the court at the final approval hearing. Any class member who does not timely file a notice of intent to appear, or files a notice that does not comply with the requirements of the settlement agreement and settlement class notices, will not be entitled to appear at the final approval hearing or raise objections.

27. Not later than seven days before the final approval hearing, Defendants' counsel and settlement class counsel shall serve on each other, and on all other parties who file notices of appearance, any further documents in support of the proposed settlement, including responses to any papers filed by

settlement class members. Defendants' counsel and settlement class counsel must also promptly furnish to each other any and all objections or written requests for exclusion they may receive and shall file them with the court prior to the date of the final approval hearing.

28. If the court modifies the date, time, and/or location of the final approval hearing—including changing from an in-person hearing to a videoconference—the court will issue an order to that effect and will direct counsel to post the new information on the settlement website.

29. If, for any reason, the court does not enter the proposed final approval order or judgment, or if the terms set forth in either (with the exception of any provision relating to settlement class counsel's attorneys' fees and costs) are materially modified, reversed, or set aside on further judicial review; if for any other reason the settlement does not become final; or if this court, or a reviewing court, takes any action to expand, impair, or reduce the scope or effectiveness of the releases set forth in section III of the settlement agreement or to impose greater financial or other burdens on Defendants than those contemplated in the settlement agreement, then either party shall have the option to terminate the settlement agreement. The parties shall also have the right to terminate the settlement agreement if the number of timely and valid opt-outs exceeds the threshold set forth in the termination provision of that agreement.

30. Other than such proceedings as may be necessary to carry out the terms and conditions of the settlement agreement, all proceedings in this action are hereby stayed and suspended until further order of the court.

31. This preliminary approval order, the settlement agreement, and all negotiations, statements, agreements, and proceedings relating to the settlement, as well as any matters arising in connection with settlement negotiations, proceedings, or agreements, shall not constitute, be described as, be construed as, or be offered or received against Defendants or the other released persons as evidence or an admission of (a) the truth of any fact alleged by any plaintiff in this action; (b) any liability, negligence, fault, or wrongdoing of Defendants or the other released persons; or (c) that this or any other action was properly certified as a class action for litigation, non-settlement purposes.

32. The court directs the parties to take all necessary and appropriate steps to establish the means necessary to implement the settlement agreement according to its terms if it receives final approval.

33. The court may extend any of the deadlines set forth in this order without further written notice to settlement class members. The parties may also, without first seeking court approval, agree to make non-material modifications in implementing the settlement that are not inconsistent with this order.

34. The following table summarizes the dates and deadlines set by this order:

Date	**Event**
August 11, 2025	Entry of preliminary approval order
As soon as practicable, but no later than September 10, 2025	Notice plan begins
October 10, 2025	Substantial completion of direct notice component of notice plan
October 27, 2025	Due date for motion for final approval
October 27, 2025	Due date for motions for attorneys' fees and costs and for awards to settlement class representatives
November 10, 2025	Deadline for objections and opt-outs
December 1, 2025	Due date for reply memoranda (if any) in support of final approval and fee/expense motions
December 17, 2025	Final approval hearing
August 11, 2026	Deadline for submitting claim forms

35. This order shall have no force and effect if the settlement does not become final. This order shall not be offered by any person as evidence in any action or proceeding against any party hereto in any court, administrative agency, or other tribunal for any purpose, other than to enforce or otherwise effectuate the settlement agreement (or any agreement or order relating thereto), including the releases, or this order. This order also shall not be

offered by any person or received against any of the released persons as evidence, or construed by or deemed to be evidence, of any presumption, concession, or admission by any of the released persons of:

a. the truth of the facts alleged by any person or the validity of any claim that has been or could have been asserted in this action or in any litigation, or other judicial or administrative proceeding, or the deficiency of any defense that has been or could have been asserted in this action or in any litigation, or of any liability, negligence, fault, or wrongdoing of any of the released persons;

b. any fault, misrepresentation, or omission with respect to any statement or written document approved or made by any of the released persons or any other wrongdoing by any of the released persons; or

c. any liability, negligence, fault, or wrongdoing in any civil, criminal, or administrative action or proceeding by any of the released persons.

36. The court authorizes the parties to take all necessary and appropriate steps to implement the settlement agreement.

Dated: August 11, 2025

/s/ *M. Miller Baker*
M. Miller Baker, Judge*

* Judge of the United States Court of International Trade, sitting by designation.