

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

ASHLY ALEXANDER, CEDRIC BISHOP,  
AMY THOMAS-LAWSON, WILLIAM  
GREEN, BRENDA BOLEY, MIGUEL  
PADILLA, and VICTORIA DAWKINS

*On behalf of themselves individually  
and similarly situated persons,*

Plaintiffs,

v.

CARRINGTON MORTGAGE SERVICES,  
LLC,

Defendants.

Case No. 1:20-cv-02369-RDB

**PLAINTIFFS' MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR FINAL  
APPROVAL OF CLASS ACTION SETTLEMENT**

Dated: October 27, 2022

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**TABLE OF CONTENTS**

I.	INTRODUCTION .....	1
II.	LITIGATION AND SETTLEMENT HISTORY .....	3
III.	SUMMARY OF THE SETTLEMENT BENEFITS .....	7
A.	Direct Monetary Benefits.....	7
B.	Prospective Injunctive Relief.....	9
C.	The Settlement Here Compares Favorably to Settlements of Similar Cases.....	10
IV.	SETTLEMENT ADMINISTRATOR AND ADMINISTRATION COSTS .....	10
V.	CLASS MEMBER RELEASE .....	11
VI.	CLASS NOTICE WAS PROVIDED AS DIRECTED BY THE COURT.....	11
VII.	THE LEGAL STANDARD FOR FINAL APPROVAL .....	12
VIII.	ARGUMENT .....	13
A.	The Settlement Agreement Warrants Final Approval .....	13
1.	The Settlement is Fair .....	14
2.	The Settlement is Adequate .....	17
3.	The Allocation of the Settlement is Fair and Reasonable.....	23
IX.	THE CLASS SHOULD BE CERTIFIED FOR SETTLEMENT PURPOSES .....	25
X.	CONCLUSION.....	26

## TABLE OF AUTHORITIES

### Cases

<i>Alexander v. Carrington Mortg. Servs., LLC</i> , 23 F.4th 370 (4th Cir. 2022) .....	4
<i>Alexander v. Carrington Mortg. Servs., LLC</i> , Case No. 1-20-CV-02369-RDB (D. Md.).....	3
<i>Alloways v. Cruise Web, Inc.</i> , No. CBD-17-2811, 2019 WL 1902813 (D. Md. April 29, 2019).....	12, 13
<i>Alvarez v. LoanCare, LLC</i> , No. 20-2187-CIV-ALTONAGA/Goodman, 2021 WL 184547 (S.D. Fla. Jan. 19, 2021) .....	20
<i>Attix v. Carrington Mortg. Servs., LLC</i> , 35 F.4th 1284 (11th Cir. 2022) .....	4
<i>Attix v. Carrington Mortgage Services, LLC</i> , Case No. 20-cv-22183-UU (S.D. Fla.) .....	4
<i>Bardak v. Ocwen Loan Servicing</i> , No. 19-1111, 2020 WL 5104523 (M.D. Fla. Aug. 12, 2020).....	19
<i>Boyd v. Coventry Health Care Inc.</i> , 299 F.R.D. 451 (D. Md. 2014).....	23
<i>Caldwell v. Freedom Mortg. Corp.</i> , No. 3:19-CV-2193-N, 2020 WL 4747497 (N.D. Tex. Aug. 14, 2020) .....	20
<i>Cooper v. PennyMac Loan Servs., LLC</i> , 509 F. Supp. 3d 1325 (S.D. Fla. 2020) .....	19
<i>Dawkins v. Carrington Mortg. Servs. LLC</i> , Case No. 1:20-CV-60998-RAR (S.D. Fla.) .....	4, 5, 6
<i>Decohen v. Abbasi, LLC</i> , 299 F.R.D. 469 (D. Md. 2014).....	15, 21, 25
<i>Dees v. Nationstar Mortg., LLC</i> , 496 F. Supp. 3d 1043 (S.D. Tex. 2020) .....	20
<i>Edelen v. Am. Residential Servs., LLC</i> , No. CIV.A. DKC 11-2744, 2013 WL 3816986 (D. Md. July 22, 2013).....	19, 22
<i>Fernandez v. Rushmore</i> , Case No. 8:21-cv-00621-DOC-(KEXc) (C.D. Cal. Feb. 14, 2022).....	24
<i>Fire &amp; Police Retiree Health Care Fund, San Antonio v. Smith</i> , No. CV CCB-18-3670, 2020 WL 6826549 (D. Md. Nov. 20, 2020) .....	13
<i>Gaston v. LexisNexis Risk Sols. Inc.</i> , No. 516CV00009KDBDCK, 2021 WL 244807 (W.D.N.C. Jan. 25, 2021).....	13, 17
<i>Herrera v. Charlotte Sch. of L., LLC</i> , 818 F. App'x 165 (4th Cir. 2020) .....	13
<i>In re Am. Cap. S'holder Derivative Litig.</i> , No. CIV. 11-2424 PJM, 2013 WL 3322294 (D. Md. June 28, 2013) .....	17

<i>In re Jiffy Lube Sec. Litig.</i> , 927 F.2d 155 (4th Cir. 1991) .....	12, 13, 15
<i>In re Lumber Liquidators Chinese-Manufactured Flooring Prod. Mktg. Sales Pracs.</i> , No. 115MD2627AJTTRJ, 2018 WL 11203065 (E.D. Va. Oct. 9, 2018), <i>aff'd sub nom. In re: Lumber Liquidators Chinese-Manufactured Flooring Prod. Mktg., Sales Pracs. &amp; Prod. Liab. Litig.</i> , 952 F.3d 471 (4th Cir. 2020).....	23
<i>In re The Mills Corp. Securities Litig.</i> , 265 F.R.D. 246 (E.D. Va. 2009) .....	18
<i>Jernigan v. Protas, Spivok &amp; Collins, LLC</i> , No. CV ELH-16-03058, 2017 WL 4176217 (D. Md. Sept. 20, 2017) .....	16
<i>Lang v. Ocwen Loan Servicing, LLC</i> , No. 3:20-cv-81-J-20MCR, 2020 WL 5104522 (M.D. Fla. July 17, 2020).....	19
<i>Lembeck v. Arvest Cent. Mortg. Co.</i> , No. 3:20-cv-03277-VC, 2021 WL 5494940 (N.D. Cal. Aug. 26, 2021) .....	24
<i>Lyons v. PNC Bank, Nat'l Ass'n</i> , 26 F.4th 180 (4th Cir. 2022) .....	18
<i>Manuel v. Wells Fargo Bank, Nat'l Ass'n</i> , No. 3:14CV238(DJN), 2016 WL 1070819 (E.D. Va. Mar. 15, 2016) .....	16
<i>McAdams v. Robinson</i> , 26 F.4th 149 (4th Cir. 2022) .....	16
<i>Nicholes v. Combined Ins. Co. of Am.</i> , No. 5:16-CV-10203, 2019 WL 2575066 (S.D.W. Va. Feb. 22, 2019).....	15
<i>Phillips v. Caliber Home Loans, Inc.</i> , Case No. 0:19-cv-2711, 2022 WL 832085 (D. Minn. Mar. 21, 2022) .....	24
<i>Pierce v. Statebridge Co., LLC</i> , No. 1:20CV117, 2021 WL 1711784 (M.D.N.C. Apr. 29, 2021).....	16
<i>Robinson v. Carolina First Bank NA</i> , No. 7:18-CV-02927-JDA, 2019 WL 719031 (D.S.C. Feb. 14, 2019).....	21
<i>Robinson v. Nationstar Mortg. LLC</i> , No. 8:14-CV-03667-TJS, 2020 WL 8256177 (D. Md. Dec. 11, 2020), <i>aff'd sub nom. McAdams v. Robinson</i> , 26 F.4th 149 (4th Cir. 2022) .....	16
<i>Thomas-Lawson v. Carrington Mortg. Servs. LLC</i> , Case No. 2-20-cv-07301-ODW(Ex) (C.D. Cal.) .....	3, 5, 6
<i>Thomas-Lawson v. Carrington Mtg. Servs., LLC</i> , 21-55459 (9th Cir.) .....	5
<i>Turner v. PHH Mortg. Corp.</i> , 467 F. Supp. 3d 1244 (M.D. Fla. 2020).....	19

## Statutes

15 U.S.C. § 1692f(1).....	4
28 U.S.C. § 1715.....	12

**Rules**

FED. R. CIV. P. 23(E) .....	12, 13, 15, 24
-----------------------------	----------------

**Regulations**

12 C.F.R. § 1024.38(a).....	25
12 C.F.R. § 1024.38(b) .....	25
12 C.F.R. § 1024.38(c).....	25
12 U.S.C.A. § 2605(k) .....	25
Md. Code Regs. 09.03.06.05.....	25

## **I. INTRODUCTION**

Plaintiffs Ashly Alexander, Cedric Bishop, Amy Thomas-Lawson, William Green, Brenda Boley, Miguel Padilla, and Victoria Dawkins, individually and on behalf of the proposed Settlement Class,<sup>1</sup> seek final approval of a proposed Settlement of claims against Defendant Carrington Mortgage Services LLC (“Carrington”). The Settlement Agreement, if approved, will establish a common fund of over \$18 million to provide direct monetary relief to Settlement Class members, and will provide additional injunctive relief by Carrington providing electronic payment methods for free for at least three years. The total monetary value of the Settlement is \$44,181,898.65 and is an excellent Settlement to which no Class Member has objected.

Specifically, a \$18,181,898.65 cash Common Fund will be created to resolve the claims of Plaintiffs and the Settlement Class Members deriving from Carrington’s practice of charging fees for making mortgage payments online or over the phone (“Convenience Fees” or “Pay-to-Pay Fees”). The Common Fund represents approximately 35% of the \$51,891,139.18 in fees collected by Carrington during the Class Period. The Common Fund will provide cash payments to Settlement Class Members, pay Administrative Costs to provide notice and administer the settlement, and pay any attorneys’ Fee and Expense Award and Service Awards that the Court may approve. Settlement Class Members will not need to submit a claim form in order to receive monetary compensation, but instead will automatically receive a payment based on the amount they were charged for Convenience Fees.

Additionally, the Settlement includes valuable injunctive relief: Carrington has agreed by contract to refrain from charging Convenience Fees for at least three years after Final Approval,

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<sup>1</sup> Unless otherwise specifically defined herein, all capitalized terms have the same meanings as those set forth in the parties’ Settlement Agreement (“SA”), Dkt. 53-4.

while allowing borrowers to make payments foy phone, IVR, or internet without charge. Because Carrington collected, on average \$8.64 million a year in Convenience Fees from Settlement Class Members, the prospective injunctive relief is estimated to be worth \$26 million (any likely more since the class members will utilize the service more when they realize the payment methods are now provided for free).

The proposed Settlement has been preliminarily approved and warrants final approval now. The settlement provides substantial monetary relief to the Settlement Class, as well as significant injunctive relief stopping a major mortgage loan servicer from charging Convenience Fees for at least three years while continuing to offer free electronic payment services to borrowers. Indeed, the injunctive relief will save Settlement Class Members significant monetary expense as they pay their mortgages in the future. This relief was secured after seven months of settlement negotiations and a fourteen-hour long mediation before an independent mediator, by experienced and informed counsel. As such, the proposed Settlement warrants final approval, as the terms are fair, reasonable, and adequate.

Therefore, Plaintiffs request that the Court (1) grant this Motion, (2) finally approve the proposed Settlement, (3) affirm the certification of the Settlement Class for settlement purposes only, (4) affirm the appointment of Ashly Alexander, Cedric Bishop, Amy Thomas-Lawson, William Green, Brenda Boley, Miguel Padilla, and Victoria Dawkins as Class Representatives, (5) affirm the appointment of Hassan A. Zavareei and Kristen G. Simplicio of Tycko & Zavareei LLP, James L. Kauffman of Bailey Glasser LLP, and Phillip Robinson of Consumer Law Center, LLC as Class Counsel, (6) retain jurisdiction over this matter to resolve issues related to interpretation, administration, implementation, effectuation, and enforcement of the Settlement, and (7) enter Final Judgment dismissing this action. Carrington does not oppose the relief sought in this Motion.

## II. LITIGATION AND SETTLEMENT HISTORY

To challenge Carrington’s practice of charging and collecting illegal processing fees from borrowers paying their monthly mortgage by phone or online, Plaintiffs Ashly Alexander, Cedric Bishop, Amy Thomas-Lawson, William Green, Brenda Boley, Miguel Padilla, and Victoria Dawkins commenced separate actions in Maryland, California, and Florida. *See generally* Declaration of Kristen G. Simplicio in Support of Plaintiffs’ Motion for Fees, Costs, and Service Awards, Dkt. 60-1. On July 10, 2020, Plaintiff Alexander initiated a class action lawsuit in the Circuit Court of Baltimore County, alleging that Carrington violated the Maryland Consumer Debt Collection Act (“MCDCA”) and the Maryland Consumer Protection Act (“MCPA”). *See Alexander v. Carrington Mortg. Servs., LLC*, 1:20-CV-02369-RDB (D. Md.), Dkt. 3. On August 17, 2020, Carrington removed the action to this Court, and on September 8, Plaintiffs filed an amended complaint, adding Plaintiff Bishop (also a Maryland homeowner) and an allegation that Carrington violated the federal Fair Debt Collection Practices Act (“FDCPA”). Dkts. 1, 20. On December 16, 2019, Plaintiffs Thomas-Lawson (Maryland), Boley (Texas), Padilla (California), and Green (New York) initiated a class action in this Court, *see* 1:19-CV-03567-CCB (D. Md.), which was transferred to the Central District of California on August 13, 2020. *See Thomas-Lawson v. Carrington Mortg. Servs. LLC*, 2:20-cv-07301-ODW(Ex) (C.D. Cal.), Dkt. 1. Plaintiffs Thomas-Lawson, Boley, Padilla, and Green alleged that Carrington violated the FDCPA, California’s Rosenthal Fair Debt Collections Act (“Rosenthal Act”) and Unfair Competition Law (“UCL”), the Texas Debt Collection Act (“TDCA”), and the MCDCA and MCPA. *See id.* And on May 20, 2020, Plaintiff Dawkins initiated a class action in the Southern District of Florida against Carrington, alleging breach of contract, unjust enrichment, and violations of the Florida Consumer Collection Practices Act (“FCCPA”) and the Florida Deceptive and Unfair Trade Practices Act



(“FDUTPA”). *See Dawkins v. Carrington Mortg. Servs. LLC*, 1:20-CV-60998-RAR (S.D. Fla.), Dkt. 1.<sup>2</sup>

Although the three putative class actions were brought separately, each is based on one central harm: Carrington charged and collected millions of dollars in \$5 to \$20 Convenience Fees from homeowners in addition to their regular mortgage payments, and Plaintiffs allege that this practice violated the FDCPA, and the laws of Maryland, California, Florida, and Texas, and breached their mortgage agreements. The Rosenthal Act, the MCDCA, the FCCPA, and the TDCA are all modeled on the FDCPA, which prohibits “[t]he collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or permitted by law.” 15 U.S.C. § 1692f(1). Plaintiffs alleged that these fees violated the FDCPA and California, Maryland, Florida, and Texas state law because the fees were not expressly authorized by their mortgage agreements or any statute.

