

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 9:18-cv-80948-ROSENBERG/REINHART

DOROTHY KERR CHECA CHONG
on behalf of herself and all others
similarly situated,

Plaintiff,
v.

NEW PENN FINANCIAL, LLC, d/b/a
SHELLPOINT MORTGAGE SERVICING,

Defendant.

_____ /

STIPULATION AND SETTLEMENT AGREEMENT

IT IS HEREBY STIPULATED AND AGREED, by, between, and among Plaintiff Dorothy Kerr Checa Chong, on behalf of herself and all Settlement Class Members as defined herein, and New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing (“Shellpoint”), that the lawsuit originally captioned *Dorothy Kerr Checa Chong v. New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing*, Case No. 1:18-cv-80948-RLR, in the United States District Court for the Southern District of Florida (the “Chong Litigation” or the “Litigation”) and the matters raised by, or which could have been raised by, the Chong Litigation are settled, compromised, and dismissed on the merits and with prejudice on the terms and conditions set forth in this Settlement Agreement and the Release set forth herein, subject to the approval of the Court.

1. RECITALS

1.1. Class Counsel had been investigating and litigating Lender Placed Insurance (“LPI”) class cases in the Southern District of Florida for over six years prior to filing the

complaint in the Chong Litigation. Class Counsel advises that over 30 depositions have been taken in those cases, and well over a million documents have been produced and reviewed.

1.2. On July 18, 2018, Plaintiff Chong filed this putative nationwide class action.

1.3. In the Chong Litigation, Plaintiff asserted claims for breach of contract, breach of the implied covenant of good faith and fair dealing, unjust enrichment, and violations of the Florida Deceptive and Unfair Trade Practices Act, and the Truth in Lending Act.

1.4. On August 29, 2018, in response to the Complaint, Shellpoint filed, *inter alia*, an extensive motion to dismiss pursuant to Rule 12(b)(6). Shellpoint's motion is fully briefed and is still pending.

1.5. Based upon the Complaint, the briefing in this case, recent rulings of the Court, and the vast discovery already produced in the other LPI actions, the parties agreed to engage in an early mediation.

1.6. Plaintiff demanded specific and targeted discovery to be produced by the Shellpoint prior to any mediation.

1.7. On November 19, 2018, a formal mediation of this matter with Rodney Max as the mediator ("Chong Mediation") was held.

1.8. In advance of and during the Chong Mediation, Shellpoint provided Plaintiff and Class Counsel with additional information concerning Shellpoint's specific LPI programs, including aggregate LPI premium information across the country for all programs.

1.9. The Parties made significant progress at the Chong Mediation and held further discussions in the following days until a settlement in principle was reached.

1.10. Based on the documents and information provided by Shellpoint regarding its LPI relationship with two separate LPI vendors, Overby-Seawell Company and Proctor Financial,

Inc., Class Counsel decided to limit the proposed Settlement Class to LPI procured by Overby-Seawell Company on or after March 1, 2014, which is the date Shellpoint began servicing residential mortgage loans.

1.11. Consistent with the proposed Settlement Class, on March 19, 2019, Plaintiff will file an Amended Complaint to conform the definition of the Class therein to that appearing in Section 3 below.

1.12. Class Counsel has significant experience litigating LPI claims, having represented Plaintiffs in numerous putative class actions brought in the Southern District of Florida, including *Williams v. Wells Fargo Bank, N.A.*, No. 11-cv-21233, *Herrick v. JP Morgan Chase Bank, N.A.*, No. 13-21107, *Kunzelmann v. Wells Fargo Bank, N.A.*, No. 11-cv-81373, *Hall v. Bank of America, N.A.*, No. 12-cv-22700, *Diaz v. HSBC Bank USA, N.A.*, No. 13-cv-21104, *Popkin v. Citibank, N.A.*, 13-cv-60722, *Fladell v. Wells Fargo Bank, N.A.*, No. 13-cv-60721, *Braynen v. Nationstar Mortgage LLC*, No. 14-cv-20726; *Lee v. Ocwen Loan Servicing LLC*, No. 14-cv-60649 (J. Goodman); *Jackson v. U.S. Bank, N.A.*, No. 14-cv-21252; *Montoya v. PNC Bank, N.A.*, Case No. 1:14-cv-20474; *Soler v. IndyMac Mortgage*, No. 14-cv-22541; *Almanzar v. Select Portfolio Servicing, Inc.*, No. 14-cv-22586, *Wilson, et al. v. EverBank, et al.*, No. 1:14-cv-22264-Bloom, *Circeo-Loudon v. Green Tree Servicing, LLC*, No. 14-cv-21384, *Ziwczyn et al. v. Regions Bank, et al.*, 15-cv-24558, and the Litigation. Based on this experience, Class Counsel believes that the Chong Litigation, as framed by the proposed Amended Complaint described in section 1.11, has significant merit and that the evidence developed supports Plaintiff's claims. Class Counsel recognizes and acknowledges, however, that prosecuting the Chong Litigation through fact and expert discovery, class certification, dispositive motions, trial, and appeals will involve considerable uncertainty, time, and expense.

1.13. Class Counsel has concluded that it is in the best interests of the Class as a whole that the claims asserted in the Chong Litigation be resolved on the terms and conditions set forth in this Agreement. After extensive consideration and analysis of the factual and legal issues presented in the Chong Litigation, and extensive mediation sessions, Class Counsel has reached the conclusion that the substantial benefits the Settlement Class Members will receive as a result of this Settlement are a very good result in light of the risks and uncertainties of continued litigation, including the pending motions to dismiss, forthcoming class certification briefing, the expense that would be necessary to prosecute the Chong Litigation through trial and any appeals that might be taken, and the likelihood of success at trial.

1.14. Shellpoint has denied, and continues to deny each and every allegation of liability, wrongdoing, and damages, as it has substantial factual and legal defenses to all claims and class allegations in the Chong Litigation. Shellpoint has always maintained, and continues to maintain, that it has acted in accordance with all applicable agreements and governing law, and Shellpoint never received any "kickback," commission, or unauthorized benefit as a result of any LPI placement. Shellpoint further terminated its relationship with Overby-Seawell Company in March 2015. Nonetheless, Shellpoint has concluded that because the continuation of the Chong Litigation would be protracted and expensive, it is desirable that the Chong Litigation be fully and finally settled on a class-wide basis in the manner and upon the terms set forth in this Agreement.

1.15. Without admitting any liability or wrongdoing whatsoever, Shellpoint agrees to the terms of this Agreement, provided that all Released Claims are settled, compromised, and released, in order to resolve all issues relating to the subject matter of the Chong Litigation.

2. DEFINITIONS

As used herein, the following terms have the meanings set forth below.

2.1. “Administrator” or “Settlement Administrator” means a third-party agent or administrator selected by Shellpoint (with the consent of the Class Counsel, which consent shall not be unreasonably withheld) to help implement and effectuate the terms of this Settlement Agreement.

2.2. “Affiliate” of an entity means any person or entity which controls, is controlled by, or is under common control with such entity.

2.3. “Agreement” or “Settlement Agreement” means this Stipulation and Settlement Agreement, including all exhibits thereto.

2.4. “Attorneys’ Fees and Expenses” means such funds as may be awarded to Class Counsel to compensate them (and all other attorneys for Named Plaintiff or the Settlement Class) for their fees and all expenses incurred by Named Plaintiff or Class Counsel in connection with the Chong Litigation.

2.5. “Borrowers Who Were Charged But Did Not Pay And Still Owe Their LPI Premium” refers to those Settlement Class Members who were charged a Net Premium for an LPI Policy (hazard, flood or wind) by Shellpoint, which was procured by the Overby-Seawell Company, during the Settlement Class Period and who still owe some or all of those charges, but who did not make one or more full monthly mortgage loan payment(s) to Shellpoint after either: (a) their Existing Escrow Account, if any, was adjusted to charge the increased premium for the LPI Policy; (b) their Created Escrow Account, if any, was charged the increased premium for the LPI Policy; or (c) the payment was otherwise increased to reflect an amount for reimbursement of the amount charged for the LPI Policy premium where no escrow account existed. This definition captures all Settlement Class Members who were charged for an LPI Policy by

Shellpoint, which was procured by the Overby-Seawell Company, during the Settlement Class Period and who still owe those charges, but who are not Borrowers Who Paid Their LPI Premium (as defined in Section 2.6 below).

a. “Existing Escrow Account” refers to an escrow account for a borrower that existed prior to the placement of the LPI Policy. Shellpoint sent notice informing the borrower that the Existing Escrow Account was being adjusted to reflect the charge for the LPI Policy.

b. “Created Escrow Account” refers to an escrow account that was created for a borrower who did not have an escrow account prior to the placement of the LPI Policy, in order for the borrower to be charged for the LPI Policy, where Shellpoint sent notice informing the borrower that the Created Escrow Account had been established to reflect the charge for the LPI Policy.

2.6. “Borrowers Who Paid Their LPI Premium” refers to those Settlement Class Members who were charged a Net Premium for an LPI Policy (hazard, flood, or wind), which was procured by the Overby-Seawell Company, by Shellpoint during the Settlement Class Period and who made one or more full monthly mortgage loan payment(s) to Shellpoint after either: (a) their Existing Escrow Account, if any, was charged for the LPI Policy; (b) their Created Escrow Account, if any, was charged for the LPI Policy; or (c) the payment was otherwise increased to reflect an amount for reimbursement of the amount charged for the LPI Policy premium where no escrow account existed.

2.7. “Case Contribution Award” means compensation for the Named Plaintiff for her time and effort undertaken in the Chong Litigation.

2.8. “Claim” means a written request for Claim Settlement Relief submitted by a Settlement Class Member to the Settlement Administrator, pursuant to the Claim Form Instructions in substantially the form of Exhibit A to this Agreement or as ultimately approved by the Court, using a Claim Form in substantially the form of Exhibit B to this Agreement or as ultimately approved by the Court.

2.9. “Claim Deadline” means the last date by which a Claim submitted to the Settlement Administrator by a Settlement Class Member for Claim Settlement Relief must be postmarked, which shall be set by mutual agreement of the Parties to occur on a date no later than sixty (60) days after the Final Settlement Date. All Claims postmarked on or before the Claim Deadline shall be timely, and all Claims postmarked after the Claim Deadline shall be untimely and barred from entitlement to any Claim Settlement Relief.

2.10. “Affiliated with Shellpoint” means controlled by, or under common control with or of, Shellpoint directly or indirectly, through one or more intermediaries. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlled” and “controlling” have meanings correlative thereto.

2.11. “Claimant” means any Settlement Class Member who submits a Claim pursuant to this Settlement Agreement.

2.12. “Claim Form” means the documents in the form attached as Exhibit B to this Agreement and/or as ultimately approved by the Court.

2.13. “Claim Form Instructions” means the documents in the form attached as Exhibit A to this Agreement and/or as ultimately approved by the Court.

2.14. “Claim Settlement Relief” means the cash award payment or credit to be made to Settlement Class Members who submit properly completed and timely Claim Forms to the Settlement Administrator pursuant to the Claim Form Instructions, and who qualify for such relief under this Settlement Agreement.

2.15. “Class Counsel” means the Moskowitz Law Firm, PLLC.

2.16. “Class Notice” or “Notice” means the program of notice described in Section 6 of this Agreement to be provided to Settlement Class Members, including the Mail Notice and Internet site, which will notify Settlement Class Members, among other things, about their rights to opt out or object to the Settlement, the preliminary approval of the Settlement, the manner by which to submit a Claim, and the scheduling of the Final Approval Hearing.

2.17. “Court” means the United States District Court for the Southern District of Florida.

2.18. “Days” means calendar days, except that, when computing any period of time prescribed or allowed by this Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. Further, when computing any period of time prescribed or allowed by this Agreement, the last day of the period so computed shall be included, unless it is a Saturday, a Sunday, or a legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or legal holiday. All calculations of days and times shall be adjusted to permit compliance by Shellpoint with the Class Action Fairness Act of 2005, 28 U.S.C. §§ 1711-1715, including the notifications of appropriate regulators under 28 U.S.C. § 1715(b) and expiration of the 90-day review period in 28 U.S.C. § 1715 before the Fairness Hearing is held in the Litigation to review and approve the Settlement.

2.19. “Defendant” means the named defendant in the Chong Litigation, Shellpoint. “Shellpoint” means New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing, which is now known as NewRez LLC d/b/a Shellpoint Mortgage Servicing.

2.20. “Defense Counsel” means Shellpoint’s counsel of record in the Chong Litigation.

2.21. “Final” with respect to the Judgment or to any award of Attorneys’ Fees and Expenses means that the time for appeal or writ review has expired or, if an appeal or petition for review is taken and dismissed or the Settlement (or award of Attorneys’ Fees and Expenses) is affirmed, the time period during which further petition for hearing, appeal, or writ of certiorari can be taken has expired. If the Judgment is set aside, modified, or overturned by the Court or on appeal, and is not fully reinstated on further appeal, the Judgment shall not become Final.

2.22. “Final Approval” means the entry of the Judgment approving the Settlement after the Final Approval Hearing is conducted.

2.23. “Final Approval Hearing” means the hearing held by the Court to determine whether the terms of this Agreement are fair, reasonable, and adequate for the Settlement Class as a whole, whether the Settlement should be granted final approval, and whether the Judgment should be entered.

2.24. “Final Settlement Date” means the date on which the Judgment in this case becomes Final (as defined in Section 2.21). If no appeal has been taken from the Judgment, the Final Settlement Date means the date on which the time to appeal has expired. If any appeal has been taken from the Judgment, the Final Settlement Date means the date on which all appeals, including petitions for rehearing, petitions for rehearing *en banc*, and petitions for certiorari or any other form of review, have been finally disposed of in a manner that affirms the Judgment.

2.25. “Judgment” means the final Order and Judgment to be entered by the Court pursuant to the Settlement and in substantially similar form as Exhibit F-1.

2.26. “Last Known Coverage Amount” refers to the amount of coverage that is available and known to Shellpoint (or available and known to any of Shellpoint’s agents for tracking voluntary insurance or placing LPI) from the borrower’s prior voluntary insurance policy on the property securing the loan.

2.27. “Lender-Placed Insurance” or “LPI” means the placement of hazard, flood, or wind insurance pursuant to a mortgage loan agreement, home equity loan agreement, or home equity line of credit serviced by Shellpoint to cover a borrower’s failure to maintain the required insurance coverage on the Residential property securing the loan.

2.28. “Litigation” or “Chong Litigation” means the action originally captioned *Dorothy Kerr Checa Chong v. New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing*, Case No. 1:18-cv-80948, in the United States District Court for the Southern District of Florida.

2.29. “LPI Policy” means a lender-placed residential hazard, flood, or wind LPI policy procured by the Overby-Seawell Company on or after March 1, 2014 and placed pursuant to a mortgage loan agreement, home equity loan agreement, or home equity line of credit serviced by Shellpoint to cover a borrower’s failure to maintain the required insurance coverage on the residential property securing the loan.

2.30. “Mail Notice” means the “Notice” that is mailed by the Settlement Administrator to Settlement Class Members, in substantially the form attached as Exhibit D to this Agreement and/or as ultimately approved by the Court. Mail Notice shall be mailed not less than ninety (90) days before the date set by the Court for the Final Approval Hearing.

2.31. “Named Plaintiff” or “Plaintiff” means Dorothy Kerr Checa Chong.

2.32. “Net Premium” means the amount of premium charged to a Settlement Class Member for an LPI Policy during the Settlement Class Period less any refund paid or credited to the Settlement Class Member.

2.33. “Notice and Administrative Costs” means the reasonable and authorized costs and expenses of disseminating and publishing the Class Notice in accordance with the Preliminary Approval Order, and all reasonable and authorized costs and expenses incurred by the Settlement Administrator in administering the Settlement, including but not limited to costs and expenses associated with assisting Settlement Class Members, processing claims, escrowing funds, and issuing and mailing Settlement Payments. Notice and Administrative Costs do not include costs associated with Class Counsel’s interactions with the Settlement Administrator, as detailed in Section 7.4.

2.34. “Objection Deadline” means the date identified in the Preliminary Approval Order and Class Notice by which a Settlement Class Member must serve written objections, if any, to the Settlement in accordance with Section 12 of this Agreement to be able to object to the Settlement. The Objection Deadline shall be no later than thirty (30) days prior to the Final Approval Hearing or as the Court may otherwise direct.

2.35. “Opt-Out Deadline” means the date identified in the Preliminary Approval Order and Class Notice by which a Request for Exclusion must be filed in writing with the Settlement Administrator in accordance with Section 11 of this Agreement in order for a Settlement Class Member to be excluded from the Settlement Class. The Opt-Out Deadline shall be no later than thirty (30) days prior to the Final Approval Hearing or as the Court may otherwise direct.

2.36. “Parties” means Named Plaintiff and Shellpoint in the Litigation.

2.37. “Preliminary Approval Order” means the order in substantially similar form as Exhibit E and providing for, among other things, preliminary approval of the Settlement as fair, reasonable, and adequate; preliminary certification of the Settlement Class for settlement purposes only; dissemination of the Class Notice to the Settlement Class; and finding that the proposed Class Notice is reasonably calculated to apprise the Settlement Class Members of the pendency of the Chong Litigation, the material terms of the proposed Settlement, and the Settlement Class Members’ options and rights with respect thereto.

2.38. “Preliminary Approval Application” means Named Plaintiff’s motion for the Court to preliminarily approve the Settlement and to enter the Preliminary Approval Order, including all exhibits and documents attached thereto. Named Plaintiff’s Preliminary Approval Application shall be filed within fourteen (14) days after this Agreement is signed.

2.39. “Premium” means the amount charged to a borrower by Shellpoint for an LPI Policy.

2.40. “Refund” means the amount of money paid or credited to a borrower when an LPI Policy is cancelled.

2.41. “Release” or “Releases” means the releases of all Released Claims by the Releasing Persons against the Released Persons, as provided for in Section 10 of the Settlement Agreement.

2.42. “Released Claims” means all claims, actions, causes of action, law suits, defenses, debts, sums of money, payments, obligations, reckonings, promises, damages, penalties, attorney’s fees and costs, liens, judgments, demands, and any other forms of liability released pursuant to Section 10 of the Settlement Agreement.

2.43. “Released Persons” means, only with respect to Released Claims: (a) Shellpoint and each of its respective past or present, direct or indirect Affiliates, parent companies, subsidiaries, divisions, predecessors, successors, assigns, investors, and all past or present officers, directors, employees, agents, brokers, distributors, representatives, contractors, and attorneys of any such entities or persons; and (b) any trustee or investor of a mortgage securitization trust which included loans made to any Settlement Class Member, including, but not limited to any direct or indirect subsidiary of any of them, and all of the officers, directors, employees, agents, brokers, distributors, insurers, representatives, successors and assigns, and attorneys of all such entities.

2.44. “Releasing Persons” means Named Plaintiff, all Settlement Class Members who do not properly and timely opt out of the Settlement (including all Settlement Class Members who never received the Mail Notice or did not otherwise have actual knowledge of the Settlement), as well as their respective family members, executors, representatives, administrators, guardians, wards, heirs, estates, bankruptcy estates, bankruptcy trustees, successors, predecessors, joint tenants, tenants in common, tenants by the entirety, co-mortgagors, co-obligors, co-debtors, attorneys, agents and assigns, and all those who claim through them or who assert claims (or could assert claims) on their behalf.

2.45. “Request for Exclusion” means a written request from a Settlement Class Member that seeks to exclude the Settlement Class Member from the Settlement Class and that complies with all requirements in Section 11 of this Agreement.

2.46. “Residential Property” means any property for which the borrower (i) submitted a Uniform Residential Loan Application or similar paper or electronic application form in connection with the mortgage loan for the property on which the LPI Policy was placed, or (ii)

uses or used all or any part of the property as a primary or secondary residence, and not primarily for business purposes.

