

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
(SOUTHERN DIVISION)**

IRENE YATES,

Plaintiff,

v.

**NEWREZ LLC d/b/a SHELLPOINT
MORTGAGE SERVICING**

Defendant.

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Civil Case: 8:21-cv-03044-ADC

CLASS ACTION & INDIVIDUAL SETTLEMENT AGREEMENT AND RELEASE

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The Parties enter into the following Class Action and Individual Settlement Agreement and Release (“Agreement”). The Agreement is entered into by and amongst Irene Yates and Alice Mejia (“Plaintiffs” or “Named Plaintiffs”) individually and in their representative capacity on behalf of the Settlement Class and the Subclasses, as defined below, to settle the Class Claims, and NewRez LLC d/b/a Shellpoint Mortgage Servicing (“Shellpoint” or “Defendant”), who collectively with Plaintiffs shall be referred to as the “Parties.” The Agreement is intended by the Parties to fully, finally and forever resolve, discharge and settle the Released Claims on behalf of the entire Class and the Released Claims of the Plaintiffs individually upon and subject to the terms and conditions herein.

RECITALS

WHEREAS, Irene Yates filed this putative class action lawsuit against Shellpoint asserting various claims concerning Property Inspection Fees, defined below, which was removed to this Court by Shellpoint pursuant to the Class Action Fairness Act,

WHEREAS, Alice Mejia filed a separate action against Shellpoint asserting various claims also concerning Property Inspection Fees, now pending in the Circuit Court for Montgomery County, Maryland (Case No. C-15-CV-24-002696) (the “Mejia Case”);

WHEREAS, Yates will file a Third Amended Complaint adding Alice Mejia as a plaintiff and representative of the putative class;

WHEREAS, Shellpoint has denied and continues to deny all wrongdoing and liability as to all claims asserted by the Plaintiffs against them related to Property Inspection Fees in both pending Class Actions;

WHEREAS, the Parties have concluded that it is desirable for the claims asserted in the present case to be settled through a single class settlement to avoid further inconvenience, delay, and expense and to dispose of potentially burdensome and protracted litigation (including appeals),

and to put to rest all claims that have been or might be asserted by the settling Plaintiffs and the Class Members relating to Property Inspection Fees (the “Class Claims”);

WHEREAS, the Settling Parties have engaged in extensive arms-length settlement negotiations before the Honorable Timothy Sullivan and have determined that the terms of the Settlement Agreement constitute a fair and reasonable compromise of the claims and defenses of all Settling Parties under the unique circumstances of the Class Action Class Claims being settled by this Agreement; and

WHEREAS, Named Plaintiffs and Class Counsel believe that the Class Claims being settled by this Agreement are meritorious, they also recognize, however, that these actions have uncertain outcomes and that pursuing this litigation through trial and appeals would involve substantial cost, risk, and inevitable delay that may not increase the benefits to the Class Members each of whom would benefit from relief sooner than after months or years of more litigation. Based on their evaluation of the facts and law and procedural posture of the actions, and a weighing of the risks and benefits, the expense and length of continuing proceedings necessary to prosecute the present case against Shellpoint through trial and appeals, and the substantial benefits the Settlement confers upon the Settlement Class and Subclasses, Class Counsel have determined that the Settlement set forth in this Settlement Agreement is fair, reasonable, adequate, and in the best interest of the Class Members; and

WHEREAS, Shellpoint believes that it has meritorious defenses to all of the claims asserted against them and meritorious defenses to certification of any litigation class. Shellpoint also recognizes, however, that the Class Claims being settled by this Agreement have an uncertain outcome and that pursuing this litigation through trial would involve substantial cost and risk. Based on Shellpoint’s evaluation of the facts and law, and a weighing of the risks and benefits, the

expense and length of continuing proceedings necessary to defend the Class Claims being settled by this Agreement, as well as other business considerations, Shellpoint has determined that the Settlement set forth in this Settlement Agreement is in their best interest; and

WHEREAS, in consideration of the foregoing and other good and valuable consideration, it is stipulated and agreed by and between Plaintiffs and Defendant that the Released Claims, defined below, of the Plaintiffs, individually and as representatives of the Class Members, be and are hereby compromised and settled, subject to the approval of the Court, upon the following terms and conditions.

DEFINITIONS

1. Accessible Contact Information. “Accessible Contact Information” means the names and most current (or last known) email address and mailing addresses of Class Members as currently contained in the records of Shellpoint (to the extent which they are available) that are maintained and are reasonably accessible by Shellpoint. This information shall be used for the sole purpose of identifying the Class Members.

2. Class Actions. “Class Actions” means the above-captioned action currently pending in the United States District Court for the District of Maryland (Case No. 8:21-cv-03044-ADC), and the Mejia Case pending in the Circuit Court for Montgomery County, Maryland captioned *Alice Mejia v. NewRez LLC* (Case No. C-15-CV-24-002696). Class Actions shall also include the claims relating solely to Alice Mejia in a pending appeal arising from the United States District Court for the District of Maryland now before the United States Court of Appeals for the Fourth Circuit (Case No. 24-1406).

3. Parties. The “Parties” to this Agreement are Irene Yates and Alice Mejia (the Plaintiffs in this Action), on behalf of themselves and as representatives of Settlement Class and

Subclasses of persons similarly situated (collectively, “Class Members”), and Defendant Shellpoint.

4. Attorney’s Fees. “Attorney’s Fees” means attorney’s fees, cost of litigation, and expenses, as approved by the Court.

5. CAFA Notice. “CAFA Notice” refers to the notice requirements imposed by 28 U.S.C. § 1715(b).

6. Class Counsel. “Class Counsel” means counsel for the Plaintiffs and the Class Members: Phillip R. Robinson of the Consumer Law Center LLC, 1020 Blair Mill Road, Suite 1105, Silver Spring, MD 20910; Thomas Minton of Goldman & Minton, P.C., 3600 Clipper Mill Road, Suite 201, Baltimore, MD 21211; and Scott Borison, Borison Firm LLC, 1400 S. Charles St., Baltimore, MD 21230.

7. Property Inspection Fees. “Property Inspection Fees” means the monetary fees (typically in the amounts of \$13.00 or \$15.00) imposed by Shellpoint on the mortgage loan accounts of borrowers whose loans were secured by mortgages on real property located in Maryland to perform a drive-by inspection of that property, including all such fees that Class Members have already paid or recovered and all such fees that remain outstanding on their loans as of the date of this Agreement that may be paid in the future. Property Inspection Fees do not include any other fee labels, such as broker’s price opinions (“BPOs”).

8. Settlement Class. The “Settlement Class” shall mean:

All persons with residential mortgage loans secured by real property in Maryland, which were serviced by Shellpoint, for which Shellpoint imposed one or more Property Inspection Fee(s) since January 2014. The Settlement Class shall consist of two subclasses:

Subclass A: All Settlement Class members whose Property Inspection Fee claims were not tolled by the October 30, 2020 class action filing of *Parker*

v. Goldman Sachs Mortgage Company Limited Partnership et al, Case No. 8:20-cv-03581-ADC.

Subclass B: All Settlement Class members whose Property Inspection Fee claims were tolled by the October 30, 2020 class action filing of *Parker v. Goldman Sachs Mortgage Company Limited Partnership et al*, Case No. 8:20-cv-03581-ADC.

For the purposes of this Agreement, Shellpoint represents and warrants that it believes based upon its understanding of its own data that the Settlement Class includes approximately 3,466 members with separate and unique mortgage loans, Subclass A includes approximately 3,254 members who were assessed approximately 24,460 individual Property Inspection Fees, and Subclass B includes approximately 212 members who were assessed approximately 594 individual Property Inspection Fees. To the extent that there is more than one borrower on a mortgage loan subject to this Agreement, the co-borrowers shall be deemed to be one Settlement Class Member and any settlement payment shall be paid by one check payable jointly to the co-borrowers on such loan. Each Subclass A member is entitled to a \$40 payment per Property Inspection Fee less the fees deducted from the common fund by the Court. Each Subclass B member is entitled to a \$400 payment per Property Inspection Fee less the fees deducted from the common fund by the Court.

9. Class Representative or Plaintiffs. “Class Representatives” or “Plaintiffs” means Irene Yates and Alice Mejia.

10. Complaint: “Complaint” means the Amended Complaint, in the form set forth in **Exhibit A** attached hereto, which consists of the allegations contained in the Second Amended Complaint filed by Irene Yates in this Court (ECF 15), with the addition of allegations relating to Alice Mejia, as originally set forth in the Complaint filed by Alice Mejia in the Circuit Court for Montgomery County, Maryland (Case No. C-15-CV-24-002696), and harmonizing the class

definitions to be consistent with the Settlement Class as defined herein. Plaintiffs have filed a Stipulation to File the Complaint for settlement purposes.

11. Court. The “Court” means the United States District Court for the District of Maryland. The Parties have jointly agreed for the Honorable Magistrate Timothy Sullivan to oversee the case for all purposes.

12. Defendant. “Defendant” means Shellpoint.

13. Defendant’s Counsel. “Defendant’s Counsel” means McGuireWoods LLP and Brian Pumphrey, Gateway Plaza, 800 East Canal Street, Richmond, VA 23219-3916; and Melissa Martinez, 500 East Pratt Street, Suite 1000, Baltimore, MD 21202-3169 of McGuireWoods LLP.

14. Effective Date. “Effective Date” means the date when this Agreement is fully executed by all Parties hereto.

15. Final Approval Date. “Final Approval Date” means the last date on which all of the following have occurred:

(i) the Court has entered all orders needed to effectuate this Agreement; and

(ii) Final Judgment is entered by the Court. If an appeal or review is sought from the Final Judgment, Final Approval Date shall mean the later of (a) the date of the expiration of time for Petition for Review or for Writ of Certiorari from any final affirmance of the Judgment, or if Review or Certiorari is granted, the date of final affirmance following review pursuant to that grant; or (b) the date of final dismissal of any appeal, including denial of or expiration of the time for filing any Petition for Writ of Certiorari, or ultimate final dismissal of any proceeding on review. If no appeal or petition for review is filed, Final Approval Date shall mean the third business day after expiration of the time for taking an appeal or petition for review, and no further

appeal is permitted; and (c) the time period for terminating the Agreement has expired as provided in Paragraphs 46-49 below.

16. Final Judgment. “Final Judgment” means the Final Judgment provided for in Paragraph 46 below. The Final Approval Order entered by the Court shall be substantially in the same form as Exhibit A-1, hereto.

17. Notice. “Notice” means the Notice of Proposed Class Action Settlement in the form attached hereto and incorporated herein as Exhibit A-2 that is emailed, mailed or made available by the Settlement Administrator to all Class Members either by electronic email, the Settlement Website, and/or by mailing as provided herein. Notice includes the Notice and Settlement Website (including agreed upon FAQs) which will notify Class Members, among other things, about their rights under this Agreement including any right to opt out or object to the Settlement, the preliminary approval of the Settlement, the scheduling of the Final Approval Hearing, and how to contact Class Counsel to answer any questions.

18. Notice Date. “Notice Date” means the date that Notices described in Paragraph 17 are initially sent electronically or by pre-paid U.S. Mail to the Class Members. The Notices should be transmitted or mailed no later than (i) twenty-eight (28) days after Shellpoint provides the Accessible Contact Information to the Settlement Administrator as provided in Paragraph 1 along with the data necessary to determine which Subclass the members of Settlement Class belong (in one or both) and the benefits they are entitled pursuant to this Agreement, or (ii) as the Court may otherwise direct.

19. Opt-out Date. “Opt-out Date” or “Exclusion Deadline” means the deadline for requests for exclusion from the Settlement to be received by the Settlement Administrator, or mailed to Class Counsel and Defendant’s Counsel at the address provided in the Class Notice. The

Opt-Out Date shall be sixty (60) days from the Notice Date, and requests for exclusion received by the Settlement Administrator, Class Counsel, and Defendant's Counsel that are postmarked after that date will have no legal effect.

20. Preliminary Approval Order. "Preliminary Approval Order" means the Order preliminarily approving the Agreement, approving the Notice, and setting the Settlement Hearing date, as provided in Paragraph 41 of the Agreement, a form of which is attached hereto and incorporated herein as **Exhibit A-3**.

21. Related Parties. "Related Parties" shall mean, individually and collectively, Shellpoint, and each of its vendors who performed property inspections with respect to properties of Settlement Class Members, and each of Shellpoint's past and present parents, predecessors, successors, subsidiaries, affiliates, divisions, owners, conservators, certificate holders, shareholders, officers, directors, trustees, members, employers, employees, partners, member firms, principals, agents, attorneys, accountants, auditors, advisors, personal and legal representatives, present insurers, re-insurers, heirs, beneficiaries, and assigns, and as to individuals any members of their immediate families.

22. Released Claims. "Released Claims" are defined in Paragraph 38 below.

23. Released Parties. "Released Parties" means Defendant and all Related Parties.

24. Releasers: "Releasers" shall mean those persons and entities who are releasing claims under this Agreement, and shall include Plaintiffs and every Class Member who does not properly and timely opt out of the settlement, together with their spouses, heirs, beneficiaries, agents, trustees, and any personal or legal representatives who exercise any authority on their behalf.

25. Service Award: “Service Award” means any sums awarded by the Court from the Common Fund to the Class Representatives for their service in the Action, as set forth in Paragraph 34 below.

26. Settlement. “Settlement” means the terms and conditions set forth in this Agreement, including all Exhibits.

27. Settlement Administration Costs and Expenses. “Settlement Administration Costs and Expenses” means the costs and expenses reasonably incurred by the Settlement Administrator, at the direction of the Parties, as approved by the Court for costs and expenses to facilitate the Settlement, including but not limited to, the costs of printing and mailing the Notice and making the distributions contemplated herein for Class Members. Notice and Settlement Administration costs and expenses must be paid to the Settlement Administrator from the Common Fund as set forth in Paragraph 32 within 30 days after the Final Approval date and before distributions are made to Class Members. Absent any costs caused by its own negligence or the Court determining it lacks jurisdiction to approve this settlement, Defendant will have no obligation to contribute to Settlement Administration Costs and Expenses beyond payment from the Common Fund, except that in the event the Court does not give Final Approval of the Agreement as described in Paragraph 46, the Parties shall be equally responsible to pay the Settlement Administration Costs and Expenses incurred as of that date.

28. Settlement Administrator. “Settlement Administrator” means an entity selected by the Parties, American Legal Claim Services LLC, contingent upon the Court’s approval. If the Court does not approve American Legal Claim Services LLC, the Parties shall jointly select another administrator. The Settlement Administrator shall provide to Class Counsel and Defendant’s Counsel no later than ninety (90) days after the initial notice emailing/ mailing or

twenty-five (25) days before the Final Fairness Hearing, whichever occurs earlier, a declaration confirming results of the transmissions of the Notices that were emailed and mailed to all Class Members as required by this Agreement, the number of returned undeliverable Notices (if any), and the number of opt-outs and objections, as well as any additional information Class Counsel deems appropriate to provide to the Court.

29. Settlement Amount for the Settlement Class or Common Fund. “Settlement Amount for the Settlement Class” or “Common Fund” means the amount of one million two hundred and sixteen thousand dollars (\$1,216,000.00)¹ to be held by and paid on behalf of Shellpoint to the Settlement Administrator for distribution as attorneys’ fees to Class Counsel, payments to Class Members, Service Awards to the Plaintiffs, for payment of Settlement Administration Costs and Expenses and other distributions in accordance with the terms of this Agreement. In no event shall Shellpoint or any Related Party be responsible for funding any amount more than \$1,216,000.00 inclusive of attorneys’ fees, costs, administrative costs or otherwise.

30. Settlement Hearing. “Settlement Hearing” means the hearing to determine whether the Settlement of the Class Action should be given Final Approval, whether the proposed plan of allocation should be approved, and whether the applications for Service Fees, Settlement and Administrative Costs, and attorney’s fees for Class Counsel should be approved.