In the *Alexander* case before this Court, Carrington moved to dismiss the Amended Complaint, Plaintiffs Alexander and Bishop opposed, and the Court issued an order granting the motion, dismissing Plaintiffs’ claims in their entirety. *See* Dkts. 24, 28, 32-33. Plaintiffs appealed the dismissal, *see* Dkt. 34, and on January 19, 2022, the Fourth Circuit reversed. *See Alexander v. Carrington Mortg. Servs., LLC*, 23 F.4th 370 (4th Cir. 2022).

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<sup>2</sup> On May 26, 2020, another plaintiff filed a lawsuit against Carrington in the Southern District of Florida with similar allegations and claims the Plaintiffs here. *See Attix v. Carrington Mortgage Services, LLC*, Case No. 20-cv-22183-UU (S.D. Fla.) (“*Attix* Litigation”). After the court in that case denied Carrington’s motion to compel arbitration, Carrington filed an appeal to the Eleventh Circuit. On May 26, 2022, the Eleventh Circuit reversed, compelling the case to arbitration. *Attix v. Carrington Mortg. Servs., LLC*, 35 F.4th 1284, 1289 (11th Cir. 2022) (“*Attix* Appeal”).

In the *Thomas-Lawson* matter, Plaintiffs Thomas-Lawson, Boley, Padilla, and Green moved to appoint Interim Class Counsel, and Carrington opposed. *See* Dkts. 71, 81. Carrington moved both to compel arbitration of the claims brought by Plaintiffs Boley and Green and to dismiss the complaint, and Plaintiffs Thomas-Lawson, Boley, Padilla, and Green opposed. *See* Dkts. 75-76, 85-86. On April 5, 2021, the court issued an order denying Carrington’s motion to compel arbitration, granting Carrington’s motion to dismiss in its entirety, and denying Plaintiffs’ Rule 23(g) motion as moot. *See* Dkt. 97. Plaintiffs appealed the dismissal of their claims to the Ninth Circuit, *see* Dkt. 98, the parties submitted their briefs, and the Ninth Circuit set oral argument for June 9, 2022. *See Thomas-Lawson v. Carrington Mtg. Servs., LLC*, 21-55459 (9th Cir.), Dkts. 17, 35, 47-48. The appeal is currently pending, but stayed pending consideration of this settlement. *See id.*

In the *Dawkins* matter, Carrington moved to compel arbitration and to stay discovery, and Plaintiff Dawkins opposed. *See* Dkts. 22-23, 33-34. Because the court in the *Attix* Litigation denied Carrington’s motion to compel arbitration, which Carrington appealed, the court granted a joint motion to stay the *Dawkins* matter pending resolution of the *Attix* Appeal. *See* Dkts. 43-44, 51, 56.

After months of discussion, the parties agreed to engage in mediation with the assistance of Jeff Kichaven, a third-party mediator, to explore whether a negotiated resolution was possible in *Alexander*, *Thomas-Lawson*, and *Dawkins* (“the Convenience Fee Actions”). *See* Dkt. 53-3. Declaration of Kristen G. Simplicio (“Simplicio Decl.”) ¶ 6. In advance of the mediation, Carrington provided detailed, informal data regarding the Convenience Fees collected from borrowers to Class Counsel. Based on that data, Class Counsel prepared a mediation statement and provided it to both Mr. Kichaven and Carrington’s counsel. *Id.* ¶ 7.

On April 20, 2022, the parties mediated before Mr. Kichaven. *Id.* ¶ 11. The mediation began at 12:00 pm (Eastern time) and continued for a full fourteen hours, until the parties reached an agreement on all material terms at approximately 2:00AM on April 21. *Id.* Class Counsel entered the mediation fully informed of the merits of Settlement Class members' claims and were prepared to continue to litigate rather than accept a settlement that was not in the Plaintiffs' and Settlement Class's best interests. *Id.* ¶ 10. After these hard-fought negotiations, where both sides made presentations to the mediator and all attendees, the parties reached an agreement on all material terms, including the amount of the Common Fund and the injunctive relief. *Id.* ¶¶ 11-12. Class Counsel prepared the first draft of the Settlement Agreement, and the parties then negotiated the precise terms and language of the Agreement now before the Court. *Id.*

To preserve the resources of the parties and the Court, the parties agreed that Plaintiffs' claims should be consolidated in this Court as a nationwide class and a single Settlement Agreement should be considered and approved by this Court, rather than proceeding piecemeal. Thus, in advance of Plaintiffs' Motion for Preliminary Approval, the parties notified the other courts of the Settlement and requested to stay proceedings pending approval of the Settlement. *See Thomas-Lawson*, Dkts. 53-54; *Dawkins*, Dkt. 62. On May 25, 2022, Plaintiffs filed a Second Amended Complaint by consent, consolidating their claims before this Court. Dkt. 52. Plaintiffs also filed a Motion for Preliminary Approval. Dkt. 53.

On July 6, 2022, this Court granted the motion, preliminarily finding the settlement to be fair, reasonable, and adequate. Dkt. 56 at 12-16. The Court also preliminarily certified the following Settlement Class for settlement purposes only:

All persons who paid a fee to Carrington for making a mortgage loan payment by telephone, IVR, or via the internet, between January 1, 2016 through December 31, 2021 ("Convenience Fees") who fall into one or more of the following groups:

- (1) Were borrowers on residential mortgage loans on properties located in California, Texas, New York, Maryland, or Florida;
- (2) Were borrowers on residential mortgage loans on properties in the United States to which Carrington acquired servicing rights when such loans were 30 days or more delinquent on loan payment obligations; or
- (3) Were borrowers on residential mortgage loans on properties located in the United States insured by the Federal Housing Administration.

*Id.* at 16-17. The Court approved the proposed Notice Plan as providing “the best notice practicable under the circumstances.” *Id.* at 17-18. The Court set a Final Approval Hearing for November 10, 2022 at 11:00 AM at the United States District Court for the District of Maryland, United States Courthouse, 101 West Lombard Street, Chambers 5D, Baltimore, MD 21201. Dkt. 57. The Parties subsequently provided notice of the settlement to Settlement Class Members in accordance with the Notice Plan. *See* Section VI, *infra*.

On September 27, 2022, Plaintiffs filed a Motion for Award of Fees, Costs, and Service Award, seeking an award of \$7,287,898.42 in attorneys’ fees and costs, as well as a Service Award of \$5,000 for each of the Class Representatives. Dkt. 60.

### **III. SUMMARY OF THE SETTLEMENT BENEFITS**

#### **A. Direct Monetary Benefits**

The Settlement Agreement provides direct monetary benefits in the form of a Common Fund of \$18,181,898.65, from which shall be paid (1) all payments to Settlement Class members, (2) all Administrative Costs, (3) any taxes owed by the Gross Settlement Amount (but not any taxes owed by any individual Class Counsel, Plaintiffs, or Settlement Class Members), (4) any Fee and Expense Award approved by the Court, and (5) any Service Awards to the Class Representatives approved by the Court. *See* SA § IV.A. The settlement amount represents 35% of the total Convenience fees collected by Carrington from the class during the Class Period. After

payment of costs of administration and notice and any fees, expenses, and service award authorized by the Court, the Net Settlement Fund will be distributed to Settlement Class Members as described below. *Id.* § IV.B.

Settlement Class Members do not have to submit claims or take any other affirmative step to receive benefits under the Settlement. Instead, Carrington provided the Settlement Administrator with a Settlement Class Member List that included the names, last known mailing addresses, the last known email addresses of the \$442,045 Settlement Class Members, and the dates and amounts of each Convenience Fee paid during the Class Period. *Id.* §§ II.FF, VI; *see also* Declaration of Peter Sperry Regarding Implementation of Notice and Settlement Administration (“Sperry Decl.”), ¶ 6.

Each Settlement Class Member who paid at least one Convenience Fee during the Class Period shall be entitled to receive a payment of \$5.00 from the Net Settlement Fund for the first Convenience Fee paid. The remainder of the Net Settlement Fund will be paid to Settlement Class Members on a *pro rata* basis, based upon the amount of the remaining Convenience Fees paid by each Settlement Class Member during the Class Period. SA § IV.B. Co-borrowers on a single class account shall be entitled to a single total Settlement Payment per account, but all fees paid will be eligible for a *pro rata* share. *Id.* Settlement Class Members will automatically receive their payments by check and may also elect a digital payment option via the Settlement Website. *Id.* Prior to mailing checks, the Settlement Administrator shall attempt to update the last known address of the Settlement Class Member through the National Change of Address database. *Id.* If a check is returned and marked “Undeliverable,” the Settlement Administrator shall make reasonable efforts to locate the Settlement Class Member, reissue the check, and send it to a forwarding address. *Id.* Any checks that are not cashed within 90 days shall be voided and the

money returned to the Net Settlement Fund. For good cause shown by the Settlement Class Member involved, the Settlement Administrator may reissue a check for up to an additional 90-day period following the original 90-day period. *Id.*

After 180 days from the date of issuance of the initial checks, any remaining funds in the Net Settlement Fund shall be distributed to Settlement Class Members via a secondary distribution. *Id.* If the amount of remaining funds is so minimal that a secondary distribution would be impracticable, then upon Court approval, the remaining funds shall be distributed to the *Cy Pres* Recipient, NeighborWorks America and the Maryland Consumer Rights Coalition. *Id.* In no event shall any remaining funds be returned to Carrington. *Id.*

**B. Prospective Injunctive Relief**

In addition to the direct monetary relief, the Settlement Agreement also includes important and valuable injunctive relief which provides additional monetary relief during the next three years. As of January 1, 2022, Carrington ceased charging or collecting Convenience Fees to any borrower in the United States, while allowing borrowers to make payments by telephone, IVR or the internet for free. And as a result of the Settlement of this case, Carrington has contractually agreed to refrain from charging or collecting such fees from borrowers in the United States for at least three years after the entry of a Final Approval Order, regardless of whether subsequent changes in law authorize such fees. SA § IV.C. Now, Settlement Class Members whose loans are still serviced by Carrington will be able to make payments by telephone, IVR, or the internet without incurring an additional fee. Carrington collected an average of approximately \$8.64 million a year from Settlement Class Members, and thus, injunctive relief is significant for Settlement Class Members because it may result in \$26 million or more in savings. The materiality of this this relief can be shown by the failed legislative effort of the Maryland Commissioner of

Financial Regulation during Maryland's last legislative session to expressly authorize some convenience fees Carrington has contractually agreed not to charge. *See* Dkt. 60-6, Robinson Decl. ¶ 14. But for Carrington's contractual promise before the Court in its prospective Injunctive relief, if approved by the Court, any future legislative changes in Maryland or elsewhere would not trump the vested, contractual rights of the putative class members.

### **C. The Settlement Here Compares Favorably to Settlements of Similar Cases**

Plaintiffs have previously submitted an appendix summarizing settlements in other cases against mortgage servicers arising out of their Convenience Fee practices. *See* Dkt. 53-2, Appendix A. As set forth in that summary, while there have been many settlements of similar cases in recent years, this settlement achieves a remarkable result. It is the largest in terms of the total value of relief being provided, and at the higher end in terms of the percentage of funds recovered. While a few defendants have agreed to pay a higher percentage of recovery, the class sizes were much smaller and the common funds were under \$2 million in each of those cases. Indeed, most of the cases listed in Appendix A were resolved by Class Counsel, involve similar results of around 30-35% of the amount of fees collected and 2-3 years of changed practices, and have been approved by courts around the country. The relief here stands in stark contrast to an early settlement, *McWhorter*, which amended class members' notes to permit the fees to be charged going forward. (*See* Dkt. 53-2, Appendix A), as well as other settlements that do not include a contractual promise by the defendant to stop charging the convenience fees for any period of time. *See Id.*

### **IV. SETTLEMENT ADMINISTRATOR AND ADMINISTRATION COSTS**

The proposed Settlement Administrator is Epiq Systems, Inc. ("Epiq"), a leading class action administration firm in the United States. Plaintiffs' counsel obtained and reviewed proposals from several prominent settlement administrators before engaging Epiq based on overall cost and

value to the Settlement Class. The Administrative Costs will be paid from the Gross Settlement Fund.

**V. CLASS MEMBER RELEASE**

In exchange for the benefits conferred by the Settlement, all Settlement Class Members will be deemed to have released the Released Entities from all claims that were or could have been asserted by the Class Representatives or Settlement Class Members arising out of, based upon, or related to the charging, collection, or attempted collection of Convenience Fees from the beginning of the world to the Effective Date, which the Settlement Class Member ever had or may have in the future. SA § V. The release is appropriately tailored and narrowed to claims related to the imposition and collection of Convenience Fees, in that it covers claims arising from the identical factual predicate to the claims asserted in the operative Complaint and does not swallow other claims or issues not before the Court in this action.