2.47. “Settlement” or “Stipulation of Settlement” means the settlement set forth in this Agreement.

2.48. “Settlement Class” means all members of the class of borrowers in the Chong Litigation that will be certified by the Court for settlement purposes as more fully described in Section 3.1 herein.

2.49. “Settlement Class Member” means any member of the Settlement Class.

2.50. “Settlement Class Period” means the period of time defined in Section 3.2 below.

2.51. “Settlement Website” means the Internet site created by the Settlement Administrator pursuant to Section 6.2 of this Agreement to provide information about the Settlement, which shall have the Uniform Resource Locator of www.ChongSettlementInfo.com.

2.52. “Settling Parties” means, collectively, Shellpoint, Named Plaintiff, and all Releasing Persons.

3. CLASS DEFINITION, CLASS PERIOD AND CONDITIONS AND OBLIGATIONS RELATING TO THE EFFECTIVENESS OF THE SETTLEMENT

3.1. The “Settlement Class” shall be as follows:

All borrowers in the United States who, within the Settlement Class Period, were charged by Shellpoint under a hazard, flood, or wind LPI policy, procured by Overby-Seawell Company for Residential Property on or after March 1, 2014, and who, within the Settlement Class Period, either (i) paid to Shellpoint the Net Premium for that LPI Policy or (ii) did not pay to and still owe Shellpoint the Net Premium for that LPI Policy. Excluded from the Class are: (i) individuals who are or were during the Settlement Class Period officers or directors of Shellpoint or any of their respective affiliates; (ii) any justice, judge, or magistrate judge of the United States or any State, their spouses, and persons within the third degree of relationship to either of them, or the spouses of such persons; (iii) borrowers who only had an LPI Policy that was cancelled in its entirety such that any premiums charged and/or collected were fully refunded to the borrower or the borrower’s

escrow account; (iv) all borrowers for whom a final foreclosure judgment, foreclosing the mortgage loan serviced by Shellpoint, was entered against them; and (v) all borrowers who file a timely and proper request to be excluded from the Class.

3.2 The “Settlement Class Period” shall commence on March 1, 2014 and shall continue through and including the date of the Preliminary Approval Order preliminarily approving the Settlement.

3.3 This Settlement Agreement is expressly contingent upon the satisfaction, in full, of the material conditions set forth below.

3.4. Condition No. 1: District Court Approval. The Settlement must be approved by the Court in accordance with the following steps:

3.4.1. Application for Preliminary Approval of Proposed Settlement, Class Certification, and Class Notice. After good faith consultation with counsel for Shellpoint, Class Counsel will present a Preliminary Approval Application to the Court within fourteen (14) days of this Agreement. The Preliminary Approval Application shall include a Class Notice, in substantially similar form as Exhibit D, and a Preliminary Approval Order, in substantially similar form as Exhibit E. The Settling Parties shall, in good faith, take reasonable steps to secure expeditious entry by the Court of the Preliminary Approval Order and shall request that the Court schedule a Final Approval Hearing no earlier than ninety (90) days after the service of the required notices under 28 U.S.C. § 1715.

3.4.2. Settlement Class Certification. In connection with the proceedings on Preliminary and Final Approval of the proposed Settlement, the Named Plaintiff shall seek orders (preliminary and final, respectively) certifying the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure for purposes of this Settlement only.

3.4.3. Entry of Preliminary Approval Order. The Court shall enter a Preliminary Approval Order in substantially similar form as Exhibit E, which shall, among other things:

a. Certify for purposes of settlement a nationwide Settlement Class, approving the Named Plaintiff as class representative and appointing Class Counsel, pursuant to Fed. R. Civ. P. 23;

b. Preliminarily approve the Settlement as fair, reasonable, and adequate;

c. Order the issuance of Class Notice to the Settlement Class, and determine that such Notice complies with all legal requirements, including, but not limited to, the Due Process Clause of the United States Constitution;

d. Schedule a date and time for a Final Approval Hearing to determine whether the Preliminary Approval Order should be finally approved by the Court;

e. Require Settlement Class Members who wish to exclude themselves to submit an appropriate and timely written request for exclusion by the Opt-Out Deadline, as directed in the Settlement Agreement and Class Notice, and advise that a failure to do so shall bind those Settlement Class Members who remain in the Settlement Class;

f. Require Settlement Class Members who wish to object to the Settlement Agreement to submit an appropriate and timely written statement by the Objection Deadline, as directed in the Settlement Agreement and Class Notice, and advise that a failure to do so shall prevent those Settlement Class Members from doing so;

g. Require attorneys representing any Settlement Class Member, at the Settlement Class Member's expense, to file a notice of appearance;

h. Authorize the Settling Parties to take all necessary and appropriate steps to establish the means necessary to implement the Settlement Agreement; and

i. Issue related orders to effectuate the preliminary approval of the Settlement Agreement.

3.4.4. Issuance of Class Notice. Pursuant to the Preliminary Approval Order to be entered by the Court, the Settlement Administrator shall cause the Class Notice to be issued in accordance with Section 6 below.

3.4.5. Final Approval Hearing. In connection with the Preliminary Approval Application, the Parties shall request that the Court schedule and conduct a hearing after dissemination of Class Notice, at which time it will consider whether the Settlement is fair, reasonable, and adequate pursuant to Rule 23 of the Federal Rules of Civil Procedure. Specifically, Named Plaintiff, after good faith consultation with counsel for Shellpoint, shall request that, on or after the Final Approval Hearing, the Court: (i) enter the final Judgment, granting Final Approval of the Settlement and dismissing with prejudice this Litigation; (ii) determine the legal fees and expenses that should be awarded to Class Counsel as contemplated in the Settlement Agreement; and (iii) determine the Case Contribution Award, if any, that should be awarded as contemplated by the Settlement Agreement. Any application for Attorneys' Fees and Expenses shall be made at least forty-five (45) days prior to the Final Approval Hearing. The Settling Parties agree to support entry of final Judgment. The Settling Parties will reasonably cooperate with one another in seeking entry of the final Judgment. The Final Approval Order shall be in substantially similar form as Exhibit F.

3.5. Condition No. 2: Finality of Judgment. The Court shall enter a final Judgment in substantially similar form as Exhibit F-1. The final Judgment must be Final in accordance with Section 2.21 above, and shall, among other things:

a. Find that (1) the Court has personal jurisdiction over all Settlement Class Members; (2) the Court has subject matter jurisdiction over the claims asserted in this Litigation; and (3) venue is proper;

b. Finally approve the Settlement Agreement, pursuant to Fed. R. Civ. P. 23, as fair, reasonable, and adequate;

c. Finally certify the Settlement Class for settlement purposes only;

d. Find that the form and means of disseminating the Class Notice complied with all laws, including, but not limited to, the Due Process Clause of the United States Constitution;

e. Enter final Judgment with respect to the claims of all Settlement Class Members and dismiss the claims of all Settlement Class Members and the Chong Litigation with prejudice;

f. Make the Releases in Section 10 of the Settlement Agreement effective as of the date of the final Judgment;

g. Permanently bar and enjoin Named Plaintiff and all Settlement Class Members who have not opted out of the settlement, and any person actually or purportedly acting on their behalf, from filing, commencing, prosecuting, intervening in, defending or participating in (as class members or otherwise) any action in any jurisdiction based on or relating to any of the Released Claims;

h. Permanently bar and enjoin Named Plaintiff and all Settlement Class members who have not opted out of the settlement from organizing Settlement Class Members, or soliciting the participation of Settlement Class Members, in a separate class for purposes of pursuing any action (including by seeking to amend a pending complaint to include class allegations, or seeking class certification in a pending action in any jurisdiction) based on or relating to any of the Released Claims;

i. Find that, by operation of the entry of the Judgment, Named Plaintiff and all Settlement Class Members shall be deemed to have forever released, relinquished, and discharged the Released Persons from any and all Released Claims, including all claims arising out of, relating to, or in connection with the initiation, settlement, prosecution, or dismissal of the Chong Litigation.

j. Authorize the Settling Parties to implement the terms of the Settlement Agreement;

k. Retain jurisdiction relating to the administration, consummation, enforcement, and interpretation of the Settlement Agreement, the final Judgment, and for any other necessary purpose; and

l. Issue related orders to effectuate the Final Approval of the Settlement Agreement and its implementation.

4. SETTLEMENT CONSIDERATION, BENEFITS, AND OTHER RELIEF

4.1. In consideration for the Releases set forth in Section 10, Shellpoint will provide the following benefits.

4.2. Injunctive Relief Relating to Shellpoint.

4.2.1. Subject to Section 4.3. below, and commencing no later than one hundred and twenty (120) days after the Final Settlement Date, and continuing for a period of five (5) years thereafter, Shellpoint agrees to the following restrictions with respect to the placement of LPI:

- (i) Shellpoint will continue not to receive commissions as a result of the placement of an LPI policy on Residential Property.
- (ii) Shellpoint will continue not to enter into any quota share reinsurance arrangements on a new or renewal LPI policy on Residential Property.
- (iii) Shellpoint will not accept payments for any administrative or other service associated with an LPI policy on Residential Property from an LPI insurer or vendor; provided however, Shellpoint may accept reimbursements for expenses incurred in performing LPI exposure management functions, provided that such reimbursements are in amounts approximating Shellpoint's actual costs in providing such services.
- (iv) Shellpoint will not place LPI through an insurer or vendor Affiliated with Shellpoint.
- (v) To the extent reasonably available in the marketplace, an LPI policy on Residential Property shall be endorsed up to dual interest for any coverage for which Shellpoint attempts to recoup from borrowers the LPI policy premiums paid by Shellpoint to the LPI insurer; "dual interest" means only that the borrower shall have the right to file a claim under the policy. This provision does not apply to an LPI policy issued to Shellpoint, after

the lender or Shellpoint becomes the owner of the insured property following a foreclosure, short sale, deed-in-lieu or other similar event.

- (vi) If Shellpoint elects to place a hazard or wind LPI policy on a borrower's Residential Property, unless otherwise required by law or contractual agreement or as directed by an governmental authority (including, without limitation, government sponsored entities), the hazard or wind LPI policy coverage shall be established at the Last Known Coverage Amount under the borrower's prior voluntary hazard policy¹ ("LKCA") or, if the LKCA is unavailable to Shellpoint, at the then-unpaid principal balance of the loan, but not to exceed replacement cost value, if known to Shellpoint.
- (vii) If the borrower's voluntary policy will lapse because of non-payment of premium, and if Shellpoint elects to place insurance on said borrower's Residential Property that is the subject of a closed-end residential mortgage loan, Shellpoint will advance funds to maintain the borrower's voluntary policy in force, provided that: (a) the voluntary insurance carrier cooperates with Shellpoint; (b) the loan is escrowed for insurance with Shellpoint; (c) the borrower has provided Shellpoint with written authorization allowing Shellpoint to purchase or renew the insurance policy on the borrower's behalf; and (d) Shellpoint receives a written or other notice stating that the voluntary insurance premiums have not been paid by the borrower and identifying the amount of the premiums for the borrower's existing policy. The borrower shall be responsible for all funds

¹ "Voluntary policy" refers to a hazard, flood, flood-gap, or wind policy chosen by a borrower as opposed to insurance coverage provided by an LPI policy.

advanced pursuant to a written agreement between the borrower and Shellpoint.

- (viii) Shellpoint agrees to credit the borrower's account with any hazard LPI policy refund within fifteen (15) days of receipt of evidence of voluntary insurance coverage which complies with Shellpoint's insurance requirements.

4.2.2. The above provisions set forth in Section 4.2.1 shall also apply to current Affiliates of Shellpoint. However, if, in the future, the Affiliated entity is no longer Affiliated with Shellpoint, then the above provisions shall no longer apply to such former Affiliates.

4.3. Conflict. Should any provision of Sections 4.2 conflict or be inconsistent with: (i) any existing or subsequently adopted state or federal statute, regulation, rule, or order (collectively a "legal requirement"); (ii) any existing or future formal or informal regulatory directive, requirement, instruction, guidance, order, decree, settlement, or compromise agreement, whether of general application or directed at or applicable to Shellpoint (collectively a "regulator requirement"); or (iii) any existing or subsequently adopted agency or investor rule or requirement (collectively an "investor requirement"), such legal requirement, regulator requirement, or investor requirement shall control. In that event, the Stipulation of Settlement and any Final Judgment confirming the Stipulation of Settlement shall be deemed amended to conform to such legal requirement, regulator requirement, or investor requirement. Shellpoint shall not be liable for engaging in any practice or failing to engage in any practice during the five (5) year period for prospective relief where such conduct was authorized by a legal requirement, regulator requirement, or investor requirement.

4.4. Settlement Monetary Consideration. Those Settlement Class Members who submit a timely, valid, and verified Claim Form, substantially in the form of Exhibit B, by the Claim Deadline in the manner required by this Settlement Agreement, shall receive Claim Settlement Relief under the following terms and conditions.

4.4.1 For those Settlement Class Members who submit a timely, valid and verified Claim Form, substantially in the form of Exhibit B, attached, by the Claim Deadline in the manner required by this Settlement Agreement, making the required affirmations and representations as set forth in Section 7 below, Shellpoint shall (subject to its own audit as set forth in 7.3.1):

(i) for Borrowers Who Were Charged But Did Not Pay And Still Owe Their LPI Premium either, at Shellpoint's discretion, credit the Claimant's mortgage escrow account for the loan at issue or pay to that Claimant through the Settlement Administrator, an amount equal to 8.875% of the Net Premium (net of refunds) on the LPI Policy (or policies) issued during the Settlement Class Period, without interest; or

(ii) for Borrowers Who Paid Their LPI Premium pay to that Claimant through the Settlement Administrator, an amount equal to 8.875% of the Net Premium (net of refunds) on the LPI Policy (or policies) issued during the Settlement Class Period, without interest.

4.4.2. Any Settlement Class Member who had multiple LPI Policies issued on his or her property during the Settlement Class Period will be able to submit a single Claim Form for all LPI Policies as to which he or she seeks relief. Shellpoint shall only be obligated to honor one valid Claim Form per mortgage loan regardless of the number of borrowers on that loan or the total number of LPI Policies that were charged by Shellpoint and not cancelled in their entirety during the Settlement Class Period. Where there is more than one

mortgagor/policyholder (*e.g.*, husband and wife), all mortgagor/policyholders must sign the Claim Form for the Claim to be valid.

5. RETENTION OF SETTLEMENT ADMINISTRATOR AND COSTS

5.1. All Notice and Administrative Costs will be paid by Shellpoint.

5.2. The Settlement Administrator shall administer the Settlement in a cost-effective and timely manner. Without limiting any of its other obligations as stated herein, the Settlement Administrator shall be responsible for Mail Notice, administration of Claim Settlement Relief, and providing all other related support, reporting, and administration as further stated in this Agreement. Shellpoint may direct the Settlement Administrator to assist with various additional administrative tasks in implementing the Settlement as Shellpoint shall deem appropriate in its sole discretion.

5.3. Shellpoint will coordinate with the Settlement Administrator to provide Mail Notice to the Settlement Class, as provided in this Settlement Agreement. Because the information about Settlement Class Members that will be provided to the Settlement Administrator will consist of confidential information, non-public personal information, and other information protected by privacy laws, the Settlement Administrator will execute a non-disclosure agreement and will take all reasonable steps to ensure that any information provided to it by Shellpoint will be used solely for the purpose of effecting this Settlement. Any such information provided to the Settlement Administrator will not be provided to Named Plaintiff or Class Counsel, except as permitted by Section 7.4. The Settlement Administrator shall administer the Settlement in accordance with the terms of this Settlement Agreement and, without limiting the foregoing, shall treat any and all documents, communications, and other information and materials received in connection with the administration of the Settlement as

confidential and shall not disclose any or all such documents, communications, or other information to any person or entity except as provided for in this Settlement Agreement or by court order.

5.4. W9 Forms. The Settlement Administrator shall complete and provide to Shellpoint any W9 forms necessary for Shellpoint to pay for the Notice and Administrative Costs and to otherwise implement this Settlement.

6. NOTICE TO THE CLASS

6.1. **Mail Notice:** Subject to the requirements of the Preliminary Approval Order, Notice to those members of the Settlement Class for whom the electronic records of Shellpoint reflect a last known mailing address, shall be made by the Settlement Administrator by means of separate first class mailings to those names and addresses. The Notices shall be mailed not less than ninety (90) days before the date set by the Court for a Fairness Hearing regarding the settlement. The Mail Notice of Class Action, Proposed Settlement, Fairness Hearing, Right to Appear, Instructions and Class Action Claim Form shall detail how those Settlement Class members so desiring may opt out or object to the settlement, and how members of the Class may make a claim for settlement relief as described in Section 7, below. The Mail Notice shall include Instructions and a Claim Form described in Section 7 of this Settlement Agreement, in the forms of Exhibits A, B, and D attached (provided that the font size, folding, and other printing elements or presentation may be adjusted to accommodate a booklet format and for efficient envelope and postage considerations). The Mail Notice also will contain a provision directing Spanish-speaking class members to the settlement website, which will include the relevant settlement information in Spanish. The Spanish versions of the Notice shall also be available upon request by calling the toll-free number on the Notice.

6.1.1. After posting of the Mail Notice by the Settlement Administrator with the United States Postal Service, for any Mail Notices returned as undeliverable, the Settlement Administrator shall utilize the National Change of Address database (the “NCOA”) or other reasonable address search option (to be approved by Shellpoint) in an attempt to obtain better addresses for such returned Notices, and should the search show a more current address, the Settlement Administrator shall post the returned Mail Notice to the more current address; *provided however*, if a determination is made in good faith by the Settlement Administrator that it is not possible to further update any particular Settlement Class Member’s address(es) in sufficient time to repost the Class Notice(s) at least twenty (20) days before the scheduled Fairness Hearing, then the Settlement Administrator need make no further efforts to provide further Mail Notice to such person(s). Except as described in this Section, no further efforts to locate or to find a more current address for Settlement Class Members is required.

6.2 **Internet Site:** No later than the posting of the Mail Notice, the Settlement Administrator shall establish an Internet site which shall contain copies of the Stipulation of Settlement and Exhibits and the Mail Notice. The Internet site shall also contain Instructions and a Class Action Claim Form which may be downloaded or printed from the Internet site. The Internet site shall have a Uniform Resource Locator which identifies the Internet site as the www.ChongSettlementInfo.com site. The Internet site shall remain open and accessible through the last day for Settlement Class Members to submit a Claim for Settlement Relief. Settlement Class Members may upload and file their claim forms through the website. In addition, Settlement Class Members shall also have the option of completing their Claim Form online within the Settlement Website, utilizing an e-signature format; *provided however*, for those Claims requiring verification documents, the Claimant must upload scanned copies of those

verification documents to the Settlement Website, with the appropriate claim number to associate the upload with the Claim.

6.3 **Publication:** A similar but abbreviated Summary Publication Notice of Class Action, Proposed Settlement, Fairness Hearing, and Right to Appear shall be published not less than forty-five (45) days before the date set by the Court for Fairness Hearing regarding this Settlement, which abbreviated Summary Publication Notice shall not be less than 1/8 page in size, and shall be published once in *USA Today* (on a date falling on Monday through Thursday). The abbreviated Summary Publication Notice shall detail how those Settlement Class Members so desiring may opt out or object to the settlement, and how Settlement Class Members may access the Settlement Website to download a Claim Form necessary to make a Claim for Settlement Relief, and toll-free phone number where they may call to request further information on the Settlement. The form of the Summary Publication Notice shall be agreed upon by the Parties, and the font size, layout, and other presentation elements shall be adjusted to accommodate publication considerations.