31. Settlement Website. “Settlement Website” means the website to be created, launched, and maintained by the Settlement Administrator, and which allows for the electronic access to relevant case documents including Class Notice, Complaint(s), Answer, this Agreement,

¹ The Parties agree that of the total \$1,216,000 Settlement Amount for the Settlement Class, \$978,400 is allocated to Subclass A (at \$40 per Property Inspection Fee) and \$237,600 is allocated to Subclass B (at \$400 per Property Inspection Fee).

the Preliminary Approval Order, and other relevant documents. The Settlement Website, which shall be referred to on the Settlement Website and in the Notices sent to Class Member as the “Shellpoint Property Inspection Fee Litigation Website,” shall be made operable using the URL approved by the Parties and selected by the Settlement Administrator and starting on the date that Notice is sent to Class Members, and it shall be deactivated within 120 days of the Final Approval Date. Defendant shall have the right to review and approve the content of the Settlement Website before the Settlement Administrator makes the Settlement Website public.

PLAN OF ALLOCATION

32. Relief to Class Members/Payment to Settlement Administrator. The Parties agree as part of this Settlement:

- (a) That the Common Fund shall be administered and distributed as follows:
 - i. Within fifteen (15) days of the entry of the Final Approval Order, Defendant shall provide to the Settlement Administrator, through a mutually acceptable method of transfer, the funds necessary to establish the Common Fund in an approved account for such purposes and to be held in trust by the Settlement Administrator for the benefit of the Class Members and Subclass Members.
 - ii. Within thirty (30) days of the Final Approval Date, payment from the Common Fund of any Service Awards awarded by the Court to the Plaintiffs and any Attorney’s Fees, costs and expenses awarded by the Court to Class Counsel;
 - iii. Within thirty (30) days of the Final Approval Order, payment from the Common Fund of Settlement Administration Costs and Expenses to the Settlement Administrator;

iv. Within sixty (60) days of the Final Approval Date, the Settlement Administrator shall make payments to Class Members by sending a check by United States mail and which shall be valid for no more than a 90-day period (if a Class member has more than one borrower, one payment shall be made payable to all borrowers jointly). Payment shall be made to each Class Member as follows:

- a. Each Class Member shall be paid the appropriate combined sum for the number of Subclass A and Subclass B Property Inspection Fees they incurred less a pro rata percentage deduction of any amounts allowed by the Court for service awards, attorney fees, costs, and costs of administration.
- b. For illustrative purposes of the previous sub-paragraph, if a Class member had three Property Inspection Fees included in Subclass A she would be entitled to \$120.00 (3 x \$40.00) and she also had one Property Inspection Fee included in Subclass B she would be entitled to another \$400.00 (1 x \$400.00) for a total gross award of \$520.00. However, that sum would be reduced based upon the sum of the service awards, attorney fees and costs, and costs of administration awarded by the Court. If, for example the total service awards, attorney fees, costs, and costs of administration awarded by the Court equaled 45% of the Common Fund, the hypothetical Class member in this illustration would receive the net award of \$66.00 for her

Subclass A Property Inspection Fees and \$220.00 for her
Subclass B Property Inspection Fee.

- v. If any checks are required to be reissued, the Settlement Administrator shall first stop payment on the original check and shall confirm the identity of the Class Member involved. Thereafter, the Settlement Administrator may send a reissued check, which shall expire on the original stale date or thirty (30) days whichever is later.
- vi. On receipt of a check made jointly to co-borrowers, any co-borrower(s) may contact the Settlement Administrator and request that the settlement benefits be split evenly between each co-borrower. The Settlement Administrator shall stop payment on the joint settlement benefit check and reissue separate checks to each co-borrower. On notice of a deceased co-borrower, the Settlement Administrator shall stop payment and reissue the check to the surviving Class Member. In the event that there is no surviving co-borrower, the Settlement Administrator shall reissue the check to the estate(s) of the deceased borrower(s).
- vii. If a check is returned as undeliverable, the Settlement Administrator shall undertake an updated address verification for the primary borrower, reissue a replacement check to the payee(s), and mail the replacement check by first-class mail to the updated address for the primary borrower, if any.

- viii. If a Class Member fails to cash a check, that Class Member remains bound by all terms of the Settlement, including without limitation the Released Claims described in Paragraph 38 below.
- ix. Any residual funds, including any check not cashed by any of the Class Members within ninety (90) days of the issuance of the Class Members' funds as described above, shall revert to the Common Fund and be dispersed to the *cy pres* recipient identified in Paragraph 46(j) below.
- x. Defendant will take all appropriate steps to effectuate the relief for Class Members identified in Paragraph 32 by the dates identified.
- xi. In the event of an appeal by any party, the Settlement Administrator shall retain the right to petition for payment of costs incurred by it from the Common Fund regardless of the outcome of any appeal or if the Court does not give final approval of the Settlement.

33. Attorney's Fees, Notice Costs and Related Matters. As part of the benefits described above, Class Counsel, subject to Court approval, will be paid reasonable Attorney's Fees and costs related to this action, including for handling communications from Class Members. This payment allowed by the Court approval shall be made solely from the Common Fund and only at the time specified in Paragraph 32(a)(ii) above. At the same time that Plaintiffs file their motion for final approval of the Settlement, Class Counsel intend to file a motion requesting that the Court award them a percentage of the Common Fund for attorney fees and costs for their efforts up to 40% of the fund (or \$486,400.00). If the Defendant does not oppose any motion for attorney's fees and costs, that election shall not be construed as an admission, agreement or concession by them that the amount of attorney's fees and costs requested by Class Counsel are reasonable and

appropriate. Other than as set forth in this Agreement, Defendant and all Related Parties shall have no liability for attorneys' fees and costs in this Action to any person or entity. If any person other than Class Counsel (excluding Defendant's Counsel) seeks and obtains any attorneys' fees relating to this Action by Order of the Court, that amount shall be paid from the Common Fund and shall not increase the amount of the Common Fund. Class Counsel represent and agree that, if the Court limits or denies their requests for attorney's fees and costs, they cannot use that event as a ground for seeking to terminate this Agreement.

34. Service Awards: At the time that they move for final approval of the Settlement, Plaintiffs intend to file a motion requesting that the Court award them each Service Awards for their efforts in this Action. Ms. Yates intends to seek an award of no more than \$12,000.00 for her service to the Settlement Class and Ms. Mejia intends to seek an award of no more than \$4,500.00. If the Defendant does not oppose any motion for Service Awards, that election shall not be construed as an admission, agreement or concession by them that the amount of Service Awards requested are reasonable and appropriate or that Plaintiffs have meritorious claims or that they are adequate representatives of the Class. Plaintiffs acknowledge that the Court may limit or deny their requests for a Service Award and represent and warrant that they will support and advocate for the settlement even in the event of such limitation or denial. Plaintiffs expressly represent and agree that, if the Court limits or deny their requests for a Service Award, they cannot use that event as a ground for seeking to terminate this Agreement.

35. Class Notice. The Settlement Administrator shall send the Notice at the time provided in Paragraph 42.

36. Class Members' Right of Exclusion. Any Class Member may seek to be excluded (*i.e.*, "opt out") from this Agreement within the time and in the manner provided in Paragraph 45

of this Agreement, as approved by the Court. Any Class Member so excluded shall not be bound by the terms of this Agreement and shall not be entitled to any share of the Common Fund.

37. Sufficiency of Settlement Amount. The Parties agree that the Settlement Amount is sufficient to satisfy each Party's obligations to every other Party regarding the Released Claims.

RELEASED CLAIMS

38. Provided the Final Approval Date is reached, the Releasers, as of the Effective Date of the Agreement, do hereby release and forever discharge the Released Parties from the "Released Claims," defined as: a claim, right, demand, charge, complaint, action, suit, cause of action, or liability of any kind, related to Class Members' loans while serviced by Shellpoint, (i) which are known or unknown or capable of being known, (ii) those which are unknown but which are capable of being discovered or discoverable based upon facts other than or different from those facts known or believed at this time, including facts in the possession of and not revealed by the Released Parties, (iii) those accrued, unaccrued, matured, or not matured from the beginning of the world until today, and (iv) those asserted by the Plaintiffs, whether individually or behalf of any class or putative class, in the Action; that arise out of or in any way concern (i) Released Claims that were asserted or attempted to be asserted in the Action related to Property Inspection Fees or to the servicing of loans by Shellpoint; (ii) Released Claims concerning Class Members' loans serviced by Shellpoint and all actions, activities, communications, statement, omission, act, and conduct of the Released Parties that in any way concern those loans, including without limitation the charging, payment, imposition and collection or attempted collection of Property Inspection Fees; and (iii) any violation or alleged violation of state or federal law, whether common law or statutory, arising from or relating to the conduct, acts or omissions described in this Paragraph or described or alleged in the Complaint.

This Release shall be included as part of the Final Judgment, so that all released claims and rights shall be barred by principles of res judicata, collateral estoppel, and claim and issue preclusion. Plaintiffs and each of the Class acknowledge that he or she may hereafter discover facts other than or different from those that he or she knows or believes to be true with respect to the terms in this paragraph, but each of those individuals expressly agrees that, upon entry of Final Judgment, he or she will have waived and fully, finally, and forever settled and released any known or unknown, suspected or unsuspected, asserted or unasserted, contingent or noncontingent claim with respect to the claims released in this Paragraph, whether or not concealed or hidden, with respect to subsequent discovery or existence of such different or additional facts.

39. The Parties understand and agree that the provisions of Paragraph 38 shall be construed to exclude, and shall not impair, any right or cause of action arising from the breach of this Agreement, including, but not limited to, any future claims that may arise regarding the implementation of the Agreement.

**PRELIMINARY APPROVAL ORDER, NOTICE
AND SETTLEMENT HEARING**

40. Preliminary Approval Motion. In accordance with the procedures and time schedules below, Class Counsel shall take such actions, and prepare and file, with prior disclosure to the Parties for any comments, all appropriate notices, motions, and proposed Order forms, as reasonably necessary to obtain both Preliminary and Final Approval of the Agreement from the Court. All Parties shall cooperate in seeking to accomplish the following:

- a. Within ten (10) business days after this Agreement is fully executed, or within five (5) business days after the Complaint has been filed, whichever is later, Class Counsel shall move for Preliminary Approval of this Agreement, including a request that the Court appoint and approve the

Settlement Administrator and approve transmitting of the Notice as described in Paragraph 17. Defendant will not oppose the motion, if it is consistent with the terms of this Agreement and does not contain any material misstatements of law or fact. Without implication of limitation, Defendant's agreement not to oppose the motion is not an admission or concession by them that a class was appropriate in the Action or would be appropriate for any other matter, or that any relief was appropriate in the Action or would be appropriate in any other action.

- b. The Preliminary Approval Order shall require, and the Notice shall set out, that any objections to this Agreement must be made in writing, timely filed with the Court, and served upon Class Counsel and Defendant's Counsel as more fully described in Paragraph 43 below. The Notice shall provide that any objection that is not received within the time set by the Court is deemed waived. The Notice shall inform the Class Member how to contact Class Counsel with any inquiries not answered on the settlement website; and
- c. The Preliminary Approval Order shall also prohibit and preliminarily enjoin Plaintiffs and all Class Members (except those who successfully opt out) from commencing, prosecuting, or assisting in any lawsuit against the Released Parties that asserts or purports to assert matters within the scope of the Release during the time between the entry of the Preliminary Approval Order and the final determination by the Court as to whether to approve the Settlement of the Action; and

- d. The Parties shall jointly request a Settlement Hearing date which is approximately one hundred twenty (120) days after the date of entry of the Preliminary Approval Order (as determined by the Court).

41. Preliminary Approval Order. The Preliminary Approval Order entered by the Court shall be substantially in the same form as Exhibit A-3, hereto, but as a condition subsequent of this Agreement it shall at a minimum contain the following provisions:

- a. Preliminary approval of the Agreement set forth herein, and subject to any objections that may be presented to the Court before the Settlement Hearing, a finding that the Agreement is fair, adequate, reasonable, and in the best interests of the Class Members; and
- b. Approval of the form of a Notice of Settlement to be sent to Class Members as set forth in ¶ 17 that includes the material terms of the settlement set forth in the Agreement (substantially in the forms of Exhibit A-2 attached hereto and incorporated herein) and procedures for objections and opt-outs described below, and directing the Settlement Administrator to mail or cause to be emailed or mailed by first-class mail the Notice to all Class Members at their respective Accessible Contact Information as set forth herein and in Paragraph 17;
- c. A finding that the mailing of the Notice by electronic email or regular first-class mail to all Class Members whose address has been identified constitutes valid, due and sufficient notice to the Class Members and their Related Parties, and constitutes the best notice practicable under the circumstances, complying fully with the requirements of Federal Rule of

Civil Procedures 23, the Maryland Constitution and Declaration of Rights, the Constitution of the United States, and any other applicable law, and that no further notice to the Class Members or their Related Parties is required.

- d. For the electronic emailing or mailing of the Notice of Settlement to the Class Members, Defendant and Class Counsel have agreed to permit the Settlement Administrator to administer the transmissions of the Notice to Class Members as described herein.

42. Notice: The procedures for ensuring notice to the Class Members shall be as follows:

- a. Subject to the requirements of the Preliminary Approval Order, the Settlement Administrator shall send Notice via email substantially in the form attached as **Exhibit A-2**, along with a link to the Settlement Website, to all Class Members for whom a valid email address is available.

- b. The Settlement Administrator shall also, no later than the Notice Date, send short-form Notice via First Class U.S. Mail through a postcard notice substantially in the form attached as **Exhibit A-2**, to the physical address in the Class List for each Class Member. This short-form Notice should direct the Class members to: (i) the Settlement Website where these Class Members may access the Notice, Agreement, and other relevant records from the Action; and shall explain (ii) how to contact Class Counsel to ask questions.

- c. To the extent the Settlement Administrator receives undeliverable Notices, the Settlement Administrator shall use the National Change of Address database to attempt to update the mailing address for the intended Class Member and will re-send a postcard

containing the Summary Notice by U.S. first-class mail, postage prepaid, to each such Settlement Class Member for whom it can obtain a valid mailing address from this database.

43. Objections. Any Class Member who objects to the Settlement contemplated by this Agreement shall have a right to appear and be heard at the Settlement Hearing provided that such Class Member files with the Court and delivers to the Settlement Administrator, Class Counsel and Defendant's Counsel a written notice of objection no later than sixty (60) days after the Notice Date. Such notice shall state: (i) the objector's full name, current address, and if different, the address of the property which secured their mortgage loan, telephone number, email address (if any), and Shellpoint loan number of the objector's loan; (ii) a statement of the legal and factual ground for the objection with specificity, together with all documents on which the Class Member relies (if any); (iii) the identity of all counsel representing or assisting the objector, if any; (iv) whether the objection applies only to the Class Member, to a portion of the Class, or to the Class as a whole. All Objections must be personally signed by the person(s) making the objection, or a court-appointed legal guardian authorized to act on their behalf. If the person on whose behalf the objection is filed, or an attorney or court-appointed legal guardian authorized to act on their behalf, intends to appear at the Final Settlement Hearing, the Objection must so state, and the person or his or her attorney must file a notice of appearance in the Action five days prior to the Final Settlement Hearing and serve it on counsel for the Parties. No Class Member or their counsel may appear at the Final Approval Hearing without timely filing and serving a notice of appearance, nor may he or she raise any matters, issues or objections not stated with particularity in the Class Member's written Objection. Class Counsel may, but are not required to, take the deposition of any objector pursuant to the Federal Rules of Civil Procedures. Class Counsel and Defendant's

Counsel also may, but are not required to, respond to the objections, if any, by means of a Memorandum of Law not to exceed fifteen (15) pages to be filed and served no later than fifteen (15) days before the Settlement Hearing. The requirements for a valid objection to be prepared, filed, and delivered, shall be stated in detail in the Notice. Only Class Members who have filed and delivered valid and timely written objections will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise. If a Class Member wishes to appear at the Settlement Hearing, he or she must file with the Court with his or her Notice of Appearance (i) a listing of any persons other than the Class Member who the Class Member wishes to testify on his or her behalf; (ii) a statement of the testimony that the Class Member or other witness intends to provide; and (iii) a copy of any exhibits that the Class Member of the Class Member's witnesses intend to offer. Any Class Member who does not make his or her objection in the manner provided shall be deemed to have consented to the Court's exercise of personal jurisdiction in this matter, to have agreed to the Settlement terms, and to have waived any and all objections to the Settlement, and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the Settlement, including without limitation the award of Service Fees and Attorney's Fees to Class Counsel and the Released Claims. The exclusive means for any challenge to the Agreement shall be through the provisions in this section.