**VI. CLASS NOTICE WAS PROVIDED AS DIRECTED BY THE COURT**

After preliminary approval, the Parties provided Notice of the settlement in accordance with the parties' agreement and this Court's preliminary approval order. *See* Sperry Decl. ¶¶ 2, 4-21. The Class Notice consisted of direct notice in the form of Postcard Notice and Email Notice, as well as a Settlement Website where Class Members could view and request to be sent the Long Form Notice. Email Notice was sent to the 351,963 Class Members for whom Carrington provided an email address. Sperry Decl. ¶ 8. A total of 328,815 Email Notices were delivered, resulting in Email Notice reaching 93.42% of the Class Members for whom Carrington provided an email address. *Id.* ¶ 9. Epiq then mailed Postcard Notices to the Class Members for whom the Email Notices "bounced" back as undeliverable, or for whom Carrington did not have an email address. *Id.* ¶¶ 11-17. Pursuant to these efforts, of the 442,045 Settlement Class Members, only 2,432 direct



notice attempts are currently known to be undeliverable, resulting in a 99.45% deliverable rate for the Settlement Class. *Id.* ¶ 17.

The Class Notice adequately described the litigation and the Settlement Agreement and the procedures to opt out and object. The Notices further explained the amount of the Settlement, the plan of allocation, Class Counsel's intent to apply for an award of attorneys' fees and expenses and for Class Representative Service Awards. Notice was also provided to state and federal officers as required by the Class Action Fairness Act, 28 U.S.C. § 1715.

## VII. THE LEGAL STANDARD FOR FINAL APPROVAL

Federal Rule of Civil Procedure 23 requires court approval of class action settlements. Fed. R. Civ. P. 23(e). "The primary concern addressed by Rule 23(e) is the protection of class members whose rights may not have been given adequate consideration during the settlement negotiations." *In re Jiffy Lube Sec. Litig.*, 927 F.2d 155, 158 (4th Cir. 1991). Accordingly, the Court may approve a settlement only upon a finding that the settlement is "fair, reasonable, and adequate." *Alloways v. Cruise Web, Inc.*, No. CBD-17-2811, 2019 WL 1902813, at \*8 (D. Md. April 29, 2019). "The fairness prong is concerned with the procedural propriety of the proposed settlement agreement, while the adequacy prong focuses on the agreement's substantive propriety." *Id.* (citing *Edelen v. Am. Residential Servs., LLC*, No. DKC-11-2744, 2013 WL 3816986, at \*8 (D. Md. July 22, 2013)).

In the Fourth Circuit, courts look to a four-factor test to evaluate fairness: "(1) the posture of the case at the time settlement was proposed, (2) the extent of discovery that had been conducted, (3) the circumstances surrounding the negotiations, and (4) the experience of counsel." *Jiffy Lube*, 927 F.2d at 159. Adequacy is assessed through "(1) the relative strength of the plaintiffs' case on the merits, (2) the existence of any difficulties of proof or strong defenses the plaintiffs are likely to encounter if the case goes to trial, (3) the anticipated duration and expense

of additional litigation, (4) the solvency of the defendants and the likelihood of recovery on a litigated judgment, and (5) the degree of opposition to the settlement.” *Id.*

In addition to these factors, Rule 23 itself, as amended in 2018, provides specific guidance to federal courts considering whether to approve a class action settlement. *See* Fed. R. Civ. P. 23(e), Committee Notes. The factors that the Rules contemplate that a court should consider include whether: (A) the class representative and class counsel have adequately represented the class; (B) the proposal was negotiated at arm’s length; (C) the relief provided for the class is adequate; and (D) the proposal treats class members equitably relative to each other. *See* Fed. R. Civ. P. 23(e). The Fourth Circuit has held that the *Jiffy Lube* standards “almost completely overlap with the new Rule 23(e)(2) factors, rendering the analysis the same.” *See Herrera v. Charlotte Sch. of L., LLC*, 818 F. App’x 165, 176 n.4 (4th Cir. 2020) (citing *In re Lumber Liquidators Chinese-Manufactured Flooring Prods. Mktg., Sales Practices & Prods. Liab. Litig.*, 952 F.3d 471, 474 n.8 (4th Cir. 2020)).

## VIII. ARGUMENT

### A. The Settlement Agreement Warrants Final Approval

As previously noted, a settlement must be “fair, reasonable, and adequate.” *Alloways*, 2019 WL 1902813, at \*8. Courts in the Fourth Circuit typically bifurcate this analysis into consideration of the fairness and adequacy of the proposed settlement. *See, e.g., Fire & Police Retiree Health Care Fund, San Antonio v. Smith*, No. CV CCB-18-3670, 2020 WL 6826549, at \*2 (D. Md. Nov. 20, 2020); *see also Gaston v. LexisNexis Risk Sols. Inc.*, No. 516CV00009KDBDCK, 2021 WL 244807, at \*5 (W.D.N.C. Jan. 25, 2021). The Settlement here, reached after motion practice and appeals by sophisticated counsel and providing significant monetary and prospective relief to the class, is both fair and adequate.

**1. The Settlement is Fair**

Each of the of the *Jiffy Lube* fairness factors is satisfied in this case.

*First*, the posture of the case at the time of settlement demonstrates that the Settlement was agreed in the absence of collusion, and that the parties and counsel are well-informed. The Plaintiffs commenced these actions in December 2019 (*Thomas-Lawson*), May 2020 (*Dawkins*), and June 2020 (*Alexander*). The proposed settlement was reached after months of negotiation and significant work across the three actions, including motions practice with respect to motions to dismiss and motions to compel arbitration, as well as appeals before the Fourth and Ninth Circuits. *See* Dkt. 53-3, Simplicio Decl. ¶¶ 6, 16. The fact that the settlement is on the higher end of approved Convenience Fee settlements, despite the fact that Plaintiffs' nationwide claims were dismissed and their appeal is pending before the Ninth Circuit and the result of the related matter in the *Attix Appeal* before the Eleventh Circuit should leave no doubt as to the arms'-length nature of the deal.

*Second*, the Settlement follows substantial investigation, legal analysis, and successful appellate practice before the Fourth Circuit. Class Counsel engaged in a thorough investigation of the legal theories and Carrington's practices prior to filing and throughout the litigation and appeals in this and other actions, and later reviewed and analyzed informal discovery from Carrington to ascertain damages. Class Counsel have litigated many similar cases based on Convenience Fees and knew what information and data would be critical for resolving the Settlement Class's claims. Thus, Class Counsel obtained through informal discovery information and data similar to what they would have received through the discovery process, while allowing the parties to focus on the most relevant discovery. *Id.* ¶¶ 7-9. Plaintiffs have conducted sufficient investigation and discovery to permit Class Counsel and the Court to intelligently and fairly

evaluate the fairness and adequacy of the Settlement. *See In re Jiffy Lube*, 927 F.2d at 159 (recognizing that informal discovery can provide satisfactory information prior to approval); *see also Decohen v. Abbasi, LLC*, 299 F.R.D. 469, 480 (D. Md. 2014) (finding proposed settlement met fairness factors where “parties ha[d] engaged in informal discovery, assuring sufficient development of the facts to permit an accurate assessment of the merits of the case”).

*Third*, the circumstances surrounding the parties’ negotiations demonstrate that the Settlement was reached through good faith, informed, arm’s length negotiations. *See In re Jiffy Lube*, 927 F.2d at 159. In particular, the parties’ negotiation of the claims in this action, with the assistance of a mediator, evidences the absence of collusion. *See Nicholes v. Combined Ins. Co. of Am.*, No. 5:16-CV-10203, 2019 WL 2575066, at \*2 n.1 (S.D.W. Va. Feb. 22, 2019); *see also Decohen*, 299 F.R.D. at 480. Before agreeing upon the terms of the Settlement, the parties discussed negotiations for many months, and after Class Counsel had investigated the claims, litigated them and related cases, and became familiar with the claims’ strengths and weaknesses, before ultimately spending fourteen hours mediating before Jeff Kichaven. Dkt. 53-3, *Simplicio Decl.* ¶¶ 6-8, 11. In advance of that mediation, Carrington provided Plaintiffs with its detailed, internal data. *Id.* ¶ 7. Because Class Counsel has litigated and settled other cases involving similar factual and legal issues, Class Counsel understands what information is critical to resolve the claims at issue, including information relating to membership in the Settlement Class and the amount of damages. *Id.* ¶ 8.

And the terms of the proposed award of attorneys’ fees and Service Awards are also fair and demonstrate that the Settlement is the product of arm’s length negotiation. *See Fed. R. Civ. P.* 23(e)(2)(c)(iii). Class Counsel has filed a separate motion seeking approval of Attorneys’ Fees and Expenses and Service Awards, and the amounts they intend to seek are also reasonable and fair.

See Dkt. 60. The Settlement authorizes Class Counsel to seek an award of attorneys' fees of up to 40% of the Common Fund, as well as expenses, which is consistent with the range in similar common fund settlements like this. Of course, here, if Class Counsel is awarded 40% of the common fund created by the Settlement, the requested award of \$7,272,759 represents 16.5% of the total value of the Settlement once the injunctive relief's monetary value is considered. This percentage is well within the range of reasonableness. See, e.g., *McAdams v. Robinson*, 26 F.4th 149, 162 (4th Cir. 2022) (affirming award of "fees total[ing] \$1,300,000, 43% of the common fund" in class action alleging mortgage servicer violated federal and state consumer-protection laws); *Jernigan v. Protas, Spivok & Collins, LLC*, No. CV ELH-16-03058, 2017 WL 4176217, at \*5 (D. Md. Sept. 20, 2017) ("Fees awarded under 'the percentage-of-recovery' method in settlements under \$100 million have ranged from 15% to 40%." (citation omitted)); *Pierce v. Statebridge Co., LLC*, No. 1:20CV117, 2021 WL 1711784, at \*3 (M.D.N.C. Apr. 29, 2021) ("The other method for determining fees, the percentage of the fund method, reduces class members' recovery by a benchmark percentage, typically 33% to 40% of the common fund.").

The Settlement authorizes each Plaintiff to seek a Service Award of \$5,000. This amount is well within the range of approval for class action settlements that provide significant benefits to the class. See, e.g., *Robinson v. Nationstar Mortg. LLC*, No. 8:14-CV-03667-TJS, 2020 WL 8256177, at \*4 (D. Md. Dec. 11, 2020), *aff'd sub nom. McAdams v. Robinson*, 26 F.4th 149 (4th Cir. 2022) (awarding \$5,000 service award in class action against mortgage servicer); *Manuel v. Wells Fargo Bank, Nat'l Ass'n*, No. 3:14CV238(DJN), 2016 WL 1070819, at \*6 (E.D. Va. Mar. 15, 2016) (noting that "[v]arious studies have found that the average incentive award per plaintiff ranged from \$9,355 to \$15,992" (citing Newberg on Class Actions § 17.8 (5th ed.))).

*Fourth*, Class Counsel and counsel for Carrington are experienced in the litigation, certification, trial, and settlement of nationwide litigation. Dkt. 53-3, Simplicio Decl. ¶ 27. Class Counsel have settled a number of class action cases involving mortgage servicers like Carrington involving Convenience Fees, as well as other debt collection issues, and continue to litigate cases against several others. *Id.* ¶¶ 28-29. *See also* Dkt. 53-2, Appendix A. In negotiating the Settlement Agreement, Class Counsel had the benefit of years of experience and familiarity with the factual and legal bases for this case, as well as other cases involving servicers, financial institutions, and fees. Dkt. 53-3, Simplicio Decl. ¶¶ 28-30; *See* Dkt. 60-6, Robinson Decl. ¶¶ 5-8. This understanding of the intricacies of the consumer finance and mortgage servicing industry provided Class Counsel with the tools and perspective to achieve an outstanding recovery for the Settlement Class—and prepared them to fight this Action to a successful conclusion if necessary. *Id.* ¶¶ 8-10; *see also In re Am. Cap. S’holder Derivative Litig.*, No. CIV. 11-2424 PJM, 2013 WL 3322294, at \*4 (D. Md. June 28, 2013) (noting satisfaction with class counsel due to “affiliat[ion] with well-regarded law firms with strong experience” in the relevant field). In Class Counsel’s experience and informed judgment, the benefits of settling outweigh the risks and uncertainties of continued litigation, as well as the attendant time and expenses associated with litigation, discovery, and possible appellate review. Courts afford due consideration to the recommendation of counsel, who are most closely acquainted with the facts of the underlying litigation. *See Gaston*, 2021 WL 244807, at \*6 (“The opinion of experienced and informed counsel in favor of settlement should be afforded due consideration in determining whether a class settlement is fair and adequate.”).

## **2. The Settlement is Adequate**

Each of the *Jiffy Lube* adequacy factors is satisfied, showing that the Settlement is adequate and warrants final approval. The first two factors (the relative strength of the plaintiffs’ case on

the merits and the existence of any difficulties of proof or strong defenses) evaluate “how much the class sacrifices in settling a potentially strong case in light of how much the class gains in avoiding the uncertainty of a potentially difficult one.” *In re The Mills Corp. Securities Litig.*, 265 F.R.D. 246, 256 (E.D. Va. 2009).

While confident in the strength of their claims, Plaintiffs and Class Counsel are also pragmatic and recognize the risks inherent in litigation of this magnitude. *See* Dkt. 53-3, Simplicio Decl. ¶ 16. Carrington argues that Plaintiffs’ claims are unfounded, denies any liability, and has indicated a willingness to litigate vigorously as demonstrated by the *Attix Appeal*. Should the case proceed in litigation, Plaintiffs could see their claims dismissed or narrowed by a motion for summary judgment, at trial, or on a subsequent appeal. *Id.* They also face the risk that class certification could be denied. *Id.* ¶ 17. Each risk, by itself, could impede the successful prosecution of these claims at trial and in an eventual appeal—which would result in *zero* recovery for the class. *Id.* ¶ 18. And even if Plaintiffs prevailed at trial, any recovery would likely be delayed for years by further appeals. *Id.* ¶ 19.