6.4. Claim Form. As reflected in Exhibits A and B, for Settlement Class Members (both Borrowers Who Were Charged But Did Not Pay And Still Owe Their LPI Premium and Borrowers Who Paid Their LPI Premium) to submit a valid Claim, they must provide all of the following information and make the following written affirmations on the Claim Form: (a) Claimant's current address, phone number, date of birth, and the last four numbers of Claimant's Social Security Number; (b) that Claimant is or was during the Settlement Class Period listed as an insured or additional named insured under an LPI Policy insuring improvements to the Claimant's real property; (c) that Claimant was charged by Shellpoint a Net Premium for his or her LPI Policy; (d) that since the issuance of the LPI Policy, Claimant has not filed a Petition

under Chapter 7 of the United States Bankruptcy Code prior to paying any amounts for the LPI Policy, and the Claimant's indebtedness on their residence secured by their deed of trust or mortgage has not been compromised or discharged in bankruptcy; and (e) that Claimant attests and affirms all of the foregoing information under the following declaration: "I declare (or certify, verify, or state) under penalty of perjury that the information provided by me on this Claim Form is true and correct." All mortgagors on the mortgage for the property insured by the LPI Policy must complete and sign the Claim Form.

6.4.1. In order for Borrowers Who Paid Their LPI Premium to submit a valid Claim, they must make the affirmations set forth in Section 6.4 and also confirm their identity by one of the following methods:

a. The signature of a witness who is 18 years of age or older representing and affirming that they have witnessed the Claimant sign the Claim Form, and this witness affirmation shall include the following: "I declare (or certify, verify, or state) under penalty of perjury that I witnessed the signing of this Claim Form by the Claimant and the foregoing is true and correct;" or

b. Provide a copy of a form of identification that contains a signature and photograph of the Claimant; or

c. Provide a copy of a Shellpoint Mortgage Statement issued to the Claimant; or

d. Provide a notarial signature affirming that the Claimant executed the Claim Form making the required affirmations under oath in the presence of the notary, and bearing evidence of the notarial authority in compliance with the law of the state in which it is being executed (*e.g.*, a seal, *etc.*).

6.5. Time for Notice. For those Settlement Class Members for which Shellpoint's electronic records reflect a last-known mailing address, the Mail Notice shall be mailed by first-class mail not less than ninety (90) days before the date set by the Court for a Final Approval Hearing regarding the Settlement.

7. CLAIM FILING, REVIEW, AND APPROVAL PROCESS

7.1. Claim Filing Process. Settlement Class Members shall be permitted to make a Claim for Claim Settlement Relief one any one of three ways: 1) By mailing (either through posting with the United States Postal Service or through a private mail carrier, such as UPS or Federal Express, provided that proof of the mail date is reflected on the label of the mailing) a written Claim Form providing the information, affirmations, and where appropriate, the identity confirmation required in Section 6.4.1 above, to the Settlement Administrator, on a date no later than the Claim Deadline. A written Claim Form will also be available on the Settlement Website for Settlement Class Members to download or print out and mail to the Settlement Administrator pursuant to this Section; 2) Settlement Class Members will be permitted to upload and file completed Claims Forms through the website; and 3) Settlement Class Members shall also have the option of completing their Claim Form online within the settlement website, utilizing an e-signature format; *provided however*, for those Claims requiring verification documents, the Claimant must upload scanned copies of those verification documents to the settlement website, with the appropriate claim number to associate the upload with the Claim. Any Settlement Class Member who does not mail, properly upload or submit online, a completed Claim Form by the Claim Deadline shall be deemed to have waived any claim to Claim Settlement Relief and any such Claim Settlement Form will be rejected.

7.2. Claim Review Process. Following approval of the Settlement at the Final Approval Hearing, the Settlement Administrator shall confirm that each Claim Form submitted is in the form required, that each Claim Form includes the required affirmations, information, and, where appropriate, identity confirmation detailed in Section 6.4.1 above, that each Claim Form was submitted in a timely fashion, and that the Claimant is a member of the Settlement Class. Full compliance with the requirements of Section 6 and the Claim Form shall be necessary for the submission of a valid Claim, and the absence of any of these requirements shall invalidate the proffered Claim. All such Claim criteria shall be strictly enforced. Any Claimant's failure to provide any of the required affirmations, information, or where appropriate, identity confirmation on the Claim Form, shall result in the putative Claim being deemed invalid, and Shellpoint shall have no further obligation to process or make any settlement payment or account credit on such invalid Claim. The Settlement Administrator shall not receive any incentive for denying claims.

7.2.1. However, prior to the denial of any claims pursuant to Sections 7.2, 7.3.1, or any other Section in this Agreement, if any submitted Claim Forms are deemed invalid for any reason (*e.g.*, because they are defective, inaccurate, or incomplete in any way), the Administrator shall promptly advise Class Counsel on a weekly basis so that Class Counsel may follow-up with the Settlement Class Member who submitted such Claim Form in order to cure any deficiency. The Settlement Administrator shall send a notice to claimants submitting deficient claims identifying the deficiency. Any defective, incomplete, or inaccurate Claim Form may be cured and shall be accepted by the Administrator so long as the defect is resolved within 45 days after the Claim Deadline.

7.2.2. The parties shall instruct the Settlement Administrator on the following deceased co-claimant protocol for use when reviewing claims where there is a deceased co-claimant:

- (a) for deceased co-claimants with claims above \$300, the signer on behalf of the decedent must prove their authority to sign for the decedent by providing a copy of the Letters of Administration (also called Letters Testamentary) or the Summary Administration form from the Probate court; and
- (b) for deceased co-claimants with claims below \$300;
 - (i) for decedents who resided in a state that provides for a Small Estates Affidavit (for example, California, Texas, or Louisiana); the person signing for the deceased co-claimant must comply with that State's law by providing a complying Small Estate Affidavit and accompanying documents to the Settlement Administrator; and
 - (ii) for decedents who resided in all other states; the person signing for the deceased co-claimant must provide an affidavit, sworn to in the presence of a notary public and in substantially the form of Exhibit C attached, that states and affirms the following:
 - (1) They are the proper co-claimant (i.e., the co-mortgagor of the decedent);
 - (2) A formal probate was never opened for the deceased co-claimant, and

- (3) They agree to indemnify Shellpoint should any person come forward claiming to be the personal representative of the deceased and bring a legal action against Shellpoint for a portion of the settlement benefits.

7.2.3. To aid in the completion and processing of Claims, the Settlement Administrator shall establish a toll-free interactive voice response phone number with script recordings of information about this Settlement, including information about the Claim Form, utilizing the relevant portions of the language contained in the Notice and Claim Form. The phone number shall remain open and accessible through the last day for Settlement Class Members to submit a Claim. The Settlement Administrator shall make reasonable provision for Class Counsel to be promptly advised of recorded messages left on the phone number by Settlement Class Members concerning the Litigation and/or this Settlement, so that Class Counsel may timely and accurately respond to such inquiries; *provided however*, the Administrator shall review the recorded messages before providing them to Class Counsel, and if one or more of the message requests: 1) a blank Claim Form, 2) confirmation that the caller is indeed a Settlement Class Member, 3) the amount of Net Written Premium charged to the Settlement Class Member and the calculation of expected payment if a valid claim form is submitted, 4) whether a Claim Form was received and if it is valid, or 5) other similar administrative assistance only, then the Administrator shall handle such administrative request(s), but the Administrator shall provide all other messages to Class Counsel for any further response to the Settlement Class Member. If Settlement Class Members call Class Counsel directly with similar administrative questions, the Settlement Administrator shall provide Class Counsel with answers to those inquiries without any charges to Class Counsel.

7.3. Claim Payment. Upon confirmation by the Settlement Administrator that the Claim Form is valid, the Settlement Administrator shall make a determination as to the amount of the Claim in accordance with the Net Premium information appearing in Shellpoint's electronic records and the formula for providing the Claim Settlement Relief set forth in Section 4.4 (including Sections 4.4.1, 4.4.2, and 4.4.3) above.

7.3.1. Right to Audit. Subject to the provisions in section 7.2.1 above, Shellpoint shall have the right to audit each Claim Form, including reviewing the individual loan and/or insurance files for each Claimant who submits a Claim Form. If Shellpoint's audit reveals that a Claim Form contains inaccurate information, Shellpoint shall notify the Settlement Administrator as to the inaccuracy of the Claim prior to the deadline for processing the Claim, while also providing written notification of the inaccurate Claim to Class Counsel. At Shellpoint's discretion, the Claim shall be processed in accordance with the information from Shellpoint's records (rather than the inaccurate information on the Claim Form), and may, if necessary, be denied. Shellpoint shall complete its audit of Claims no later than one-hundred and fifty days (150) days after the Final Settlement Date, and shall have the right to request from the Settlement Administrator any and all information necessary to conduct and complete their audit. Plaintiff's counsel and Shellpoint shall receive one or more reports relating to the Claims, and the distribution of all Claim payments, from the Settlement Administrator.

7.3.2. Notification. Within ninety (90) days after the Final Settlement Date, the Settlement Administrator shall provide the Named Plaintiff and Shellpoint with a list of all Settlement Class Members who filed a Claim, whether the Claim was rejected or accepted, and if rejected, the reason it was rejected, and if accepted, the amount to be paid by Shellpoint or to be

credited by Shellpoint to the Claimant's escrow account. The Parties will use their best efforts to amicably resolve any dispute about the processing of any Claim.

7.3.3. Claimants who are Borrowers Who Paid Their LPI Premium. The Settlement Administrator shall have one hundred eighty (180) days after the Final Settlement Date within which to process the Claims and remit the appropriate amounts by check to the Claimants who are Borrowers Who Paid Their LPI Premium. Any check that is remitted to a Claimant who falls within the group of Borrowers Who Paid Their LPI Premium and that is not negotiated within ninety (90) days after issuance shall be cancelled (the checks shall state "void after 90 days"), and Shellpoint shall not have any further obligation to continue efforts to distribute Claim Settlement Relief to such Claimant. The Settlement Administrator shall refund to Shellpoint all funds on deposit to fund checks that become "void after 90 days." No interest shall be included as an element of, or be payable or paid on, any claimed amount.

7.3.4. Claimants who are Borrowers Who Were Charged But Did Not Pay And Still Owe Their LPI Premium. Shellpoint shall have one hundred twenty (120) days after the Settlement Administrator provides a list of valid claims within which to either credit the appropriate amount to the escrow accounts of Claimants who are Borrowers Who Were Charged But Did Not Pay And Still Owe Their LPI Premium or to cause the Settlement Administrator to issue checks in the appropriate amount, in the sole discretion of Shellpoint. No interest shall be included as an element of, or be payable or paid, on any credited amount.

7.3.5. Funding. Shellpoint shall fund all amounts required by the Settlement Administrator for distribution of Settlement Claim Relief to Borrowers Who Paid Their LPI Premium and, if they elect to pay via check, Borrowers Who Were Charged But Did Not Pay And Still Owe Their LPI Premium.

7.4. Information Available to Class Counsel. Except for communications pursuant to paragraph 7.2.3 above, Class Counsel shall have the right to interact directly with the Settlement Administrator regarding the administration of this Settlement provided that: (a) Class Counsel pay for any costs associated with such interactions; and (b) Shellpoint is notified of all such interactions. Upon the reasonable request of Class Counsel, the Settlement Administrator shall inform Class Counsel, among other things and with the exception of confidential information, non-public personal information, and other information protected by privacy laws, of the amount of any Settlement Class Member's LPI premium associated with a Claimant's LPI Policy reflected in the electronic information provided to the Settlement Administrator by Shellpoint. Nothing in this Section or this Settlement Agreement shall authorize the Settlement Administrator to disclose to Class Counsel any confidential information, non-public personal information, and other information protected by privacy laws.

8. COVENANTS

The Settling Parties covenant and agree as follows:

8.1. Covenants Not to Sue. Named Plaintiff and the Settlement Class covenant and agree: (i) not to file, commence, prosecute, intervene in, or participate in (as class members or otherwise) any action in any jurisdiction based on or relating to any of the Released Claims, or the facts and circumstances relating thereto, against any of the Released Persons; (b) not to organize or solicit the participation of Settlement Class Members in a separate class for purposes of pursuing any action (including by seeking to amend a pending complaint to include class allegations, or seeking class certification in a pending action in any jurisdiction) based on or relating to any of the Released Claims or the facts and circumstances relating thereto; and (c) that

the foregoing covenants and this Agreement shall be a complete defense to any of the Released Claims against any of the Released Persons.

8.2. Cooperation. The Settling Parties agree to cooperate reasonably and in good faith with the goal of obtaining entry of a final Judgment as quickly as is reasonably practicable and expeditiously reaching agreement on the matters requiring mutual agreement as set forth in this Settlement Agreement, including, but not limited to, the expeditious agreement to the terms of all class notice documents and settlement administration protocols, and the preparation and execution of all other reasonable documents necessary to achieve Final Approval of the Settlement by the Court. Further, the Named Plaintiff and Shellpoint shall consult with mediator Rodney Max as necessary in effectuating this Section.

9. REPRESENTATIONS AND WARRANTIES

9.1. Representations and Warranties.

9.1.1. Named Plaintiff represents and warrants that she is the sole and exclusive owner of all Released Claims and that she has not assigned or otherwise transferred any interest in any of the Released Claims against any of the Released Persons, and further covenants that she will not assign or otherwise transfer any interest in any of Named Plaintiff's Released Claims.

9.1.2. Named Plaintiff represents and warrants that she has no surviving claim or cause of action against any of the Released Persons with respect to any of the Released Claims.

9.2. The Settling Parties' Representations and Warranties. The Settling Parties, and each of them on his, her, or its own behalf only, represent and warrant:

9.2.1. That they are voluntarily entering into the Settlement Agreement as a result of arm's-length negotiations among their counsel, that in executing the Settlement

Agreement, they are relying solely upon their own judgment, belief, and knowledge, and the advice and recommendations of their own independently selected counsel, concerning the nature, extent and duration of their rights and claims hereunder and regarding all matters which relate in any way to the subject matter hereof; and that, except as provided herein, they have not been influenced to any extent whatsoever in executing the Settlement Agreement by representations, statements, or omissions pertaining to any of the foregoing matters by any Party or by any person representing any party to the Settlement Agreement. Each of the Settling Parties assumes the risk of mistake as to facts or law.

10. RELEASES

10.1. Released Claims of Settlement Class. Upon the Final Settlement Date, each member of the Settlement Class, as well as their respective family members, executors, representatives, administrators, guardians, wards, heirs, estates, bankruptcy estates, bankruptcy trustees, successors, predecessors, joint tenants, tenants in common, tenants by the entirety, co-mortgagors, co-obligors, co-debtors, attorneys, agents and assigns, and all those who claim through them or who assert claims (or could assert claims) on their behalf, shall, by operation of the final Judgment, be deemed to have fully, conclusively, irrevocably, forever, and finally released, relinquished, and discharged the Released Persons from any and all claims, actions, causes of action, suits, debts, sums of money, payments, obligations, reckonings, promises, damages, penalties, attorney's fees and costs, liens, judgments, and demands of any kind whatsoever that each member of the Settlement Class may have until the close of the Settlement Class Period or may have had in the past, whether in arbitration, administrative, or judicial proceedings, whether as individual claims or as claims asserted on a class basis, whether past or present, mature or not yet mature, known or unknown, suspected or unsuspected, whether based

on federal, state, or local law, statute, ordinance, regulations, contract, common law, or any other source, that were or could have been sought or alleged in the Litigation, that relate, concern, arise from, or pertain in any way to the Released Persons' conduct, policies, or practices concerning Shellpoint's procurement or placement, or the Overby-Seawell Company's procurement for Shellpoint, of LPI Policies, or to the receipt or disclosure or nondisclosure of charges related to the advancing of LPI premiums during the Settlement Class Period, including but not limited to conduct, policies or practices concerning LPI Policies or to charges for Shellpoint's placement of LPI Policies during the Settlement Class Period. In agreeing to this Release, Named Plaintiff explicitly acknowledges, and each Settlement Class Member is deemed to recognize, that unknown losses or claims could possibly exist and that any present losses may have been underestimated in amount or severity.

10.1.1. The Release in Section 10.1 shall include, but not be limited to, all claims related to Shellpoint's insurance requirements; the relationship, whether contractual or otherwise, between Shellpoint and the Overby-Seawell Company regarding LPI, including, but not limited to, the procuring, underwriting, placement, insurance tracking, or costs of LPI Policies; the coverage amount, duration, issue date, alleged "backdating," or alleged excessiveness (including but not limited to coverage amount or cost) of any LPI Policies placed or charged by Shellpoint; the payment or receipt of commissions, expense reimbursements, alleged "kickbacks," or any other compensation under any LPI Policies placed or charged by Shellpoint; the receipt or disclosure or non-disclosure of any and all payments, expenses, fees, finance charges, other charges, or features pertaining in any way to, in connection with, or under any LPI Policies or coverage under such LPI Policies and charges for such coverage placed or charged by Shellpoint; the receipt or non-disclosure of any benefit under any LPI Policies or coverage under such LPI

Policies and charges for such coverage placed or charged by Shellpoint; the content, manner, or accuracy of any communications regarding the placement of any LPI Policies by Shellpoint; and to the regulatory approval or non-approval of any LPI Policy, or the premium thereon, placed or charged by Shellpoint. Each Settlement Class Member shall be considered, by operation of the Final Judgment, to have received full and final redress, including but not limited to any refund, reimbursement, restitution, or damages for the conduct covered by the release.

10.1.2. The Release in Section 10.1 shall not cover claims arising after the close of the Settlement Class Period, nor insurance claims for losses relating to properties insured under any LPI Policy placed or charged for by Shellpoint. Nothing in Section 10.1 shall be deemed a release of any Settlement Class Member's respective rights and obligations under this Agreement.

10.1.3. Except to the extent that any such obligation is being released pursuant to Section 10.1, this Settlement Agreement shall not release Shellpoint from any existing obligation to any Settlement Class Member under any loan, note, mortgage, or deed of trust. This provision is not meant to and does not limit the Release in Section 10.1.

10.2. The Named Plaintiff and Class Counsel further represent that there are no outstanding liens or claims against the Chong Litigation, it being recognized that the Named Plaintiff will solely be charged with the responsibility to satisfy any other liens or claims asserted against the Chong Litigation.

10.3. Without in any way limiting their scope, these Releases cover by example and without limitation, any and all claims for attorneys' fees, costs, expert fees, or consultant fees, interest, or litigation fees, or any other fees, costs, and/or disbursements incurred by Class Counsel, the Named Plaintiff, or any Settlement Class Members in connection with or related in

any manner to the Chong Litigation, the settlement of the Chong Litigation, the administration of such Settlement, and/or the Released Claims, except to the extent otherwise specified in the Settlement Agreement.

10.4. In connection with the foregoing Releases, the Named Plaintiff and each Settlement Class Member shall be deemed, as of the entry of the final Judgment, to have waived any and all provisions, rights, benefits conferred by Section 1542 of the California Civil Code, and any statute, rule and legal doctrine similar, comparable, or equivalent to California Civil Code Section 1542, which provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

To the extent that anyone might argue that these principles of law are applicable— notwithstanding that the Settling Parties have chosen Florida law to govern this Settlement Agreement—the Named Plaintiff hereby agrees, and each Settlement Class Member will be deemed to agree, that the provisions of all such principles of law or similar federal or state laws, rights, rules, or legal principles, to the extent they are found to be applicable herein, are hereby knowingly and voluntarily waived, relinquished, and released. The Named Plaintiff recognizes, and each Settlement Class Member will be deemed to recognize, that, even if they may later discover facts in addition to or different from those which they now know or believe to be true, they nevertheless agree that, upon entry of the final Judgment, they fully, finally, and forever settle and release any and all claims covered by these Releases. The Settling Parties acknowledge that the foregoing Releases were bargained for and are a material element of the Agreement.

10.5. This Agreement and the Releases herein do not affect the rights of Settlement Class Members who timely and properly submit a Request for Exclusion from the Settlement in accordance with the requirements in Section 11 of this Settlement Agreement.