44. Class Member Motions: A Class Member who is not a successful opt-out and wishes to file a motion in the action must do so in writing, comply with all Court orders and rules of procedure, and serve counsel for the Parties, at least 21 days prior to the Final Approval Hearing.

45. Exclusion from the Class. Any Class Member may seek to be excluded from the Settlement. Any Class Member so excluded shall not be bound by the Settlement and shall not be entitled to any of its benefits. To be timely, a request for exclusion must be sent in writing

addressed to “Exclusion Requests: Shellpoint Property Fee Class Action” at the Settlement Administrator’s address shown on the Class Notice and be received by the Settlement Administrator no later than the Opt-Out Date. To be effective, the request for exclusion must make clear that exclusion is sought by stating: “I WANT TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN *YATES AND MEJIA V. SHELLPOINT*” or words to that effect; statements generally objecting to the Settlement or particular terms of the Agreement which do not reveal a clear intent to be excluded as a Class Member do not constitute valid opt-outs. Requests for Exclusion must be personally signed by the person requesting exclusion from the Class and any co-borrower(s) on their mortgage loan (conformed, reproduced, facsimile, or other non-original signatures are not valid), and must include the requestor’s full name and current address, the full name and current address of any co-borrower(s) on their mortgage loan, and if different, the address of the property which secured their mortgage loan, the borrower’s telephone number, email address, and the borrower’s loan number. For any loan that is subject to this Settlement for which there is more than one borrower, any request for exclusion must be signed by each borrower or it will not be sufficient to remove that loan or any of its co-borrowers from the Class. No person may purport to exercise opt-out rights on behalf of any other person, or purport to opt-out Class Members as a group, aggregate or class involving more than one Class Member; any such purported opt-outs shall be void and the individuals shall remain as Class Members. Within five days after the Opt-Out Date, the Settlement Administrator shall assemble a list of successful opt outs and transmit it to the Parties, with the opt-out requests. Defendant shall have the right to challenge any requests for exclusion as not meeting the requirements for a successful opt-out as set forth above within five days after receiving the list. The Parties shall immediately confer in good faith about any such challenges by Defendant and seek to resolve any

disputes about whether an attempted opt-out is valid or not. Within five days of any challenges by Defendant, the Parties shall file with the Court the list of successful opt-outs under seal to protect the privacy of those individuals, and shall raise any disputes, if any exist, about the validity of opt-outs with the Court.

FINAL JUDGMENT

46. Plaintiffs shall file a proposed Final Judgment with the Court at least fifteen (15) days prior to the Settlement Hearing date. The Final Judgment shall be entered at or after the Settlement Hearing by the Court. At the Final Approval Hearing, Plaintiffs and Class Counsel shall present sufficient evidence as they deem appropriate to support the Final Judgment, and their requests for Attorneys' Fees and Costs and the Service Awards. Defendant shall not oppose entry of Final Judgment if it is consistent with the Settlement, and all material terms of this Agreement. In agreeing not to oppose Final Judgment, Defendant does not admit or concede that a class was appropriate in the Action or would be appropriate in any other matter or that any relief was appropriate in the Action or would be appropriate in any other action. Defendant shall have the right (but not the obligation) to file memoranda or evidence concerning the settlement not inconsistent with this Agreement.

As a condition subsequent of this Settlement, the Final Judgment shall, at a minimum, include the following provisions (and shall be entered by the Court shall be substantially in the same form as **Exhibit A-1**, hereto):

- a. A finding that the distribution of the Notice fully and accurately informed all Class Members and Related Parties entitled to notice of the material elements of this Settlement, constituted the best notice practicable under the circumstances, constituted a valid, due and sufficient notice, and complied fully with Federal Rule of Civil Procedure 23, Maryland Constitution and

Declaration of Rights, the United States Constitution, and any other applicable law;

- b. A finding that after proper notice to the Class Members and after sufficient opportunity to object, no timely objections to this Agreement have been made, that all timely objections have been considered and denied, or that valid objections were resolved informally without the need for further consideration;
- c. Approval of the Settlement, as set forth in the Agreement, as fair, reasonable, adequate, and in the best interest of the Class Members under Federal Rule of Civil Procedure 23; a finding that the Settlement is in good faith; and, an Order directing the Parties to perform the Settlement in accordance with the terms of the Agreement;
- d. A finding that neither the Final Judgment nor the Agreement shall constitute an admission of liability of the Defendant of any liability or wrongdoing; and subject to reservation of jurisdiction for matters discussed in subparagraph (g) below, dismisses with prejudice the Action;
- e. A finding that there is no just reason for delay, and orders the entry of a Final Judgment;
- f. A finding that all Class Members and their Related Parties shall, as of the entry of the Final Judgment, conclusively be deemed to have released and forever discharged the Defendant and the Released Parties from all Released Claims; and,

- g. A reservation of exclusive and continuing jurisdiction over the Action and the Parties for the purposes of, among other things: (i) supervising the implementation, enforcement, construction, and interpretation of the Agreement, the Preliminary Approval Order, and the Final Judgment; and, (ii) supervising the administration and distribution of the relief to the Class Members and resolving any disputes that may arise with regard to any of the foregoing;
- h. An injunction enjoining Plaintiffs and all Class Members (except those who successfully opt out) from commencing, prosecuting, or assisting in any lawsuit against the Released Parties that asserts or purports to assert matters within the scope of the Release;
- i. A final judgment of dismissal on the merits of all claims in the Action with prejudice; and,
- j. The appointment of the Community Development Network of Maryland, as the *cy pres* recipient of the residual sum (*i.e.*, the available balance, if any, remaining in the Common Fund after payments described in Paragraph 32(a)(iv) are made from the Common Fund). This provision does not create any rights on behalf of Community Development Network of Maryland, including but not limited to as a third-party beneficiary. The Settlement Administrator shall make the payment to Community Development Network of Maryland, if any residual funds exist, within ninety (90) days after the Final Approval Date.

47. Motions: Class Counsel and counsel for Defendant agree to exchange drafts of any motions, supporting memoranda, or other submissions contemplated under this Agreement or otherwise at least five (5) business days prior to the date any such motion, memoranda or other materials are to be filed with the Court. Class Counsel and counsel for Defendant shall have the right to provide reasonable, good faith comments on such motions, memoranda or submissions to the extent that they deem necessary.

**CONDITIONS OF SETTLEMENT, EFFECT OF
DISAPPROVAL, RESCISSION OR TERMINATION**

48. This Agreement, including the releases herein, shall be null and void, if:
- a. Defendant does not pay the sums required for distribution from the Common Fund;
 - b. Mejia does not dismiss the Mejia Action with five (5) days of the grant of her motion for leave to file the Complaint herein; or
 - c. A Preliminary Approval Order, in a form as described in Paragraph 41 above and attached as **Exhibit A-3**, is not entered by the Court; or
 - d. A Final Judgment, in a form as described in Paragraph 46 above, is not entered by the Court and affirmed on appeal (if any person appeals); or
 - e. Subject to the reservation of jurisdiction for matters described in Paragraph 46(g), the Action is not, for any reason, dismissed with prejudice;
 - f. The appeal with respect to the denial of Ms. Mejia's intervention in favor of Shellpoint pending in the Fourth Circuit is not dismissed with prejudice within five days after entry of Final Approval Order.

49. In the event that this Agreement is rejected at the final Settlement Hearing, or in the event a Final Judgment is not entered, or does not become final, or in the event that the

Agreement is rejected by an appellate court, then the terms of this Agreement shall be null and void; and

- a. The Plaintiffs and Defendant shall be equally liable for the costs incurred related to notice in the United States District Court for notice to the Class by the Settlement Administrator;
- b. The Agreement, any drafts thereof, and any discussion, negotiation, documentation or other aspect of the Parties' settlement discussions shall have no effect and shall not be used in this litigation for any purpose other than for bringing an action for failure of a Party to take the steps required by this Agreement or to secure judicial approval of this Agreement;
- c. As to claims asserted on behalf of the Plaintiffs and the Class, the Parties shall be restored to their respective positions in the litigation as of the date of this Agreement, and the Parties shall have all rights, claims and defenses that they had as of the date that they executed this Agreement; and,
- d. Any judgment or orders entered by the Court in accordance with the Agreement shall be deemed vacated *nunc pro tunc*.

MISCELLANEOUS PROVISIONS

50. **Finality**: Except as specified herein, this Agreement and Settlement shall not be effective until the Final Approval Date.

51. **CAFA Notice**: Shellpoint shall be responsible for serving its requisite CAFA Notices to the applicable officials within ten (10) days after the filing of the Preliminary Approval Motion. Shellpoint may in its discretion file a motion seeking confirmation that such notices are sufficient under, and fully comply, with CAFA. No later than 10 days before the deadline for

filing the Motion for Final Approval, Shellpoint shall notify Plaintiffs' Counsel of any response to its CAFA Notices.

52. Mejia Appeal: Ms. Mejia shall dismiss her pending appeal of the denial of her intervention now pending before the Fourth Circuit with prejudice within five days of the Final Approval Date. The Parties will also jointly move to stay the appeal within or before five days of the Effective Date of this Agreement.

53. Mejia Case: Ms. Mejia shall dismiss the Mejia Case pending in the Circuit Court for Montgomery County, Maryland (Case No. C-15-CV-24-002696) within five days of the filing of the Third Amended Complaint.

54. Publicity: Plaintiffs and Class Counsel shall not (a) issue, or otherwise cause to be issued, any press release, advertisement, Internet posting, or similar document concerning the Class Action and/or the facts and circumstances that were the subject of, or disclosed in discovery in, the Class Action, excepting only such documents created and disbursed as part of the Class Notice; or (b) make extrajudicial statements or seek media interviews concerning: (i) the Class Action; (ii) the facts and circumstances that were the subject of, or disclosed in discovery in the Class Action; and/or (iii) the Settlement of the Class Action, excepting only that such statements may be made to individual Class Members in one-on-one communications or as part of the Class Notice. Notwithstanding the foregoing, Class Counsel shall be permitted to make public statements as to facts and circumstances publicly known and available at the time of this Agreement, and list the Class Action as a settled case on its website with a brief description of the claims asserted.

55. Ordinary Course Dealings. Nothing in this Agreement shall be construed to prevent Defendant or the Related Parties from communicating with Class Members in the regular course of their business activities.

56. Denial of Approval. Nothing shall prevent the Parties from appealing any denial of the Final Approval of the Settlement, and the Parties agree that, in the event of such an appeal, the Action (and the related actions subject to this Agreement) will be stayed pending resolution of any such appeal. The Parties agree that they will be free to support and advocate for approval of the Settlement on appeal to the same extent that they are bound to do so while this Action is before the Court. If such an appeal results in an order approving the Settlement in a manner substantially consistent with the substantive terms and intent of this Agreement, and dismissing all the claims in the Action with prejudice, such order shall be treated as a final approval order.

57. Communications with Class. Nothing in this Agreement shall prevent Class Counsel from providing advice to Class Members concerning this Agreement or the litigation.

58. Taxation. No representations or advice regarding the tax consequences of this Agreement have been made by any Party. The Parties understand and agree that each Plaintiff, each Class Member, and each of Class Counsel shall be responsible for his, her, its, or their own taxes, if any, resulting from this Agreement of the benefits conferred by the Agreement and the settlement.

59. Bankruptcy. The Parties agree that any Class Member who is in active bankruptcy proceedings or previously was a party to a bankruptcy proceeding during the Class Period may only participate in the settlement subject to applicable bankruptcy law and procedures and orders entered in such bankruptcy proceedings. Defendant is under no obligation to notify any bankruptcy court that has, had, or may have jurisdiction over such Class Member's bankruptcy

proceedings or any trustee or examiner appointed in such bankruptcy proceedings of this Agreement or the benefits conferred by this Agreement or the Settlement. Each Class Member agrees that if the Released Claims are or may be part of the Class Member's bankruptcy estate and not the property of the Class Member, the Class Member will (i) advise the bankruptcy trustee of this Agreement and benefits conferred by this Agreement and the Settlement, in time for the trustee to exercise any rights or object to the settlement; (ii) comply with any direction from his, her, or their bankruptcy trustee with respect to the settlement and the benefits conferred by the Agreement and the Settlement; and (iii) in the event of any disagreement with the bankruptcy trustee, seek relief from the appropriate bankruptcy court (and no Party to this Agreement shall have any obligation to assist the Class Member is seeking such relief). For the avoidance of doubt, it is the intent of the Class Members and the Defendant that no trustee or examiner appointed in any bankruptcy proceeding shall have recourse against Defendant on account of this settlement or any payment hereunder.

60. Loan Terms. In no event shall the Agreement, the Release or the Settlement be deemed to alter, amend, or change the terms and conditions of mortgage, note, loan modification agreement, or other loan-related agreement to which any Class Member is or was a party, or to provide a defense to any such loan, including without a limitation a defense based on the so-called "one action" rule, nor shall the Agreement, the Release or the settlement be deemed to have affected any bankruptcy case, any foreclosure proceeding, or in any action involving a Class Member, nor shall the Agreement be construed as evidence of a violation of any law or contract; in the event that this Agreement is so construed as to any particular Class Member, Defendant may declare it to be null and void as to that Class Member. The class members waive any rights that they may possess or later possess against Defendant or the Released Parties to amend, alter or

revise proofs of claims, rights, demands, suits or other claims to reflect the benefits of this Agreement and the settlement.

61. Disputes. if any disputes arise in which one Party believes the other Party has breached his, her or its obligations under this Agreement, the Parties shall both meet and confer in good faith to resolve the dispute before bringing it to the attention of the Court.

62. Agreement to Cooperate. The Parties: (a) acknowledge that it is their intent to execute the Agreement; and, (b) agree to cooperate to the extent necessary to effectuate and implement all terms and conditions of the Agreement and to exercise their best efforts to accomplish the foregoing terms and conditions of the Agreement.

63. Good Faith Settlement and Advice of Counsel. The Parties agree that the terms of this Settlement reflect a good faith settlement of the Plaintiffs' separate and additional individual claims, and Class Representatives' and the Class Members' claims in the Action and was reached voluntarily after consultation with experienced legal counsel.

64. Incorporation. All of the Exhibits to the Agreement are material and integral parts of the Settlement and are fully incorporated herein by this reference.

65. No Waiver. The waiver of one party of any breach of this Agreement by any other party shall not be deemed a waiver of any other prior or subsequent breach of the Agreement; nor shall such a waiver be deemed a waiver by any other party of that breach or a waiver by that party of any other party's breach.

66. Modification. The Agreement may be amended or modified only by a written instrument signed by or on behalf of all Parties or their successors-in-interest.

67. Headings. The headings of the paragraphs herein are for convenience only and do not define, limit, or construe the contents of this Agreement.

68. Entire Agreement. Except as provided herein, the Agreement and the Exhibits attached hereto constitute the entire Agreement among the parties, and no representations, warranties, or inducements have been made to any Party concerning the Agreement or its Exhibits other than the representations, warranties, and the inducements contained and memorialized in the Agreement and the Exhibits thereto.

69. Authority to Settle. The Parties mutually warrant that they are expressly authorized to take all appropriate action to effectuate the terms and conditions of the Settlement and also are expressly authorized to enter into any modifications of, or amendments to, the Agreement which they deem appropriate. Plaintiffs also represent and warrant that they have not conveyed, assigned or transferred interest in their claims to any third parties prior to entering into this Agreement.

70. Authority to Execute. Each counsel or other person executing the Agreement or any of its Exhibits on behalf of any Party hereto hereby warrants that he or she has the full authority to do so.

71. Counterparts. The Agreement may be executed in one or more counterparts, each of which shall be deemed to be one and the same instrument. Counsel for the Parties shall exchange among themselves signed counterparts, and a complete set of executed counterparts shall be filed with the Court.

72. Binding Effect. The Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto. All Parties waive the right to appeal or collaterally attack the Final Judgment entered under this Settlement Agreement.

73. Choice of Law. The Agreement and any document executed in furtherance of the Settlement shall be governed by, subject to, and construed in accordance with, the laws of the State of Maryland, without regard to conflicts-of-laws principles.