Plaintiffs face substantial risks to their claims should the Settlement not be approved. In that event, the Settlement Class Complaint will be treated as null and void, and each Plaintiff will proceed with their respective action before this court, the Ninth Circuit Court of Appeals (and perhaps back to the Central District of California), and the Southern District of Florida. Since the motion for preliminary approval, the *Attix Appeal* was resolved favorably for Carrington, *see Attix Appeal*, which casts doubt on whether certain Plaintiffs and some of the class members they seek to represent could be compelled to arbitration, even though the Fourth Circuit has issued a favorable decision on the question of arbitration. *See, e.g., Lyons v. PNC Bank, Nat’l Ass’n*, 26 F.4th 180 (4th Cir. 2022). And each case faces other serious risks. For Alexander and Mr. Bishop,

the Fourth Circuit’s reversal of this Court’s dismissal of the Amended Complaint is not ultimately a guarantee of success on the merits, and they, like the other Plaintiffs, could face challenges on class certification, as discussed further below. *See Edelen v. Am. Residential Servs., LLC*, No. CIV.A. DKC 11-2744, 2013 WL 3816986, at \*9 (D. Md. July 22, 2013) (finding the “existence of [] disputed legal and factual issues creates uncertainty and risk for all parties moving forward”). And Carrington could appeal any order granting class certification or any judgment.

Though the Fourth Circuit found that the *Alexander* matter survived Carrington’s pleadings challenge, the *Thomas-Lawson* and *Dawkins* matters have not yet cleared the Rule 12(b) hurdle. Plaintiffs Thomas-Lawson, Green, Boley, and Padilla appealed the dismissal of their FDCPA and California statutory claims, but if the Settlement is not approved, the appeal will be ripe for resolution. And even if the Ninth Circuit reverses the dismissal of their claims, Carrington could seek *en banc* review or petition the Supreme Court. Moreover, even if the Southern District of Florida finds that the Eleventh Circuit’s *Attix* decision does not also compel arbitration of Ms. Dawkins’s claims, Ms. Dawkins faces many of the same challenges that the other Plaintiffs face. Florida courts have dismissed similar claims on the merits, and thus, there is potential for more uncertainty there once the stay is lifted. *See, e.g., Cooper v. PennyMac Loan Servs., LLC*, 509 F. Supp. 3d 1325, 1332 (S.D. Fla. 2020) (“Even if Plaintiff could allege that Defendant was collecting a debt by charging and receiving a processing fee, Plaintiff failed to allege that Defendant had no legal right to do so.”); *Turner v. PHH Mortg. Corp.*, 467 F. Supp. 3d 1244, 1248 (M.D. Fla. 2020) (finding defendant was not a debt collector and convenience fees did not violate Florida or federal debt collection law); *Lang v. Ocwen Loan Servicing, LLC*, No. 3:20-cv-81-J-20MCR, 2020 WL 5104522, at \*2-3 (M.D. Fla. July 17, 2020) (same); *Bardak v. Ocwen Loan Servicing*, No. 19-1111, 2020 WL 5104523, at \*4 (M.D. Fla. Aug. 12, 2020) (same).



Importantly, all Plaintiffs would need to persuade the relevant court that Convenience Fees violate provisions of Maryland, California, Texas and Florida debt collection law incorporating the substantive provisions of the FDCPA, as well as the common laws of those states and the state of New York. For example, Carrington may persuade a court to dismiss the breach of contract claims, something that some servicers have had success doing (even though generally they are not a party to the contract). *See Dees v. Nationstar Mortg., LLC*, 496 F. Supp. 3d 1043, 1050–51 (S.D. Tex. 2020) (“Without a contractual prohibition against the assessment of these optional Convenience Fees, Plaintiffs do not assert a viable breach of contract claim.”); *Caldwell v. Freedom Mortg. Corp.*, No. 3:19-CV-2193-N, 2020 WL 4747497, at \*2 (N.D. Tex. Aug. 14, 2020) (finding no breach of contract based on collection of convenience fees). *See also Alvarez v. LoanCare, LLC*, No. 20-2187-CIV-ALTONAGA/Goodman, 2021 WL 184547, at \*11 (S.D. Fla. Jan. 19, 2021) (“The mere absence of express authority to charge fees does not mean fees are prohibited.”). In short, there are any number of legal arguments that Carrington could successfully make that could result in Plaintiffs’ claims being substantially narrowed at the motion to dismiss stage, summary judgment, or trial.

Moreover, no class has been certified in any of the underlying cases and there is no guarantee that this Court or any other would certify a class. In fact, the Southern District of Florida recently declined to certify a class in a case raising claims based on nearly identical fees under Florida law. *See Alvarez*, 2021 WL 184547, at \*17-18. In *Alvarez*, the court found class certification inappropriate because, according to the court, there was no legal basis for the claims and because certification “would require, inter alia, individualized inquiries into each mortgage’s terms . . . and the circumstances of the making of each particular processing fee agreement, whether by phone or online.” *Id.* at \*15. While Plaintiffs believe the *Alvarez* court’s conclusion was

incorrect because the uniform terms of the underlying mortgages and the common questions of law satisfy the commonality and predominance requirements; there is no guarantee that all three courts will agree—or that the Fourth, Ninth, and Eleventh Circuits would agree as well, should Carrington appeal.

Of course, Plaintiffs believe their claims are meritorious and that they would prevail if their cases proceeded to trial. But ultimately, the claims of any one state class are relatively small, and unless states can be bundled together in such a way to ensure economies of scale, each state’s class members risk the possibility that in any individual state settlements, notice and administration costs could dwarf the cost of recovery. The same is true for the potential for a complete loss at trial, or the risks or costs of further potential appellate proceedings. All that is certain is that if the case continues in litigation, the class members will need to wait much longer before receiving any recovery at all. *See Robinson v. Carolina First Bank NA*, No. 7:18-CV-02927-JDA, 2019 WL 719031, at \*8 (D.S.C. Feb. 14, 2019) (“There is a strong judicial policy in favor of settlement to conserve scarce resources that would otherwise be devoted to protracted litigation.”).

While litigation presents serious risks at many stages, not to mention substantial expense and delay without any guarantee of additional benefit to the Settlement Class, the Settlement provides immediate and substantial benefits to over 442,000 Settlement Class Members. And these benefits are substantial: 35% of damages is one of the best results in any of these cases, particularly given the size of the fund and the significant injunctive relief. *See* Dkt. 53-2, Appendix A. Because Settlement Class Members thus stand to gain significant relief, without further risks attendant to protracted litigation, the first two *Jiffy Lube* adequacy factors weigh in favor of approval. *See Decohen*, 299 F.R.D. at 480 (finding settlement adequate where despite reversal of dismissal of claims, there was no guarantee the court would certify a class, and “the road to recovery—

particularly for the class as a whole—likely would be protracted and costly if the settlement were not approved”).

The third *Jiffy Lube* adequacy factor (the anticipated duration and expense of additional litigation) also favors approval. This case is settling in its early stages; if the Settlement is not approved, the parties will likely need to litigate through multiple dispositive motions and a motion for class certification. Dkt. 53-3, Simpicio Decl. ¶¶ 16-17. The litigation would likely take years to resolve and involve expensive expert discovery and substantial time engaging in in protracted and expensive discovery disputes. *Id.* ¶ 22. And of course, all parties would need to spend significant resources preparing for trial. The drawn out and expensive process that further litigation would entail would lead to significant legal costs to both sides, but would not necessarily lead to a better result for the class, particularly where there would likely be duplication of effort and consumption of the parties’ and the court system’s resources and time across the three separate actions. Thus, this factor favors approval. *See Edelen*, 2013 WL 3816986, at \*9 (approving settlement where absent approval, “litigation of this dispute could prove to be long and expensive” and “require substantial time by the parties’ attorneys”).

As to the fourth *Jiffy Lube* adequacy factor (the solvency of the defendant and the likelihood of recovery on a litigated judgment), there is nothing to indicate that Carrington could not satisfy a judgment if one were entered. But, as previously noted, it is clear that continued litigation would be expensive and consume significant resources of the parties and the court system. Thus, “[o]n balance, the risks, delays, and costs associated with further litigation weigh in favor of granting” final approval. *Edelen*, 2013 WL 3816986, at \*9.

Finally, the fifth *Jiffy Lube* factor—the degree of opposition to the settlement—also weighs heavily in favor of final approval. Of the around 442,045 Settlement Class Members, only seven

requested to opt-out of the Settlement, Sperry Decl. ¶ 22, and none submitted an objection to the settlement, *id.* ¶ 23. “A small number of objections and a low opt-out rate suggest that the proposed settlement is adequate.” *In re Lumber Liquidators Chinese-Manufactured Flooring Prod. Mktg. Sales Pracs.*, No. 115MD2627AJTTRJ, 2018 WL 11203065, at \*6 (E.D. Va. Oct. 9, 2018), *aff’d sub nom. In re: Lumber Liquidators Chinese-Manufactured Flooring Prod. Mktg., Sales Pracs. & Prod. Liab. Litig.*, 952 F.3d 471, 485 (4th Cir. 2020) (“Finally, only 94 of the 178,859 class members who responded to the class-action settlement notice opted out of the settlement (about 0.05%), and 12 class members objected thereto (about 0.006%). Those figures provide further support for the settlement’s adequacy.”); *see also Boyd v. Coventry Health Care Inc.*, 299 F.R.D. 451, 461 (D. Md. 2014) (“The fact that no class member objected supports final approval of the Settlement as fair, adequate, and reasonable.”). This support is particularly notable given that over 3,989 Class Members contacted the Settlement Administrator directly via telephone, and there were 21,654 visitors to the Settlement Website. Sperry Decl. ¶¶ 19, 21.<sup>3</sup>

### **3. The Allocation of the Settlement is Fair and Reasonable**

The allocation of the Settlement Fund is also fair and reasonable, and the manner of administering relief will be effective. Under the settlement, Carrington will provide a \$18,181,898.65 cash common fund. The cash common fund, which represents approximately 35% of damages, will provide cash payments to Settlement Class Members, as well as Administrative Costs to provide notice and administer the settlement, and any Fee and Expense Award and Service Awards that the Court may approve. Settlement Class Members who paid at least one Convenience Fee are entitled to receive a payment of \$5.00 from the Net Settlement Fund, with the remainder

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<sup>3</sup> It should be noted also that Class Counsel also received direct calls from numerous class members which were unanimously positive.

paid to Settlement Class Members on a *pro rata* basis, based upon the amount of Convenience Fees paid by each Settlement Class Member during the Class Period.

This method is consistent with the distribution of common funds in other fee cases. *See, e.g., Lembeck v. Arvest Cent. Mortg. Co.*, No. 3:20-cv-03277-VC, 2021 WL 5494940 (N.D. Cal. Aug. 26, 2021) (approving settlement from which class members would receive *pro rata* distribution of common fund based on number of fees paid); *Fernandez v. Rushmore*, Case No. 8:21-cv-00621-DOC-(KEXc) (C.D. Cal. Feb. 14, 2022) (same); *Phillips v. Caliber Home Loans, Inc.*, Case No. 0:19-cv-2711, 2022 WL 832085 (D. Minn. Mar. 21, 2022) (same). Importantly, this method for calculating each class member's recovery equitably compensates each class member based on the amount of Convenience Fees they were charged during the class period.

Carrington has also agreed to refrain from the charging or collection of Convenience Fees from borrowers, while allowing borrowers to make payments by telephone, IVR or the internet for free, for a period of at least three years after entry of the Final Approval Order. The prospective relief of this settlement term is expected, based upon the discovery exchanged, to have an approximate value of \$26 million going forward for the putative class members who still have loans serviced by Carrington. All current and future Carrington borrowers benefit from the practice changes required by the Settlement.

The proposed method of distributing relief is also effective. *See* Fed. R. Civ. P. 23(e)(2)(C)(ii). The parties have agreed upon an experienced Settlement Administrator to administer the settlement. *See generally* Dkt. 53-3, Simplicio Decl. ¶ 33. Class members are not required to fill out an unwieldy claim form or even submit claims at all. Settlement Class Members will have the option to choose to receive their payments digitally, and for those who do not so

choose, the Settlement Administrator will mail checks to the Settlement Class Members, after running their addresses through the National Change of Address database.

#### **IX. THE CLASS SHOULD BE CERTIFIED FOR SETTLEMENT PURPOSES**

For all of the same reasons the Court preliminarily certified the Settlement Class, none of which have changed, the Court should now grant final certification. Ascertainability is satisfied in this case, as the members of each class are identifiable based on objective criteria applied to Carrington's well-maintained records during the class period which it is required by regulation to maintain. *See* 12 U.S.C.A. § 2605(k)(E); 12 C.F.R. §§ 1024.38(a), 1024.38(b)(1)(i), 1024.38(b)(1)(iv), and 1024.38(c)(2)(i)(iv); Md. Code Regs. 09.03.06.05. The Settlement Class is sufficiently numerous, including over 442,000 Settlement Class Members. There are common issues concerning Carrington's practices and policies that predominate over individual issues. Class Representatives Ashly Alexander, Cedric Bishop, Amy Thomas-Lawson, William Green, Brenda Boley, Miguel Padilla, and Victoria Dawkins are typical of the Class because all their claims and the class claims against Carrington arise from the same course of conduct: charging borrowers Convenience Fees when making their monthly mortgage payments. The proposed Class Representatives have no conflicts with the Class, participated in this action, and are adequate. Class Counsel are experienced and adequate. Finally, class treatment is superior because classwide resolution is the only practical method of addressing the alleged violations at issue in this case. There are thousands of class members with modest individual claims, most of whom likely lack the resources necessary to seek individual legal redress. *See Decohen*, 299 F.R.D. at 478 (finding superiority satisfied where "denial of the settlement will effectively foreclose relief for most class members as the harm each individual suffered will likely not justify the high costs of individual suits").

**X. CONCLUSION**

For the reasons stated herein, Plaintiffs respectfully request that the Court (1) grant this Motion, (2) finally approve the proposed Settlement, (3) affirm the certification of the Settlement Class for settlement purposes only, (4) affirm the appointment of Ashly Alexander, Cedric Bishop, Amy Thomas-Lawson, William Green, Brenda Boley, Miguel Padilla, and Victoria Dawkins as Class Representatives, (5) affirm the appointment of Hassan A. Zavareei and Kristen G. Simplicio of Tycko & Zavareei LLP, James L. Kauffman of Bailey Glasser LLP, and Phillip R. Robinson of Consumer Law Center LLC as Class Counsel, (6) retain jurisdiction over this matter to resolve issues related to interpretation, administration, implementation, effectuation, and enforcement of the Settlement, and (7) enter Final Judgment dismissing this action.