10.6. The administration and consummation of the Settlement as embodied in this Settlement Agreement shall be under the authority of the Court. The Court shall retain jurisdiction to protect, preserve, and implement the Settlement Agreement, including, but not limited to, enforcement of the Releases contained in the Agreement. The Court shall retain jurisdiction in order to enter such further orders as may be necessary or appropriate in administering and implementing the terms and provisions of the Settlement Agreement.

10.7. Upon issuance of the final Judgment: (i) the Settlement Agreement shall be the exclusive remedy for any and all Settlement Class Members, except those who have properly requested exclusion (opted out) in accordance with the terms and provisions hereof; (ii) the Released Persons shall not be subject to liability or expense for any of the Released Claims to any Settlement Class Member(s); (iii) Settlement Class Members who have not opted out shall be permanently barred and enjoined from filing, commencing, prosecuting, intervening in, defending or participating in (as class members or otherwise) any action in any jurisdiction based on or relating to any of the Released Claims or the facts and circumstances relating thereto; and (iv) Settlement Class Members who have not opted out shall be permanently barred and precluded from organizing Settlement Class Members, or soliciting the participation of Settlement Class Members, for purposes of pursuing any action (including by seeking to amend a pending complaint to include class allegations, or seeking class certification in a pending action in any jurisdiction) based on or relating to any of the Released Claims or the facts and circumstances relating thereto.

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

11. OPT-OUT RIGHTS

11.1. A Settlement Class Member who wishes to opt out of the Settlement Class must do so in writing. In order to opt out, a Settlement Class Member must complete and send to the Settlement Administrator, at the address listed in the Class Notice and on the Settlement Website for this Settlement, a Request for Exclusion that is postmarked no later than the Opt Out Deadline, as specified in the Class Notice (or as the Court otherwise requires). The Request for Exclusion must: (a) identify the case name; (b) identify the name and address of the Settlement Class Member; (c) be personally signed by the Settlement Class Member requesting exclusion; and (d) contain a statement that indicates a desire to be excluded from the Settlement Class in the Chong Litigation, such as “I hereby request that I be excluded from the proposed Settlement Class in the Chong Class Action.” Mass or class opt outs shall not be allowed.

11.1.1. Any Settlement Class Member who does not opt out of the Settlement in the manner described herein shall be deemed to be part of the Settlement Class, and shall be bound by all subsequent proceedings, orders, and judgments.

11.1.2. A Settlement Class Member who desires to opt out must take timely affirmative written action pursuant to this Section (Section 11), even if the Settlement Class Member desiring to opt out of the Class (a) files or has filed a separate action against any of the

Released Persons, or (b) is, or becomes, a putative or actual class member in any other class action filed against any of the Released Persons.

11.2. Any Settlement Class Member who properly opts out of the Settlement Class shall not: (a) be bound by any orders or judgments relating to the Settlement; (b) be entitled to relief under, or be affected by, the Agreement; (c) gain any rights by virtue of the Agreement; or (d) be entitled to object to any aspect of the Settlement.

11.3. The Settlement Administrator shall provide Class Counsel and Defense Counsel with a list of all timely Requests For Exclusion within seven (7) business days after the Opt Out Deadline.

11.4. If the number of Settlement Class Members who properly and timely exercise their right to opt out of the Settlement Class exceeds five percent (5%) of the total number of Settlement Class Members, the Settling Parties stipulate and agree that Shellpoint shall have the right to terminate this Agreement without penalty or sanction.

11.5 Except for those Settlement Class Members who timely and properly file a Request for Exclusion in accordance with Section 11, all other Settlement Class Members will be deemed to be Settlement Class Members for all purposes under the Agreement, and upon the Final Settlement Date, will be bound by its terms, regardless of whether they receive any monetary relief or any other relief.

12. OBJECTIONS

12.1. Overview. Any potential Settlement Class Member who does not opt out of the Settlement may object to the Settlement. To object, the Settlement Class Member must comply with the procedures and deadlines in this Agreement.

12.2. Process. Any potential Settlement Class Member who wishes to object to the Settlement must do so in writing on or before the Objection Deadline, as specified in the Class Notice and Preliminary Approval Order. The written objection must be filed with the Clerk of Court, and mailed (with the requisite postmark) to Class Counsel and Defense Counsel (at the addresses identified in Section 19), no later than the Objection Deadline.

12.2.1. The requirements to assert a valid written objection shall be set forth in the Class Notice and on the Settlement Website, and, to be valid, the written objection must include: (a) the case name and number; (b) the name, address, telephone number of the Settlement Class Member objecting and, if represented by counsel, of his/her counsel; (c) the basis for the objection; and (d) a statement of whether he/she intends to appear at the Final Approval Hearing, either with or without counsel.

12.2.2. Any Settlement Class Member who fails to object to the Settlement in the manner described in the Class Notice and consistent with this Section shall be deemed to have waived any such objection, shall not be permitted to object to any terms or approval of the Settlement at the Final Approval Hearing, and shall be foreclosed from seeking any review of the Settlement or the terms of the Agreement by appeal or other means.

12.3. Appearance. Subject to approval of the Court, any Settlement Class Member who files and serves a written objection in accordance with Section 12.2 and the Class Notice may appear, in person or by counsel, at the Final Approval Hearing held by the Court, to show cause why the proposed Settlement should not be approved as fair, adequate, and reasonable, but only if the objecting Settlement Class Member: (a) files with the Clerk of the Court a notice of intention to appear at the Final Approval Hearing by the Objection Deadline (“Notice Of

Intention To Appear”); and (b) serves the Notice of Intention to Appear on all counsel designated in the Class Notice by the Objection Deadline.

12.3.1. The Notice of Intention to Appear must include copies of any papers, exhibits, or other evidence that the objecting Settlement Class Member will present to the Court in connection with the Final Approval Hearing.

12.3.2. Any Settlement Class Member who does not file a Notice of Intention to Appear in accordance with the deadlines and other specifications set forth in the Agreement and Class Notice shall not be entitled to appear at the Final Approval Hearing and raise any objections.

13. SETTLEMENT APPROVAL

13.1. Within fourteen (14) days of this Agreement’s date, Named Plaintiff shall apply to the Court for entry of the proposed Preliminary Approval Order and setting of a Final Approval Hearing.

13.2. Not later than fifteen (15) days before the Final Approval Hearing, the Settlement Administrator will provide Defense counsel with an affidavit or declaration by a competent affiant or declarant, attesting that the Class Notice has been disseminated in accordance with the Preliminary Approval Order and identifying the number of Requests for Exclusion to the Settlement. Not later than ten (10) days before the Final Approval Hearing, Class Counsel shall file the affidavit or declaration with the Court prior to the Final Approval Hearing.

13.3. Named Plaintiff shall move for and brief the issue of Final Approval of the Settlement in accordance with the Preliminary Approval Order or such other or further order of the Court.

13.4. At the Final Approval Hearing, Named Plaintiff shall move for entry of the proposed Judgment and present arguments in support thereof.

13.5. Within ten (10) days after the Final Settlement Date, Settlement Class Members shall dismiss with prejudice all claims, actions, or proceedings that have been brought by or involve any Settlement Class Member in any other jurisdiction and that are released pursuant to this Settlement Agreement.

14. CERTIFICATION OF NATIONWIDE SETTLEMENT CLASS FOR SETTLEMENT PURPOSES

14.1. On March 19, 2019, Plaintiff filed an Amended Complaint conforming the definition of the Class therein to that appearing in Section 3 above. All Parties consented to this amendment for purposes of effectuating this Settlement.

14.2. After the Preliminary Approval Order is entered, Named Plaintiff shall move for Final Approval of the Settlement and entry of Final Judgment, and shall request that the preliminary certification of the nationwide Settlement Class for settlement purposes be made final.

14.3. If the Settlement is not granted final approval, or this Agreement is otherwise terminated or rendered null and void, the certification of the above-described nationwide Settlement Class shall be automatically vacated and shall not constitute evidence or a binding determination that the requirements for certification of a class for trial purposes in this or any other action can be or have been satisfied; in such circumstances, Shellpoint reserves and shall have all rights to challenge certification of a nationwide Settlement Class or any other Class for trial purposes in the Litigation, or in any other action, on all available grounds as if no nationwide Settlement Class had been certified.

15. ATTORNEYS' FEES, EXPENSES, AND NAMED PLAINTIFF'S CASE CONTRIBUTION AWARD

15.1. Any application for Attorneys' Fees and Expenses shall not exceed \$200,663.00.

15.2. Shellpoint agrees not to oppose or otherwise object to an application by Class Counsel for the award of Attorneys' Fees and Expenses in this Litigation in an amount not to exceed \$200,663.00. Class Counsel agree to not to seek an amount of Attorneys' Fees and Expenses in excess of \$200,663.00. Class Counsel agree that the amounts of such costs and fees awarded shall compensate them for all legal work in the Litigation up to and including the date of the Final Judgment, including any appeal of the Judgment, as well as for all legal work and costs that may be incurred in the Litigation after the date of the Final Judgment. Provided any award of Attorneys' Fees and Expenses does not exceed \$200,663.00, Shellpoint shall pay the Attorneys' Fees and Expenses made by the Court in the final Judgment in the Chong Litigation within five (5) days after the Final Settlement Date. If for any reason an award of Attorneys' Fees and Expenses exceeds \$200,663.00, within five (5) days of the order of such an award, Shellpoint shall have the right, and it may, within their sole discretion, terminate this Settlement and have this Settlement Agreement deemed null and void. In the event the Court awards Class Counsel less than \$200,663.00 in Attorneys' Fees and Expenses, this Settlement Agreement shall nonetheless remain in full force and effect.

15.3. Within thirty (30) days after the entry of the Final Judgment, Shellpoint shall deposit the amount of Attorneys' Fees and Expenses awarded by the Court (not to exceed \$200,663.00) in an interest bearing account of Shellpoint's choosing. The Attorneys' Fees and Expenses (not to exceed \$200,663.00), along with any interest earned, shall be disbursed to the firm Trust Account of the Moskowitz Law Firm, PLLC within five (5) business days after the Final Settlement Date. If for any reason the final Judgment does not become Final within the

meaning of Section 2.21 (*i.e.*, the Final Settlement Date does not occur), all money in the interest bearing account, including the interest accumulated, shall be returned to Shellpoint within five (5) days after the occurrence of the condition or event that prevents the final Judgment from becoming Final.

15.4. In addition to the Claim Settlement Relief otherwise due to a Settlement Class Member of the Settlement Class, Shellpoint agrees to pay the Named Plaintiff a Case Contribution Award as awarded by the Court in an amount not to exceed the sum of \$5,000.00, and shall deliver to Named Plaintiff's Counsel a check made payable to the Named Plaintiff awarded a Case Contribution Award, within five (5) days after the Final Settlement Date.

15.4.1. If the Court awards the Named Plaintiff a Case Contribution Award, she shall provide to Shellpoint a completed W9 form within 10 business days after the Final Judgment.

15.5. The procedure for and the grant or denial or allowance or disallowance by the Court of the Attorneys' Fees and Expenses and Case Contribution Award are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement, and any order or proceedings relating to the applications for Attorneys' Fees and Expenses and Case Contribution Award, or any appeal from any order relating thereto or reversal or modification thereof, will not operate to terminate or cancel this Agreement, or affect or delay the finality of Judgment approving the Agreement and the Settlement, except as provided for in Section 15.2.

16. CONFIDENTIALITY; COMMUNICATIONS TO MEDIA AND PUBLIC

16.1 The Parties agree that the terms of this Settlement shall remain confidential and not be disclosed by any party until the Settlement Agreement is filed in connection with Named Plaintiff's Preliminary Approval Application.

16.2 The Named Plaintiff and Shellpoint agree further that both before and after Preliminary Approval of the Settlement, they shall not publish a press release or a release on the Internet concerning the Settlement without the prior written review and approval of the Named Plaintiff or Shellpoint, as the case may be, which approval shall not be unreasonably withheld or delayed.

16.3 The Named Plaintiff and Shellpoint agree that both before and after Preliminary Approval, if any print or electronic media outlet contacts any party or its counsel seeking information or a statement regarding the Settlement, in the absence of a response agreed upon by all Named Plaintiff and Shellpoint, no information will be provided in response to such inquiries except to the extent such information appears as part of the public record.

16.4 For the avoidance of any doubt, nothing in this Settlement Agreement prevents the Parties or the Released Persons from making any disclosures required to effectuate this Settlement Agreement or from making any disclosures required by law.

17. TERMINATION AND EFFECT THEREOF

17.1. This Agreement shall be terminable by any Party if any of the conditions of Section 3 are not fully satisfied, or if the conditions of Section 11.4 occur, unless they are waived in writing signed by authorized representatives of the Named Plaintiff and Shellpoint.

17.2. This Agreement shall also terminate at the discretion of any Named Plaintiff or Shellpoint if: (1) the Court, or any appellate court(s), rejects, modifies, or denies approval of any

portion of this Agreement or the proposed Settlement that is material, including without limitation, the terms or relief, the findings or conclusions of the Court, the provisions relating to Class Notice, the definition of the Settlement Class, and/or the terms of the Releases; (2) the Court, or any appellate court(s), does not enter or completely affirm, or alters, or restricts, or expands, any portion of the final Judgment, or any of the District Court's findings of fact or conclusions of law, that is material; or (3) if all of the conditions required to be met before the Final Settlement Date do not occur.

17.3. If this Agreement is terminated as provided herein, either automatically or by a Party, the Settlement shall be null and void from its inception and the Settling Parties will be restored to their respective positions in the Chong Litigation as of the date of Preliminary Approval. In such event, the terms and provisions of this Agreement will have no further force and effect with respect to the Settling Parties and will not be used in the Chong Litigation, or in any other proceeding for any purpose, and any Judgment or order entered by the Court in accordance with the terms of this Agreement will be treated as vacated, *nunc pro tunc*.

18. MISCELLANEOUS PROVISIONS

18.1. Named Plaintiff and Settlement Class Members who have made or who make a claim for benefits in the future on their LPI Policy will not be affected in any way as a result of their participation in this Settlement, and may participate in this Settlement to the same extent as Named Plaintiff or Settlement Class Members who have not made a claim on their LPI Policy.

18.2 There will be no offset to any amounts received by any Named Plaintiff or Settlement Class Member under this Settlement to account for any payments to Named Plaintiff or Settlement Class Members under the National Mortgage Settlement or any other settlement between Shellpoint and any governmental or private entity. Nor will any payments to any Named

Plaintiff or Settlement Class Member be an offset against any payments to Named Plaintiff or Settlement Class Members under the National Mortgage Settlement or any other settlement between Shellpoint and any governmental or private entity.

18.3. The Settling Parties acknowledge that it is their intent to consummate this Agreement, and they agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Agreement and to exercise their best efforts to accomplish the foregoing terms and conditions of this Agreement.

18.4. The Settling Parties intend the Settlement to be a final and complete resolution of all disputes between them with respect to the Chong Litigation. The Settlement compromises claims that are contested and will not be deemed an admission by any Settling Party as to the merits of any claim or defense. The Settling Parties agree that the consideration provided to the Settlement Class and the other terms of the Settlement were negotiated in good faith and at arm's length by the Settling Parties, and reflect a Settlement that was reached voluntarily after consultation with competent legal counsel. The amounts paid are to compromise the claimants' claims for damages and the amounts paid represent the claimants' compensation for such alleged damages.

18.5. Neither this Agreement nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the Settlement is or may be deemed to be or may be used as an admission or evidence of the validity of any Released Claims, or of any wrongdoing or liability of any Shellpoint; or is or may be deemed to be or may be used as an admission of, or evidence of, any fault, omission, wrongdoing, or liability of any Shellpoint in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. Shellpoint may file this Agreement and/or the Judgment in any action that may be

brought against it in order to support any defense or counterclaim, including, without limitation, those based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion, issue preclusion, or similar defense or counterclaim.

18.6. All agreements made and orders entered during the course of the Chong Litigation relating to the confidentiality of information will survive this Agreement.

18.7. All of the Exhibits to this Agreement are material and integral parts hereof and are fully incorporated herein by this reference.

18.8. This Agreement may be amended or modified only by a written instrument signed by or on behalf of all Named Plaintiff and Shellpoint or their respective successors-in-interest.

18.9. This Agreement and the Exhibits attached hereto constitute the entire agreement among the Settling Parties, and no representations, warranties, or inducements have been made to any Party concerning this Agreement or its Exhibits other than the representations, warranties, and covenants covered and memorialized herein. Except as otherwise provided herein, the Settling Parties will bear their own respective costs.

18.10. Class Counsel, on behalf of the Settlement Class, are expressly authorized by Named Plaintiff to take all appropriate action required or permitted to be taken by the Class pursuant to this Agreement to effectuate its terms, and are expressly authorized to enter into any modifications or amendments to this Agreement on behalf of the Settlement Class that Class Counsel deem appropriate.

18.11. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument. A complete set of counterparts will be submitted to the Court.

18.12. This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties.

18.13. The Court will retain jurisdiction with respect to implementation and enforcement of the terms of this Agreement, and all Settling Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement.

18.14. None of the Settling Parties, or their respective counsel, will be deemed the drafter of this Agreement or its Exhibits for purposes of construing the provisions thereof. The language in all parts of this Agreement and its Exhibits will be interpreted according to its fair meaning, and will not be interpreted for or against any Settling Party as the drafter thereof.

18.15. The Settling Parties stipulate to stay all proceedings in the Chong litigation until the approval of this Agreement has been finally determined, except the stay of proceedings shall not prevent the filing of any motions, affidavits, and other matters necessary to obtain and preserve final judicial approval of this Agreement.

18.16. Except as agreed by the Parties in writing, within thirty (30) days after the Final Settlement Date, Class Counsel shall destroy all electronically stored information, testimony, or other information produced by Shellpoint in the Chong litigation, including the mediation for the Chong Litigation, and shall so certify in writing.

18.17. The Settlement shall be governed by the laws of the State of Florida, except to the extent that the law of the United States governs any matters set forth herein, in which case such federal law shall govern.

18.18. The following principles of interpretation apply to the Agreement: (a) the plural of any defined term includes the singular, and the singular of any defined term includes the plural, as the case may be; (b) references to a person are also to the person's successor-in-

interest; and (c) whenever the words “include,” “includes,” or “including” are used in the Agreement, they shall not be limiting, but rather shall be deemed to be followed by the words “without limitation.”

18.19. The Settlement Agreement shall not be subject to collateral attack by any Settlement Class Member or any recipient of the notices of the Settlement Class after the Judgment is entered.

19. NOTICES

19.1. All Notices (other than the Class Notice) required by the Agreement shall be made in writing and communicated by fax and mail to the following addresses:

All Notices to Class Counsel shall be sent to Class Counsel, c/o:

Adam Moskowitz, Esq.
The Moskowitz Law Firm, PLLC
2 Alhambra Plaza
Suite 601
Coral Gables, FL 33134
Telephone: 305-740-1423
Counsel for Named Plaintiff and Class

All Notices to Defense Counsel shall be sent to Defense Counsel, c/o:

Marc J. Gottlieb, Esq.
Akerman LLP
350 East Las Olas Boulevard, Suite 1600
Fort Lauderdale, FL 33301
Telephone: (954) 463-2700
Facsimile: (954) 463-2224
Counsel for Shellpoint

19.2. The notice recipients and addresses designated above may be changed by written agreement of the Named Plaintiff and Shellpoint.

19.3. Upon the request of any of the Named Plaintiff and Shellpoint, the Named Plaintiff and Shellpoint agree to promptly provide each other with copies of objections, Requests

for Exclusion, or other similar documents received from Settlement Class Members in response to the Class Notice.

IN WITNESS WHEREOF, the Settling Parties have executed and caused this Settlement

on the dates set forth below.