74. Costs and Expenses. Except as otherwise provided herein, each Party shall bear its own costs and expenses.

75. No Admission of Liability. This Agreement and the parties' settlement contained herein, whether or not granted final approval and whether or not a final judgment is entered, and any and all negotiations, documents, and discussions associated with it, shall not be deemed or construed to be an admission or evidence of any violation of any statute or law, or of any liability or wrongdoing by Defendant, or of the truth of any of the claims or allegations made in the Action. Any amounts paid by Defendant are not an admission or concession or liability by them or any Released Party with respect to any cause of action or claim in the Action. Accordingly, the Parties agree that this Agreement is not competent evidence, and may not be offered by them or any third party, as competent evidence in this Action or any other action that (i) Defendant were liable or could be found liable with respect to any of the claims or allegations that were or could have been alleged in the Action or are released in this Agreement; and (ii) the Class or any other class in this case or any other case is or could properly be certified pursuant to Federal Rule of Civil Procedure 23 or Maryland Rule 2-231 (or other similar rule). This provision will survive termination of this Agreement.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the Parties and their counsel hereto have caused the Agreement to be executed.

FOR THE PLAINTIFFS:

10-22-2024
Date

Irene Yates
Irene Yates, Plaintiff

Date

Alice Mejia, Plaintiff

Date

Phillip Robinson, Class Counsel

10/22/24
Date

[Signature]
Thomas Minton, Class Counsel

Date

Scott Borison
Scott Borison, Class Counsel

Digitally signed by: Scott Borison
Date: 2024-10-25 11:58:21 -0400


IN WITNESS WHEREOF, the Parties and their counsel hereto have caused the Agreement to be executed.

FOR THE PLAINTIFFS:

Date

10/22/2024

Irene Yates, Plaintiff


ID 646GLCqFejrpsBvRAqj2cz9M

Date

10/22/2024

Alice Mejia, Plaintiff


ID rs3BrhapNpJKnKTYwFvC8EAq

Date

Phillip Robinson, Class Counsel

Date

Thomas Minton, Class Counsel

Date

Scott Borison, Class Counsel

FOR THE DEFENDANT:


October 30, 2024
Date



NewRez LLC d/b/a Shellpoint Mortgage Servicing

By: Spencer Mosness,
Authorized Corporate Officer

10/31/24
Date



Melissa Martinez, Counsel for Defendant

10/31/24
Date

Brian E. Pumphrey

Brian Pumphrey, Counsel for Defendant

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND

IRENE YATES AND ALICE MEJIA

*On behalf of themselves individually and
on behalf of a class of similarly
situated persons.*

Plaintiff

v.

**NEWREZ LLC d/b/a SHELLPOINT
MORTGAGE SERVICING**

*On behalf of itself individually and on
behalf of a class of similarly situated
persons*

Defendants

Civil Case: 8:21-cv-03044-TJS

DEMAND FOR JURY TRIAL

THIRD AMENDED CLASS ACTION COMPLAINT¹

Plaintiffs Irene Yates (“Yates”) and Alice Mejia (“Mejia”)(collectively “Plaintiffs” or “Named Plaintiffs”), on their individual behalf, and on behalf of others similarly situated (“Usury Class”) defined *infra* and by their attorneys, Scott Borison and the BORISON FIRM LLC, Phillip Robinson and the CONSUMER LAW CENTER LLC, and Thomas Minton and GOLDMAN & MINTON, P.C., sues NewRez LLC (f/k/a New Penn Financial, LLC) d/b/a Shellpoint Mortgage Servicing (“Shellpoint”). The Plaintiffs, on their behalf and on behalf of the Usury Class, demands a trial by Jury on all counts for which a right to trial by jury is allowed and, in support of her Second Amended Class Action Complaint, states:

¹ Attached hereto as Exhibit 1 is a comparison copy to the Second Amended Complaint that shows the amendments made herein.

INTRODUCTION

1. The Defendant has generated substantial revenue by illegally harvesting inspection and convenience fees from Maryland consumer borrowers. The fees it has charged and collected are prohibited by Maryland law, Maryland regulations, or the contracts governing the relationships between Plaintiff and Fannie Mae (the owner of the subject mortgage loans) which incorporate Maryland law, regulations, and judicial decisions. Maryland law and regulatory guidance expressly prohibit the Defendant from churning of property inspection fees subject to this Complaint related to Yates' and Mejia's mortgage loans and the mortgage loans of the Plaintiffs Usury Class. Shellpoint intend to continue their illegal fee harvesting programs unchecked, and while doing so unfairly, improperly, and deceptively increase the cost of Yates', Mejia's and Usury Class Members' Maryland mortgage loans.

2. Shellpoint place their interest above the remedial rights of homeowners and consumers and engage in a pattern of unsafe and unsound mortgage servicing practices. Shellpoint unfairly and deceptively ignore its statutory or contractual duties, including those to which Shellpoint agreed to obtain its license to legally operate in the State of Maryland. Further, not only is Yates and Mejia harmed by conduct of Shellpoint, but so also are honest businesses who follow the law and who are placed at a competitive disadvantage by flagrant violations by Defendant as described further below.

3. As part of the fee harvesting programs, the Defendant Class has imposed and collected property inspection fees from the Plaintiffs and the Usury Class members without the right to do so. Maryland law specifically provides that "a lender may not impose a lender's inspection fee in connection with a loan secured by residential real property." COM. LAW § 12-121(b). *See also Taylor v. Friedman*, 689 A.2d 59, 64 (1997)("For the foregoing reasons we

conclude that the legislative history does not so clearly demonstrate a purpose to limit the prohibition of § 12–121 to closing costs as to override the plain language of the statute”); *Nationstar Mortg. LLC v. Kemp*, 258 A.3d 296, 322 (Md. 2021)(“*Kemp II*”)(“The prohibition on charging inspection fees in CL § 12-121 applies to an assignee of a mortgage loan, such as Fannie Mae, and a servicer, such as Nationstar”).

4. The charges for the inspection fees by Shellpoint are a profit center imposed and collected by Shellpoint in conjunction with Fannie Mae. The fees charged are not simply pass-through costs to Yates, Mejia and members of the Usury Class. Rather, they represent materially excessive sums over the actual costs associated with the inspection costs and are imposed repeatedly to generate profits to Shellpoint from the fees.

JURISDICTION AND VENUE

5. Based upon the representations of Shellpoint and Fannie Mae when this action was removed, the Court has jurisdiction of this matter pursuant to general diversity under 28 U.S.C. § 1332 and also pursuant to the Class Action Fairness Act, 28 U.S.C. § 1332(d), 1453 (“CAFA”). Doc. 1. The Court may also exercise supplemental jurisdiction over the claims presented pursuant to 28 U.S.C. § 1367. Should it later be determined that Shellpoint’s jurisdictional grounds for removal were in error, this action shall be remanded to the state court. 28 U.S.C. § 1447 (“If at any time before final judgment it appears that the district court lacks subject matter jurisdiction, the case shall be remanded.”).

6. This Court also has jurisdiction asserted for the claims herein because Shellpoint transacts business, performs work in or provide services in Maryland and Prince George’s County, Maryland. See e.g. *Pacific Mortg. And Inv. Group, Ltd. V. Horn*, 100 Md.App. 311, 324

(Md.App.,1994)(a person who “buys and sells [] mortgage liens has done more than merely transacted business...but has, in fact, carried on a regular business”).

7. This Court also has jurisdiction for the claims asserted because the injuries to Plaintiffs and Usury Class members caused by the Defendant occurred in Maryland.

8. Further, Shellpoint owns real property or have an interest in real property in the State of Maryland and Prince George’s County thereby subjecting themselves to the jurisdiction of this Court.

9. The Court has declaratory judgment authority pursuant to CTS & JUD. PROC. § 3-409.

10. This action has tolled all the putative class member claims from the date of its filing to the ruling upon Plaintiffs’ motion for class certification. *Cain v. Midland Funding, LLC*, 256 A.3d 765, 798 (Md. 2021)(“With principles of judicial economy and efficiency in mind, we agreed with the *American Pipe* Court that, “in the absence of a class action tolling rule, putative class members will ... have a sufficiently strong incentive to file protective claims to justify adoption of a class action tolling rule.” *Id.* We also agreed with the *Crown, Cork & Seal* Court’s conclusion that the same principles of judicial economy and efficiency compelled the application of the tolling rule to putative class members who chose to pursue later-filed individual claims in the event that class action certification is denied. *Id.*”).

PARTIES

11. Plaintiff Irene Yates (“Yates” or “Plaintiff”) is a natural person who owns the real property known as 9405 Presley Place, Lanham, MD 20706-3461 (“Yates Property”). Yates is also the borrower on the mortgage loan subject to this action secured by the Yates Property which was

utilized entirely for personal, consumer purposes (“Yates Loan”). The Yates Loan is a federally related mortgage.

12. Plaintiff Alice Mejia is a natural person who owns the real property located at 19326 Elderberry Terrace in Germantown, Maryland (the “Property”). Ms. Mejia is also the borrower on a mortgage loan on the Property, which loan is the subject of this Action. The Property is Ms. Mejia’s personal residence, and the mortgage loan on the Property is for personal or family purposes. (“Mejia Loan”). The loan is also a federally related mortgage.

13. Shellpoint is a wholly-owned subsidiary of Shellpoint Partners LLC, a Delaware limited liability company. Shellpoint Partners LLC is wholly-owned by NRM Acquisition LLC and NRM Acquisition II LLC, both of which are Delaware limited liability companies. Both NRM Acquisition entities are wholly-owned by New Residential Mortgage LLC, a Delaware limited liability company. New Residential Mortgage LLC is wholly-owned by New Residential Investment Corporation, a Delaware corporation. New Residential Investment Corporation is publicly traded on the New York Stock Exchange under the ticker symbol NRZ.

a. NRZ advertises on its website the reason why it is focused on Shellpoint’s business model which acquires the mortgage servicing rights from others: “A mortgage servicing right (MSR) provides a mortgage servicer with the right to service a pool of residential mortgage loans in exchange for a portion of the interest payments made on the underlying residential mortgage loans. Advances are required capital outlays by the servicer to fund missed payments from delinquent borrowers and foreclosure-related expenses. The servicer has limited risk of not being reimbursed for advances, because advances are almost always ‘top of the waterfall’ in the event of a property sale” (<https://www.newresi.com/about-us>). In other words, Shellpoint makes more by churning fees and making advances related to borrowers it believes are delinquent or in

foreclosure because there is “limited risk” that those sums will not be reimbursed to it—even if it has no right to impose the fees and charges in the first instance.

b. Shellpoint is a licensed Maryland lender (license number 17710) and is also a licensed Maryland collection agency (license number 04-7989).

c. Shellpoint is a “lender” as that term is defined in COM. LAW § 12-101(f). *Kemp II*, 258 A.3d at 322 (holding that § 12-101(f) applies to both assignees and their agents when the assignees violate Subtitle 1 of Title 12 of the Commercial Law Article themselves after accepting assignment of the loans governed by those provisions). In addition, as a collector and mortgage servicer acting on behalf of Fannie Mae and other owners of mortgage loans, Shellpoint is not entitled to declare that it may disregard the obligations and limitations of its investors and predecessors.

14. No longer named as a party to this action, Fannie Mae is the owner of the Yates Loan and Mejia Loan. Maryland law recognizes that mortgage assignees like Fannie Mae step into the shoes of the assignors. *See e.g.* REAL PROP. § 2-103; *Thompkins v. Mountaineer Investments, LLC*, 439 Md. 118, 139 (2014). Fannie Mae, as the assignee of those who originally made the loans under its specific guidelines, stands in their shoes and is therefore the maker of Yate’s loan. Fannie Mae also is the maker of the Yates and Mejia Loans because it promulgated the guidelines that governed the loan and approved it before Yates agreed to the loan based upon Fannie Mae’s pattern and practice in similar circumstances.

15. Fannie Mae publishes mortgage loan forms that are regularly used by it as well as by other owners of mortgage loans in the State of Maryland. The Fannie Mae form Deed of Trust used in the State of Maryland explicitly provides that it is subject to the laws of the State of Maryland.

16. Fannie Mae also requires that Shellpoint and all Fannie Mae loan servicers service the agreements with Yates, Mejia and the Plaintiffs' Class members in accordance with Maryland law.

17. Finally, it is widely recognized that Fannie Mae routinely acquires loans from others, including the former entity known as Chevy Chase Bank F.S.B, who extended credit on Fannie Mae's behalf and in accordance with its guidelines. In fact, Fannie Mae publishes forms, guidelines, and more for persons to use when arranging sales of loans to Fannie Mae and publishes the same on its website: <https://www.fanniemae.com/singlefamily/originating-underwriting>. In addition, all other owners of the loans serviced by members of the Defendants class are each deemed:

a. A lender as that term is defined in COM. LAW § 12-101(f). *See also Kemp*, 239 A.3d at 814;

b. A maker of mortgage loans directly or by participating in the secondary mortgage market to acquire loans from others which increases liquidity to permit more mortgage loans to be arranged; and

c. A lender who stands in the shoes of others and is bound by the terms and conditions of the contracts it acquires and is entitled to no greater rights as an assignee than its assignors had. Yates has never agreed to modify the Yates Loan documents (i.e., deed of trust and mortgage note) to waive or to remove the explicit incorporation of Maryland law.

FACTUAL ALLEGATIONS

General Allegations About the Knowledge of the Defendant

18. All persons, including licensed mortgage lender/servicers in the State of Maryland like Shellpoint, are expected to know the law—including the laws governing their activities. As

part of its license to conduct business in the State of Maryland, Shellpoint has “a duty of good faith and fair dealing in communications, transactions, and course of dealings with a borrower in connection with the advertisement, solicitation, making, servicing, purchase, or sale of any mortgage loan.” MD. CODE REGS. 09.03.06.20. Yates, Mejia and other Maryland borrowers like Yates and Mejia are intended beneficiaries of MD. CODE REGS. 09.03.06.20. All persons doing business in Maryland, including Shellpoint are also expected to and presumed to know the law.

19. The Court of Appeals in 2005 recognized that a real estate professional who had no direct communication with a borrower nevertheless had a duty to the consumer under the Maryland Consumer Protection Act and Maryland common law to make a “reasonable investigation” of the true facts in the real estate transaction on which the borrower (and other parties) would rely in order to complete the transaction. *Hoffman v. Stamper*, 385 Md. 1, 867 A.2d 276 (2005). This duty of care applies to the Defendant Shellpoint as its work involves secured, consumer mortgage loans subject to Maryland and Federal laws such as those discussed herein.

20. Pursuant to 12 C.F.R. § 1024.38(b)(1)(i), Shellpoint is required to “[p]rovide accurate and timely disclosures to a borrower as required by [12 C.F.R. § 1024.38] or other applicable law.” Pursuant to 12 C.F.R. § 1024.35(b)(5), Shellpoint is not permitted to “impos[e]... a fee or charge that the servicer lacks a reasonable basis to impose upon the borrower.” It is unreasonable and a violation of its duties for Shellpoint to impose and collect sums barred by Maryland laws, regulations, and judicial precedent.

21. Shellpoint have duties to the Plaintiffs and the Plaintiff Usury Class Members to (i) take appropriate steps to avoid foreclosure (and not churn the collection of fees and costs not permitted under the law, or actually incurred, to drive borrowers toward foreclosure) and (ii) comply with any other obligation(s) found by the Bureau of Consumer Financial Protection (by

regulation) to be appropriate to carry out the consumer protection purposes of 12 U.S.C.A. § 2605. Amongst these obligations are the servicer's duties to comply with state laws and regulations that are not expressly preempted by RESPA; in other words, Congress and the CFPB expressly intended for RESPA to work in concert with state law and regulation. *See e.g.* 12 U.S.C.A. § 2605(h) and 12 C.F.R. § 1024.33(d) (expressly limiting preemption to certain notice issues).

22. The Maryland Mortgage Fraud Protection Act, REAL PROP. § 7-401, *et seq.*, imposes a statutory duty on Shellpoint to disclose and communicate with mortgage borrowers, homeowners, and their predecessor servicers with respect to the mortgage lending process in an honest and truthful manner.

23. Maryland law specifically provides that “a lender may not impose a lender's inspection fee in connection with a loan secured by residential real property.” COM. LAW § 12-121(b). *See also Taylor*, 344 Md. at 584 (“For the foregoing reasons we conclude that the legislative history does not so clearly demonstrate a purpose to limit the prohibition of § 12–121 to closing costs as to override the plain language of the statute”).