By the separate motion filed on September 27, 2022, Dkt. 60, Plaintiffs also request that the Court grant a Service Award of \$5,000 to each of the Class Representatives and award Class Counsel reasonable attorneys' fees of \$7,272,759.46 and reimbursement of litigation expenses of \$15,138.96 which, as set forth in the Settlement, shall be paid out of the Settlement Fund.

Dated: October 27, 2022

Respectfully submitted,

/s/ Hassan A. Zavareei

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

ASHLY ALEXANDER, CEDRIC BISHOP,  
AMY THOMAS-LAWSON, WILLIAM  
GREEN, BRENDA BOLEY, MIGUEL  
PADILLA, and VICTORIA DAWKINS

Case No. 1:20-cv-02369-RDB

*On behalf of themselves individually  
and similarly situated persons.*

Plaintiffs,

v.

CARRINGTON MORTGAGE SERVICES,  
LLC,

Defendants.

**[PROPOSED] ORDER GRANTING PLAINTIFFS' MOTION FOR  
FINAL APPROVAL OF CLASS ACTION SETTLEMENT**

Plaintiffs Ashly Alexander, Cedric Bishop, Amy Thomas-Lawson, William Green, Brenda Boley, Miguel Padilla, and Victoria Dawkins, individually and on behalf of the proposed Settlement Class,<sup>1</sup> seek final approval of a proposed Settlement of claims against defendant Carrington Mortgage Services LLC (“Carrington”). For the reasons set forth herein, the Court GRANTS the motion.

**I. BACKGROUND**

Plaintiffs commenced separate actions in Maryland, California, and Florida, each challenging Carrington’s practice of charging borrowers fees to make mortgage payments over the phone or online, alleging violations of applicable state or federal laws. On July 10, 2020, Plaintiffs

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<sup>1</sup> Unless otherwise specifically defined herein, all capitalized terms have the same meanings as those set forth in the parties’ Settlement Agreement, attached as Exhibit 1 to the Declaration of Kristen G. Simplicio (“Simplicio Decl.”), Dkt. 53-3.

Ashly Alexander initiated a class action in the Circuit Court for Baltimore County, alleging that Carrington violated the Maryland Consumer Debt Collection Act (“MCDCA”), the Maryland Consumer Protection Act (“MCPA”), and Maryland’s usury law. Dkt. 3. Carrington removed the case to this Court on August 17, 2020, Dkt. 1, and, on September 8, 2020, Plaintiffs filed an amended complaint, adding Plaintiff Cedric Bishop and an allegation that Carrington violated the federal Fair Debt Collection Practices Act (“FDCPA”). *See* Dkt. 20. Plaintiffs Amy Thomas-Lawson, William Green, Brenda Boley, and Miguel Padilla initiated a class action lawsuit in this District, Case No. 1:19-cv-03567-CCB (D. Md.), which was transferred to the Central District of California on August 13, 2020, Case No. 2:20-cv-07301-ODW(Ex) (C.D. Cal.). Plaintiffs Thomas-Lawson, Green, Boley, and Padilla alleged that Carrington violated the FDCPA, California’s Rosenthal Fair Debt Collections Act (“Rosenthal Act”) and Unfair Competition Law (“UCL”), the Texas Debt Collection Act (“TDCA”), and the MCDCA and MCPA, as well as breached its contracts with the class members. *See Thomas-Lawson v. Carrington*, Case No. 2:20-cv-07301-ODW(Ex) (C.D. Cal.), ECF No. 1. And, on May 20, 2020, Plaintiff Victoria Dawkins initiated a class action in the Southern District of Florida against Carrington, alleging violations of the Florida Consumer Collection Practices Act (“FCCPA”) and the Florida Deceptive Unfair Trade Practices Act (“FDUTPA”), as well as breach of contract and unjust enrichment. *See Dawkins v. Carrington*, Case No. 0:20-cv-60998-RAR (S.D. Fla.), ECF No. 1.

Before this Court in this action, Carrington moved to dismiss the amended complaint filed by Plaintiffs Alexander and Bishop. Dkt. 24. The Court granted the motion. Dkts. 32, 33. Plaintiffs appealed the dismissal of the MCDCA and MCPA claims, and, on January 19, 2022, the Fourth Circuit reversed the dismissal of the claims brought under the MCDCA and reversed in part and

affirmed in part the claims brought under the MCPA. *Alexander v. Carrington Mortg. Servs., LLC*, 23 F.4th 370, 376 (4th Cir. 2022).

After the Parties reached the proposed Settlement, they agreed that, to preserve the resources of the Parties and the various courts, Plaintiffs' claims should be consolidated and a single Settlement Agreement considered and approved by this Court, rather than proceeding piecemeal. Thus, in advance of this Motion, the Plaintiffs filed, with the consent of Carrington for settlement purposes only, the current operative Second Amended Complaint consolidating their claims before this Court and also notified the *Thomas-Lawson* and *Dawkins* courts of the pending Settlement. The Parties have agreed to dismiss those cases following final approval of this Settlement.

Plaintiffs' counsel and Carrington's counsel had at least three pre-mediation conferences where the discovery and the Parties' respective positions on the merits and damages were discussed. The proposed Settlement was negotiated during a fourteen-hour mediation before an experienced mediator, Jeff Kichaven. Following the mediation, the Parties continued to negotiate the details of the Settlement before arriving at the Settlement Agreement currently before the Court for final approval.

On July 6, 2022, this Court granted preliminary approval of the proposed settlement and approved the issuance of notice to the Class. Dkt. 56. On September 27, 2022, Class Counsel filed a Motion for Fees, Costs, and Service Awards. Dkt. 60. A hearing on final approval was held on November 10, 2022.

## **II. SETTLEMENT TERMS**

### **A. The Proposed Settlement Class**

The Settlement Agreement contemplates certification of the following Settlement Class for settlement purposes only:

All persons who paid a fee to Carrington for making a mortgage loan payment by telephone, IVR, or via the internet, between January 1, 2016 through December 31, 2021 ("Convenience Fees") who fall into one or more of the following groups:

- (1) were borrowers on residential mortgage loans on properties located in California, Texas, New York, Maryland, or Florida;
- (2) were borrowers on residential mortgage loans on properties in the United States to which Carrington acquired servicing rights when such loans were 30 days or more delinquent on loan payment obligations; or
- (3) were borrowers on residential mortgage loans on properties located in the United States insured by the Federal Housing Administration.

The proposed Settlement Class is identical to the class definition included in the Second Amended Complaint.

**B. Benefits to the Settlement Class**

The Settlement Agreement, if approved, will create a \$18,181,898.65 cash common fund and will resolve the claims of Plaintiffs and the Settlement Class Members deriving from Carrington's practice of charging fees for making mortgage payments by telephone, IVR, or via the internet ("Convenience Fees"). The common fund, which represents approximately 35% of the total Convenience Fees collected by Carrington from the Class during the class period, will provide cash payments to Settlement Class Members, as well as Administrative Costs to provide notice and administer the settlement, and any Fee and Expense Award and Service Awards that the Court may approve. Settlement Class Members need not submit a claim form in order to receive monetary compensation. Settlement Class Members who paid at least one Convenience Fee are entitled to receive a payment of \$5.00 from the Net Settlement Fund, with the remainder paid to Settlement Class Members on a *pro rata* basis, based upon the amount of Convenience Fees paid by each Settlement Class Member during the Class Period.

In addition to the common fund, the Settlement includes valuable, prospective injunctive relief. As of January 1, 2022, Carrington ceased charging Convenience Fees to any borrower, while

allowing borrowers to make payments by telephone, IVR or the internet for free. Carrington agrees to refrain from the charging or collecting Convenience Fees for allowing borrowers to make payments by telephone, IVR or the internet, for a period of at least three years after entry of the Final Approval Order. Carrington agrees that Plaintiffs' Lawsuits were a substantial factor in its decision to stop charging Convenience Fees. Based on the overall amounts collected from Class Members, the Court notes that Carrington was collecting at least an average of \$8,000,000 per year from the class in Convenience Fees.

**C. Settlement Administrator and Administration Costs**

The proposed Settlement Administrator is Epiq Systems, Inc. ("Epiq"), a leading class action administration firm in the United States. Plaintiffs' counsel obtained and reviewed proposals from several prominent settlement administrators before deciding on Epiq based on overall cost and value to the Settlement Class. The Administrative Costs will be paid from the Gross Settlement Fund.

**D. Class Member Release**

Upon the Effective Date, and in consideration for the Settlement Payment and for Carrington's other promises contained herein, each Settlement Class Member, for and on behalf of their present and future spouses (and common law spouses), children, parents, relations, successors, beneficiaries, heirs, next of kin, assigns, attorneys, executors, administrators, and/or estate, or any and all other persons who could claim through them, hereby unconditionally and irrevocably remises, releases, and forever discharges the Released Entities from the Released Claims and further covenants not to sue any of the Released Entities with respect to any of the Released Claims.

"Released Claims" means any and all claims, counterclaims, actions, causes of action, suits, set-offs, costs, losses, expenses, sums of money, accounts, reckonings, debts, charges,

complaints, controversies, disputes, damages, judgments, executions, promises, omissions, duties, agreements, rights, and any and all demands, obligations and liabilities, of whatever kind or character, direct or indirect, whether known or unknown, at law or in equity, by right of action or otherwise, arising out of, based upon, or related in any way to the facts, allegations, disputes that are the subject matter of the Lawsuits or the charging, collection, or attempted collection of Convenience Fees from the beginning of the world to the Effective Date, which the Settlement Class Member ever had or may have in the future.

“Released Entities” means Carrington and each of its past, present and future directors, officers (whether acting in such capacity or individually), shareholders, advisors, owners, partners, joint venturers, principals, trustees, creditors, law firms, attorneys, representatives, employees, managers, parents, direct or indirect subsidiaries, divisions, subdivisions, departments, entities in common control, affiliates, insurers, reinsurers, control persons, predecessors, and successors or any agent acting or purporting to act for them or on their behalf, as well as any investor on whose behalf Carrington services any loan to any Settlement Class Member, and each of their past, present and future directors, officers (whether acting in such capacity or individually), shareholders, advisors, owners, partners, joint venturers, principals, trustees, creditors, law firms, attorneys, representatives, employees, managers, parents, direct or indirect subsidiaries, divisions, subdivisions, departments, entities in common control, affiliates, insurers, reinsurers, control persons, predecessors, and successors or any agent acting or purporting to act for them or on their behalf, and, any entity on whose behalf Carrington services any loan to any Class Member.

**E. Notice to the Settlement Class**

Notice was sent to Class members pursuant to the Settlement Agreement and the Court’s Order granting preliminary approval. The Class Notice consisted of direct notice in the form of Postcard Notice and Email Notice, as well as a Settlement Website where Class Members could

view and request to be sent the Long Form Notice. The Class Notice adequately described the litigation and the Settlement Agreement and the procedures to opt out and object. The Notices further explained the amount of the Settlement, the plan of allocation, Class Counsel's intent to apply for an award of attorneys' fees and expenses and for Class Representative Service Awards. Notice was also provided to state and federal officers as required by the Class Action Fairness Act, 28 U.S.C. § 1715.

#### **F. Attorneys' Fees and Costs and Service Award**

The Settlement Agreement contemplates Class Counsel petitioning the Court for an award of attorneys' fees, plus documented, customary costs incurred by Class Counsel. The Settlement Agreement provides that Class Counsel may seek attorneys' fees in an amount not to exceed forty percent of the Gross Settlement Fund (40%) as well as reasonable expenses incurred in the litigation. Any approved Fee and Expense Award will be paid from the Gross Settlement Fund prior to distribution to Settlement Class Members. The Settlement Agreement also authorizes Class Counsel to petition the Court for Service Awards of up to \$5,000 each for Ashly Alexander, Cedric Bishop, Amy Thomas-Lawson, William Green, Brenda Boley, Miguel Padilla, and Victoria Dawkins as compensation for their time and effort in the Action. Any approved awards will be deducted from the Gross Settlement Fund before distribution to Settlement Class Members.

Neither final approval, nor the size of the Common Fund, are contingent upon approval of the full amount of requested Fee and Expense Award or Service Awards.

### **III. LEGAL STANDARD FOR FINAL APPROVAL**

Settlement of class actions must be approved by the Court. Fed. R. Civ. P. 23(e); *In re Jiffy Lube Sec. Litig.*, 927 F.2d 155, 158 (4th Cir. 1991); *Whitaker v. Navy Fed. Credit Union*, No. 09CV2288, 2010 WL 3928616, at \*2 (D. Md. Oct. 4, 2010); *McDaniels v. Westlake Servs., LLC*, No. CIV.A. ELH-11-1837, 2014 WL 556288, at \*8 (D. Md. Feb. 7, 2014).

As of December 1, 2018, Fed. R. Civ. P. 23(e) provides specific guidance to federal courts in considering whether to grant final approval of a class action settlement. The Fed. R. Civ. P. 23(e)(2) final approval factors include whether: (A) the class representative and class counsel have adequately represented the class; (B) the proposal was negotiated at an arm's length; (C) the relief provided is adequate, taking into account: (i) the costs, risks, and delay of trial and appeal; (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims; (iii) the terms of any proposed award of attorneys' fees, including timing of payment; and (iv) any agreement required to be identified under Rule 23(e)(3);<sup>2</sup> and (D) the proposal treats class members equitably relative to each other. Fed. R. Civ. P. 23(e)(2).

Before 2018, to determine whether a settlement meets the requirements of Fed. R. Civ. P. 23 and warrants final approval, the Fourth Circuit adopted a bifurcated analysis involving inquiries into the fairness and adequacy of the settlement, still utilized today. *Scardelletti v. Debarr*, 43 F. App'x 525, 528 (4th Cir. 2002); *In re Jiffy Lube Sec. Litig.*, 927 F.2d at 158; *Donaldson v. Primary Residential Mortg., Inc.*, No. CV ELH-19-1175, 2021 WL 2187013, at \*3-4 (D. Md. May 28, 2021) (citing Fed. R. Civ. P. 23(e)(2) factors and *Jiffy Lube* factors in assessing final approval).

