

JAMES ELLIS and DARRYL ELLIS, Individually
and on Behalf of All Others Similarly Situated,

Plaintiff,

v.

NATIONSTAR MORTGAGE LLC d/b/a MR
COOPER,

Defendant.

Case No. 2023CV009204

Hon. Gwen Connolly
Branch 44

NOTICE OF CLASS ACTION SETTLEMENT

TO: All persons whose residential mortgage servicing rights were transferred from Pacific Union Financial, LLC (“PUF”) to Nationstar Mortgage LLC (“Nationstar”) in connection with Nationstar’s acquisition of PUF.

YOU HAVE NOT BEEN SUED IN THIS MATTER. YOU MAY BE ENTITLED TO RECOVER MONEY as a member of the Class. If you are a member of the Class and you return the proof of claim form on the last page of this notice by Monday, September 16, 2024, you will receive a payment.

This letter is a notice that you may be entitled to recover money as a member of the Class. If your mortgage servicing rights were transferred from PUF to Nationstar in connection with Nationstar’s acquisition of PUF, your rights may be affected by this settlement. This Notice is given to you so that you may have an opportunity to comment on and participate in the benefits of the settlement.

NOTICE IS HEREBY GIVEN THAT, pursuant to the Order of the Milwaukee County Circuit Court (the "Court"), dated February 29, 2024, it was determined that the above-captioned lawsuit may be settled on behalf of a Class of plaintiffs (the “Class”) pursuant to Wis. Stat. § 803.08. The Court defined the Class as follows:

(a) all natural persons in the United States of America (b) whose residential mortgage loan servicing rights were transferred from PUF to Nationstar, and (c) to whom PUF and Nationstar mailed “Notice of Transfer of Servicing Rights” letters in substantially the same form as Exhibits C and E to the Complaint.

The Court also defined a Subclass as follows:

(a) all natural persons in the United States of America, (b) whose residential mortgage loan servicing rights were transferred from PUF to Nationstar and (c) who had executed an electronic funds transfer authorization with their prior servicer, (d) and from whom PUF and Nationstar collected overlapping payments.

WHAT IS THE LAWSUIT ABOUT?

In early 2019, Nationstar acquired mortgage servicer PUF. Plaintiffs James Ellis and Darryl Ellis, whose mortgages were being serviced by PUF at the time of the acquisition allege that Nationstar and PUF did not provide adequate notices of transfer of servicing and collected overlapping autodraft payments from certain borrowers. This lawsuit sought to recover actual damages, statutory damages, costs and attorneys' fees from Defendant for its alleged violation of the Electronic Funds Transfer Act ("EFTA"), Real Estate Settlement Procedures Act ("RESPA"), Truth in Lending Act ("TILA"), and Chapter 224 of Wis. Stats. ("Section 224").

Nationstar denies that it has any liability to Plaintiff or the Class and denies that it has violated the EFTA, RESPA, TILA, and Section 224, but has agreed to settle this case based on the likely high cost of protracted litigation.

The Class was conditionally certified for purposes of settlement, pursuant to Wis. Stat. § 803.08(2)(c), as a class action. The Court has appointed Plaintiffs as representatives of the Class, and their attorneys, Shpetim Ademi, John D. Blythin, Jesse Fruchter, and Ademi LLP as Counsel for the Class.

This description of Plaintiff's claims and Defendant's response is general and does not cover all of the claims and contentions of the parties. For a complete statement of all the contentions and proceedings in this case, you should consult the files relating to this lawsuit, which are available for your inspection at the office of the Milwaukee County Clerk of Courts, 901 North 9th Street, Room 104, Milwaukee, Wisconsin 53233.

PROPOSED SETTLEMENT OF THE LAWSUIT

The Class consists of approximately 125,000 people and the Subclass consists of approximately 3,000 people. Plaintiff and Defendant have agreed to a proposed settlement that provides:

1. Nationstar will pay one million dollars (\$1,000,000) into a Common Fund, to be distributed as follows:
 - a. Approximately two hundred thousand dollars (\$200,000) will be used to pay the costs of notice and administration of the Settlement;
 - b. Approximately twenty-five thousand dollars (\$25,000) will be used to compensate Plaintiffs for their individual actual and statutory damages and a reasonable incentive award for their time, effort, and willingness to represent the Class and Subclass;
 - c. Plaintiffs intend to seek from the Court, and Nationstar has agreed not to oppose, an award of reasonable attorneys' fees and litigation expenses for Class Counsel, not to exceed three-hundred fifty thousand dollars (\$350,000); and
 - d. Approximately four-hundred twenty-five thousand dollars (\$425,000) will be distributed amongst the members of the Class and Subclass, with one hundred thousand dollars (\$100,000) to be paid to the Subclass with up to \$350 per Claimant and the remaining portion of the Common Fund to be paid to the Claimants in the Class on a *pro rata* basis.
2. Any settlement check that is returned as undeliverable by the Postal service or which remains uncashed 120 days after the date of distribution shall be considered to be undistributable funds.