24. The Office of the Commissioner of Financial Regulation (“OCFR”) is the agency responsible for licensing and regulating the business activities of Shellpoint and some members of the Defendant Class in the State of Maryland. The OCFR expressly prohibits its licensees, including Shellpoint, from imposing and collecting property inspection fees from borrowers.

25. OCFR, as the agency specifically authorized to enforce and regulate Maryland's mortgage lending laws, is entitled to deference for its interpretation of those laws. *Comm'r of Fin. Regulation v. Brown, Brown, & Brown, P.C.*, 449 Md. 345, 359-360 (2016). Over the course of the former and current administration, OCFR's analysis of the core issue has not wavered and

supports the position advanced by Yates and Mejia in this action that charging and collecting inspection fees is unlawful under COM. LAW § 12-121 as evidenced by the following:

a. OCFR issued an Industry Advisory on January 7, 2014 informing its licensees, including Shellpoint, that they are not permitted to impose inspection fees on mortgage borrowers. A true and correct copy of the notice is publicly available at <https://www.dllr.state.md.us/finance/advisories/advisory-nonjudicialevictions.pdf>.

b. On April 20, 2017 the OCFR issued a Summary Cease and Desist Order to Ocwen Loan Servicing LLC (“Ocwen”) and its affiliates on various issues including Ocwen’s unfair and deceptive practice, like the practices of Shellpoint subject to this action, which improperly assessed inspection fees against the accounts of borrowers, in violation of COM. LAW § 12-121, including accounts of borrowers owned by Government-Sponsored Enterprises. *See* Ocwen C&D Order at ¶¶ 79-83. Ocwen thereafter agreed, on February 23, 2018, to a resolution of the OCFR C&D Order and agreed to reimburse borrowers for the improper assessment and collection of inspection fees by: (i) cash refunds for fees paid, (ii) crediting accounts where the fee was assessed but not paid, and (iii) refunding interest incurred when Ocwen capitalized the illegal inspection fees onto borrowers’ accounts as part of a modification that increased the unpaid principal balance. *See* Ocwen Settlement Agreement at ¶ 26 (available at <https://www.dllr.state.md.us/finance/consumers/pdf/ocwencd.pdf>).

c. On October 14, 2021, the OCFR issued another Industry Advisory stating that “[o]n August 27, 2021, Maryland’s Court of Appeals, the State’s highest court, issued a ruling reaffirming the Commissioner’s longstanding position that mortgage servicers are generally prohibited from imposing property inspection fees on Maryland

borrowers” (available at <https://www.dllr.state.md.us/finance/advisories/advisory-propertyinspectionfeesreminder.pdf>).

26. On May 14, 2018, the Consumer Protection Division in the Office of the Attorney General for the State of Maryland (“CPD”) agreed to an Assurance of Discontinuance with Nationstar (“Nationstar Assurance”). In the Nationstar Assurance, the CPD found that the mortgage servicer had violated the bar on the assessment of inspection fees in COM. LAW. § 12-121 and determined that such violations also constituted violations of the Maryland Consumer Protection Act, COM. LAW. § 13-101, *et seq.* (“MCPA”). As the agency charged to enforce the MCPA, the CPD’s position is entitled to deference for its interpretation of the MCPA. *Brown, Brown, & Brown P.C.*, 449 Md. at 359-360.

27. Shellpoint has imposed and collected property inspection fees from Maryland borrowers without the right to do so and have disregarded all efforts challenging such practices because each wish to retain the excessive profits of churning the fees onto the accounts of mortgage borrowers until a court requires them to stop in a final judgment of law. This conclusion is supported in part by the following:

a. A publicly filed complaint to the OCFR by a Maryland consumer (i.e., complaint number 1075-2019 dated 6/28/2019) which asserted that Shellpoint improperly imposed and collected a property inspection fee from a borrower and Shellpoint declined to refund the fee when challenged.

b. A publicly filed Amended Complaint in the matter of *White v. NewRez LLC*, No. CV RDB-20-1259, 2020 WL 4748539 (D. Md. Aug. 17, 2020) in the Circuit Court for Anne Arundel County, Maryland which challenged Shellpoint’s imposition of property inspection fees onto a mortgage borrower’s account without the right to do so. Shellpoint’s motion to dismiss that

complaint in the state court, in which Shellpoint asserted and relied on a claimed right to impose the fee was denied.

28. Pursuant to 15 U.S.C.A. § 1638(f) and 12 C.F.R. § 1026.41, Shellpoint has a duty of care, with respect to the residential mortgage loans of the Plaintiffs and members of the Usury Class to provide them periodic statements which conspicuously and prominently identify (i) the total sum of any fees or charges imposed by the members of the Defendant Class since the prior billing statement incidental to the mortgage loan, (ii) a breakdown of how it applied fees and charges received incidental to the mortgage loan since the beginning calendar loan, and (iii) a transaction activity which itemizes a credit or debt to the amount claimed due and incidental to the mortgage loans. Because of the remedial purposes of 15 U.S.C.A. § 1638(f) and 12 C.F.R. § 1026.41 to provide conspicuous and prominent periodic statements to residential mortgage loan borrowers, the Defendant is not permitted to add fees and charges to the periodic statements of the residential mortgage loans of the Plaintiffs and members of the Usury Class which are not actually imposed and charged to the Plaintiffs and members of the Usury Class. Maryland law incorporates these same requirements. COM. LAW § 12-106.

29. Effective January 1, 2019, COM. LAW § 12-101(f) was amended by the General Assembly to also expressly include persons who are licensed, like Shellpoint, and who are required to be licensed, as Maryland mortgage lenders (whether licensed or not as a mortgage lender). *See e.g.* 2018 MD. LAWS Ch. 790 (H.B. 1297). Under the prior definition, it has been held that COM. LAW § 12-101(f) also applies to persons like Shellpoint. *Kemp*, 239 A.3d 798. *See also Alexander v. Carrington Mortgage Services, LLC*, 2020 WL 7319252, at *7 (D.Md., 2020)(recognizing that a lender pursuant to COM. LAW § 12-101(f) for claims arising for violations of COM. LAW § 12-121 includes licensed servicers and mortgage assignees).

Factual Allegations Relevant to Yates

30. Yates acquired the Yates Property on or about July 19, 2004.

31. On or about April 2, 2008, Yates and her then husband (who is now deceased) refinanced the then existing loan with Chevy Chase Bank, F.S.B. which arranged the loan and made the refinance loan with the approval of Fannie Mae, who intended to acquire the Yates Loan by assignment shortly after its origination whereby it would engage Chevy Chase Bank as its collector and servicer.

32. Under the Yates Loan's express terms and conditions, Fannie Mae, Chevy Chase Bank, and Yates agreed that the loan would be governed by Maryland law. Specifically,

a. Fannie Mae, Chevy Chase Bank, and Yates agreed "[Chevy Chase and all of its assigns] may not charge fees that are expressly prohibited...by [controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions]." *See* Deed of Trust at ¶ 14.

33. At no point were any of the above terms changed, modified, or altered.

34. On or about June 1, 2018 Shellpoint became the collector for the Yates Loan on behalf of Fannie Mae. As Fannie Mae's authorized agent, Shellpoint has no greater rights than Fannie Mae has for itself concerning Yates or the Yates Loan.

35. Capital One Bank, NA transferred the servicing rights to Shellpoint. At the time of the service transfer from Capital One Bank, NA to Shellpoint, Yates was current on the Yates Loan, but Shellpoint falsely and unfairly claimed she was not current.

36. In a monthly, periodic statement to Yates from Shellpoint, on behalf of Fannie Mae dated June 22, 2018, Shellpoint represented to Yates that it had charged, imposed, and sought to

collect from her a property inspection fee for the Yates Property and Yates Loan in the sum of \$105.00 on June 20, 2018. At no time before this notice did Shellpoint disclose this fee to Yates and she did not receive constructive or actual notice of the fee until or about June 25, 2018. The \$105.00 fee charged, imposed, and sought by Shellpoint was labeled as an “appraisal fee” but in fact the fee was unrelated to any lawful appraisal of the Yates Property and instead was related to a non-appraiser, visual exterior inspection of the Yates Property.

37. The same June 22, 2018 monthly, periodic statement also represented to Yates that Shellpoint had charged, imposed, and sought to collect from her a property inspection fee that relates to the Yates Property or Yates Loan in the sum of \$20.66 on June 20, 2018. At no time before this notice did Shellpoint disclose this fee to Yates and she did not receive constructive or actual notice of the fee until or about June 25, 2018. The \$20.66 fee charged, imposed, and sought by Shellpoint was labeled as a property inspection payment which concerned the visual inspection of the Yates Property.

38. In a monthly, periodic statement to Yates from Shellpoint, on behalf of Fannie Mae, dated July 20, 2018 Shellpoint represented to Yates that it had charged, imposed, and sought to collect from her a property inspection fee that relates to the Yates Property or Yates Loan in the sum of \$13.00 on July 16, 2018. At no time before this notice did Shellpoint disclose this fee to Yates and she did not receive constructive or actual notice of the fee until or about July 23, 2018. The \$13.00 fee charged, imposed, and sought by Shellpoint was labeled as a property inspection payment which concerned the visual inspection of the Yates Property.

39. In a monthly, periodic statement to Yates from Shellpoint, on behalf of Fannie Mae, dated August 20, 2018 Shellpoint represented to Yates that it had charged, imposed, and sought to collect from her a convenience fee that relates to the Yates Property or Yates Loan in the sum of

\$5.00 on August 8, 2018. Maryland law and the documents governing the Yates Loan do not authorize Shellpoint to impose, charge, and collect any Scheduled Payment Fee Payment. The \$5.00 fee charged, imposed, and sought by Shellpoint on behalf of Fannie Mae was unlawful.

40. In a monthly, periodic statement to Yates from Shellpoint, on behalf of Fannie Mae, dated September 17, 2018 Shellpoint represented to Yates that it had charged, imposed, and sought to collect from her a property inspection that relates to the Yates Property or Yates Loan in the sum of \$13.00 on August 21, 2018. In the same statement, Shellpoint disclosed that it also had charged, imposed, and sought to collect from her an unlawful convenience fee that relates to the Yates Property and Yates Loan in the sum of \$5.00 on August 22, 2018.

41. In a monthly, periodic statement to Yates from Shellpoint, on behalf of Fannie Mae, dated November 17, 2018 Shellpoint represented to Yates that it had charged, imposed, and sought to collect from her an unlawful convenience fee that relates to the Yates Property and Yates Loan in the sum of \$10.00 on November 2, 2018.

42. In a monthly, periodic statement to Yates from Shellpoint, on behalf of Fannie Mae, dated December 18, 2018 Shellpoint represented to Yates that it had charged, imposed, and sought to collect from her an unlawful convenience fee that relates to the Yates Property and Yates Loan in the sum of \$10.00 on December 3, 2018.

43. Yates has been damaged and sustained losses as a proximate cause of Shellpoint's improper, unfair, and/or deceptive practices in its assessment and collection of fees, including the payment and collection of inspection and convenience fees not permitted as a matter of Maryland law or the terms and conditions of the Yates Loan. Yates' damages include the unlawful fees imposed and collected by Shellpoint and Fannie Mae which have caused her payments to be diverted from lawful charges and led to the imposition and collection of other fees like late fees.

Yates' damages and losses also include emotional distress damages and losses with physical manifestations including anxiety, worry, sleeping issues, and frustration that Shellpoint and Fannie Mae want to sell Yates Property.

44. Yates is also entitled to statutory damages as discussed *infra*.

Factual Allegations Relevant to Mejia

45. Mejia acquired the Property on or about December 22, 2014. On or about December 22, 2014 Mejia financed a mortgage loan with Shellpoint f/k/a New Penn Financial related to the Property by obtaining an extension of credit for the sum of \$209,599.00 from Shellpoint ("Mejia Loan").

46. In the Mejia Loan's express terms and conditions, Shellpoint and Mejia agreed that the loan would be governed by Maryland law. Specifically, Shellpoint and Mejia agreed "[The Mejia Loan] shall be governed by Federal law and the law of the jurisdiction in which the [Mejia Property] is located." (Deed of Trust at ¶ 14).

47. Maryland law expressly bars inspection fees and deems them to be usurious. COM. LAW. § 12-121. Although Shellpoint is permitted to collect fees and charges allowed by the HUD Secretary (Deed of Trust at ¶ 8), the HUD Secretary has never authorized usurious fees to be imposed on Ms. Mejia (or any other borrower). *See* Handbook 4000.1, FHA Single Family Housing Policy Handbook § III(A)(1)(f). Servicers seeking to assess fees "not specifically mentioned" in the Servicing Handbook must request approval from the National Servicing Center to charge such fees. *Id.* § III(A)(1)(f)(B). HUD also prohibits servicers from charging the borrower for "activities that are normally considered a part of a prudent Mortgagee's servicing activity." *Id.* § III(A)(1)(f)(C).

48. On September 9, 2016 Shellpoint sent a notice to Ms. Mejia claiming she was in default on the Mejia Loan and the total amount to cure the default equaled \$4,842.67 (“September 2016 Notice”).

49. On January 11, 2017 Shellpoint’s authorized Foreclosure Specialist Eulia Miranda affirmed under penalties of perjury that Ms. Mejia owed Shellpoint fees of \$3,025.10 and other sums in the amount of \$3,899.00 in a written affidavit filed in the Circuit Court for Montgomery County.

50. On or before June 8, 2016 Shellpoint offered Ms. Mejia a loan modification that included certain sums and amounts to the balance of the Mejia Loan. That modification is recorded in the land records of Montgomery County at Book 54346; Page 233 (“2016 Modification”). In the 2016 Modification Shellpoint agreed the terms of the Mejia Loan discussed *supra* “remain in full force and effect.”

51. On January 10, 2018 Shellpoint sent a notice to Ms. Mejia claiming she was in default on the Mejia Loan and the total amount to cure the default equaled \$11,111.86 (“January 2018 Notice”).

52. On March 9, 2018, Shellpoint’s authorized Foreclosure Specialist Ellena Harper affirmed under penalties of perjury that Ms. Mejia owed Shellpoint fees of \$3,587.45 and other sums in the amount of \$5,306.28 in a written affidavit filed in the Circuit Court for Montgomery County.

53. On or before January 28, 2019 Shellpoint offered Ms. Mejia another a loan modification that included certain sums and amounts to the balance of the Mejia Loan. That modification is recorded in the land records of Montgomery County at Book 57245; Page 182

(“2019 Modification”). In the 2019 Modification Shellpoint agreed the terms of the Mejia Loan discussed *supra* “remain in full force and effect.”

54. On January 4, 2024, Shellpoint provided Ms. Mejia with a Loan Transaction History for her review and in that correspondence confirmed it began servicing the Mejia Loan “on or about December 23, 2014.” In this January 4, 2024 correspondence Shellpoint represented to Mejia that she owes certain sums including the usurious property inspection fees; the subject of this action.

55. Neither the Mejia Loan, nor the two Modifications (2016 Modification and 2019 Modification) expressly authorize Shellpoint to impose any property inspection fees onto the Mejia Loan.

56. Based upon the above (i.e. Mejia Loan, September 2016 Notice, and January 2017 Affidavit, Shellpoint capitalized \$185.00 in inspection fees onto the Mejia Loan as part of the 2016 Modification. These sums were never removed as Shellpoint promised to do in its agreement with the OFR following the 2017 examination report.

57. As part of its custom and automatic practice, Shellpoint collected from Ms. Mejia \$104.00 in various inspection fees on March 17, 2017 which it had previously imposed on her account. Shellpoint only returned to Mejia \$13.00 of that sum but not until February 6, 2018 and the refunded or credited amounts did not include any statutory penalty or prejudgment interest.

58. Shellpoint again charged off various inspection fees it had imposed on the Mejia Loan on December 31, 2021. However, Shellpoint’s charge off of fees previously imposed did not include any statutory penalty or prejudgment interest. That charge-off also did not include the capitalized inspection fees added to the 2016 Modification which Shellpoint claimed Mejia still owed.