In assessing the fairness of a proposed settlement, the Court looks to the following Fourth Circuit factors: (1) posture of the case at the time the settlement is proposed; (2) extent of discovery that has been conducted; (3) circumstances surrounding the negotiations; and (4) experience of counsel in the relevant area of class action litigation. *Scardelletti*, 43 F. App'x at 528; *In re Jiffy Lube Sec. Litig.*, 927 F.2d at 159; *Robinson v. Nationstar Mortg. LLC*, No. 8:14-CV-03667-TJS, 2020 WL 8256177, at \*2 (D. Md. Dec. 11, 2020), *aff'd sub nom. McAdams v. Robinson*, 26 F.4th 149 (4th Cir. 2022).

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<sup>2</sup> The Settlement Agreement is the only relevant agreement here.



In determining the adequacy of the proposed settlement, the Fourth Circuit factors instruct the Court to consider: (1) the relative strength of plaintiff's case on the merits; (2) existence of any difficulties of proof or strong defenses plaintiff is likely to encounter if the case proceeds to trial; (3) anticipated duration and expense of additional litigation; (4) solvency of defendant and likelihood of recovery of a litigated judgment; and (5) degree of opposition to the settlement. *Scardelletti*, 43 F. App'x at 528; *In re Jiffy Lube Sec. Litig.*, 927 F.2d at 159; *Robinson*, 2020 WL 8256177, at \*2. Many of these factors overlap with the Rule 23(e) factors cited above.<sup>3</sup>

#### IV. FINDINGS AND ORDER

The Court finds that the Settlement Agreement is fair, reasonable, and adequate and warrants final approval under the applicable Fed. R. Civ. P. 23 and Fourth Circuit factors.

1. With respect to the adequacy and experience of counsel, Class Counsel and Carrington's Counsel are experienced in class action litigation. Moreover, it appears to the Court that the Class Representatives and Class Counsel have adequately represented the proposed Settlement Class. Class Counsel are experienced and sophisticated, with years of experience in complex class action litigation and litigation involving mortgage servicers, financial institutions, and fees. The Class Representatives have also supervised the litigation by reviewing pleadings, reviewing the Settlement, and communicating with Class Counsel regarding the litigation. Rule 23(e)(2)(A) and the fourth fairness factor are satisfied.

2. The Court finds that the Settlement was negotiated at arm's length before an experienced mediator and between experienced and sophisticated counsel. The settling Parties

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<sup>3</sup> The Fourth Circuit has recognized that these "factors for assessing class-action settlements almost completely overlap with the new Rule 23(e)(2) factors." *In re: Lumber Liquidators Chinese-Manufactured Flooring Prod. Mktg., Sales Pracs. & Prod. Liab. Litig.*, 952 F.3d 471, 484 n.8 (4th Cir. 2020).

vigorously contested motions to dismiss, contested appeals from rulings on the motions, and engaged in formal settlement mediation with the assistance of a professional mediator. “These adversarial encounters dispel any apprehension of collusion between the parties.” *In re NeuStar, Inc. Sec. Litig.*, No. 1:14–CV–885(JCC/TRJ), 2015 WL 5674798, at \*10 (E.D. Va. Sept. 23, 2015). The Settlement was negotiated with the assistance of Jeff Kichaven, an experienced mediator, after extensive litigation, that enabled each side to assess the strengths and weaknesses of their claims. Further, the Parties did not discuss attorneys’ fees or a Service Award until after agreeing upon the material terms of the Settlement. The Settlement satisfies Fed. R. Civ. P. 23(e)(2)(B), and the third *Jiffy Lube* fairness factor.

3. As to the posture of the case, it appears that the Settlement was reached after significant work was performed, including motions practice with respect to motions to dismiss and motions to compel arbitration, as well as appeals before the Fourth and Ninth Circuits. Although the Parties did not engage in formal discovery, it appears Carrington provided substantial informal discovery to allow Class Counsel to intelligently evaluate the Settlement offered against the risks and benefits of continued litigation. The provision of informal damages discovery is sufficient to satisfy this fairness factor. *In re Jiffy Lube*, 927 F.2d at 159 (recognizing that informal discovery can provide satisfactory information prior to preliminary approval). Thus, the first two fairness factors are met: the case was sufficiently advanced and sufficient discovery was completed.

6. With regard to the adequacy of the Settlement, Fed. R. Civ. P. 23(e)(2)(C)(i), and the first two *Jiffy Lube* adequacy factors focus on the relief provided, in light of (1) the strength of the plaintiffs’ case on the merits, and (2) the existence of any difficulties of proof or strong defenses the plaintiffs are likely to encounter if the case goes to trial. *In re Jiffy Lube Sec. Litig.*, 927 F.2d at 159; Fed. R. Civ. P. 23(e)(2)(C)(i) (requiring evaluation of the relief provided, taking into

account the costs and risks of trial and appeal). These factors weigh “how much the class sacrifices in settling a potentially strong case in light of how much the class gains in avoiding the uncertainty of a potentially difficult one.” *In re The Mills Corp. Securities Litig.*, 265 F.R.D. 246, 256 (E.D. Va. 2009). The Settlement relief is fair, reasonable, and adequate when balanced against the probable outcome of further litigation, liability, and damages issues, and potential appeals of rulings. The amount offered in Settlement represents approximately 35% of the total Convenience Fees collected by Carrington from the Class during the class period, as well as significant injunctive relief.

Although the Fourth Circuit reversed this Court’s dismissal of Plaintiff Alexander and Bishop’s amended complaint, there are still numerous factual and legal issues in dispute. In addition, Plaintiff Thomas-Lawson, Green, Boley, and Padilla’s appeal of the dismissal of their FDCPA and state law claims is still pending before the Ninth Circuit, and there are open questions regarding whether Carrington could compel arbitration of some of the Plaintiffs’ and class members’ claims. Plaintiffs’ motion for final approval describes the legal issues that would remain to be decided by this Court and the *Thomas-Lawson* and *Dawkins* courts should the settlement not be approved, both on the merits and at class certification.

4. Fed. R. Civ. P. 23(e)(2)(C)(i) and *Jiffy Lube* adequacy factor three require the Court to consider the likely duration and expense of continued litigation. While litigation presents serious risks at many stages, not to mention substantial expense and delay without any guarantee of additional benefit to the Settlement Class, the Settlement provides immediate and substantial benefits to over 442,000 Class Members.

5. Carrington appears to be solvent, so the fourth *Jiffy Lube* adequacy factor is neutral.

6. The fifth *Jiffy Lube* adequacy factor—the degree of opposition to the settlement—also weighs in favor of final approval. Of the around 442,000 Settlement Class Members, only seven requested to opt-out of the Settlement, and none submitted an objection to the Settlement. “A small number of objections and a low opt-out rate suggest that the proposed settlement is adequate.” *In re Lumber Liquidators Chinese-Manufactured Flooring Prod. Mktg. Sales Pracs.*, No. 115MD2627AJTTRJ, 2018 WL 11203065, at \*6 (E.D. Va. Oct. 9, 2018), *aff’d sub nom. In re: Lumber Liquidators Chinese-Manufactured Flooring Prod. Mktg., Sales Pracs. & Prod. Liab. Litig.*, 952 F.3d 471 (4th Cir. 2020).

7. Finally, it appears to the Court that the Parties’ proposed allocation of the Settlement, and plan for distribution is equitable and effective, as required by Rule 23(e)(2)(C)(ii). Settlement Class Members who paid at least one Convenience Fee are entitled to receive a payment of \$5.00 from the Net Settlement Fund, with the remainder paid to Settlement Class Members on a *pro rata* basis, based upon the amount of Convenience Fees paid by each Settlement Class Member during the Class Period. According to this allocation, Class Members are treated fairly as to one another because they are compensated according to the amount of Convenience Fees they were charged. *See* Fed. R. Civ. P. 23(e)(2)(D). This method is consistent with the distribution of common funds in other fee cases. *See, e.g., Lembeck v. Arvest Central Mortgage Co.*, Case No. 3:20-cv-03277-VC, 2021 WL 5494940 (N.D. Cal. Aug. 26, 2021) (approving settlement from which class members would receive *pro rata* distribution of common fund based on number of fees paid); *Fernandez v. Rushmore*, Case No. 8:21-cv-00621-DOC-(KEXc) (C.D. Cal. Feb. 14, 2022) (same); *Phillips v. Caliber Home Loans, Inc.*, Case No. 0:19-cv-2711 (WMW/LIB), 2022 WL 832085 (D. Minn. Mar. 21, 2022) (same). A *pro rata* distribution means that Settlement Class Members who paid more Convenience Fees will receive a relatively larger share of the Settlement

Fund, and those who paid fewer will receive less. This allocation treats Settlement Class Members equitably.

8. The Court finds that early resolution of this Action will conserve the resources of the Parties and the Court, while at the same time, the Parties have vigorously litigated the legal issues and Carrington provided sufficient informal discovery to permit Class Counsel and the Court to intelligently evaluate the Settlement offered against the risks and benefits of continued litigation.

9. In addition to the Gross Settlement Fund, the Settlement includes valuable injunctive relief that, when taken into account as additional monetary benefit to the Settlement Class, means that the attorneys' fees requested by Class Counsel are significantly less than 40% of the total monetary benefit to the Settlement. The value of the injunctive relief is over \$26 Million, which combined with the Gross Settlement Fund, means the total monetary value of the Settlement is at least \$44,181,898.65. The Court finds that the amount of attorneys' fees requested by Class Counsel, 40% of the Gross Settlement Fund and 16.5% of the total monetary benefit to the Settlement Class, to be reasonable and aligns with other class actions where Maryland courts have awarded attorneys' fees. *See e.g., Dickman v. Banner Life Ins. Co.*, No. 1:16-CV-00192-RDB, 2020 WL 13094954, at \*5 (D. Md. May 20, 2020), *aff'd sub nom. 1988 Tr. for Allen Child. Dated 8/8/88 v. Banner Life Ins. Co.*, 28 F.4th 513 (4th Cir. 2022) (awarding fees of 39.5% of common fund); *Singleton v. Domino's Pizza, LLC*, 976 F. Supp. 2d 665, 685 (D. Md. 2013) (citing cases, noting that courts award fees ranging from 15 to 40% in settlements under \$100 million).

10. Class Counsel are entitled to reimbursement of reasonable out-of-pocket litigation expenses. Fed. R. Civ. P. 23(h). "It is well-established that plaintiffs who are entitled to recover attorneys' fees are also entitled to recover reasonable litigation-related expenses as part of their

overall award.” *Kabore v. Anchor Staffing, Inc.*, No. L–10–3204, 2012 WL 5077636, at \*10 (D. Md. Oct. 17, 2012). The Fourth Circuit has stated that such costs may include “those reasonable out-of-pocket expenses incurred by the attorney which are normally charged to a fee-paying client, in the course of providing legal services.” *Spell v. McDaniel*, 852 F.2d 762, 771 (4th Cir. 1988) (internal quotations omitted). Here, Class Counsel seeks reimbursement of \$15,138.96 in litigation expenses, which includes the cost of a private mediator. They have provided records that document their claim. *See* Dkt. 60-1, Declaration of Kristen G. Simplicio in Support of Plaintiffs’ Motion for Fees, Costs, and Service Awards ¶ 42 & Dkt. 60-3, Exhibit B to Simplicio Declaration; Dkt. 60-4, Declaration of James L. Kauffman ¶ 21; Dkt. No. 60-6, Declaration of Phillip Robinson in Support of Plaintiffs’ Fee, Expense, and Service Award Application ¶ 33. The court therefore finds that these submissions support an award of \$15,138.96 in costs.

11. Service Awards are routinely made to class representatives in Fed. R. Civ. P. 23 class actions. *See, e.g., In re Tyson Foods, Inc.*, No. RDB–08–1982, 2010 WL 1924012, at \*4 (D. Md. May 11, 2010). “Because a named plaintiff is an essential ingredient of any class action, an incentive award is appropriate if it is necessary to induce an individual to participate in the suit.” *Cook v. Niedert*, 142 F.3d 1004, 1016 (7th Cir. 1998). To determine whether an incentive payment is warranted, a court should consider “the actions the plaintiff has taken to protect the interests of the class, the degree to which the class has benefited from those actions, and the amount of time and effort the plaintiff expended in pursuing the litigation.” *Id.* Here, the Plaintiffs came forward to represent the interests of thousands of others, with very little personally to gain, as their individual alleged damages were very small. Before and during litigation, Plaintiffs had their highly sensitive financial information regarding their mortgage agreements inspected. Plaintiffs participated in the litigation by reviewing the complaint and other filings and making themselves

available to assist with discovery. And Plaintiffs all worked with counsel to initiate separate cases, taking the substantial risk they might, at a minimum, lose their case and pay the other side's costs. Thus, the Court approves a \$5,000 award each for Ashly Alexander, Cedric Bishop, Amy Thomas-Lawson, William Green, Brenda Boley, Miguel Padilla, and Victoria Dawkins.

12. The Court confirms the certification for settlement purposes of the Settlement Class for the reasons stated in the Preliminary Approval Order, none of which have changed.

13. The Court confirms the appointment of Ashly Alexander, Cedric Bishop, Amy Thomas-Lawson, William Green, Brenda Boley, Miguel Padilla, and Victoria Dawkins as Class Representatives.

14. The Court confirms the appointment of Hassan A. Zavareei, Kristen G. Simplicio, James L. Kauffman, and Phillip Robinson as Class Counsel.

15. The Court finds that the approved Class Notice constituted the best notice practicable under the circumstances and was in full compliance with the applicable laws and the requirements of due process. The Court further finds that the Class Notice fully and accurately informed the Class Members of all material elements of the proposed Settlement, of their right to be excluded from the Settlement, and of their right and opportunity to object to the Settlement. The Court also finds that the Class Notice complied with the Class Action Fairness Act, 28 U.S.C. § 1715.