Dated: _____

Title:

By: _____
Name:

NewRez LLC d/b/a Shellpoint Mortgage
Servicing

Dated: _____

By: _____
Name:

Counsel for Plaintiff and the Class

Dated: _____

By: *Dorothy Kerr Checa Chong*
Name:

Dorothy Kerr Checa Chong

IN WITNESS WHEREOF, the Settling Parties have executed and caused this Settlement on the dates set forth below.

Dated: 3/19/19
Title: *Associate General Counsel*

By: 
Name: Justin Bradley
NewRez LLC d/b/a Shellpoint Mortgage Servicing

Dated: 3/19/19

By: 
Name: Howard Bustina
Counsel for Plaintiff and the Class

Dated: _____

By: _____
Name: _____
Dorothy Kerr Checa Chong

EXHIBIT A
Instructions for CLASS ACTION CLAIM FORM

**Important Information About
Making a Claim for Settlement Relief**

I. HOW TO MAKE A CLAIM FOR SETTLEMENT RELIEF

a. Eligibility for Relief

If you were charged and still owe, or if you paid, Shellpoint Mortgage Servicing during the period March 1, 2014 through _____, 2019, for a hazard, flood, or wind Lender-Placed Insurance (“LPI”) policy covering Residential Property¹ procured by Overby-Seawell Company on or after March 1, 2014 you may be entitled to an escrow account credit or payment in the amount of 8.875% of the net LPI premium for that LPI policy depending upon which insurance company placed your insurance. (“Settlement Relief”).

b. How to Make a Claim for Settlement Relief

If you are entitled and wish to make a claim for Settlement relief, you *must* complete the enclosed Class Action Claim Form (“Claim Form”), under penalty of perjury, and mail it to *Chong v. Shellpoint Mortgage Servicing, c/o* _____, P.O. Box _____, _____ -- _____, with a postmark of no later than 60 days after the Final Settlement Date (as defined in the Settlement Agreement),² or, if a private mail carrier is used, a label reflecting that the mail date is no later than 60 days after the Final Settlement Date (the “Claim Deadline”). You may also complete and submit a Claim Form on the Settlement Website [ChongSettlementInfo.com] but must separately upload the required verification documents to the Settlement Website pursuant to the instructions on the Website, no later than the Claim Deadline. If the Court approves the Settlement and enters Judgment on the date of the Fairness Hearing and no appeal is filed, the deadline to submit a properly completed and accurate Claim Form will be no earlier than _____, 2019. If you fail to submit your Claim Form as required by these Instructions, you will not be able to obtain a settlement credit or payment.

¹ “Residential Property” shall mean any property for which the borrower (i) submitted a Uniform Residential Loan Application or similar paper or electronic application form in connection with mortgage loan for the property for which the LPI was placed, or (ii) uses or used all or any part of the property as a primary or secondary residence, and not primarily for business purposes.

² The Final Settlement Date is the date on which the judgment in this case (“Judgment”) becomes Final. If no appeal has been taken from the Judgment, the Final Settlement Date means the date on which the time to appeal has expired. If any appeal has been taken from the Judgment, the Final Settlement Date means the date on which all appeals have been finally disposed of in a manner that affirms the Judgment. Thus, the Claim Deadline will be no earlier than _____, 2019.

c. Affirmations and Verification of Your Claim

Your Claim Form must be completely filled out, signed and affirmed under penalties of perjury to receive a payment in the amount of Settlement Relief. However, in order to receive a payment of Settlement Relief (either cash or a credit), the Claimant's identity must be verified using **only one** of the four alternative methods of verification explained in the Claim Form.

d. Review of Your Claim

Once you return your completed Claim Form, your claim will be reviewed by the Settlement Administrator. Subject to the audit of claims, if your Claim Form is properly completed, affirmed, and verified, and the Settlement Administrator determines that your claim is valid, you will receive your Settlement Relief, subject to final approval by the Court.

e. Audit of Claim Forms

Shellpoint may separately audit or review Claim Forms submitted by Claimants. Any such audit may include a review of banking or real property records pertaining to the Claimant(s) and any property insured by the LPI policy, and a computerized search for any bankruptcy filings in United States District Bankruptcy Court pertaining to the Claimant(s), or any deficiency judgment entered against the Claimant(s) in any state Court.

CLAIMANTS ARE CAUTIONED TO NOT SUBMIT FRAUDULENT CLAIMS AS ALL CLAIMS ARE SUBJECT TO AUDIT.

II. IF YOU NEED FURTHER INFORMATION

If you have any questions or would like further information about the terms of the settlement, your eligibility for Settlement Relief under the Settlement Agreement, or how to make a claim for settlement relief, you may visit www.ChongSettlementInfo.com, call us toll-free at 1-800-xxx-xxxx, or write to: _____, _____, _____, _____, XXXXX.

*Para más información comuníquese al número 1-800 _____ o para obtener **Instrucciones** y Formulario de Reclamación en español por favor vaya a www.ChongSettlementInfo.com, o escriba a Chong v. Shellpoint Settlement, _____, Inc., _____.*

EXHIBIT B
[NAME OF CLAIMANT AND CO-CLAIMANT, IF APPLICABLE, AND ADDRESS]
CLASS ACTION CLAIM FORM

PLEASE FULLY COMPLETE THIS CLAIM FORM AND SIGN IT BELOW. INCOMPLETE CLAIM FORMS WILL BE INVALID AND THE CLAIM MAY BE DENIED. Unless you complete this Claim Form online, please carefully print using dark ink.

IF MORE THAN ONE PERSON IS NAMED AS A BORROWER AND THEIR NAME APPEARS ABOVE, THEN ALL NAMED BORROWERS MUST COMPLETE AND SIGN THIS CLAIM FORM.

TO BE COMPLETED BY YOU:

1. Claimant's Name _____
Co-Claimant's Name
(if applicable) _____
2. Claimant(s)' Current Address
(if different from the address
on the envelope enclosing
this Claim Form) _____

3. State in which property securing
loan is located _____
4. Claimant's Date of Birth ____/____/_____
Co-Claimant's Date of Birth
(if applicable) ____/____/_____
5. Claimant(s)' Home Telephone Number _____
6. Last four digits of Claimant's Social Security Number _____
Last four digits of Co-Claimant's Social Security Number
(if applicable) _____

CLAIMS ARE SUBJECT TO AUDIT AS DESCRIBED IN THE INSTRUCTIONS. CLAIMANTS ARE CAUTIONED NOT TO SUBMIT FRAUDULENT CLAIMS AS ALL CLAIMS ARE SUBJECT TO AN AUDIT AND REVIEW.

Please complete both Sections 1 and 2 below, sign this form, follow the instructions, and return the Claim Form by the deadline.

Section 1

- (1) On or after March 1, 2014, I was placed with a lender-placed hazard, flood, flood-gap, or wind insurance policy procured by Overby-Seawell Company, insuring improvements to site-built residential real property (an “LPI Policy”);
- (2) I was charged an LPI Policy premium by Shellpoint;
- (3) The cost of the LPI Policy was not cancelled out in full after issuance; and
- (4) Since the issuance of the LPI Policy, I have not filed a Petition under Chapter 7 of the United States Bankruptcy Code, whereby my indebtedness on my residence including all charges for the LPI Policy has been discharged in bankruptcy.
- (5) I have not been subject to a final foreclosure judgment foreclosing the mortgage on the property covered by the LPI Policy.

I hereby declare (or certify, verify, or state) under penalty of perjury that the foregoing statements and the information provided by me on this Claim Form are true and correct.

(Signature of Claimant)

(Date signed)

(Signature of Co-Claimant)

(Date signed)

Please **MAIL THIS CLAIM FORM** with identity verification document(s) to **Chong Settlement** _____ with a postmark of no later than _____, or, if a private mail carrier is used, with a label reflecting that it is sent no later than _____. Or, you may upload or submit a completed Claim Form and identity verification documents online on the Settlement Website www.ChongSettlementInfo.com no later than midnight Eastern Standard Time on _____.

*Para más información comuníquese al número 1-800 _____ o para obtener **Instrucciones y Formulario de Reclamación en español** por favor vaya a www.ChongSettlementInfo.com, o escriba a Chong v. Shellpoint Settlement, _____, Inc.,*

Section 2

VERIFICATION OF IDENTITY OF CLAIMANT

In order to submit a valid Claim, Claimants must in addition to making the verifications in Section 1 above, confirm their identity by one of the following methods:

(1) The signature of a witness who is 18 or older verifying that they witnessed the Claimant(s) execute the Claim Form, and this witness verification shall include the following: “I verify that I witnessed the signing of this Claim Form by the Claimant and the foregoing is true and correct,” or

(2) Provide a copy of a valid form of government identification that contains a signature and photograph of the Claimant(s), or

(3) Provide a copy of a Shellpoint mortgage statement issued to Claimant(s), or

(4) Provide a completed notary verification that the Claimant(s) executed the Claim Form making the required affirmations under oath in the presence of the notary, and with evidence of the notarial authority in compliance with the law of the state in which it is being executed (such as a seal).

You must provide only one of the above. Forms for verifying your identity using Options 1 and 4 above, appear on the following pages. If you provide a witness signature (Option 1), OR a photographic identification with a signature (Option 2), OR a mortgage statement (Option 3), you do not need to provide a notary verification (Option 4) and may discard it.

Option 1

Witness Verification

I witnessed the Claimant(s) execute the foregoing Claim Form, and affirm and verify under penalty of perjury that the foregoing is true and correct:

_____ Date: _____
(Signature of Witness)

(Address of Witness)

Phone: _____ - _____ - _____

Option 4

Notary Verification

STATE OF _____)

SS

COUNTY OF _____)

BEFORE ME, the undersigned authority, personally appeared _____, who after having been duly sworn, state(s) that the foregoing affirmation and statement is true and correct. He/she personally appeared before me, is/are personally known to me or produced _____ as identification, and did take an oath.

Notary: _____
(Signature)

Print Name: _____ [NOTARY SEAL]

Notary Public, State of _____

My commission expires: _____

EXHIBIT C
AFFIDAVIT FOR DECEASED CO-CLAIMANT
ON CLAIMS UNDER \$300

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 9:18-cv-80948-ROSENBERG/REINHART

DOROTHY KERR CHECA CHONG
on behalf of herself and all others
similarly situated,

Plaintiff,
v.

NEW PENN FINANCIAL, LLC, d/b/a
SHELLPOINT MORTGAGE SERVICING,

Defendant.

_____ /

AFFIDAVIT

1. I, _____, being first duly sworn hereby declare:
2. The Claimant(s)/Co-Claimant(s), [Name of Deceased] _____, for the proceeds in the case entitled *Dorothy Kerr Checa Chong v. New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing*, Case No. 1:18-cv-80948-RLR (S.D. Fla), is/are deceased.
3. To the best of my personal knowledge, no proceeding is now being or has been conducted in probate court for administration of the decedent's estate.
4. I am the successor to the decedent's interest in the described property and am entitled to file a claim in the case entitled *Dorothy Kerr Checa Chong v. New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing*, Case No. 1:18-cv-80948-RLR (S.D. Fla).
5. No other person has a superior right to the interest of the decedent in the settlement proceeds.
6. Should any other individual bring a legal action against Defendant in the *Chong v. Shellpoint* matter related to the payment of these settlement proceeds, I agree to hold

Defendant in this matter free and harmless and indemnify them against all liability, claims, demands, loss, damages, costs and expense whatsoever that they may incur because of the payment of said proceeds.

7. I request that the settlement proceeds be paid, delivered, or transferred to me in my name.

I DECLARE under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

State of _____)
County of _____)

SWORN TO and SUBSCRIBED before me by _____ who is personally known or produced identification (type of identification produced _____), this ____ day of _____, 2019.

NOTARY PUBLIC

My Commission Expires:

Exhibit D

Dorothy Kerr Checa Chong v. New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing,
Case No. 1:18-cv-80948-RLR

United States District Court for the Southern District of Florida

If you were charged by New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing (“Shellpoint”) during the Class Period, as defined below, for a lender-placed insurance (“LPI”) policy for your residential property that was procured by Overby-Seawell Company on or after March 1, 2014, and you paid all or a portion of the premium for that policy to Shellpoint during that time, you could receive a cash award from a class action settlement.

If you were charged by Shellpoint during the Class Period, as defined below, as an insured or additional insured for an LPI policy for your residential property that was procured by Overby-Seawell Company on or after March 1, 2014, and you did not pay but still owe the premium for that policy, you could receive a credit towards what you owe Shellpoint. Or, alternatively, you could receive a partial refund check (if the defendant elects, in its sole discretion, to provide checks instead of credits to eligible claimants).

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

Para más información comuníquese al número 1-800 _____ o para obtener Instrucciones y Formulario de Reclamación en español por favor vaya a www.ChongSettlementInfo.com, o escriba a Chong v. Shellpoint Settlement, c/o _____.

- If you were charged by Shellpoint under a hazard, flood, or wind LPI policy, procured by Overby-Seawell Company on or after March 1, 2014, for your residential property, this Settlement may provide you with an opportunity to either: (i) claim a cash award, if you paid all or a portion of the premiums for that LPI Policy to Shellpoint during the Class Period; or (ii) claim a credit towards what you currently owe Shellpoint, if you did not pay but still owe the premiums for that LPI Policy to Shellpoint during the Class Period or, at Shellpoint’s sole discretion, a cash payment.
- Class Period: The Class Period begins on March 1, 2014 and ends on _____.
- If you were charged by Shellpoint for an LPI Policy during the Class Period, subject to the provisions of this Notice and the Settlement, you may make a claim for benefits pursuant to this Settlement.
- This notice will explain what the class action lawsuit was about, what the Settlement will be if it is approved by the Court, whether you qualify to submit a claim for a cash award or a credit based on the Settlement, and what to do if you want to: (i) submit a claim; or (ii) object to the Settlement; or (iii) not participate in the Settlement and instead “opt out” of the class action. This notice will also tell you how to get more information if you want it.
- If you decide to submit a claim, you will need to follow the Instructions for the Class Action Claim Form, and fill out the Claim Form sent to you with this notice. Everyone submitting a Claim Form must answer the questions on the Claim Form truthfully, and

must affirm the statements in the Claim Form under penalty of perjury. Some claimants must also verify their identity.

- All claimants who meet the requirements and submit valid and properly completed Claim Forms will receive a cash award or a credit (towards what they currently owe Shellpoint) of an amount equal to 8.875% of the Net Premium charged to the claimant during the Class Period for the LPI Policy by Shellpoint.

YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DON'T ACT. PLEASE READ THIS NOTICE CAREFULLY, AND GET MORE INFORMATION IF YOU NEED IT. THE NOTICE WILL TELL YOU HOW TO GET THAT INFORMATION.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION.....PAGE ____

1. Why Was This Notice Sent To Me?
2. What Is This Notice?
3. What Is This Lawsuit About?
4. Why Is There A Settlement?

SETTLEMENT CLASS MEMBERSHIPPAGE ____

5. Who Is A Settlement Class Member?·

The “Class Period” shall commence on March 1, 2014, and shall continue through and including _____.

“LPI Policy” means a means a lender-placed residential hazard, flood, or wind insurance policy procured by the Ovevrbly Seawell Company on or after March 1, 2014 and placed pursuant to a mortgage loan agreement, home equity loan agreement, or home equity line of credit serviced by Shellpoint to cover a borrower’s failure to maintain the required insurance coverage on the residential property securing the loan.

6. What If I Am Not Sure Whether I Am Included In The Settlement Class?

THE SETTLEMENT TERMS AND BENEFITSPAGE ____

7. What Are The Terms Of The Settlement?
8. How Do I Receive A Cash Award Or Credit?
9. How Do I Know Whether I Am I Eligible For A Cash Award Versus A Credit Towards What I Owe Shellpoint?

- 10. When Would I Receive My Cash Award Or Credit?
- 11. What Am I Giving Up To Be Part Of The Settlement Class?
- 12. What Happens If I Do Nothing?

EXCLUDING YOURSELF FROM THE SETTLEMENTPAGE ____

- 13. How Do I Get Out Of The Settlement?
- 14. What If I Do Not Opt Out Of The Settlement?
- 15. If I Exclude Myself, Can I Receive Money Or A Credit From This Settlement?

OBJECTING TO THE SETTLEMENTPAGE ____

- 16. How Can I Object To The Settlement?

THE LAWYERS REPRESENTING YOUPAGE ____

- 17. Do I Have A Lawyer In This Case?
- 18. How Will The Class Counsel Lawyers Be Paid?

THE COURT’S FAIRNESS HEARINGPAGE ____

- 19. When And Where Will The Court Decide Whether To Approve The Settlement?
- 20. As A Settlement Class Member, May I Speak At The Hearing?

GETTING MORE INFORMATIONPAGE ____

- 21. Where Can I Get More Details About The Settlement?

BASIC INFORMATION

1. WHY WAS THIS NOTICE SENT TO ME?

This Notice was sent to you because Shellpoint's records indicate that your residential insurance policy lapsed, that a hazard, flood, or wind lender-placed insurance policy ("LPI Policy") was issued for your residential property, procured by Overby-Seawell Company, and that you were charged by Shellpoint, as your mortgage servicer, for this LPI Policy during the Class Period.

The Court ordered this Notice to be sent to you because you have a right to know about the proposed Settlement of this class action lawsuit, which concerns LPI procured by Overby-Seawell Company for which you were charged by Shellpoint, and about your options, before the Court decides whether to approve the Settlement.

If the Court approves the Settlement, and if you satisfy the claim criteria and submit a valid claim, you will receive either: (a) a cash award from an Administrator approved by the Court, if you paid all or a portion of the premium for your LPI Policy; or (b) a credit towards what you currently owe Shellpoint, or, at Shellpoint's sole discretion, a partial refund check from the Administrator, if you have not paid the premium for your LPI Policy. However, the cash award or credit will not be made until any objections or appeals are resolved.

2. WHAT IS THIS NOTICE?

This Notice is part of a package sent to all potential Settlement Class Members like you. The package includes this Notice, the Instructions for the Class Action Claim Form, and the Class Action Claim Form. This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of Florida, and the case is known as *Dorothy Kerr Checa Chong v. New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing*, Case No. 1:18-cv-80948-RLR, in the United States District Court for the Southern District of Florida.

Plaintiff Dorothy Kerr Checa Chong sued on behalf of you and all Settlement Class Members and is called the "Plaintiff." The company she sued, Shellpoint, is called the "Defendant."

3. WHAT IS THIS LAWSUIT ABOUT?

This contested lawsuit involves lender-placed insurance ("LPI"), which is insurance (hazard, flood, or wind) that is placed on a borrower's property to protect the borrower and mortgage lender when the borrower's insurance policy lapses, or when the borrower does not maintain a homeowner's insurance policy that is acceptable to the mortgage lender. When an LPI Policy is placed pursuant to the borrower's mortgage contract, Shellpoint pays premiums to the LPI insurer who writes the policy, and then Shellpoint charges the borrowers for those premiums.

The Plaintiffs have brought claims on behalf of all persons in the Settlement Class (as defined in Answer #5). Plaintiffs allege that when a borrower was required to have insurance for his or her property pursuant to a residential mortgage or home equity loan or line of credit, and evidence of acceptable coverage was not provided (for example, when the insurance policy did not exist or had lapsed), Shellpoint would place insurance in a manner such that Shellpoint allegedly received an unauthorized benefit. Plaintiffs allege further that Shellpoint did so primarily to receive

“kickbacks” from Overby-Seawell Company Plaintiff also alleges that the way in which LPI policies were obtained and placed caused the rates and the amount of coverage to be excessive.

Shellpoint expressly denies Plaintiff’s allegations and asserts its actions were fully authorized under the mortgage instruments and by law. It expressly denies any wrongdoing and denies ever receiving an "unauthorized benefit," "kickback," or commission as a result of any LPI placement. Shellpoint further terminated its arrangement with Overby-Seawell Company in March 2015. There has been no court decision on the merits of this case and no finding that Shellpoint committed any wrongdoing.