59. The Mejia Loan is not satisfied.

CLASS ALLEGATIONS AS TO THE PLAINTIFF CLASS

60. Yates and Mejia bring certain claims, *infra*, on behalf of a class of similarly situated persons related to Defendant Shellpoint under FED.R.CIV.P. 23 defined as follows:

a. **Plaintiffs' Class (or "Class"):** defined as follows:

All persons with residential mortgage loans secured by real property in Maryland, which were serviced by Shellpoint, for which Shellpoint imposed one or more Property Inspection Fee(s) since January 2014. The Plaintiffs' Class shall consist of two subclasses:

Subclass A: All Settlement Class members whose Property Inspection Fee claims were not tolled by the October 30, 2020 class action filing of *Parker v. Goldman Sachs Mortgage Company Limited Partnership et al*, Case No. 8:20-cv-03581-ADC.

Subclass B: All Settlement Class members whose Property Inspection Fee claims were tolled by the October 30, 2020 class action filing of *Parker v. Goldman Sachs Mortgage Company Limited Partnership et al*, Case No. 8:20-cv-03581-ADC.

61. Yates and Mejia qualify as members of the proposed Plaintiff Class in the preceding paragraph.²

62. Yates and Mejia seeks to be named as the Class Representatives.

63. The members of the Plaintiffs Class are capable of being ascertained without difficult managerial or administrative problems. The members of the class are readily identifiable from the information and records in the possession or control of Shellpoint and Fannie Mae or its agents, and from readily accessible public records. Shellpoint as a servicer engaged by Fannie Mae utilizes a deed of trust that provides for compliance with Maryland law to collect from Maryland borrowers is required to maintain this information for the entire class period. *See e.g.*

² The class proposed in this Third Amended Complaint is broader than the class previously certified a class in this case. See ECF 81 and 82.

Md. Code Regs. 09.03.06.04. Further, upon information and belief based on the experiences of Yates, Mejia and public records discussed herein, have a pattern and practice of representing to borrowers, including Yates, Mejia and the putative class members, that they owe property inspection fees on periodic statements. The class members may be identified from these records as well.

64. The Plaintiff Class is sufficiently numerous and exceeds more than 100 persons as confirmed in Shellpoint's Notion of Removal and the sworn testimony of Amber Knight Costello as Shellpoint's authorized representative (Doc. 1, Doc 1-4).

65. There are questions of law and fact common to the Plaintiff Class which predominate over any questions affecting only individual members. The wrongs alleged against Shellpoint and the remedies sought by Yates, Mejia and the putative members of the Plaintiff Class against Shellpoint are common to the entire class and predominate over all issues in the case.

66. The common questions of law or fact for the Plaintiff Class include but are not limited to:

a. Whether Shellpoint qualifies as "collectors" as that term is defined under the MCDCA and are persons subject to the MCPA;

b. Whether the conduct, directly or indirectly, by Shellpoint violated the MCDCA and MCPA;

c. Whether this Court may declare that the practices and policies of Shellpoint concerning the assessment of inspection fees and costs against the mortgage loan accounts of the Class members violate COM. LAW § 12-121(b) and *Taylor*, 344 Md. at 584;

d. Whether the inspection fees charged by Shellpoint to the mortgage accounts of the Plaintiffs and members of the Usury Class constitute "interest" as that term is defined

in COM. LAW § 12-101(e) and therefore also constitute “usury” as that term is defined in COM. LAW § 12-101(k); and

e. Whether Shellpoint is liable for statutory damages to the Plaintiff and members of the Plaintiff Class pursuant to COM. LAW § 12-114(b)(1)(ii) for each instance in which they have imposed on behalf of Fannie Mae, directly or indirectly, improper inspection fees upon the Plaintiff Class members.

f. Whether Shellpoint is liable for actual damages, attorneys’ fees, and costs pursuant to the Plaintiff Class members under the MCDCA and MCPA for the sum of inspection fees imposed on and collected by them from the members of the Plaintiff Class related to their mortgage accounts.

67. The defenses of Shellpoint (which defenses are denied) would be typical or identical for each of the member of the Plaintiff Class and will be based on the same legal and factual theories.

68. Certification of the Proposed Class under Fed.R.Civ.P. 23 is appropriate as to the members of the Proposed Class in that common questions predominate over any individual questions and a class action is superior for the fair and efficient adjudication of this controversy.

69. A class action will cause an orderly and expeditious administration of claims by the members of the Proposed Class. Economies of time, effort and expenses will be fostered and uniformity of decisions, particularly under controlling provisions of Maryland law relating to consumer mortgages will be insured.

70. Damages can be easily determined in this matter by using the records of the Defendant and simple math. This information can be determined by a ministerial examination of the records of Shellpoint or the records of the owners of mortgages, their agents and servicers.

These business records are admissible as an exception to the hearsay rule and as a statement by a party.

71. Yates' and Mejia's claims are typical of the claims of the members of the Class pursuant to FED.R.CIV.P. 23 since they are based on and arise out of identical facts constituting the wrongful conduct of the Shellpoint (directly and indirectly) including that the standard and uniform loan documents required by Fannie Mae or other owners for each loan of the members of the Class incorporated Maryland law as a term of the contract governing the mortgage loans.

72. Yates and Mejia will also fairly and adequately represent and protect the interests of the Class. They are similarly situated with, and have suffered similar injuries as, the Class members they propose to represent. They have also has retained counsel experienced in consumer class actions including actions involving unlawful collection and mortgage servicing practices. Yates nor Mejia have any interests which might cause them not to vigorously prosecute this action or are otherwise adverse to the interests of the members of the Class. They feel that they and members of the Class have been wronged, wish to obtain redress of the wrong, and want Shellpoint stopped from failing to comply with its contractual, statutory, and regulatory duties that form the basis of the class claims.

73. All Class members are entitled to same statutory damages sought by Yates and Mejia.

74. A failure of justice will result from the absence of a class action.

**COUNT I: CLAIM PURSUANT TO COM. LAW § 12-114(b)(1)(ii)
(On behalf of the Plaintiffs Individually and
on behalf of the Class Against Shellpoint)**

75. Plaintiffs adopt by reference the factual allegations contained in the preceding paragraphs of this Complaint with the same effect as if herein fully set forth. This claim is brought

on behalf of Yates and Mejia individually and as the Named Plaintiffs on behalf of the Class against Shellpoint.

76. As the maker and/or servicer of the Yates and Mejia Loan, and the loans of the Class members, Shellpoint qualifies as a lender pursuant to COM. LAW § 12-101(f).

77. COM. LAW § 12-121(b), *Taylor*, 344 Md. at 584, and *Kemp II* prohibits a lender (and/or its assignee) or servicer from imposing fees related to property inspections onto the Yates Loan, Mejia Loan and the loans of the Class members after the origination of the subject loans. COM. LAW § 12-121 does not exempt Shellpoint from its express prohibition.

78. The mortgage contracts governing the relationship between Yates, Mejia and the members of the Class incorporate all Maryland laws and judicial decisions and have not been modified to disavow Maryland law in any respect. Such amendments would not be enforceable even if they existed (and they do not) since the Yates Loan, Mejia Loan and the loans of the Class members are all associated with Maryland real property and subject to Maryland laws.

79. Shellpoint is not entitled to charge or collect any property inspection fee, but did so anyway in violation of COM. LAW § 12-121(b), *Taylor*, 344 Md. at 584, and *Kemp II*.

80. Subtitle I of Title 12 of the Commercial Law Article bars Shellpoint from imposing and collecting the property inspection fee since “usury” is defined broadly as charging an amount in “interest” greater than what Subtitle 1 permits and “interest” likewise is broadly defined as including not only the interest charged on a loan, but also other fees and charges. *See e.g.* COM. LAW § 12-101(e)(m). Charging the Yates Loan, Mejia Loan and the loans of the members of the Class for property inspection fees barred by COM. LAW § 12-121(b) are charges in amounts greater than allowed under Maryland law and subject to claims asserted by Yates and Mejia pursuant to COM. LAW § 12-114(a)(1)(ii). *See also Kemp II*.

81. At all times relevant and material to this action, Shellpoint has known or should have known that it was not permitted to require the imposition of property inspection fees to the mortgage account of Yates or Mejia or the loans of all of the members of the Class since all persons are expected to know the law and since the 1990s the law in Maryland has been clear.

82. COM. LAW § 12-114(b)(1)(ii) provides that Shellpoint shall forfeit to borrowers like Yates, Mejia and the members of the Class the sum of \$500 for any violation, including the assessment of so-called inspection fees, of the subtitle including COM. LAW § 12-121(b).

83. Yates, Mejia and the Usury Class are entitled to the sum of \$500 for each instance in which Shellpoint directly or indirectly imposed inspection fees against Yates Loan, Mejia Loan and the loans of the Class members in violation of COM. LAW § 12-121(b).

**COUNT II: VIOLATIONS OF MARYLAND’S CONSUMER DEBT COLLECTION
ACT (“MCDCA”), COM. LAW § 14-201, *et seq.*, & MARYLAND CONSUMER
PROTECTION ACT (“MCPA”), COM. LAW §§ 13-101 *et seq.*
(On behalf of the Plaintiffs Individually and
on behalf of the Class Against Shellpoint)**

84. Plaintiffs adopt by reference the factual allegations contained in the preceding paragraphs of this Complaint with the same effect as if herein fully set forth. This claim is brought on behalf of Yates and Mejia individually and as the Named Plaintiffs on behalf of the Class against Shellpoint.

85. At all times described herein since October 1, 2018, and also three years before the commencement of this action, Shellpoint have acted as a collector by directly or indirectly using methods of collection through the imposition and collection of property inspection fees that are barred as a matter of law onto the mortgage accounts of borrowers such as Yates, Mejia and members of the Class.

86. The mortgage loans of Yates, Mejia and members of the Class were used for personal, consumer purposes related to their homes and real property. COM. LAW §14-201(b).

87. Shellpoint is aware of the Federal and State laws governing its activities, the contracts governing their relationships with the putative class members, and the precedents of the Maryland Court of Appeals described herein, but recklessly disregarded those laws and duties without any consideration of the negative consequences to Yates, Mejia or the Class members respectfully.

88. Shellpoint directly and on behalf of Fannie Mae and other mortgage owners, also attempted to collect and did in fact collect unlawful property inspection fees from Yates, Mejia and Class members in violation of Maryland law which governs their mortgage loans.

89. Maryland's debt collection and mortgage lending laws and other duties under Maryland and Federal law governing Shellpoint do not permit them to utilize methods and means of collection not permitted by law or the relationship governing the parties. Shellpoint knows the law. However, it knowingly and recklessly attempted to interfere or otherwise infect Yates', Mejia's and the Class members' rights on the basis of alleged sums not lawfully due. By such acts Shellpoint engaged in conduct which violates §§ 804 through 812 of the Federal Fair Debt Collection Practices Act including but not limited to 15 U.S.C. §§ 1692e, § 1692f. COM LAW §14-202(11).

90. Alternatively to the claim stated in the prior paragraph, the knowing and/or reckless disregard by Shellpoint to "claim, attempt, or threaten to enforce a right" to collect property inspection fees from Yates, Mejia and the members of the Usury Class was "with knowledge that the right does not exist." Such conduct alternatively violated COM LAW §14- 202(8).

91. The violations of the MCDCA by Shellpoint are also *per se* violations of the MCPA. COM. LAW § 13-301(14)(iii).

92. The mortgage loan servicing and collection practices described herein by Shellpoint, as set forth herein, are governed by the Maryland Consumer Protection Act (“MCPA”), COM. LAW. § 13-101, *et seq.*

93. COM. LAW. § 13-303 prohibits unfair or deceptive trade practices in the extension of consumer credit or collection of consumer debts. The collection and attempted collection of the property inspection fees by Shellpoint from the Named Plaintiffs and the Class members related to the Defendant’s consumer, debt collection practices involves both the extension of credit and the collection of debts.

94. COM. LAW. § 13-303 also prohibits unfair or deceptive trade practices in the sale or provision of consumer services, such as those provided by Shellpoint on its behalf and on behalf of Fannie Mae and other mortgage owners in relation to the Named Plaintiffs and the Class members.

95. The MCPA defines unfair or deceptive trade practices to include, *inter alia*, the following: (a) False, falsely disparaging, or misleading oral or written statement, visual description or other representation of any kind which has the capacity, tendency or effect of deceiving or misleading consumers; and (b) Failure to state a material fact if the failure deceives or tends to deceive. COM. LAW §§13-301(1) and (3).

96. The acts and omissions of Shellpoint described herein include but are not limited to seeking and demanding and collecting property inspection fees not lawfully imposed on Maryland borrowers and therefore not due from Yates, Mejia or the Class members, constitutes

unfair and deceptive trade practices in violation of COM. LAW § 13-301(1)(3) and COM. LAW §§13-303(4)(5).

97. Yates, Mejia and the Class members reasonably relied upon the direct and indirect material acts, actions, and omissions of Shellpoint as exemplified *supra* and further demonstrated herein (i) by their communications with Shellpoint, and (ii) their payment of the illegal property inspection fees demanded by Shellpoint. Shellpoint's acts or omissions related to the illegal usury of property inspection fees are simply unreasonable, unfair, abusive, and deceptive.

98. Had Shellpoint not acted unfairly and deceptively, Yates, Mejia and the Class members would not have suffered the damages and losses they have described *supra*.

99. Plaintiffs have pled sufficient facts to put Shellpoint on notice as to the claims against them.

PRAYERS FOR RELIEF

- A. WHEREFORE, Pursuant to Count I of this Third Amended Class Action Complaint, Named Plaintiffs request the Court to certify the Plaintiff Class pursuant to FED.R.CIV.P. 23 and appoint the Named Plaintiffs as class representatives and the undersigned counsel as Class Counsel for the Plaintiff Class;
- B. WHEREFORE, Pursuant to Count I of this Third Amended Class Action Complaint, Named Plaintiffs individually and on behalf of the PlaintiffClass members asks this Court to determine the issue of the liability of Shellpoint to the Class members and grant a money judgment in their favor and against Shellpoint and order Defendant to pay and forfeit

pursuant to COM. LAW § 12-114(b)(1)(ii) to the Named Plaintiffs and the Plaintiff Class members \$500 for each violation of COM. LAW § 12-121(b) and reasonable attorney fees and costs for the imposition of property inspection fees by it onto the accounts of the Named Plaintiffs and the Plaintiff Class members in a total sum in excess of \$5,000,000 (on a aggregated basis for the Plaintiff and Class members).

C. WHEREFORE, Pursuant to Count II of this Third Amended Class Action Complaint, Named Plaintiffs request the Court to certify the Plaintiff Class pursuant to FED.R.CIV.P. 23 and appoint the Named Plaintiffs as class representatives and the undersigned counsel as Class Counsel for the Plaintiff Class;

D. Pursuant to Count II of this Third Amended Class Action Complaint, Named Plaintiffs and the Plaintiff Class members also ask this Court to determine the issue of liability of Shellpoint to the Plaintiff Class under the MCDCA and MCPA and award (i) actual damages for its violations of COM LAW §14-202(11), COM LAW §14-202(8), COM. LAW § 13-301(1)(3), and COM. LAW §§13-303(4)(5) pursuant to COM. LAW § 14-203 and COM. LAW § 14-408 in a sum in excess of \$5,000,000 (on a aggregated basis for the Plaintiff and Class members) and (ii) reasonable attorney fees and reasonable costs as permitted and authorized by COM. LAW § 13-301(14)(iii) and COM. LAW § 13-408(b) to Plaintiffs' counsel in a sum in excess of \$75,000.00 to proceed through trial in this matter.

E. WHEREFORE, Named Plaintiffs request the Court provide such other or

further relief as the Court deems appropriate including attorney fees and costs in relation to each Count of this Complaint.

[signatures on next page]

Respectfully submitted,

/s/ Scott C. Borison

Scott C. Borison (Bar No. 22596)
Borison Firm LLC.
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Baltimore MD 21230
Telephone: (301) 620-1016
scott@borisonfirm.com

/s/ Phillip R. Robinson

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/s/ Thomas J. Minton

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Fax (410) 783-1711
tminton@charmcitylegal.com

Counsel for the Class and Putative Usury Class Members

CERTIFICATE OF SERVICE

I do hereby certify that a copy of the foregoing was sent to counsel for the Defendants through the Court's CM/ECF system when filed with the Court and paper copy of the same will be hand delivered to the Court in care of the Honorable Clerk of the Court within 48 business hours of filing.