15. There are no objections to the Settlement.

16. All members of the Settlement Class who timely requested exclusion are excluded from the Settlement.

17. The Court confirms the *cy pres* recipient as NeighborWorks America and the Maryland Consumer Rights Coalition.

18. All Class Members who did not timely request exclusion are hereby bound by the terms of the Settlement Agreement, including the release.

Accordingly, the Court having considered the Motion for Final Approval of Class Action Settlement, it is hereby ORDERED that:

1. The Motion is GRANTED;
2. The proposed Settlement is approved as being fair, reasonable, and adequate pursuant to Rule 23(e);
3. Ashly Alexander, Cedric Bishop, Amy Thomas-Lawson, William Green, Brenda Boley, Miguel Padilla, and Victoria Dawkins are confirmed as Class Representatives;
4. Hassan A. Zavareei, Kristen G. Simplicio, James L. Kauffman, and Phillip Robinson Kauffman are confirmed as Class Counsel;
5. The Court awards \$7,272,759.46 in attorneys' fees and \$15,138.96 in reimbursed costs to Class Counsel;
6. The Court approves Service Awards of \$5,000 to each of Ashly Alexander, Cedric Bishop, Amy Thomas-Lawson, William Green, Brenda Boley, Miguel Padilla, and Victoria Dawkins;
7. Without affecting the finality of the Court's judgment in any way, the Court retains jurisdiction over this matter for purposes of resolving issues related to interpretation, administration, implementation, effectuation, and enforcement of the Settlement;
8. Based on the foregoing, the Court sets the following schedule should no appeal be taken by no person:

Settlement Effective Date	
Settlement Administrator shall calculate the Net Settlement Fund	
Settlement Administrator shall pay by wire any Fee and Expense Award and Service Awards approved by Court	
Settlement Administrator shall send Class Counsel final list of each Settlement Class	



Member, their percentage of the Net Settlement Fund, and their payment amount	
Settlement Administrator shall email Class Members allowing them to select digital payment method and informing them if they do not, their payment will be received via check	
Settlement Administrator shall effectuate payments for Class Members who selected digital payment option and mail checks to Class Members who did not select the digital payment option	
Settlement Administrator shall void individual, uncashed checks	
Settlement Administrator shall effectuate a secondary distribution or administer remaining funds to NeighborWorks America and the Maryland Consumer Rights Coalition	

9. This Action is **DISMISSED WITH PREJUDICE**.

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Hon. Richard D. Bennett  
United States District Judge

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

ASHLY ALEXANDER, CEDRIC BISHOP,  
AMY THOMAS-LAWSON, WILLIAM  
GREEN, BRENDA BOLEY, MIGUEL  
PADILLA, and VICTORIA DAWKINS

*On behalf of themselves individually  
and similarly situated persons,*

Plaintiffs,

v.

CARRINGTON MORTGAGE SERVICES,  
LLC,

Defendant.

Case No. 1:20-cv-02369-RDB

DECLARATION OF PETER SPERRY  
REGARDING IMPLEMENTATION OF  
NOTICE AND SETTLEMENT  
ADMINISTRATION

**DECLARATION OF PETER SPERRY REGARDING  
IMPLEMENTATION OF NOTICE AND SETTLEMENT ADMINISTRATION**

I, Peter Sperry, hereby declare and state as follows

1. I am a Senior Project Manager employed by Epiq Class Action & Claims Solutions, Inc. (“Epiq”). I have more than eight years of experience handling all aspects of settlement administrations. The statements of fact in this declaration are based on my personal knowledge and information provided to me by my colleagues in the ordinary course of business, and if called on to do so, I could and would testify competently thereto.

2. Epiq was retained by the Parties to be the Settlement Administrator pursuant to the Court’s Order Granting Plaintiffs’ Motion for Preliminary Approval of Class Action Settlement and for Certification of Settlement Class (the “Order”) dated July 5, 2022, and in accordance with the Class Action Settlement Agreement (the “Settlement Agreement”).<sup>1</sup> I submit this Declaration

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<sup>1</sup> All capitalized terms not otherwise defined in this document shall have the same meanings ascribed to them in the Settlement Agreement.

in order to advise the Parties and the Court regarding the implementation of the Court-approved Administrative duties, and to report on Epiq's handling to date of the Settlement Administration, in accordance with the Settlement Agreement.

3. Epiq was established in 1968 as a client services and data processing company. Epiq has administered bankruptcies since 1985 and settlements since 1993. Epiq has routinely developed and executed notice programs and administrations in a wide variety of mass action contexts including settlements of consumer, antitrust, products liability, and labor and employment class actions, settlements of mass tort litigation, Securities and Exchange Commission enforcement actions, Federal Trade Commission disgorgement actions, insurance disputes, bankruptcies, and other major litigation. Epiq has administered more than 4,500 settlements, including some of the largest and most complex cases ever settled. Epiq's class action case administration services include administering notice requirements, designing direct-mail notices, implementing notice fulfillment services, coordinating with the United States Postal Service ("USPS"), developing and maintaining notice websites and dedicated telephone numbers with recorded information and/or live operators, processing exclusion requests, objections, claim forms and correspondence, maintaining class member databases, adjudicating claims, managing settlement funds, and calculating claim payments and distributions. As an experienced neutral third-party administrator working with settling parties, courts, and mass action participants, Epiq has handled hundreds of millions of notices, disseminated hundreds of millions of emails, handled millions of phone calls, processed tens of millions of claims, and distributed hundreds of billions in payments.

**CLASS ACTION FAIRNESS ACT NOTICE**

4. As described in the attached March 2, 2021, *DECLARATION OF STEPHANIE J. FIERECK,, ESQ. ON IMPLEMENTATION OF CAFA NOTICE* (“CAFA Declaration”), on June 3, 2022, Epiq sent a CAFA notice packet (or “CAFA Notice”) to 125 officials, including the Attorneys General of each of the 50 states, the District of Columbia, and the United States Territories, and 69 state regulators as required by the Class Action Fairness Act of 2005 (CAFA), 28 U.S.C. § 1715. Epiq also sent the CAFA Notice to the Attorney General of the United States by United Parcel Service. The CAFA Declaration is included as **Exhibit A**.

**DATA TRANSFER**

5. On July 18, 2022, Defendant’s Counsel provided Epiq with two (2) electronic files containing Class Member records. The files contained names of all persons included in the definition of the Class, their mailing addresses, known email addresses, and the dates and amounts of each Convenience Fee paid during the Class Period (“Class Member List”).

6. Epiq loaded the information provided by Defendant’s Counsel into a database created for the purpose of administration of the proposed Settlement. Epiq assigned unique identifiers to all the records it received in order to maintain the ability to track them throughout the Settlement administration process. Epiq combined the data and removed exact duplicate records, which resulted in 442,045 Class Member records.

**DISSEMINATION OF INDIVIDUAL EMAIL NOTICE**

7. Pursuant to Section VI. of the Settlement Agreement and Section IV. of the Order, Epiq was to cause the Court-approved Email Notice to be formatted for electronic distribution by email to Class Members for whom an email address was included in the Class Member List. The Email Notice, which was formatted for distribution using imbedded html text, provided Class

Members with a link to the Settlement website. The Email Notice was formatted with easy to read text without graphics, tables, images, and other elements that would increase the likelihood that the message could be blocked by Internet Service Providers and/or SPAM filters. Epiq also followed standard email protocols, including utilizing “unsubscribe” links and Epiq’s contact information in the Email Notice.

8. On August 18, 2022, Epiq sent the Email Notice to the 351,963 Class Member records where a potentially valid email address existed. Each Email Notice was transmitted with a unique message identifier. If the receiving e-mail server could not deliver the message, a “bounce code” was returned along with the unique message identifier.

9. For all Class Members with potentially valid email addresses in the Class Member List, Epiq closely monitored all deliverability attempts of the Email Notice during the Email Notice campaign. A total of 328,815 Email Notices were delivered, resulting in Email Notice reaching 93.42% of the Class Member records where at least one email address was provided in the Class Member List. Attached hereto as **Exhibit B** is the Email Notice that Epiq disseminated by email to Class Members.

10. Pursuant to Section VI. of the Settlement Agreement, on September 6, 2022, Epiq sent Postcard Notice to each of the 23,148 email addresses that “bounced” back as undeliverable in the email campaign effort and had a valid physical mailing address on file.

#### **DISSEMINATION OF THE INDIVIDUAL POSTCARD NOTICE**

11. Pursuant to Section VI. of the Settlement Agreement and section IV. of the Order, Epiq was responsible for sending the Postcard Notice to Class Members where a valid email address did not exist in the Class Member List and to those where Email Notice was undeliverable.

Attached hereto as **Exhibit C** is the Postcard Notice that Epiq disseminated by mail to Class Members.

12. Prior to mailing the Mailing Packet to Class Members, all mailing addresses included in the Class Member List were checked against the National Change of Address (“NCOA”) database maintained by the United States Postal Service (“USPS”).<sup>2</sup> In addition, the addresses were processed via the Coding Accuracy Support System (“CASS”) to ensure the quality of the zip code, and verified through Delivery Point Validation (“DPV”) to verify the accuracy of the addresses. To the extent that any Class Members had filed a USPS change of address request, and the address was certified and verified, the current address listed in the NCOA database was used in connection with the Postcard Notice mailing. This address updating process is standard for the industry and for the majority of promotional mailings that occur today. A total of 45,631 records sent through the USPS NCOA, CASS, and DPV processes were updated with new addresses.

13. Prior to commencing any mailings for this matter, Epiq established a dedicated post office box to mail notice from and to allow Class Members to contact the Settlement Administrator or submit documents by mail. Epiq has and will continue to maintain the P.O. Box throughout the administration process.

14. On August 18, 2022, Epiq mailed 90,082 Postcard Notices via First Class USPS Mail to Class Members with a valid mailing address.

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<sup>2</sup> The NCOA database contains records of all permanent change of address submissions received by the USPS for the last four years. The USPS makes this data available to mailing firms and lists submitted to it are automatically updated with any reported move based on a comparison with the person’s name and last known address.

15. The return address on the Postcard Notice is the post office box maintained by Epiq. As of October 26, 2022, 728 Postcard Notices have been returned by the USPS with forwarding information and promptly re-mailed to the forwarding address.

16. As of October 26, 2022, a total of 2,493 Postcard Notices have been returned to Epiq without forwarding address information. As a result of skip trace searches performed by Epiq using a third-party lookup service, a total of 1,309 addresses were updated and the Postcard Notices were re-mailed to the updated addresses.

17. As of October 26, 2022, Epiq has mailed 114,539 Postcard Notices to Class Members, with 2,493 Postcard Notices returned undeliverable. Following the Email Notice and/or Postcard Notice mailings, a total of 2,432 unique Class Members' notice attempts are currently known to be undeliverable, resulting in a 99.45% deliverable rate for the collective noticing efforts.

#### **SETTLEMENT WEBSITE**

18. Pursuant to Section VI. of the Settlement Agreement and Section IV. of the Order, on August 5, 2022, Epiq launched a website, [www.MortgageServiceFeeSettlement.com](http://www.MortgageServiceFeeSettlement.com), that Class Members could visit to obtain additional information about the proposed Settlement, as well as important documents, including the Long Form Notice (English and Spanish), Settlement Agreement, Preliminary Approval Order, and any other relevant information ("Website"). The Settlement Website contains a summary of options available to Class Members, deadlines to act, and provides answers to frequently asked questions. References to the Settlement Website were prominently displayed in the Email and Postcard Notices. Attached hereto as **Exhibit D** are the English and Spanish Long Form Notices that are available on the Settlement Website.

19. As of October 26, 2022, the Settlement Website has been visited by 21,654 visitors and 29,010 website pages have been viewed. Epiq has maintained and will continue to maintain and update the Settlement Website throughout the administration of the proposed Settlement.

#### **TOLL-FREE INFORMATION LINE**

20. Pursuant to Section VI. of the Settlement Agreement and Section IV. of the Order, on August 5, 2022, Epiq established and is maintaining a toll-free interactive Voice Response Unit (“VRU”), 1-855-654-0867, to provide information and accommodate inquiries from Class Members. Callers hear an introductory message and then are provided with scripted information about the Settlement in the form of recorded answers to frequently asked questions. Callers also have the options of requesting a Long Form Notice by mail, leaving a voicemail for a call center representative to call them back, or speaking to a live operator during normal business hours. The toll-free number was included in both the Email and Postcard Notices sent to Class Members and the automated telephone system is available 24 hours per day, 7 days per week.

21. As of October 26, 2022, the toll-free number has received 3,989 calls representing 22,769 total minutes, and call center representatives have handled 1,364 inbound calls representing 13,139 minutes of use and 177 outbound calls representing 455 minutes of use. Epiq has and will continue to maintain and update the toll-free number throughout the Settlement administration process.

#### **REQUESTS FOR EXCLUSION**

22. Pursuant to Section VII. of the Settlement Agreement, Class Members who wished to be excluded from the Settlement were required to submit a written request for exclusion to Epiq postmarked on or before the Response Deadline detailed in the Postcard, Email, and/or Long Form Notice. As of October 26, 2022, Epiq has received five (5) timely and potentially valid requests

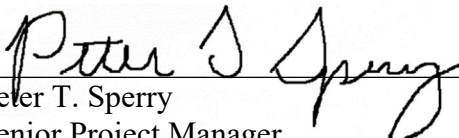


for exclusion covering seven (7) borrowers. A report listing the seven (7) excluded borrowers is attached hereto as **Exhibit E**.

**OBJECTIONS RECEIVED**

23. Pursuant to Section VII. of the Settlement Agreement, Class Members who wished to object to the Settlement were required to submit written objections to the Court. As of October 26, 2022, Epiq has not received or been made aware of any objections.

I declare under penalty of perjury under the laws of the United States and the State of Washington that the foregoing is true and correct and that this declaration was executed on October 27, 2022, in Kent, Washington.

  
\_\_\_\_\_  
Peter T. Sperry  
Senior Project Manager  
Epiq Class Action & Claims Solutions, Inc. ("Epiq")

# Exhibit A

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND**

ASHLY ALEXANDER, CEDRIC BISHOP,  
AMY THOMAS-LAWSON, WILLIAM GREEN,  
BRENDA BOLEY, MIGUEL PADILLA, and  
VICTORIA DAWKINS

*On behalf of themselves individually and  
similarly situated persons,*

Plaintiffs,

Case No. 1:20-cv-02369-RDB

v.