4. WHY IS THERE A SETTLEMENT?

Both sides have agreed to a Settlement to avoid the cost and risk of a trial and so that borrowers can get benefits in exchange for releasing Shellpoint from liability.

SETTLEMENT CLASS MEMBERSHIP

5. WHO IS A SETTLEMENT CLASS MEMBER?

To see if you will be affected by this class action, you first have to determine if you are a member of the Settlement Class.

The "Class" shall include:

The “Class” shall include all borrowers in the United States who, within the Class Period, were charged by Shellpoint under a hazard, flood, or wind LPI policy, procured by Overby-Seawell Company on or after March 1, 2014, for Residential Property, and who, within the Class Period, either (i) paid to Shellpoint the Net Premium for that LPI Policy or (ii) did not pay to and still owe Shellpoint the Net Premium for that LPI Policy. Excluded from the Class are: (i) individuals who are or were during the Class Period officers or directors of Shellpoint or any of their respective affiliates; (ii) any justice, judge, or magistrate judge of the United States or any State, their spouses, and persons within the third degree of relationship to either of them, or the spouses of such persons; (iii) borrowers who only had an LPI Policy that was cancelled in its entirety such that any premiums charged and/or collected were fully refunded to the borrower or the borrower’s escrow account; (iv) all borrowers for whom a final foreclosure judgment, foreclosing the mortgage loan serviced by Shellpoint, was entered against them; and (v) all borrowers who file a timely and proper request to be excluded from the Class.

The “Class Period” shall commence on March 1, 2014, and shall continue through and including _____.

“LPI Policy” means a means a lender-placed residential hazard, flood, or wind insurance policy procured by the Overby Seawell Company on or after March 1, 2014 and placed pursuant to a mortgage loan agreement, home equity loan agreement, or home equity line of credit serviced by Shellpoint to cover a borrower’s failure to maintain the required insurance coverage on the residential property securing the loan.

6. WHAT IF I AM NOT SURE WHETHER I AM INCLUDED IN THE SETTLEMENT CLASS?

If you are not sure whether you are included in the Settlement Class, or you have questions about the case, you may call the toll free number, 1-XXX-XXX-XXXX , or visit the Settlement Website at www.ChongSettlementInfo.com.

THE SETTLEMENT TERMS AND BENEFITS

7. WHAT ARE THE TERMS OF THE SETTLEMENT?

Shellpoint has agreed to provide a cash award or credit in the amount of 8.875% of the Net Premium charged to the claimant during the Class Period for the LPI Policy by Shellpoint, provided each Settlement Class Member submits a valid and properly completed Claim Form, including for some claimants, providing a form of verification of their identity.

As described in further detail in response to Question 9, whether a Settlement Class Member is eligible to receive a cash award or credit (towards what the Settlement Class Member owes Shellpoint) depends on whether he or she paid the premiums charged by Shellpoint for the LPI Policy or whether he or she did not pay but still owes those premiums to Shellpoint. Each Settlement Class Member must submit a Claim Form to be eligible to receive these benefits. Defendant also has agreed to additional injunctive relief from which you may benefit. The Settlement benefits are described in further detail in the Settlement Agreement, which is available at www.ChongSettlementInfo.com.

This Settlement will not affect any rights or claims that you may have under any settlement between Shellpoint and any governmental or private entity. This Settlement also will not affect any claim for benefits on your LPI Policy that you have made or may make in the future. However, as described below (see Answer #11), this Settlement will affect any claims that you may have relating to, concerning, or pertaining to, among other things, Shellpoint’s conduct, policies, or practices concerning LPI Policies and charges for Shellpoint’s placement of LPI Policies during the Class Period.

8. HOW DO I RECEIVE A CASH AWARD OR CREDIT?

To receive a cash award or credit towards what you currently owe, you must be a Settlement Class Member and must send in a properly completed and accurate Class Action Claim Form by U.S. Mail postmarked by a date 60 days after the Final Settlement Date (as defined in the Settlement Agreement),¹ or, if a private mail carrier is used, a label reflecting that the mail date is no later than 60 days after the Final Settlement Date (the “Claim Deadline”). You may also submit a completed

¹ The Final Settlement Date is the date on which the judgment in this case (“Judgment”) becomes Final. If no appeal has been taken from the Judgment, the Final Settlement Date means the date on which the time to appeal has expired. If any appeal has been taken from the Judgment, the Final Settlement Date means the date on which all appeals have been finally disposed of in a manner that affirms the Judgment. Thus, the Claim Deadline will be no earlier than _____, 2019.

Claim Form by uploading it to the Settlement Website no later than the Claim Deadline, provided that for those Claims requiring verification documents, scanned copies of those verification documents are uploaded to the Settlement Website with the appropriate claim number to associate the upload with the Claim. If the Court approves the Settlement and enters Judgment on the date of the Fairness Hearing and no appeal is filed, the deadline to submit a properly completed and accurate Claim Form will be _____, 2019. The Class Action Claim Form Instructions and a Class Action Claim Form have been sent to you with this Notice. You may also obtain a Claim Form on the Settlement Website at www.ChongSettlementInfo.com, or you can call for one at the toll-free number of 1-XXX-XXX-XXXX.

Please read the Claim Form Instructions carefully, fill out the Claim Form, sign it, and mail it postmarked no later than _____. For Settlement Class Members who are eligible for a cash award check (rather than a credit), your identity must be further confirmed through one of several options -- the Claim Form Instructions and the Claim Form explain what those options are. If your Claim Form is not properly completed and/or all required information is not provided, it will be deemed invalid.

9. HOW DO I KNOW WHETHER I AM ELIGIBLE FOR A CASH AWARD VERSUS A CREDIT TOWARDS WHAT I OWE SHELLPOINT?

The Class Action Claim Form Instructions and Claim Form explain the different relief available to Settlement Class Members, depending upon whether they paid their LPI premium.

As explained on the Claim Form, Settlement Class Members are eligible for a cash award if during the Class Period they made at least one full monthly mortgage payment to Shellpoint after either: (a) their existing escrow account was adjusted to charge the increased premium for the LPI Policy; or (b) an escrow account was created to charge the increased premium for the LPI Policy and was charged for the LPI Policy.

All other Settlement Class Members who, during the Class Period, were charged by Shellpoint for their LPI Policy, and who have not paid and still owe the charged net premium for that policy, are eligible for a reduction of what they currently owe Shellpoint in the amount of 8.875% of the Net Premium charged to the claimant during the Class Period for the LPI Policy by Shellpoint. The net premium is the amount of the LPI premium minus any refunds already provided to the borrower. Alternatively, Shellpoint may elect, in its sole discretion, to send partial cash award checks to such claimants.

10. WHEN WOULD I RECEIVE MY CASH AWARD OR CREDIT?

The Court will hold a hearing on _____ to determine whether to approve the Settlement. If Judge Rosenberg approves the Settlement, there may be appeals after that. It is always uncertain when any appeals, if taken, will be resolved. You will receive your cash award or credit within 180 days after the Settlement becomes final and effective, i.e., after all appeals are resolved.

11. WHAT AM I GIVING UP TO BE PART OF THE SETTLEMENT CLASS?

If you are a Settlement Class Member and unless you exclude yourself, you are staying in the Settlement Class. That means you cannot sue, continue to sue, or be part of any other lawsuit against Shellpoint about LPI or the issues that were or could have been raised in this case. It also means that all of the Court's orders concerning the Settlement Class will apply to you and legally bind you, including the Release described in detail in Section 10 of the Settlement Agreement.

This Release provision describes the legal claims and defenses that you give up if this Settlement is approved and you do not exclude yourself. Please carefully read this Release and the Settlement Agreement.

12. WHAT HAPPENS IF I DO NOTHING?

If you do nothing as a Settlement Class Member, you will receive no money or credit from this Settlement. But, unless you exclude yourself from the Settlement, you will not be able to start a lawsuit or continue with a lawsuit against Defendant about the legal issues that were or could have been raised in this case, ever again.

EXCLUDING YOURSELF FROM THE SETTLEMENT

13. HOW DO I GET OUT OF THE SETTLEMENT?

If you fall within the definition of the Settlement Class (see Answer #5), you are automatically a member of the Settlement Class. However, you can exclude yourself, or “opt-out” of the Settlement Class, if you do not wish to participate. This means you will receive no payment or credit as part of this Settlement, nor any of the additional Settlement benefits.

You cannot ask to be excluded over the phone or via the internet. To exclude yourself, you must mail a written request for exclusion to the Settlement Administrator that includes: (1) a statement requesting exclusion from the proposed Settlement, such as “I hereby request that I be excluded from the proposed Settlement Class in the Chong Class Action”; (2) your name, your address, and the case name; and (3) your original signature. Your written request for exclusion must be postmarked no later than _____ and mailed to [ADDRESS OF SETTLEMENT ADMINISTRATOR]. You may not seek to “opt out” of the Settlement on behalf of other members of the Settlement Class.

14. WHAT IF I DO NOT OPT OUT OF THE SETTLEMENT?

Any member of the Settlement Class who does not opt out of the Settlement in the manner and by the deadlines described above shall be part of the Settlement Class, shall be bound by all Orders and proceedings in this action, and shall give up the right to sue Shellpoint for the claims that this Settlement resolves. If you desire to opt out, you must take timely affirmative written action even if you have filed a separate action against Shellpoint or are a putative class member in any other class action filed against Shellpoint. If you have a pending lawsuit please contact your lawyer in that lawsuit immediately. Remember, the exclusion deadline is _____.

15. IF I EXCLUDE MYSELF, CAN I RECEIVE MONEY OR A CREDIT FROM THIS SETTLEMENT?

No. If you are a Settlement Class Member and exclude yourself, do not send in a Claim Form to ask for any money or a credit. But, you may sue or continue to sue Shellpoint individually, or you may be part of a different lawsuit against Shellpoint.

OBJECTING TO THE SETTLEMENT

16. HOW CAN I OBJECT TO THE SETTLEMENT?

You may object to or comment on all or part of the proposed Settlement if you are a Settlement Class Member and do not opt out of the Settlement. To do so, you (or your attorney on your behalf) must submit a valid objection.

To be valid, your objection must be in writing, personally signed by you, and must include: (a) the case name and number; (b) your name, address, telephone number, and, if represented by counsel, their contact information; (c) the basis for your objection; and (d) a statement of whether you intend to appear at the Final Approval Hearing.

Your objection must be filed with the Clerk of Court, with copies mailed to all of the parties identified below, postmarked no later than _____:

CLERK OF THE COURT	CLASS COUNSEL
Clerk of the United States District Court for the Southern District of Florida 400 North Miami Avenue 8th Floor Miami, FL 33128	Adam M. Moskowitz The Moskowitz Law Firm, PLLC 2 Alhambra Plaza Suite 601 Coral Gables, FL 33134
COUNSEL FOR SHELLPOINT	
Marc J. Gottlieb Akerman LLP 350 East Las Olas Boulevard Suite 1600 Fort Lauderdale, FL 33301	

THE LAWYERS REPRESENTING YOU

17. DO I HAVE A LAWYER IN THIS CASE?

The Court appointed the following lawyers to represent you and all other Settlement Class Members. Together, these lawyers are called Class Counsel. You will not be charged any money to pay for these lawyers.

Adam M. Moskowitz
The Moskowitz Law Firm, PLLC
2 Alhambra Plaza
Suite 601
Coral Gables, FL 33134

18. HOW WILL THE CLASS COUNSEL LAWYERS BE PAID?

Class Counsel will ask the Court for attorneys’ fees and expenses up to \$200,663.00, and a case contribution award of \$5,000.00 paid to Named Plaintiff for her time and effort undertaken in the matter. The Court may award less than these amounts.

Defendant will separately pay the fees and expenses, and the case contribution award that the Court awards, up to maximums of \$200,663.00 in fees and expenses and \$5,000.00 to Named Plaintiff. These amounts will not reduce the amount of any cash awards or credits to Settlement Class Members. Defendant has agreed not to oppose the applications by Class Counsel for attorneys’ fees and expenses or the case contribution award to Plaintiffs.

THE COURT’S FAIRNESS HEARING

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Fairness Hearing at ___ :00 .m. on _____, in Courtroom _____ at the Paul G. Rogers Federal Building and Courthouse, 701 Clematis Street, Courtroom 2, West Palm Beach, Florida 33401. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are valid and timely objections, the Court will consider them.

The Court may listen to people who have properly asked to speak at the hearing beforehand, and in writing. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long this decision will take.

20. AS A SETTLEMENT CLASS MEMBER, MAY I SPEAK AT THE HEARING?

You cannot speak at the hearing if you have excluded yourself from the Settlement Class. However, if you are part of the Settlement Class, you may ask the Court for permission for you or your attorney to speak at the Fairness Hearing. To do so, you must file with the Clerk of the Court and serve on all counsel for the parties (at the addresses identified above in Answer #16) a notice of intention to appear at the Final Approval Hearing. The notice of intention to appear must include the case name and number; your name, address, telephone number, and signature, and, if represented by counsel, their contact information; and copies of any papers, exhibits, or other evidence that you intend to present to the Court in connection with the Final Approval Hearing. The notice of intention to appear must be filed with the Clerk of Court and served on all counsel no later than _____, 201_.

If you do not file a notice of intention to appear in accordance with the deadlines and other specifications set forth in the Settlement Agreement and this Notice, you will not be entitled to appear at the Final Approval Hearing to raise any objections.

GETTING MORE INFORMATION

21. WHERE CAN I GET MORE DETAILS ABOUT THE SETTLEMENT?

This notice summarizes the lawsuit. More details are in the Settlement Agreement, which is available through the Settlement Website at www.ChongSettlementInfo.com. You may also contact Class Counsel, as identified above.

In addition, you may call 1-XXX-XXX-XXXX toll free, or visit the Settlement Website, to find answers to common questions about the Settlement, a Claim Form, and other information to help you determine whether you are eligible for relief from this Settlement.

Date: _____

PLEASE DO NOT CALL THE COURT. PLEASE ALSO DO NOT CALL OR SEND CORRESPONDENCE PERSONALLY TO JUDGE ROSENBERG OR HER STAFF.

EXHIBIT E

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 9:18-cv-80948-ROSENBERG/REINHART

DOROTHY KERR CHECA CHONG
on behalf of herself and all others
similarly situated,

Plaintiff,
v.

NEW PENN FINANCIAL, LLC, d/b/a
SHELLPOINT MORTGAGE SERVICING,

Defendant.

**[PROPOSED] ORDER GRANTING MOTION FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT, CERTIFYING CLASS FOR SETTLEMENT
PURPOSES, DIRECTING THE ISSUANCE OF CLASS NOTICE, AND SCHEDULING A
FINAL APPROVAL HEARING**

Upon review and consideration of Plaintiff's Motion for Preliminary Approval of Class Action Settlement, including the parties' Stipulation and Settlement Agreement (the "Settlement Agreement") and all exhibits thereto, and having been fully advised in the premises, it is HEREBY ORDERED, ADJUDGED and DECREED as follows:

1. **Settlement.** Plaintiff and Defendant have negotiated a potential settlement of this action (the "Chong Litigation" or the "Action") to avoid the expense, uncertainties, and burden of protracted litigation, and to resolve the Released Claims against (a) Defendant and each of its respective divisions, parents, subsidiaries, predecessors, investors, parent companies, and Affiliates, whether past or present, any direct or indirect subsidiary of any of Defendant and each of their respective divisions, parents, subsidiaries, predecessors, investors, parent companies, and

Affiliates, whether past or present, and all of the officers, directors, employees, agents, brokers, distributors, representatives, and attorneys of all such entities, including but not limited to and New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing (“Shellpoint”) and (b) any trustee or investor of a mortgage securitization trust which included loans made to any Settlement Class Member, including, but not limited to any direct or indirect subsidiary of any of them, and all of the officers, directors, employees, agents, brokers, distributors, insurers, representatives, successors and assigns, and attorneys of all such entities.

2. **Review.** The Court has carefully reviewed the Settlement Agreement, as well as the files, records, and proceedings to date in this matter. The terms and conditions in the Settlement Agreement are hereby incorporated as though fully set forth in this Order, and, unless otherwise indicated, capitalized terms in this Order shall have the meanings attributed to them in the Settlement Agreement.

3. **Preliminary Approval.** The Settlement Agreement entered into by and among the Plaintiff Dorothy Kerr Checa Chong (“Plaintiff”), on behalf of herself and the Settlement Class and Shellpoint has been negotiated at arm’s length and is approved on a preliminary basis as fair, reasonable, and adequate.

4. **Settlement Class Relief.** The proposed Settlement Relief to the Settlement Class Members, as identified in Section 4 of the Settlement Agreement, is approved on a preliminary basis as fair, reasonable, and adequate. The Settlement Class shall consist of:

The “Class” shall include all borrowers in the United States who, within the Class Period, were charged by Shellpoint under a hazard, flood, or wind LPI policy, procured by Overby-Seawell Company on or after March 1, 2014, for Residential Property, and who, within the Class Period, either (i) paid to Shellpoint the Net Premium for that LPI Policy or (ii) did not pay to and still owe Shellpoint the Net Premium for that LPI Policy. Excluded from the Class are: (i) individuals who are or were during the Class Period officers or directors of the Defendant or any of their respective affiliates; (ii) any justice, judge, or magistrate judge of the United States or any State, their spouses, and persons within the

third degree of relationship to either of them, or the spouses of such persons; (iii) borrowers who only had an LPI Policy that was cancelled in its entirety such that any premiums charged and/or collected were fully refunded to the borrower or the borrower's escrow account; (iv) all borrowers for whom a final foreclosure judgment, foreclosing the mortgage loan serviced by Shellpoint, was entered against them; and (v) all borrowers who file a timely and proper request to be excluded from the Class.

The "Class Period" shall commence on March 1, 2014, and shall continue through and including the date of this Order.

5. **Preliminary Certification of Settlement Class.** The Court makes the following determinations as to certification of the Settlement Class:

(a) The Court preliminarily certifies the Settlement Class for purposes of settlement only, under Fed. R. Civ. P. 23(a) and (b)(3).

(b) The Settlement Class is so numerous that joinder of all members is impracticable;

(c) There are questions of law or fact common to the members of the Settlement Class;

(d) The claims of the Plaintiff are typical of the claims of the other members of the Settlement Class;

(e) Plaintiff are capable of fairly and adequately protecting the interests of the members of the Settlement Class, in connection with the Settlement Agreement;

(f) Common questions of law and fact predominate over questions affecting only individual members of the Settlement Class;

(g) The Settlement Class is ascertainable; and

(h) Resolution of the claims in this Litigation by way of a nationwide settlement is superior to other available methods for the fair and efficient resolution of the claims of the Settlement Class.

6. **Designation of Class Representative.** Plaintiff Dorothy Kerr Checa Chong is designated as the representative of the Settlement Class for the sole purpose of seeking a settlement of the Chong Litigation.

7. **Designation of Class Counsel.** The Moskowitz Law Firm, PLLC is hereby designated as Class Counsel for the Settlement Class.

8. **Final Approval Hearing.** A hearing regarding final approval of the Settlement (“Final Approval Hearing”) will be held at :00 ____m. on _____, 2019 in _____ before the Honorable Robin L. Rosenberg, to determine, among other things: (i) whether the Settlement of the Chong Litigation should be approved as fair, reasonable, and adequate; (ii) whether the Chong Litigation should be dismissed with prejudice pursuant to the terms of the Settlement Agreement; (iii) whether Settlement Class Members should be bound by the Release set forth in the Settlement Agreement; (iv) whether Settlement Class Members should be subject to a permanent injunction which, among other things, bars Settlement Class Members who have not opted out of the settlement from filing, commencing, prosecuting, intervening in, participating in (as class members or otherwise), organizing, or soliciting the participation of other Settlement Class Members to pursue any action in any jurisdiction based on or relating to any of the Released Claims or the facts and circumstances relating thereto; and (v) whether the application of Class Counsel for an award of Attorneys’ Fees and expenses, and the proposed Case Contribution Award To Plaintiff, should be approved.