/s/ Scott C. Borison

Scott C. Borison

EXHIBIT A-1

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
(SOUTHERN DIVISION)

IRENE YATES,

*

*

Plaintiff

Civil Case: 8:21-cv-03044-ADC

*

v.

*

NEWREZ LLC d/b/a SHELLPOINT
MORTGAGE SERVICING

*

*

Defendant

**ORDER GRANTING FINAL APPROVAL OF THE SETTLEMENT CLASS,
AWARDING SERVICE FEES, ATTORNEY'S FEES AND COSTS, AND
ADMINISTRATIVE FEES AND DESIGNATING CY PRES RECIPIENT**

Plaintiffs Irene Yates and Alice Mejia, having moved (i) for final approval of the Settlement of the Settlement Class pursuant to the terms of the parties' Settlement Agreement that this Court preliminarily approved ("Preliminary Approval Order"), and (ii) to approve incentive fees, award attorney's fees and costs and designate a *cy pres* recipient; the Court having read and considered the Motions and the entire record herein;

NOW THEREFORE, IT IS HEREBY ORDERED, that:

1. Except for the terms expressly defined herein, the Court adopts and incorporates the definitions in the Settlement Agreement for the purposes of this Order.
2. The Court finds that the applicable provision of Federal Rules of Civil Procedure 23 (a)(1)-(4) and (b)(3) have been satisfied and that the Court finally approves the Settlement and certifies the Settlement Class for purposes of Final Judgment.
3. The Settlement Class is defined to include:

All persons with residential mortgage loans secured by real property in Maryland, which were serviced by Shellpoint, for which Shellpoint imposed one or more Property

Inspection Fee(s) since January 2014. The Settlement Class member transactions shall consist of two subclasses:

Subclass A: All Settlement Class members whose Property Inspection Fee claims were not tolled by the October 30, 2020 class action filing of *Parker v. Goldman Sachs Mortgage Company Limited Partnership et al*, Case No. 8:20-cv-03581-ADC..

Subclass B: All Settlement Class members whose Property Inspection Fee claims were tolled by the October 30, 2020 class action filing of *Parker v. Goldman Sachs Mortgage Company Limited Partnership et al*, Case No. 8:20-cv-03581-ADC..

4. The Class Member payments shall be made in accordance with the terms of the Settlement Agreement.

5. Irene Yates and Alice Mejia are confirmed as Class Representatives for the Settlement Class and each subclass.

6. The Court confirms the appointment of Phillip Robinson, Thomas Minton, and Scott Borison as Class Counsel, having determined that the requirements of Federal Rule of Civil Procedures 23(a)(4) and (g) are fully satisfied by this appointment.

7. A Final Approval Hearing was held on or about _____, 2024 to finally approve the Settlement and to consider the fairness, reasonableness, and adequacy of the Settlement. The date, time, and venue of the Final Approval Hearing was set forth in the Class Notices that have been sent as ordered by the Preliminary Approval Order.

8. The Court finds that the distribution of the Class Notices fully and accurately informed all Members of the Settlement Class of the material elements of the Settlement; constituted the best notice practicable under the circumstances; constituted valid, due and sufficient notice; and complied fully with the Federal Rule of Civil Procedures 23.

9. The Court finds that after proper notice to the Settlement Class and after sufficient opportunity to object, _____ timely objections to the Settlement have been made.

10. The Court finds that after proper notice to the Settlement Class and after sufficient opportunity to opt out, _____ have timely opted out of Settlement and are not bound by its terms.

11. The Court finds that the Settlement is fair, reasonable, adequate, and in the best interests of the Settlement Class.

12. The Court finds the Settlement was made in good faith.

13. The Court finds that neither the Final Approval Order nor this Agreement shall constitute an admission of liability by the Parties of any liability or wrongdoing.

14. The Parties are directed to perform in accordance with the terms of the Settlement agreement.

15. The Court finds that within fifteen (15) days of the entry of this Final Approval Order, Defendant shall provide to the Settlement Administrator, through a mutually acceptable method of transfer, the funds necessary to establish the Common Fund as set forth in the Settlement agreement.

16. The Court also finds that the following additional service fees to the Named Plaintiffs sought are reasonable, fair, and adequate and directs that the following incentive payments shall be paid from the common fund:

<u>Name</u>	<u>Amount</u>
Irene Yates	\$12,000.00
Alice Mejia	\$4,500.00

17. The Court finds that the Attorney's fees and costs sought are reasonable, fair, and appropriate as a percentage of the relief obtained on behalf of the Class in the amount of

\$486,400.00 equaling 40% of the total benefit obtained on behalf of the class and shall be paid from the Common Fund. Counsel is awarded costs of \$_____.

18. The Court finds that the administrative costs shall be paid from the Common Fund.

19. The Court designates Community Development Network of Maryland, Inc. as the *cy pres* recipient if there are any unclaimed funds.

20. The Releasers have released the Released Parties from all Released Claims as provided for in Paragraph 38 of the Settlement Agreement.

21. The Court finds that this Final Judgment is a dismissal on the merits of all claims in the Action with prejudice.

22. This Court retains exclusive and continuing jurisdiction over the Action and the Parties for the purposes of, among other things: (i) supervising the implementation, enforcement, construction, and interpretation of the Agreement, the Preliminary Approval Order, and the Final Judgment; and, (ii) supervising the administration and distribution of the relief to the Class Members and resolving any disputes that may arise with regard to any of the foregoing.

SO ORDERED.

Dated: _____, 2024

Judge

EXHIBIT A-2

Date of Notice: _____, 2024

**BY ORDER OF THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
(SOUTHERN DIVISION)**

Notice of Proposed Class Action Settlement and Final Hearing for Settlement Class

If Shellpoint Mortgage Servicing charged you a fee for “Property Inspection” since January 2014 (typically in the amount of \$13 or \$15 per transaction), a class action lawsuit may affect your rights.

A court authorized this notice. This is not a solicitation from a lawyer.

- Irene Yates and Alice Mejia sued Defendant NewRez LLC d/b/a Shellpoint Mortgage Servicing (“Shellpoint”) alleging that Shellpoint charged customers a fee for inspecting properties in Maryland in violation of Maryland law.
- You are receiving this notice to inform you about a proposed settlement so that you know your rights as a proposed member of the Settlement Class.
- The Settlement Class consists of Shellpoint customers who were charged one or more property inspection fees since January 2014, and is divided into two groups depending on when Shellpoint imposed the property inspection fee onto the customer’s account:

Settlement Subclass A is defined as:

All Settlement Class members whose Property Inspection Fee claims were not tolled by the October 30, 2020 class action filing of *Parker v. Goldman Sachs Mortgage Company Limited Partnership et al*, Case No. 8:20-cv-03581-ADC.

Settlement Subclass B is defined as:

All Settlement Class members whose Property Inspection Fee claims were tolled by the October 30, 2020 class action filing of *Parker v. Goldman Sachs Mortgage Company Limited Partnership et al*, Case No. 8:20-cv-03581-ADC.

- Based on the records available to the parties, Shellpoint imposed Property Inspection Fees onto your mortgage account which qualifies you to be a member of **SETTLEMENT CLASS** (and you are a member of either or both Subclass A or Subclass B).
- To resolve this matter now without the need for further litigation, the Parties have reached settlement terms that affect the Settlement Class, including your rights.

YOUR LEGAL RIGHTS ARE AFFECTED, AND YOU HAVE A CHOICE TO MAKE NOW:

YOUR LEGAL RIGHTS AND OPTIONS

DO NOTHING: If you do nothing, you will be included in Settlement Class, you will receive the benefit of the settlement provided to Settlement Class members, and you will release the Defendant and the Released Parties of your claims against them.

ASK TO BE EXCLUDED: You may ask to be excluded from this settlement. To validly request exclusion from the Settlement Class, a person must personally sign, date, and send a written request to opt out providing the person's full name, telephone number, the full name of any co-borrowers, current address, the address of the property securing their Shellpoint loan (if different), and Shellpoint loan number, and stating, "I WANT TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN *YATES AND MEJIA V. SHELLPOINT*" (or substantially similar clear and unambiguous language) addressed to "Exclusion Request: Shellpoint Property Inspection Fee Class Action" to American Legal Claim Services LLC, *[address to be provided]*

The written request for exclusion must be received by American Legal Claim Services LLC no later than the Opt-Out Date (60 days from this Notice Date), and must include the person's name, address, telephone number and a "wet ink" signature not affixed via electronic means. If a question is raised about the authenticity of an exclusion request, the Settlement Administrator will have the right to demand additional proof of the individual's identity and intent. The Parties retain discretion to determine whether any exclusion request substantially complies with the requirements above. Exclusion requests that are signed by an attorney but not by the person requesting to be excluded from the Settlement Class are invalid.

Sending a written request to be excluded from the Settlement Class does not guarantee that you will be excluded. Requests to be excluded will be reviewed for their validity.

If you do not exclude yourself from the Settlement Class, the settlement (if approved) will release your legal claims and will affect your right to start or continue any other lawsuit or proceeding against Shellpoint Mortgage Servicing. The release is described in the settlement agreement, which is available on the Court's docket in the case of *Yates v. NewRez LLC d/b/a Shellpoint Mortgage Servicing*, Case No. 8:21-cv-03044-ADC (United States District Court of Maryland). You can also obtain a copy of the settlement agreement by contacting Class Counsel, Defendant's Counsel or the Settlement Administrator (addresses below).

OBJECT: If you are a member of one of the Settlement Classes, you have the right to object to the terms of the settlement. If you request to be excluded, you do not have the right to object. A Settlement Class Member who wishes to object to any aspect of the settlement must, no later than sixty (60) days from the date of this notice, file with the Court a written statement of the objection(s) and serve the objection(s) on Class Counsel and Defendant's counsel. The

written statement of objection(s) shall: (1) set forth the objector's full name, current address, and if different, the address of the property which secured their mortgage loan, telephone number, email address (if any), and Shellpoint loan number of the objector's loan; (2) contain a statement of the legal and factual ground for the objection with specificity, together with all documents on which the Class Member relies (if any); (3) state the identity of all counsel representing or assisting the objector, if any; and (4) indicate whether the objection applies only to the Class Member, to a portion of the Class, or to the Class as a whole. All Objections must be personally signed by the person(s) making the objection, or a court-appointed legal guardian authorized to act on their behalf.

Objections must be filed in the case of *Yates v. NewRez LLC d/b/a Shellpoint Mortgage Servicing*, Case No. 8:21-cv-03044-ADC (United States District Court of Maryland) and must be filed in the Civil Clerk's Office of the United States District Court of Maryland within 60 days of the date of this Notice.

Objections must also be sent to Class Counsel and Defendant's Counsel at the following addresses:

- Class Counsel: Scott Borison, Borison Firm, LLC., 1400 S. Charles Street, Baltimore MD 21230; Phillip Robinson, Consumer Law Center LLC, 1220 Blair Mill Road, Suite 1105, Silver Spring MD 20910; Thomas Minton of Goldman & Minton, P.C., 3600 Clipper Mill Road, Suite 201, Baltimore, MD 21211.
- Defendant's Counsel: Brian Pumphrey, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, VA 23219-3916; Melissa Martinez, McGuire Woods LLP, 500 East Pratt Street, Suite 1000, Baltimore, MD 21202-3169.

You may submit a written statement of objection(s) on your own behalf or through a lawyer hired at your expense. If a lawyer submits objections on your behalf, your lawyer must: (1) file a notice of appearance with the Court; (2) file a sworn declaration attesting to his or her representation of each Settlement Class Member on whose behalf the objection is being filed; (3) file a sworn declaration that specifies the number of times during the prior five-year period they have objected to a class action settlement on their own behalf or on behalf of a member of a class; and (4) comply with the requirements and procedures for objection.

If you file an objection, you will also need to attend the final approval hearing, or the Court may not consider your objection.

You only have the right to object to the settlement if you do not request to be excluded. If you request to be excluded, you do not have the right to object.

Note that any capitalized terms not defined herein shall have the meanings ascribed to them in the Settlement Agreement. To the extent there are any conflicts or inconsistencies between this form and the Settlement Agreement, the terms of the Settlement Agreement shall govern.

YOUR OPTIONS ARE FURTHER EXPLAINED IN THIS NOTICE.

ANY QUESTIONS? READ ON.

WHAT THIS NOTICE CONTAINS

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1. Why did I get this notice?	
2. What is this lawsuit about?	
3. What is a class action and who is involved?	
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5. What does the lawsuit complain about?	
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10. What do I do to be included?	
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BASIC INFORMATION

1. Why did I get this notice?

Records show that you had a residential mortgage loan secured by real property in Maryland, which the loan was serviced by Shellpoint, and Shellpoint imposed on your account one or more Property Inspection Fee since January 2014. You have legal rights and options that you may exercise before the Court enters a final judgment. The lawsuit is known as *Yates v. NewRez LLC d/b/a Shellpoint Mortgage Servicing*, Case No. 8:21-cv-03044-ADC (United States District Court of Maryland) which was filed in and is available at the Clerk's Office of the United States District Court of Maryland. The related case, *Mejia v. NewRez LLC d/b/a Shellpoint Mortgage Servicing*, Case, No. C-15-CV-24-002696 (Circuit Court for Montgomery County, Maryland) is part of this settlement.

2. What are these lawsuits about?

This settlement of the lawsuit is about Property Inspection fees that Shellpoint charged you and other Maryland borrowers on your monthly loan payments. Plaintiffs contend that Shellpoint did not have the right to charge these fees.

The Defendant denies any wrongdoing and denies all claims asserted against it in the Action. The parties have agreed to settle the Action to avoid the cost, delay, and uncertainty of litigation.

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called "Named Plaintiffs" or "Class Representatives" sue on behalf of other people who have similar claims. The people together are a "Class" or "Class Members." This case and settlement involves a group of class members who were charged a property inspection fee. Irene Yates and Alice Mejia are the Class Representatives and represent the Settlement Class Members. NewRez LLC d/b/a Shellpoint Mortgage Servicing is the Defendant.

4. Why is this lawsuit a class action?

Plaintiffs filed this case as a class action. Following the Parties' settlement and the Court's preliminary approval order approving the settlement, the Court approved two Settlement Subclasses, Subclass A and Subclass B. All persons receiving benefits from this settlement are referred to as Settlement Class Members. The Court found that the Settlement Class satisfies the requirements of Federal Rule of Civil Procedure 23, which governs class actions in Federal courts.

THE CLAIMS IN THE LAWSUIT

5. What does the lawsuit complain about?

In the lawsuits, the Named Plaintiffs have alleged that Shellpoint violated Maryland law by charging property inspection fees.

6. How does Defendant answer?

Defendant denies that it violated Maryland law or that they are required to pay anything to Settlement Class Members. The Parties have reached a settlement however to avoid further cost, risk and delay of litigation.

7. How do I obtain more information?

You can obtain more information about the settlement and the lawsuit by visiting the Shellpoint Property Inspection Fee Litigation website located at XXX.

8. What is the settlement?

Defendant has agreed to establish a total settlement fund of \$1,216,000.00 to pay all claims, service awards, attorneys' fees and costs, and settlement administration costs associated with the Settlement. The amount to be paid on claims after the Court awards amounts to Plaintiffs for Service Awards, Attorneys' Fees and Costs to Class Counsel and to the settlement administrator shall be distributed to members of Settlement Class based upon the following formula:

- A. For each Subclass A member, a gross payment of \$40.00 will be paid for each Property Inspection Fee assessed (minus any reductions for service awards, attorneys' fees and costs, and settlement administration costs awarded by the Court).
- B. For each Subclass B member, a gross payment of \$400.00 will be paid for each Property Inspection Fee (minus any reductions for service awards, attorneys' fees and costs, and settlement administration costs awarded by the Court).

WHO IS IN THE SETTLEMENT CLASS

9. Am I part of the Settlement Class?

Shellpoint has provided your name as part of Settlement Class and eligible to receive benefits from the settlement.

YOUR OPTIONS

10. What do I need to be included?

You do not have to take any further action to be included as a member of the Settlement Class.

11. What happens if I do nothing at all?

If you do nothing, you will be included in the Settlement Class, you will receive the benefit of the settlement provided to the Class Members depending on how many Property Inspection Fees you were assessed and when they were assessed, all the Court's orders will apply to you, and you will release the Defendant and the Released Parties of your claims against them.