3. Upon final approval of the settlement the Court will enter a judgment dismissing the lawsuit with prejudice and releasing Nationstar from all liability to Plaintiffs and the Class for the Released Claims.

You have been identified from Nationstar’s records as a member of the Class.

The EFTA, RESPA, TILA, and Section 224 provide for the recovery of actual and statutory damages as well as payment of costs and reasonable attorneys' fees to a successful plaintiff. There is no guarantee that Nationstar would be found liable to the Class or Subclass under any of these provisions or that statutory damages would be awarded. Here, Class Counsel believes that the proposed settlement amount is fair and reasonable in light of the strength and nature of the claims and defenses in the Action.

You also have the right to bring your own individual action. However, there is no guarantee that a court would find Nationstar liable or award you any individual damages.

YOUR OPTIONS

If you want to receive your share of the recovery, you must complete and return by mail, the attached claim form by September 16, 2024.

If you do not want to be a member of the Class, you have the right to opt out or exclude yourself from the Class by sending a written request for exclusion containing your name, address, and the name and number of this case to Class Counsel at the address listed below and to: Ellis v. Nationstar, c/o Settlement Administrator, PO Box 23489, Jacksonville, FL 32241-3489. However, if you exclude yourself from the Class, you will not be entitled to share in the Class recovery, nor will you be bound by the judgment in this matter. **Your request for exclusion must be postmarked by September 16, 2024.**

If you elect to remain as a member of the Class, you also have the right to object to the proposed settlement by filing and serving a written objection. Your objection must include your name, address, telephone number, the case name and number, a summary of your objection, and whether you intend to appear at the hearing. You or your attorney must sign your objection personally. **You must mail your objection, postmarked on or before September 16, 2024,** to the following address:

Clerk of the Milwaukee County Circuit Court
Room 104
901 North 9th Street
Milwaukee, Wisconsin 53233

You must also mail a copy of your objection, postmarked on or before **September 16, 2024,** to Class Counsel and Counsel for Defendants at the following addresses:

CLASS COUNSEL

Shpetim Ademi
John D. Blythin
Jesse Fruchter
Ben J. Slatky
ADEMI LLP
3620 E. Layton Avenue
Cudahy, Wisconsin 53110

ATTORNEY FOR DEFENDANT

Amy L. Vandamme
DYKEMA GOSSETT PLLC
111 E Kilbourn Ave, Suite 1050
Milwaukee, Wisconsin 53202

No member of the Class will be heard at the Fairness Hearing in opposition to class certification, the Class Settlement, Class Counsel's proposed attorneys' fees and expenses, or the proposed payments to Class Representative unless not later than 5:00 p.m. on **September 16, 2024**, such Class Member files with the Clerk of the Court and serves upon Class Counsel and Defendant's Counsel the following: (i) a statement of each objection being made; (ii) a description of the facts underlying each objection; (iii) a description of the legal authorities underlying each objection; and (iv) a statement of whether the objector intends to appear at the Fairness Hearing. If the objecting Class Member seeks to introduce witnesses or exhibits at the Fairness Hearing, the Class Member must file with the Clerk of the Court and serve upon Class Counsel and Defendant's Counsel, not later than 5:00 p.m. on **September 16, 2024**, the following: (i) a list of witnesses whom the objector may call by live testimony, oral deposition testimony or affidavit during the Fairness Hearing, together with a summary of each witness' anticipated testimony; and (ii) a list of exhibits which the objector may offer during the Fairness Hearing, together with true copies of all of the exhibits.

Class Members and any other persons who fail to file their notices and objections properly or timely with the Court Clerk or fail to serve such notices and objections on Class Counsel and Defendants' Counsel timely will not be heard during the Fairness Hearing and the Court will not consider their objections. Any notice required by this paragraph shall be served on Class Counsel and Defendant's Counsel by certified mail, hand-delivery, or facsimile transmission.

NOTICE IS HEREBY GIVEN THAT a hearing will be held before the Honorable Gwen Connolly, Circuit Court Judge, on for **October 29, 2024 at 1:30 PM, in Courtroom 415** of the Milwaukee County Courthouse, 901 North 9th Street, Milwaukee, Wisconsin 53233. This hearing will be held to determine if the proposed settlement is fair, reasonable, and adequate and should be approved and the lawsuit dismissed with prejudice. If the proposed settlement is approved, it will be binding and will release Defendant from any and all claims that were asserted or could have been asserted by any of the Class Members.

Questions concerning this class action litigation should be directed to Class Counsel: Shpetim Ademi, John D. Blythin, Jesse Fruchter, and Ben J. Slatky, Ademi LLP, 3620 E. Layton Avenue, Cudahy, Wisconsin 53110, or to the call center at (800) 687-0141.

PLEASE DO NOT CALL THE JUDGE OR THE COURT CLERK