9. **Class Notice.**

(a) The Court approves the Class Notice in the Settlement Agreement, including the Mail Notice attached as Exhibit D to the Settlement Agreement and the manner of providing Mail Notice to Settlement Class Members described in Section 6 of the Settlement

Agreement. The Court finds that this is the best practicable notice under the circumstances and is reasonably calculated, under all the circumstances, to apprise the Settlement Class Members of the pendency of this Action, the terms of the Settlement Agreement, and their right to object to the Settlement Agreement or exclude themselves from the Settlement Class. The Court further finds that Mail Notice and the other forms of Class Notice in the Settlement Agreement are reasonable, constitute due, adequate, and sufficient notice to all persons entitled to receive notice, and meet the requirements of due process.

(b) The Mail Notice shall be mailed not less than ninety (90) days before the date set by the Court for a Final Approval Hearing regarding the Settlement. The Mail Notice shall include the Claim Instructions (attached as Exhibit A to the Settlement Agreement), the Claim Form (attached as Exhibit B to the Settlement Agreement), and the Affidavit for Deceased Co-Claimant on Claims under \$300 (attached as Exhibit C to the Settlement Agreement).

(c) A similar but abbreviated Summary Publication Notice of Class Action, Proposed Settlement, Final Approval Hearing, and Right to Appear shall be published not less than forty-five (45) days before the date set by the Court for the Final Approval Hearing regarding this Settlement.

(d) No later than the posting of the Mail Notice, the Settlement Administrator shall establish an Internet site (the "Settlement Website") which shall contain copies of the Settlement Agreement and Exhibits and the Mail Notice, and allow Settlement Class members to upload and file their claim forms. The Settlement Website shall also contain Claim Form Instructions and a Claim Form which may be downloaded or printed from the Settlement Website. In addition, the Settlement Website shall allow for the option of completing Claim Forms online

within the settlement website, utilizing an esignature format. However, when the Claim Form is completed online, the Settlement Class member must separately upload the required verification documents to the Settlement Website pursuant to the instructions on the Website no later than the Claim Deadline. The Settlement Website shall have a Uniform Resource Locator which identifies the Settlement Website as www.ChongSettlementInfo.com. The Settlement Website shall remain open and accessible through the last day for Settlement Class Members to submit a Claim for Settlement Relief.

(d) The Settlement Administrator shall establish a toll-free interactive voice response (“IVR”) phone number with script recordings of information about this Settlement, including information about the Claim Form, utilizing the relevant portions of the language contained in the Notice and Claim Form. The phone number shall remain open and accessible through the last day for Settlement Class Members to submit a Claim. The Settlement Administrator shall make reasonable provision for Class Counsel to be promptly advised of recorded messages left on the phone number by Settlement Class Members concerning the Action and/or this Settlement, so that Class Counsel may timely and accurately respond to such inquiries; *provided however*, the Administrator shall review the recorded messages before providing them to Class Counsel, and if one or more of the messages requests a blank Claim Form or other similar administrative assistance only, then the Administrator shall handle such administrative request(s), but the Administrator shall provide all other messages to Class Counsel for any further response to the Settlement Class Member. If any submitted Claim Forms are deemed invalid for any reason (*e.g.*, because they are defective or incomplete in any way), the Administrator shall promptly advise Class Counsel on a weekly basis so that Class Counsel may follow-up with the Class Member who submitted such Claim Form in order to cure any deficiency. The Settlement

Administrator shall send a notice to claimants submitting deficient claims identifying the deficiency. Any defective Claim Form may be cured and shall be accepted by the Administrator so long as the defect is resolved within 30 days after Claim Deadline.

(e) No later than 10 days prior to the Final Approval Hearing, Class Counsel shall obtain from the Settlement Administrator and shall file with the Court a proof of mailing of the Mail Notice and of establishing of the Settlement Website.

(f) Defendant shall comply with the obligation to give notice under the Class Action Fairness Act, 28 U.S.C. § 1715, in connection with the proposed settlement. No later than 10 calendar days before the Final Fairness Hearing, counsel for Defendant shall file with the Court one or more declarations stating that Defendant has complied with its notice obligations under 28 U.S.C. § 1715.

10. **Administrators.** The Court authorizes and directs Defendant to retain one or more Administrators to implement the terms of the Settlement Agreement, and authorizes and directs such Administrators to (i) mail the Mail Notice, (ii) establish the IVR phone line system, (iii) establish the Settlement Website, (iv) receive and process settlement claims, and (v) carry out such other responsibilities as are provided for in the Settlement Agreement or may be agreed to by the Parties in the Action.

11. **Exclusion from the Settlement Class.** Any Settlement Class Member who wishes to be excluded from the Class must send a written Request for Exclusion to the Settlement Administrator, by first-class mail, postage prepaid, to the address provided in the Mail Notice and Settlement Website. Any such Request for Exclusion must be postmarked no later than thirty (30) days before the Final Approval Hearing.

(a) To be valid, the Request for Exclusion must: (a) identify the case name and number; (b) identify the name and address of the Settlement Class Member; (c) be personally signed by the Settlement Class Member requesting exclusion; and (d) contain a statement that indicates a desire to be excluded from the Settlement Class in the Chong Litigation, such as “I hereby request that I be excluded from the proposed Settlement Class in the Chong Class Action.” Mass or class opt outs shall not be allowed.

(b) A Settlement Class Member who desires to opt out must take timely affirmative written action pursuant to this Order and the Settlement Agreement, even if the Settlement Class Member desiring to opt out of the Class (a) files or has filed a separate action against any of the Released Persons, or (b) is, or becomes, a putative class member in any other class action filed against any of the Released Persons.

(c) Except for those Settlement Class Members who timely and properly file a request for exclusion, all other Settlement Class Members will be deemed to be Settlement Class Members for all purposes under the Agreement, and upon the Final Settlement Date, will be bound by its terms, including, but not limited to, the Releases in Section 10 of the Settlement Agreement.

(d) If the number of Settlement Class Members who properly and timely exercise their right to opt out of the Settlement Class exceeds 5 percent (5%) of the total number of Settlement Class Members, the Settling Parties stipulate and agree that Defendant shall have the right to terminate this Agreement without penalty or sanction.

(e) If the proposed settlement is approved, any Settlement Class Member who has not submitted a timely, written Request for Exclusion from the Class shall be bound by all subsequent proceedings, orders, and judgments in this Action, even if he or she has pending,

or subsequently initiates, litigation against Defendant relating to any of the Released Claims to Settlement Agreement.

12. **Objections and Appearances.** Any Settlement Class Member who has not filed a timely written Request for Exclusion and who complies with the requirements of this Paragraph may object to any aspect of the proposed settlement either on his or her own or through an attorney hired at his or her expense. Any Settlement Class Member who wishes to object to the Settlement Agreement must do so in writing and must file with the Clerk of Court and serve on Class Counsel and Defendant's Counsel, at the addresses listed below, a written statement of objection in accordance with the requirements set forth below and in the Settlement Agreement no later than thirty (30) days before the Final Approval Hearing:

For Plaintiff and Settlement Class

Adam Moskowitz, Esq.
The Moskowitz Law Firm, PLLC
2 Alhambra Plaza
Suite 601
Coral Gables, FL 33134

For Shellpoint

Marc J. Gottlieb, Esq.
Akerman LLP
350 East Las Olas Boulevard, Suite 1600
Fort Lauderdale, FL 33301

(a) The requirements to assert a valid written objection shall be set forth in the Class Notice and on the Settlement Website, and shall include: (a) the case name and number; (b) the name, address, telephone number of the Person objecting and, if represented by counsel, of his/her counsel; (c) the basis for the objection; and (d) a statement of whether he/she intends to appear at the Final Approval Hearing, either with or without counsel;

(b) Any Settlement Class Member who fails to object to the Settlement in the manner described in the Class Notice and consistent with this Section shall be deemed to have waived any such objection, shall not be permitted to object to any terms or approval of the Settlement at the Final Approval Hearing, and shall be foreclosed from seeking any review of the Settlement or the terms of the Agreement by appeal or other means;

(c) Any Settlement Class Member who submits a timely written objection may appear, in person or by counsel, at the Final Approval Hearing held by the Court, to show cause why the proposed Settlement Agreement should not be approved as fair, adequate, and reasonable, provided that the objecting Settlement Class Member: (a) files with the Clerk of the Court a notice of intention to appear at the Final Approval Hearing (“Notice of Intention to Appear”), which must include the case name and number and the Settlement Class Member’s name, address, telephone number, and signature, by the Objection Deadline; and (b) serves the Notice of Intention to Appear on all counsel designated in the Class Notice by the Objection Deadline. The Notice of Intention to Appear must include copies of any papers, exhibits, or other evidence that the objecting Settlement Class Member will present to the Court in connection with the Final Approval Hearing. Any attorney who intends to represent an objecting Settlement Class Member at the Final Approval Hearing must do so at the Settlement Class Member’s expense and must file a notice of appearance at least two weeks before the Final Approval Hearing. Any Settlement Class Member who does not file a Notice of Intention to Appear in accordance with the deadlines and other specifications set forth in the Agreement and Class Notice will not be entitled to appear at the Final Approval Hearing to raise any objections.

13. **Releases.** If the Settlement is finally approved, all Settlement Class Members who have not filed a timely and proper Request for Exclusion shall release the Released Persons from

all Released Claims, as described in Section 10 of the Settlement Agreement, including, *inter alia*, all claims, charges, or demands that relate, concern, arise from, or pertain in any way to the Released Persons' conduct, policies, or practices concerning Shellpoint's placement, of LPI Policies procured by Overby-Seawell Company during the Settlement Class Period, including but not limited to conduct, policies or practices concerning LPI Policies or to charges for Shellpoint's Placement of LPI Policies during the Settlement Class Period.

14. Attorneys' Fees and Expenses, and Case Contribution Awards.

Plaintiff and Class Counsel agree not to seek an award of Attorneys' Fees and Expenses in the Action in an amount exceeding \$200,663.00. Defendant agrees not to oppose the application for a Case Contribution Award of \$5,000.00 for the Named Plaintiff for her work and assistance in this Action. Plaintiff and Class Counsel agree not to seek a Case Contribution Award in excess of \$5,000.00 for the Named Plaintiff.

15. Preliminary Injunction. All Settlement Class Members who do not timely exclude themselves from the Settlement Class are hereby preliminarily enjoined from directly or indirectly (i) filing, commencing, prosecuting, intervening in, or participating in (as class members or otherwise), any lawsuit in any jurisdiction for the Released Claims; or (ii) organizing any Settlement Class Members into a separate class for purposes of pursuing as a purported class action any lawsuit (including by seeking to amend a pending complaint to include class allegations, or seeking class certification in a pending action) based on or relating to the claims and causes of action, or the facts and circumstances relating thereto, in this Action and/or the Released Claims.

16. Service of Papers. Defendant's Counsel and Class Counsel shall serve on each other and on all other parties who have filed notices of appearance, at or before the Final

Approval Hearing, any further documents in support of the proposed Settlement, including responses to any papers filed by Settlement Class Members. Defendant's Counsel and Class Counsel shall promptly furnish to each other any and all objections or written requests for exclusion that may come into their possession and shall file such objections or requests for exclusion with the Court on or before the date of the Final Approval Hearing.

17. **Termination of Settlement.** This Order shall become null and void, and shall be without prejudice to the rights of the Parties, all of whom shall be restored to their respective positions existing immediately before this Court entered this Order, if (i) the proposed Settlement is not finally approved by the Court, or does not become Final, pursuant to the terms of the Settlement Agreement; or (ii) the Settlement Agreement is terminated pursuant to the terms of the Settlement Agreement for any reason. In such event, and except as provided therein, the proposed Settlement and Settlement Agreement shall become null and void and be of no further force and effect; the preliminary certification of the Settlement Class for settlement purposes shall be automatically vacated; neither the Settlement Agreement nor the Court's Orders, including this Order, shall be used or referred to for any purpose whatsoever; and the Parties shall retain, without prejudice, any and all objections, arguments, and defenses with respect to class certification.

18. **Use of Order Following Termination of Settlement.** This Order shall be of no force and effect if the Settlement does not become final and shall not be construed or used as an admission, concession, or declaration by or against any Defendant of any fault, wrongdoing, breach, or liability, or by or against Plaintiff or the Settlement Class Members that their claims lack merit or that the relief requested in the Class Complaint in this Action is inappropriate, improper, or unavailable, or as a waiver by any party of any defenses they may have.

19. **Necessary Steps.** The Court authorizes the Parties to take all necessary and appropriate steps to implement the Settlement Agreement.

DONE and ORDERED in Chambers in West Palm Beach, Florida, this _____ day of _____, 2019.

ROBIN L. ROSENBERG
UNITED STATES DISTRICT JUDGE

cc: All Counsel of Record

EXHIBIT F

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 9:18-cv-80948-ROSENBERG/REINHART

DOROTHY KERR CHECA CHONG
on behalf of herself and all others
similarly situated,

Plaintiff,
v.

NEW PENN FINANCIAL, LLC, d/b/a
SHELLPOINT MORTGAGE SERVICING,

Defendant.

**[PROPOSED] ORDER GRANTING FINAL APPROVAL TO
CLASS ACTION SETTLEMENT**

On _____, 2019, this Court granted preliminary approval to the proposed class action settlement set forth in the Stipulation and Settlement Agreement (the “Settlement Agreement”) between Plaintiff Dorothy Kerr Checa Chong (“Plaintiff”), on behalf of herself and all members of the Settlement Class, and Defendant New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing (“Shellpoint”). The Court also provisionally certified the Settlement Class for settlement purposes, approved the procedure for giving Class Notice to the members of the Settlement Class, and set a final approval hearing to take place on _____. The Court finds that the Class Notice substantially in the form approved by the Court in its preliminary approval order was given in the manner ordered by the Court, constitutes the best practicable notice, and was fair, reasonable, and adequate.

On _____, the Court held a duly noticed final approval hearing to consider: (1) whether the terms and conditions of the Settlement Agreement are fair, reasonable and adequate; (2) whether a judgment should be entered dismissing the Named Plaintiff's amended complaint on the merits and with prejudice in favor of the Defendant and against all persons or entities who are Settlement Class Members herein who have not requested exclusion from the Settlement Class; and (3) whether and in what amount to award Attorneys' Fees and Expenses to Class Counsel for the Settlement Class and whether and in what amount to award a Case Contribution Award to the Named Plaintiff.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Court has personal jurisdiction over the parties and the Settlement Class Members, venue is proper, the Court has subject matter jurisdiction to approve the Settlement Agreement, including all exhibits thereto, and to enter this Final Order.

2. The Settlement Agreement was negotiated at arm's length by experienced counsel who were fully informed of the facts and circumstances of this litigation (the "Chong Litigation" or the "Action") and of the strengths and weaknesses of their respective positions. Further, settlement occurred only after the parties negotiated over a period of many months. Counsel for the Parties were therefore well positioned to evaluate the benefits of the Settlement Agreement, taking into account the expense, risk, and uncertainty of protracted litigation with respect to numerous difficult questions of fact and law.

3. The Court finds that the prerequisites for a class action under Fed. R. Civ. P. 23(a) and Fed. R. Civ. P. 23(b) have been satisfied for settlement purposes for each Settlement Class Member in that: (a) the number of Settlement Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the

Settlement Class; (c) the claims of the Named Plaintiff are typical of the claims of the Settlement Class he seeks to represent; (d) Named Plaintiff has and will continue to fairly and adequately represent the interests of the Settlement Class for purposes of entering into the Settlement Agreement; (e) the questions of law and fact common to the Settlement Class Members predominate over any questions affecting any individual Settlement Class Member; (f) the Settlement Class is ascertainable; and (g) a class action settlement is superior to the other available methods for the fair and efficient adjudication of the controversy.

4. Pursuant to Fed. R. Civ. P. 23, this Court hereby finally certifies the Settlement Class, as identified in the Settlement Agreement, which shall consist of the following:

The "Class" shall include all borrowers in the United States who, within the Class Period, were charged by Shellpoint under a hazard, flood, or wind LPI policy, procured by Overby-Seawell Company on or after March 1, 2014, for Residential Property, and who, within the Class Period, either (i) paid to Shellpoint the Net Premium for that LPI Policy or (ii) did not pay to and still owe Shellpoint the Net Premium for that LPI Policy. Excluded from the Class are: (i) individuals who are or were during the Class Period officers or directors of the Defendant or any of their respective affiliates; (ii) any justice, judge, or magistrate judge of the United States or any State, their spouses, and persons within the third degree of relationship to either of them, or the spouses of such persons; (iii) borrowers who only had an LPI Policy that was cancelled in its entirety such that any premiums charged and/or collected were fully refunded to the borrower or the borrower's escrow account; (iv) all borrowers for whom a final foreclosure judgment, foreclosing the mortgage loan serviced by Shellpoint, was entered against them; and (v) all borrowers who file a timely and proper request to be excluded from the Class.

The "Class Period" shall commence on March 1, 2014, and shall continue through and including _____.

5. The Court finally appoints The Moskowitz Law Firm, PLLC as Class Counsel for the Settlement Class.

6. The Court finally designates Named Plaintiff Dorothy Kerr Checa Chong as the Class Representative.

7. The Court makes the following findings on notice to the Settlement Class:

(a) The Court finds that the distribution of the Mail Notice, Publication notice, the creation of the IVR toll-free telephone number system, and creation of the Internet site, all as provided for in the Settlement Agreement and Preliminary Approval Order, (i) constituted the best practicable notice under the circumstances to Settlement Class Members, (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, their right to object or to exclude themselves from the proposed Settlement, and their right to appear at the Final Approval Hearing, (iii) was reasonable and constituted due, adequate, and sufficient notice to all persons entitled to be provided with notice, and (iv) complied fully with the requirements of Fed. R. Civ. P. 23, the United States Constitution, the Rules of this Court, and any other applicable law. The Parties have complied with their notice obligations under the Class Action Fairness Act, 28 U.S.C. § 1715, in connection with the proposed settlement.

(b) The Court finds that the Class Notice and methodology set forth in the Settlement Agreement, the Preliminary Approval Order, and this Final Order (i) constitute the most effective and practicable notice of the Final Order, the relief available to Settlement Class Members pursuant to the Final Order, and applicable time periods; (ii) constitute due, adequate, and sufficient notice for all other purposes to all Settlement Class Members; and (iii) comply fully with the requirements of Fed. R. Civ. P. 23, the United States Constitution, the Rules of this Court, and any other applicable law.

8. The Settlement Agreement is finally approved as fair, reasonable, and adequate pursuant to Fed. R. Civ. P. 23(e). The terms and provisions of the Settlement Agreement, including all exhibits thereto, have been entered into in good faith and are hereby fully and finally approved

as fair, reasonable, and adequate as to, and in the best interests of, each of the Parties and the Settlement Class Members.

9. The Parties are hereby directed to implement and consummate the Settlement Agreement according to its terms and provisions.

10. Pursuant to Fed. R. Civ. P. 23(h), the Court hereby awards Class Counsel for the Settlement Class Attorneys' Fees and Expenses in the amount of \$_____ payable pursuant to the terms of the Settlement Agreement. The Court also awards a Case Contribution Award in the amount of \$_____ to Named Plaintiff Dorothy Kerr Checa Chong payable pursuant to the terms of the Settlement Agreement.