12. What if I do not want to be included?

As described above, you may ask to be excluded from this settlement. To validly request exclusion from the Settlement Class, a person must personally sign, date, and send a written request to opt out providing the person's full name, telephone number, email address, the full name of any co-borrowers, current address, the address of the property securing their Shellpoint loan (if different), and Shellpoint loan number, and stating, "I WANT TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN *YATES AND MEJIA V. SHELLPOINT*" (or substantially similar clear and unambiguous language) addressed to "Exclusion Request: Shellpoint Property Inspection Fee Class Action" to American Legal Claim Services LLC, [*address to be provided*]

The written request for exclusion must be received by American Legal Claim Services LLC no later than the Opt-Out Date (XXX), and must include the person's name, address, telephone number and a "wet" signature not affixed via electronic means. If a question is raised about the authenticity of an exclusion request, the Settlement Administrator will have the right to demand additional proof of the individual's identity and intent. The Parties retain discretion to determine whether any exclusion request substantially complies with the requirements above. Exclusion requests that are signed by an attorney but not by the person requesting to be excluded from the Settlement Class are invalid.

Sending a written request to be excluded from the Settlement Class does not guarantee that you will be excluded. Requests to be excluded will be reviewed for their validity.

If you do not exclude yourself from the Settlement Class, the settlement (if approved) will release your legal claims and will affect your right to start or continue any other lawsuit or proceeding against the Defendant and the Released Parties. The release is described in the settlement agreement, which is available on the Court's docket in the case of *Yates v. NewRez LLC d/b/a Shellpoint Mortgage Servicing*, Case No. 8:21-cv-03044-ADC (United States District Court of Maryland). You can also obtain a copy of the settlement agreement by contacting Class Counsel, Defendant's Counsel or the Settlement Administrator (addresses below).

13. How do I object?

If you are a member of one of the Settlement Class, you have the right to object to the terms of the settlement. If you request to be excluded, you do not have the right to object. A Settlement Class Member who wishes to object to any aspect of the settlement must, no later than sixty (60) days from the date of this notice, file with the Court a written statement of the objection(s) and serve the objection(s) on Class Counsel, Defendant's Counsel and the Settlement Administrator. The written statement of objection(s) shall: (1) set forth the objector's full name, current address, and if different, the address of the property which secured their mortgage loan, telephone number, email address (if any), and Shellpoint loan number of the objector's loan; (2) contain a statement of the legal and factual ground for the objection with specificity, together with all documents on which the Class Member relies (if any); (3) state the identity of all counsel representing or assisting the objector, if any; and (4) indicate whether the objection applies only to the Class Member, to a portion of the Class, or to the Class as a whole. All Objections must be personally signed by the person(s) making the objection, or a court-appointed legal guardian authorized to act on their behalf.

Objections must be filed in the case of *Yates v. NewRez LLC d/b/a Shellpoint Mortgage Servicing*, Case No. 8:21-cv-03044-ADC (United States District Court of Maryland) and must be filed in the Civil Clerk's Office of the United States District Court of Maryland within 60 days of the date of this Notice.

Objections must also be sent to Class Counsel and Defendant's Counsel at the following addresses:

- Class Counsel: Scott Borison, Borison Firm, LLC., 1400 S. Charles Street, Baltimore MD 21230; Phillip Robinson, Consumer Law Center LLC, 1220 Blair Mill Road, Suite 1105, Silver Spring MD 20910; Thomas Minton of Goldman & Minton, P.C., 3600 Clipper Mill Road, Suite 201, Baltimore, MD 21211.
- Defendant's Counsel: Brian Pumphrey, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, VA 23219-3916; Melissa Martinez, McGuire Woods LLP, 500 East Pratt Street, Suite 1000, Baltimore, MD 21202-3169.

You may submit a written statement of objection(s) on your own behalf or through a lawyer hired at your expense. If a lawyer submits objections on your behalf, your lawyer must: (1) file a notice of appearance with the Court; (2) file a sworn declaration attesting to his or her representation of each Settlement Class Member on whose behalf the objection is being filed; (3) file a sworn declaration that specifies the number of times during the prior five-year period they have objected to a class action settlement on their own behalf or on behalf of a member of a class; and (4) comply with the requirements and procedures for objection.

If you file an objection you will also need to attend the final approval hearing, or the Court may not consider your objections.

THE LAWYER REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court has appointed the following Class Counsel to represent the Class, who may be contacted at: Scott Borison, Borison Firm, LLC., 1400 S. Charles Street, Baltimore MD 21230; Phillip Robinson, Consumer Law Center LLC, 1220 Blair Mill Road, Suite 1105, Silver Spring MD 20910; Thomas Minton of Goldman & Minton, P.C., 3600 Clipper Mill Road, Suite 201, Baltimore, MD 21211. You may hire your own attorney, but only at your own expense.

15. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you may hire one who it will be your responsibility to pay. For example, you can ask him or her to appear in Court for you, if you want someone other than Class Counsel to speak for you.

16. How will the Class Counsel be paid?

Class Counsel will request the Court to grant an award of Attorneys' Fees not to exceed 40% of the Common Fund (or \$486,400.00).

EXHIBIT A-3

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
(SOUTHERN DIVISION)**

IRENE YATES,

*

*

Plaintiff

Civil Case: 8:21-cv-03044-ADC

*

v.

*

**NEWREZ LLC d/b/a SHELLPOINT
MORTGAGE SERVICING**

*

*

Defendant

**ORDER PRELIMINARILY APPROVING CLASS ACTION SETTLEMENT,
SCHEDULING A HEARING FOR FINAL APPROVAL THEREOF, AND APPROVING
THE PROPOSED FORMS AND PROGRAM OF NOTICE TO THE SETTLEMENT
CLASS**

Plaintiffs Irene Yates and Alice Mejia, having moved for an order preliminarily approving the proposed Settlement of the Class Actions in accordance with the Class Action & Individual Settlement Agreement and Release between Plaintiffs and Defendant NewRez LLC d/b/a Shellpoint Mortgage Servicing entered into (date) (the “Settlement Agreement”); the Court having read and considered the Settlement Agreement; the Motion and the entire record herein;

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. Except for the terms expressly defined herein, the Court adopts and incorporates the definitions in the Settlement Agreement for the purposes of this Order.

2. Solely for the purposes of the Settlement, the Settlement Class are hereby preliminary certified pursuant to Federal Rule of Civil Procedure 23. The Court finds that the applicable provisions have been satisfied and that the Court will likely be able to approve the Settlement and certify the Settlement Class for purposes of Final Judgment.

3. The Settlement Class is defined as:

All persons with residential mortgage loans secured by real property in Maryland, which were serviced by Shellpoint, for which Shellpoint imposed one or more Property Inspection Fee(s) since January 2014. The Settlement Class member transactions shall consist of two subclasses:

Subclass A: All Settlement Class members whose Property Inspection Fee claims were not tolled by the October 30, 2020 class action filing of *Parker v. Goldman Sachs Mortgage Company Limited Partnership et al*, Case No. 8:20-cv-03581-ADC..

Subclass B: All Settlement Class members whose Property Inspection Fee claims were tolled by the October 30, 2020 class action filing of *Parker v. Goldman Sachs Mortgage Company Limited Partnership et al*, Case No. 8:20-cv-03581-ADC..

4. Irene Yates and Alice Mejia are confirmed and appointed as Class Representatives for the Settlement Class.

5. The Court hereby appoints Phillip Robinson, Thomas Minton, and Scott Borison to represent the Settlement Class for purposes of the Settlement, having determined that the requirements of Federal Rule of Civil Procedure 23 (a)(4) and (g) are fully satisfied by this appointment.

6. A Final Approval Hearing will be held on or about _____ to finally approve the Settlement and to consider the fairness, reasonableness, and adequacy of the Settlement. The date, time, and venue of the Final Approval Hearing shall be set forth in the Class Notice (Attached as Exhibit A-1 to the Parties' Settlement Agreement), which are ordered herein, but shall be subject to adjournment or change by the Court without further notice to the Settlement Class Members.

7. The Court reserves the right to approve the Settlement at or after the Final Approval Hearing with such modifications as may be consented to by the Parties and without further notice to the Settlement Class.

8. The terms of the Settlement Agreement are hereby preliminarily approved. The Court finds that the Settlement was entered into at arm's length by experienced counsel and is

sufficiently within the range of reasonableness, fairness, and adequacy, and that Class Notice should be given as provided in this Order because the Court will likely be able to approve the Settlement under Federal Rule of Civil Procedure 23.

9. The Court approves, in form and substance, the Class Notice program, finding that it: (i) is the best notice practicable under the circumstances; (ii) is reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency and status of this Litigation and of their right to participate in, object to, or potentially exclude themselves from the proposed settlement; (iii) is reasonable and constitutes due, adequate, and sufficient notice to all persons entitled to receive notice of the Final Approval hearing; and (iv) fully satisfies all applicable requirements of Federal Rules of Civil Procedure 23.

10. To validly request exclusion from the Settlement Class, as set forth in Paragraph 42 of the Agreement, a personal request for exclusion must be sent in writing addressed to “Exclusion Requests: Shellpoint Property Fee Class Action” at the Settlement Administrator’s address shown on the Class Notice and be received by the Settlement Administrator no later than the Opt-Out Date. To be effective, the request for exclusion must make clear that exclusion is sought by stating: “I WANT TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN *YATES AND MEJIA V. SHELLPOINT*” or words to that effect; statements generally objecting to the Settlement or particular terms of the Agreement which do not reveal a clear intent to be excluded as a Class Member do not constitute valid opt-outs. Requests for Exclusion must be personally signed by the person requesting exclusion from the Class and any co-borrower(s) on their mortgage loan (conformed, reproduced, facsimile, or other non-original signatures are not valid), and must include the requestor’s full name and current address, the full name and current address of any co-borrower(s) on their mortgage loan, and if different, the address of the property which secured

their mortgage loan, the borrower's telephone number, email address, and the borrower's loan number. For any loan that is subject to this Settlement for which there is more than one borrower, any request for exclusion must be signed by each borrower or it will not be sufficient to remove that loan or any of its co-borrowers from the Class. No person may purport to exercise opt-out rights on behalf of any other person, or purport to opt-out Class Members as a group, aggregate or class involving more than one Class Member; any such purported opt-outs shall be void and the individuals shall remain as Class Members. All persons fitting the definitions of the Settlement Class who do not timely and properly request exclusion from the Settlement Class will in all respects be bound by all terms of the Settlement Agreement.

11. The Class Notice provides instructions regarding the procedures that must be followed to object to the Settlement. Provided that a Settlement Class Member has not submitted a written request for exclusion, as set out in Paragraph 44 of the Agreement, the Settlement Class Member may object provided that such Class Member files with the Court and delivers to the Settlement Administrator, Class Counsel and Defendant's Counsel a written notice of objection no later than sixty (60) days after the Notice Date. Such notice shall state: (i) the objector's full name, current address, and if different, the address of the property which secured their mortgage loan, telephone number, email address (if any), and Shellpoint loan number of the objector's loan; (ii) a statement of the legal and factual ground for the objection with specificity, together with all documents on which the Class Member relies (if any); (iii) the identity of all counsel representing or assisting the objector, if any; (iv) whether the objection applies only to the Class Member, to a portion of the Class, or to the Class as a whole.

12. All Objections must be personally signed by the person(s) making the objection, or a court-appointed legal guardian authorized to act on their behalf. If the person on whose behalf

the objection is filed, or an attorney or court-appointed legal guardian authorized to act on their behalf, intends to appear at the Final Settlement Hearing, the Objection must so state, and the person or his or her attorney must file a notice of appearance in the Action five days prior to the Final Settlement Hearing and serve it on counsel for the Parties. No Class Member or their counsel may appear at the Final Approval Hearing without timely filing and serving a notice of appearance, nor may he or she raise any matters, issues or objections not stated with particularity in the Class Member's written Objection. Class Counsel may, but are not required to, take the deposition of any objector pursuant to the Federal Rules of Civil Procedure. Class Counsel and Defendant's Counsel also may, but are not required to, respond to the objections, if any, by means of a Memorandum of Law not to exceed fifteen (15) pages to be filed and served no later than fifteen (15) days before the Settlement Hearing. The requirements for a valid objection to be prepared, filed, and delivered, shall be stated in detail in the Notice.

13. Unless the Court directs otherwise, any Settlement Class Member who fails to comply with the provisions of paragraphs 13 and 14 will waive and forfeit any and all rights they may have to object to the settlement and/or to appear and be heard on said objection. Failure to object waives a Settlement Class Member's right to appeal the Final Approval Order.

14. Any Settlement Class Member who requests exclusion from the Settlement Class may not also object to the Settlement. Any Settlement Class Member who elects to object to the Settlement may not also request exclusion from the Settlement Class.

15. The Settlement Administrator shall be responsible for overseeing the implementation and administration of the claims process. These duties include, but are not limited to: (1) e-mailing, or printing and mailing by First-Class U.S. Mail, postage paid, the Class Settlement Notice; (2) updating Settlement Class Member address information prior to mailing

using the National Change of Address (NCOA) system; (3) handling returned notice-related mail not delivered to Settlement Class Members; (4) attempting to obtain updated address information for any Class Notices returned without a forwarding address; (5) establishing a post-office box for the receipt of any correspondence; (6) establishing a website; (7) responding to requests from Class Counsel or Defendant's counsel; (7) otherwise implementing and/or assisting with the dissemination of the Class Notices; and (8) processing and issuing the payments to Class Members in accordance with the Settlement Agreement.

16. The Settlement Administrator and the Parties shall promptly after receipt provide copies of any requests for exclusion, objections and/or related correspondence to each other.

17. The Settlement Administrator shall send the Class Notices via email or pre-paid U.S. Mail pursuant to Paragraph 17 of the Settlement Agreement.

18. The Settlement Administrator shall cause the Class Notices to be published on a dedicated website, as provided in Paragraph 30 of the Agreement, no later than the date on which it sends notice to Class Members.

19. The Settlement Administrator shall provide to Class Counsel and Defendant's Counsel no later than sixty (60) days after the initial notice emailing/ mailing or twenty-five (25) days before the Final Fairness Hearing, whichever occurs later, a declaration confirming results of the transmissions of the Notices that were emailed and mailed to all Class Members as required by this Agreement, the number of returned undeliverable Notices (if any), the number of opt-outs and objections, and any additional information Class Counsel deems appropriate to provide to the Court, as provided in Paragraph 27 of the Agreement.

20. Class Counsel shall file any motions for service awards, attorneys fees and costs and their payments from the common fund at the same as their motion for final approval.

21. If the Settlement is approved by the Court following the Final Approval Hearing, a Final Approval Order and Final Judgment will be entered.

22. The Court may, for good cause, extend any of the deadlines set forth in this Order without notice to Settlement Class Members, other than that which may be posted at the Court.

23. In the event that the Settlement is terminated in accordance with its provisions, such terminated Settlement Agreement and all proceedings had in connection therewith, including but not limited to all negotiations, documents, and discussions associated with it, and any requests for exclusion from the Settlement Class previously submitted and deemed to be valid and timely, shall be null and void and be of no force and effect, except as expressly provided to the contrary in the Settlement Agreement, and shall be without prejudice to the status quo ante rights of the Parties and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity.

24. If the Settlement is terminated or ultimately not approved, the Court will issue a scheduling order to return the Parties to their respective positions prior to the start of the settlement process and ensure that the Parties will have sufficient time to prepare for the resumption of litigation. Each Party shall be restored to his, her, or its respective position as it existed prior to their Agreement, with each of the Parties' respective legal claims and defenses preserved as they existed at that time.

SO ORDERED.

Dated: _____, 2024

Judge

eSignature Details

Signer ID: 646GLCqFejrpsBvRAqj2cz9M
Signed by: Alice Mejia
Sent to email: alicemejia2017@gmail.com
IP Address: 76.151.228.74
Signed at: Oct 22 2024, 9:38 am EDT

Signer ID: rs3BrhapNpJKnKTYwFvC8EAq
Signed by: Phillip Robinson
Sent to email: phillipreaserobinson@gmail.com
IP Address: 71.204.213.169
Signed at: Oct 22 2024, 2:57 pm EDT