11. The terms of the Settlement Agreement and of this Final Order, including all exhibits thereto, shall be forever binding in all pending and future lawsuits maintained by the Named Plaintiff and all other Settlement Class Members, as well as their respective family members, executors, representatives, guardians, administrators, wards, heirs, estates, bankruptcy estates, bankruptcy trustees, successors, predecessors, joint tenants, tenants in common, tenants by the entirety, co-mortgagors, co-obligors, co-debtors, attorneys, agents and assigns, and all those who claim through them or who assert claims (or could assert claims) on their behalf..

12. The Releases, which are set forth in Section 10 of the Settlement Agreement and which are also set forth below, are expressly incorporated herein in all respects and are effective as of the date of this Final Order; and the Released Persons (as that term is defined below and in the Settlement Agreement) are forever released, relinquished, and discharged by the Releasing Persons (as that term is defined below and in the Settlement Agreement) from all Released Claims (as that term is defined below and in the Settlement Agreement).

(a) Release and Waiver Definitions

(i) “Shellpoint” means New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing which is now known as NewRez LLC d/b/a Shellpoint Mortgage Servicing.

(ii) “Defendant” means the named defendant in the Chong Litigation, Shellpoint.

(v) “Lender-Placed Insurance” or “LPI” means the placement of hazard, flood, or wind insurance pursuant to a mortgage loan agreement, home equity loan agreement, or home equity line of credit serviced by Shellpoint to cover a borrower’s failure to maintain the required insurance coverage on the Residential property securing the loan.

(vi) “LPI Policy” means a lender-placed residential hazard, flood, or wind LPI policy procured by the Overby-Seawell Company on or after March 1, 2014, and placed pursuant to a mortgage loan agreement, home equity loan agreement, or home equity line of credit serviced by Shellpoint to cover a borrower’s failure to maintain the required insurance coverage on the residential property securing the loan.

(vii) “Release” or “Releases” means the releases of all Released Claims by the Releasing Persons against the Released Persons.

(viii) “Released Claims” means all claims, actions, causes of action, suits, debts, sums of money, payments, obligations, reckonings, promises, damages, penalties, attorney’s fees and costs, liens, judgments, demands, and any other forms of liability released pursuant to this Final Order and Judgment and Section 10 of the Settlement Agreement.

(ix) “Released Persons” means, only with respect to Released Claims:
(a) Shellpoint and each of its respective past or present, direct or indirect affiliates, parent companies, subsidiaries, divisions, predecessors, successors, assigns, investors, and all past or present officers, directors, employees, agents, brokers, distributors, representatives, and attorneys

of any such entities or persons; and (c) any trustee or investor of a mortgage securitization trust which included loans made to any Settlement Class Member, including, but not limited to any direct or indirect subsidiary of any of them, and all of the officers, directors, employees, agents, brokers, distributors, insurers, representatives, successors and assigns, and attorneys of all such entities.

(x) “Releasing Persons” means Named Plaintiff and all Settlement Class Members who do not properly and timely opt out of the Settlement, as well as their respective family members, executors, representatives, administrators, guardians, wards, heirs, estates, bankruptcy estates, bankruptcy trustees, successors, predecessors, joint tenants, tenants in common, tenants by the entirety, co-mortgagors, co-obligors, co-debtors, attorneys, agents and assigns, and all those who claim through them or who assert claims (or could assert claims) on their behalf.

(xi) “Settling Parties” means, collectively, Defendant, Named Plaintiff, all Settlement Class Members, and all Releasing Persons.

(b) Released Claims of Settlement Class. Each member of the Settlement Class, as well as their respective family members, executors, representatives, administrators, guardians, wards, heirs, estates, bankruptcy estates, bankruptcy trustees, successors, predecessors, joint tenants, tenants in common, tenants by the entirety, co-mortgagors, co-obligors, co-debtors, attorneys, agents and assigns, and all those who claim through them or who assert claims (or could assert claims) on their behalf other than the Named Plaintiff, shall, by operation of the Final Order, be deemed to have fully, conclusively, irrevocably, forever, and finally released, relinquished, and discharged the Released Persons from any and all claims, actions, causes of action, suits, defenses, debts, sums of money, payments, obligations, reckonings, promises, damages, penalties,

attorney's fees and costs, liens, judgments, and demands of any kind whatsoever that each member of the Settlement Class may have until the close of the Settlement Class Period or may have had in the past, whether in arbitration, administrative, or judicial proceedings, whether as individual claims or as claims asserted on a class basis, whether past or present, mature or not yet mature, known or unknown, suspected or unsuspected, whether based on federal, state, or local law, statute, ordinance, regulations, contract, common law, or any other source, that were or could have been sought or alleged in the Litigation or that relate, concern, arise from, or pertain in any way to the Released Persons' conduct, policies, or practices concerning Shellpoint's placement of LPI Policies or to the receipt or disclosure or nondisclosure of charges related to the advancing of LPI premiums during the Settlement Class Period, including but not limited to conduct, policies or practices concerning LPI Policies or to charges for Shellpoint's Placement of LPI Policies during the Settlement Class Period. In agreeing to this Release, Named Plaintiff explicitly acknowledges, and each Settlement Class Member is deemed to recognize, that unknown losses or claims could possibly exist and that any present losses may have been underestimated in amount or severity.

(i) The Release stated in Paragraph 12(b) above shall include, but not be limited to, all claims related to Shellpoint's insurance requirements; the relationship, whether contractual or otherwise, between Shellpoint and the Overby Sealwell Company regarding LPI, including, but not limited to, the procuring, underwriting, placement, insurance tracking, or costs of LPI Policies; the coverage amount, duration, issue date, alleged "backdating," or alleged excessiveness (including but not limited to coverage amount or cost) of any LPI Policies placed or charged by Shellpoint; the payment or receipt of commissions, expense reimbursements, alleged "kickbacks," or any other compensation under any LPI Policies placed or charged by Shellpoint; the receipt or disclosure or non-disclosure of any and all payments, expenses, fees, finance

charges, or other charges, or features pertaining in any way to, in connection with, or under any LPI Policies or coverage under such LPI Policies and charges for such coverage placed or charged by Shellpoint; the receipt or non-disclosure of any benefit under any LPI Policies or coverage under such LPI Policies and charges for such coverage placed or charged by Shellpoint; the content, manner, or accuracy of any communications regarding the placement of any LPI Policies by Shellpoint; and to the regulatory approval or non-approval of any LPI Policy, or the premium thereon, placed or charged by Shellpoint. Each Settlement Class Member shall be considered, by operation of the Final Judgment, to have received full and final redress, including but not limited to any refund, reimbursement, restitution, or damages for the conduct covered by the release.

(ii) The Release in Paragraph 12(b) above shall not cover claims arising after the close of the Settlement Class Period, nor insurance claims for losses relating to properties insured under any LPI Policy placed or charged for by Shellpoint. Nothing in Paragraph 12(b) shall be deemed a release of any Settlement Class Member's respective rights and obligations under this Agreement. Further, nothing in Paragraph 12(b), or any other provision of the Stipulation and Settlement Agreement, shall be deemed a release of claims by borrowers who were charged for LPI that was purchased by mortgage servicers other than Shellpoint.

(iii) Except to the extent that any such obligation is being released pursuant to Paragraph 12(b) above, this Final Order shall not be deemed a release of Defendant from any existing obligation to any Settlement Class Member under any loan, note, mortgage, or deed of trust. This provision is not meant to and does not limit the Releases in this Final Order or in the Settlement Agreement.

(c) The Named Plaintiff and Class Counsel further represent that there are no outstanding liens or claims against the Chong Litigation, it being recognized that the Named

Plaintiff will solely be charged with the responsibility to satisfy any other liens or claims asserted against the Chong Litigation.

(d) Without in any way limiting their scope, the Releases cover by example and without limitation, any and all claims for attorneys' fees, costs, expert fees, or consultant fees, interest, or litigation fees, or any other fees, costs, and/or disbursements incurred by Class Counsel, the Named Plaintiff, or any Settlement Class Members in connection with or related in any manner to the Chong Litigation, the settlement of the Chong Litigation, the administration of such Settlement, and/or the Released Claims, except to the extent otherwise specified in the Settlement Agreement.

(e) In connection with the foregoing Releases, the Named Plaintiff and each Settlement Class Member expressly waive, and shall be deemed to have waived to the fullest extent permitted by law, any and all provisions, rights, benefits conferred by Section 1542 of the California Civil Code, and any statute, rule and legal doctrine similar, comparable, or equivalent to California Civil Code Section 1542, which provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

To the extent that anyone might argue that these principles of law are applicable—notwithstanding that the Settling Parties have chosen Florida law to govern this Settlement Agreement—the Named Plaintiff hereby agrees, and each Settlement Class Member will be deemed to agree, that the provisions of all such principles of law or similar federal or state laws, rights, rules, or legal principles, to the extent they are found to be applicable herein, are hereby knowingly and voluntarily waived, relinquished, and released. The Named Plaintiff recognizes, and each Settlement Class Member will be deemed to recognize, that, even if they may

later discover facts in addition to or different from those which they now know or believe to be true, they nevertheless agree that, upon entry of the Final Order, they fully, finally, and forever settle and release any and all claims covered by the Releases.

(f) The Releases were bargained for and are a material element of the Settlement Agreement.

(g) The Releases do not affect the rights of Settlement Class Members who timely and properly submitted a Request for Exclusion from the Settlement in accordance with the requirements of the Preliminary Approval Order and in Section 11 of the Settlement Agreement.

(h) The administration and consummation of the Settlement as embodied in the Settlement Agreement shall be under the authority of the Court.

(i) The Settlement Agreement shall be the exclusive remedy for any and all Settlement Class Members, except those who have properly requested exclusion (opted out), and the Released Persons shall not be subject to liability or expense for any of the Released Claims to any Settlement Class Member(s).

(j) The Releases shall not preclude any action to enforce the terms of the Settlement Agreement, including participation in any of the processes detailed therein. The Releases set forth herein and in the Settlement Agreement are not intended to include the release of any rights or duties of the Settling Parties arising out of the Settlement Agreement, including the express warranties and covenants contained herein.

13. Neither the Settlement Agreement, nor any of its terms and provisions, nor any of the negotiations or proceedings connected with it, nor any of the documents or statements referred to therein, nor this Final Order, nor any of its terms and provisions, nor the final judgment to be entered pursuant to this Final Order, nor any of its terms and provisions, shall be:

(a) offered by any person or received against the Defendant as evidence or construed as or deemed to be evidence of any presumption, concession, or admission by the Defendant of the truth of the facts alleged by any person or the validity of any claim that has been or could have been asserted in the Chong Litigation or in any litigation, or other judicial or administrative proceeding, or the deficiency of any defense that has been or could have been asserted in the Litigation or in any litigation, or of any liability, negligence, fault or wrongdoing of the Defendant;

(b) offered by any person or received against the Defendant as evidence of a presumption, concession, or admission of any fault, misrepresentation, or omission with respect to any statement or written document approved or made by the Defendant or any other wrongdoing by the Defendant;

(c) offered by any person or received against the Defendant as evidence of a presumption, concession, or admission with respect to any liability, negligence, fault, or wrongdoing in any civil, criminal, or administrative action or proceeding;

(d) offered or received in evidence in any action or proceeding against any Party hereto in any court, administrative agency, or other tribunal for any purpose whatsoever, other than to enforce or otherwise effectuate the Settlement Agreement (or any agreement or order relating thereto), including the Releases, or the Final Order, or the final judgment to be entered pursuant to this Final Order.

14. This Final Order, the final judgment to be entered pursuant to this Final Order, and the Settlement Agreement (including the exhibits thereto) may be filed in any action against or by any Released Person (as that term is defined herein and the Settlement Agreement) to support a defense of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or

reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

15. Without further order of the Court, the Settling Parties may agree to reasonably necessary extensions of time to carry out any of the provisions of the Settlement Agreement.

16. This Final Order, and the final judgment to be entered pursuant to this Final Order, shall be effective upon entry. In the event that the Final Order and the final judgment to be entered pursuant to this Final Order are reversed or vacated pursuant to a direct appeal in this Action or the Settlement Agreement is terminated pursuant to its terms, all orders entered and releases delivered in connection herewith shall be null and void.

17. A final judgment substantially in the form attached hereto as Exhibit F-1 will be entered forthwith.

DONE and ORDERED in Chambers in West Palm Beach, Florida, this _____ day of _____, 2019

ROBIN L. ROSENBERG
UNITED STATES DISTRICT JUDGE

EXHIBIT F-1

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 9:18-cv-80948-ROSENBERG/REINHART

DOROTHY KERR CHECA CHONG
on behalf of herself and all others
similarly situated,

Plaintiff,
v.

NEW PENN FINANCIAL, LLC, d/b/a
SHELLPOINT MORTGAGE SERVICING,

Defendant.

_____ /

[PROPOSED] FINAL JUDGMENT

This action having settled pursuant to the Stipulation and Settlement Agreement (the “Settlement Agreement”) and the Court having entered an Order Granting Final Approval To Class Action Settlement (the “Final Order”), IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. This action, including all individual claims and class claims presented herein, is hereby dismissed on the merits and with prejudice against the Named Plaintiff and all other Settlement Class Members, without fees (including attorneys’ fees) or costs to any party except as otherwise provided in the Final Order.

a. “Named Plaintiff” means Dorothy Kerr Checa Chong.

b. “Settlement Class Members” are members of the “Settlement Class,” which consists of the following:

The “Class” shall include all borrowers in the United States who, within the Class Period, were charged by Shellpoint under a hazard, flood, or wind LPI policy, procured by Overby-Seawell Company on or after March 1, 2014, for Residential Property, and who, within the Class Period, either (i) paid to Shellpoint the Net Premium for that LPI Policy or (ii) did not pay to and still owe Shellpoint the Net Premium for that LPI Policy. Excluded from the Class are: (i) individuals who are or were during the Class Period officers or directors of the Defendant or any of their respective affiliates; (ii) any justice, judge, or magistrate judge of the United States or any State, their spouses, and persons within the third degree of relationship to either of them, or the spouses of such persons; (iii) borrowers who only had an LPI Policy that was cancelled in its entirety such that any premiums charged and/or collected were fully refunded to the borrower or the borrower’s escrow account; (iv) all borrowers for whom a final foreclosure judgment, foreclosing the mortgage loan serviced by Shellpoint, was entered against them; and (iv) all borrowers who file a timely and proper request to be excluded from the Class.

The “Class Period” shall commence on March 1, 2014, and shall continue through and including _____.

c. “Shellpoint” means New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing, which is now known as NewRez LLC d/b/a Shellpoint Mortgage Servicing.

d. “Affiliate” of an entity means any person or entity which controls, is controlled by, or is under common control with such entity.

e. “LPI Policy” means a lender-placed residential hazard, flood, or wind LPI policy procured by the Overby-Seawell Company on or after March 1, 2014 and placed pursuant to a mortgage loan agreement, home equity loan agreement, or home equity line of credit serviced by Shellpoint to cover a borrower’s failure to maintain the required insurance coverage on the residential property securing the loan.

f. “Net Premium” means the amount of premium charged to a Class Member for an LPI Policy during the Class Period less any refund paid or credited to the Class Member.

2. Named Plaintiff and all Settlement Class Members who did not timely exclude themselves from the Settlement Class, as well as their respective family members, executors, representatives, administrators, guardians, wards, heirs, estates, bankruptcy estates, bankruptcy

trustees, successors, predecessors, joint tenants, tenants in common, tenants by the entirety, co-mortgagors, co-obligors, co-debtors, attorneys, agents and assigns, and all those who claim through them or who assert claims (or could assert claims) on their behalf, have released the Released Claims as against the Released Persons, and are, from this day forward, hereby permanently barred and enjoined from directly or indirectly (i) filing, commencing, prosecuting, intervening in, or participating in (as class members or otherwise), any lawsuit in any jurisdiction for the Released Claims; or (ii) organizing any Settlement Class Members into a separate class for purposes of pursuing as a purported class action any lawsuit (including by seeking to amend a pending complaint to include class allegations, or seeking class certification in a pending action) based on or relating to the claims and causes of action, or the facts and circumstances relating thereto, in this action and/or the Released Claims.

a. “Released Claims” means any and all claims, actions, causes of action, suits, defenses, debts, sums of money, payments, obligations, reckonings, promises, damages, penalties, attorney’s fees and costs, liens, judgments, and demands of any kind whatsoever that each member of the Settlement Class may have until the close of the Settlement Class Period or may have had in the past, whether in arbitration, administrative, or judicial proceedings, whether as individual claims or as claims asserted on a class basis, whether past or present, mature or not yet mature, known or unknown, suspected or unsuspected, whether based on federal, state, or local law, statute, ordinance, regulations, contract, common law, or any other source, that were or could have been sought or alleged in the Litigation or that relate, concern, arise from, or pertain in any way to the Released Persons’ conduct, policies, or practices concerning Shellpoint’s placement, or the Overby-Seawell’s procurement for Shellpoint, of LPI Policies or to the receipt or disclosure or nondisclosure of charges related to the advancing of LPI premiums during the Settlement Class

Period, including but not limited to conduct, policies or practices concerning LPI Policies or to charges for Shellpoint's Placement of LPI Policies through Overby-Seawell Company, during the Settlement Class Period. In agreeing to this Release, Named Plaintiff explicitly acknowledges, and each Settlement Class Member is deemed to recognize, that unknown losses or claims could possibly exist and that any present losses may have been underestimated in amount or severity.

b. The Released Claims of both the Named Plaintiff and the Settlement Class Members shall include, but not be limited to, all claims related to Shellpoint's insurance requirements; the relationship, whether contractual or otherwise, between Shellpoint and Overby-Seawell Company regarding LPI, including, but not limited to, the procuring, underwriting, placement, insurance tracking, or costs of LPI Policies; the coverage amount, duration, issue date, alleged "backdating," or alleged excessiveness (including but not limited to coverage amount or cost) of any LPI Policies placed or charged by Shellpoint; the payment or receipt of commissions, expense reimbursements, alleged "kickbacks," or any other compensation under any LPI Policies placed or charged by Shellpoint; the receipt or disclosure or non-disclosure of any and all payments, expenses, fees, finance charges, other charges, or features pertaining in any way to, in connection with, or under any LPI Policies or coverage under such LPI Policies and charges for such coverage placed or charged by Shellpoint; the receipt or non-disclosure of any benefit under any LPI Policies or coverage under such LPI Policies and charges for such coverage placed or charged by Shellpoint; the content, manner, or accuracy of any communications regarding the placement of any LPI Policies by Shellpoint; and to the regulatory approval or non-approval of any LPI Policy, or the premium thereon, placed or charged by Shellpoint. Each Settlement Class Member shall be considered, by operation

of the Final Judgment, to have received full and final redress, including but not limited to any refund, reimbursement, restitution, or damages for the conduct covered by the release.

c. “Released Persons” means, only with respect to Released Claims: (a) Shellpoint and each of its respective past or present, direct or indirect Affiliates, parent companies, subsidiaries, divisions, predecessors, successors, assigns, investors, and all past or present officers, directors, employees, agents, brokers, distributors, representatives, and attorneys of any such entities or persons and (b) any trustee or investor of a mortgage securitization trust which included loans made to any Settlement Class Member, including, but not limited to any direct or indirect subsidiary of any of them, and all of the officers, directors, employees, agents, brokers, distributors, insurers, representatives, successors and assigns, and attorneys of all such entities.

3. Notwithstanding the dismissal of this entire action, the Court shall retain jurisdiction over the construction, interpretation, consummation, implementation, and enforcement of the Settlement Agreement, including jurisdiction to enter such further orders as may be necessary or appropriate.

4. Within ten (10) days, Settlement Class Members shall dismiss with prejudice all claims, actions, or proceedings that have been brought by any Settlement Class Member in any jurisdiction and that have been released pursuant to the Settlement Agreement and Final Order and enjoined pursuant to this judgment.

DONE and ORDERED in Chambers in West Palm Beach, Florida, this _____ day of _____, 2019.

ROBIN L. ROSENBERG
UNITED STATES DISTRICT JUDGE