CARRINGTON MORTGAGE SERVICES,  
LLC,

Defendants.

**DECLARATION OF STEPHANIE J. FIERECK, ESQ. ON IMPLEMENTATION OF  
CAFA NOTICE**

I, STEPHANIE J. FIERECK, ESQ., hereby declare and state as follows:

1. My name is Stephanie J. Fiereck, Esq. I am over the age of 21 and I have personal knowledge of the matters set forth herein, and I believe them to be true and correct.

2. I am the Director of Legal Noticing for Hilsoft Notifications (“Hilsoft”), a firm that specializes in designing, developing, analyzing, and implementing large-scale legal notification plans. Hilsoft is a business unit of Epiq Class Action & Claims Solutions, Inc. (“Epiq”), the proposed class notice administrator in this case. I have overseen and handled Class Action Fairness Action (“CAFA”) notice mailings for more than 350 class action settlements.

3. Epiq is a firm with more than 25 years of experience in claims processing and settlement administration. Epiq’s class action case administration services include coordination of all notice requirements, design of direct-mail notices, establishment of fulfillment services,

DECLARATION OF STEPHANIE J. FIERECK, ESQ. ON IMPLEMENTATION OF CAFA NOTICE

receipt and processing of opt-outs, coordination with the United States Postal Service (“USPS”), claims database management, claim adjudication, funds management and distribution services.

4. The facts in this Declaration are based on what I personally know, as well as information provided to me in the ordinary course of my business by my colleagues at Epiq.

### **CAFA NOTICE IMPLEMENTATION**

5. At the direction of counsel for the Defendant Carrington Mortgage Services, LLC, 126 officials, which included the Attorney General of the United States and the Attorneys General of each of the 50 states, the District of Columbia, and the United States Territories, and 69 state regulators were identified to receive the CAFA notice.

6. Epiq maintains a list of many of these federal and state officials with contact information for the purpose of providing CAFA notice. In addition, counsel for Carrington Mortgage Services, LLC provided a list of 69 state regulators. Prior to mailing, the names and addresses for the 126 officials were verified, then run through the Coding Accuracy Support System (“CASS”) maintained by the USPS.<sup>1</sup>

7. On June 3, 2022, Epiq sent 126 CAFA Notice Packages (“Notice”). The Notice was mailed via USPS Certified Mail to 125 officials, including the Attorneys General of each of the 50 states, the District of Columbia, and the United States Territories, and 69 state regulators. The Notice was also sent via United Parcel Service (“UPS”) to the Attorney General of the United States. The CAFA Notice Service List (USPS Certified Mail and UPS) is included as **Attachment 1**.

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<sup>1</sup> CASS improves the accuracy of carrier route, 5-digit ZIP®, ZIP + 4® and delivery point codes that appear on mail pieces. The USPS makes this system available to mailing firms who want to improve the accuracy of postal codes, i.e., 5-digit ZIP®, ZIP + 4®, delivery point (DPCs), and carrier route codes that appear on mail pieces.

8. The materials sent to the federal and state officials included a cover letter, which provided notice of the proposed settlement of the above-captioned case. The cover letter is included as **Attachment 2**.

9. The cover letter was accompanied by a CD, which included the following:

a. **Per 28 U.S.C. § 1715(b)(1) – Complaint and Any Amended Complaints:**

- Class Action Complaint, filed on July 10, 2020;
- First Amended Complaint, filed on September 8, 2020; and
- Second Amended Complaint, filed on May 25, 2022.

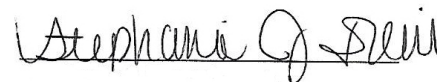
b. **Per 28 U.S.C. § 1715(b)(3) – Notification to Class Members:** The Long Form Notice, Postcard Notice, and Email Notice as Exhibits A1, A2 and A3 to the Settlement Agreement.

c. **Per 28 U.S.C. § 1715(b)(4) – Class Action Settlement Agreement:**

- Settlement Agreement;
- Motion for Preliminary Approval of Class Action Settlement;
- [Proposed] Order Granting Plaintiffs’ Motion for Preliminary Approval of Class Action Settlement and for Certification of Settlement Class;
- Plaintiffs’ Memorandum of Law in Support of Motion for Preliminary Approval Class Action Settlement and for Certification of Settlement Class; and
- [Proposed] Order Granting Plaintiffs’ Motion for Final Approval of Class Action Settlement as Exhibit C to the Settlement Agreement.

d. **Per 28 U.S.C. § 1715(b)(7) – Estimate of Class Members:** Geographical Analysis Report, listing the estimated number of class members within each state and U.S. territory according to Carrington’s records, along with a percentage reflecting the proportion of overall class members that are within each state or territory.

I declare under penalty of perjury that the foregoing is true and correct. Executed on June 3, 2022.



Stephanie J. Fiereck, Esq.

# Attachment 1

2019 Notice Service List

UPS

Company	FullName	Address1	Address2	City	State	Zip
US Department of Justice	Merrick B. Garland	950 Pennsylvania Ave NW		Washington	DC	20530

## USPS Certified Mail

Company	FullName	Address1	Address2	City	State	Zip
Office of the Attorney General	Treg Taylor	PO Box 110300		Juneau	AK	99811
Office of the Attorney General	Steve Marshall	501 Washington Ave		Montgomery	AL	36104
Office of the Attorney General	Leslie Carol Rutledge	323 Center St	Suite 200	Little Rock	AR	72201
Office of the Attorney General	Mark Brnovich	2005 N Central Ave		Phoenix	AZ	85004
Office of the Attorney General	CAFA Coordinator	Consumer Law Section	455 Golden Gate Ave Ste 11000	San Francisco	CA	94102
Office of the Attorney General	Phil Weiser	Ralph L Carr Colorado Judicial Center	1300 Broadway 10th Fl	Denver	CO	80203
Office of the Attorney General	William Tong	165 Capitol Ave		Hartford	CT	06106
Office of the Attorney General	Karl A. Racine	400 6th St NW		Washington	DC	20001
Office of the Attorney General	Kathy Jennings	Carvel State Office Bldg	820 N French St	Wilmington	DE	19801
Office of the Attorney General	Ashley Moody	State of Florida	The Capitol PL-01	Tallahassee	FL	32399
Office of the Attorney General	Chris Carr	40 Capitol Square SW		Atlanta	GA	30334
Department of the Attorney General	Holly T. Shikada	425 Queen St		Honolulu	HI	96813
Iowa Attorney General	Thomas J Miller	1305 E Walnut St		Des Moines	IA	50319
Office of the Attorney General	Lawrence G Wasden	700 W Jefferson St Ste 210	PO Box 83720	Boise	ID	83720
Office of the Attorney General	Kwame Raoul	100 W Randolph St		Chicago	IL	60601
Indiana Attorney General's Office	Todd Rokita	Indiana Government Center South	302 W Washington St 5th Fl	Indianapolis	IN	46204
Office of the Attorney General	Derek Schmidt	120 SW 10th Ave 2nd Fl		Topeka	KS	66612
Office of the Attorney General	Daniel Cameron	700 Capitol Avenue	Suite 118	Frankfort	KY	40601
Office of the Attorney General	Jeff Landry	PO Box 94005		Baton Rouge	LA	70804
Office of the Attorney General	Maura Healey	1 Ashburton Pl		Boston	MA	02108
Office of the Attorney General	Brian E. Frosh	200 St Paul Pl		Baltimore	MD	21202
Office of the Attorney General	Aaron Frey	6 State House Station		Augusta	ME	04333
Department of Attorney General	Dana Nessel	PO Box 30212		Lansing	MI	48909
Office of the Attorney General	Keith Ellison	445 Minnesota St	Suite 1400	St Paul	MN	55101
Missouri Attorney General's Office	Eric Schmitt	207 West High Street	PO Box 899	Jefferson City	MO	65102
Mississippi Attorney General	Lynn Fitch	Department of Justice	PO Box 220	Jackson	MS	39205
Office of the Attorney General	Austin Knudsen	215 N Sanders Third Floor	PO Box 201401	Helena	MT	59620
Attorney General's Office	Josh Stein	9001 Mail Service Ctr		Raleigh	NC	27699
Office of the Attorney General	Drew H. Wrigley	State Capitol	600 E Boulevard Ave Dept 125	Bismarck	ND	58505
Nebraska Attorney General	Doug Peterson	2115 State Capitol	PO Box 98920	Lincoln	NE	68509
Office of the Attorney General	John Formella	NH Department of Justice	33 Capitol St	Concord	NH	03301
Office of the Attorney General	Matthew J. Platkin	25 Market Street	PO Box 080	Trenton	NJ	08625
Office of the Attorney General	Hector Balderas	408 Galisteo St	Villagra Bldg	Santa Fe	NM	87501
Office of the Attorney General	Aaron Ford	100 N Carson St		Carson City	NV	89701
Office of the Attorney General	CAFA Coordinator	28 Liberty Street	15th Floor	New York	NY	10005
Office of the Attorney General	Dave Yost	30 East Broad Street	14th Floor	Columbus	OH	43215
Office of the Attorney General	John O'Connor	313 NE 21st St		Oklahoma City	OK	73105
Office of the Attorney General	Ellen F Rosenblum	Oregon Department of Justice	1162 Court St NE	Salem	OR	97301
Office of the Attorney General	Josh Shapiro	16th Fl Strawberry Square		Harrisburg	PA	17120
Office of the Attorney General	Peter F Neronha	150 S Main St		Providence	RI	02903
Office of the Attorney General	Alan Wilson	PO Box 11549		Columbia	SC	29211
Office of the Attorney General	Jason Ravensborg	1302 E Hwy 14 Ste 1		Pierre	SD	57501
Office of the Attorney General	Herbert H. Slatery III	PO Box 20207		Nashville	TN	37202
Office of the Attorney General	Ken Paxton	300 W 15th St		Austin	TX	78701
Office of the Attorney General	Sean D. Reyes	PO Box 142320		Salt Lake City	UT	84114
Office of the Attorney General	Jason S. Miyares	202 North Ninth Street		Richmond	VA	23219
Office of the Attorney General	TJ Donovan	109 State St		Montpelier	VT	05609
Office of the Attorney General	Bob Ferguson	800 Fifth Avenue	Suite 2000	Seattle	WA	98104
Office of the Attorney General	Josh Kaul	PO Box 7857		Madison	WI	53707
Office of the Attorney General	Patrick Morrissey	State Capitol Complex	Bldg 1 Room E 26	Charleston	WV	25305
Office of the Attorney General	Bridget Hill	109 State Capital		Cheyenne	WY	82002
Department of Legal Affairs	Fainu'ulei Falefatu Ala'ilima-Utu	Executive Office Building 3rd Floor	PO Box 7	Utulei	AS	96799
Attorney General Office of Guam	Leevin T Camacho	Administration Division	590 S Marine Corps Dr Ste 901	Tamuning	GU	96913
Office of the Attorney General	Edward Manibusan	Administration Bldg	PO Box 10007	Saipan	MP	96950
PR Department of Justice	Domingo Emanuelli Hernández	PO Box 9020192		San Juan	PR	00902
Department of Justice	Denise N. George	34-38 Kronprindsens Gade	GERS Bldg 2nd Fl	St Thomas	VI	00802
Alabama Bureau of Loans	Mike Hill	401 Adams Avenue	Suite 680	Montgomery	AL	36104
Alaska Division of Banking & Securities	Robert H. Schmidt	550 W 7th Ave	STE 1850	Anchorage	AK	99501
Div. of Corps. Business and Prof. Licensing	Sara Chambers	550 W 7th AVE	STE 1500	Anchorage	AK	99501
AZ Dept of Ins. and Fin. Institutions	Evan G. Daniels	100 North 15th Avenue	Suite 261	Phoenix	AZ	85007
Arkansas Securities Department	Campbell McLaurin	1 Commerce Way	Suite 402	Little Rock	AR	72202
Arkansas State Board of Collection Agencies	Rusty Guinn	900 West Capitol Avenue	Suite 400	Little Rock	AR	72201
CA Dept of Financial Protection & Innovation	Clothilde V. Hewlett	320 West 4th Street	Suite 750	Los Angeles	CA	90013
Colorado Division of Real Estate	Marcia Waters	1560 Broadway	Suite 925	Denver	CO	80202
CT Dept of Banking Consumer Credit	Carmin T. Costa	260 Constitution Plaza		Hartford	CT	06103



## USPS Certified Mail

Company	FullName	Address1	Address2	City	State	Zip
DE Office of the State Bank Commissioner	Robert A. Glen	1110 Forrest Avenue		Dover	DE	19904
DE Division of Revenue	Jennifer R. Noel	820 N. French Street		Wilmington	DE	19801
DC Dept of Insurance Securities and Banking	Karima M. Woods	1050 First Street NE	#801	Washington	DC	20002
DC Dept of Consumer and Regulatory Affairs	Ernest Chrappah	1100 4th Street SW		Washington	DC	20024
Office of Financial Regulation	Russell C. Weigel III	200 East Gaines Street		Tallahassee	FL	32399
GA Dept of Banking & Finance NDFI Division	Kevin B. Hagler	2990 Brandywine Road	Suite 200	Atlanta	GA	30341
Guam Banking and Insurance Board	Michele B. Santos	PO Box 23607		Barrigada	GU	96913
HI Division of Financial Institutions	Catherine P. Awakuni Colón	PO Box 2054		Honolulu	HI	96805
ID Dept of Finance Consumer Finance Bureau	Patricia Perkins	800 Park Blvd.	Ste 200	Boise	ID	83712
IL Dept of Financial & Prof Regulation	Mario Treto Jr.	320 West Washington Street	3rd Floor	Springfield	IL	62786
IN Dept of Fin Inst Consumer Credit Div	Richard J. Rice	30 South Meridian Street	Suite 300	Indianapolis	IN	46204
Indiana Secretary of State Securities Div	Holli Sullivan	200 W. Washington St.	Room 201	Indianapolis	IN	46204
Iowa Division of Banking	Jeff Plagge	200 East Grand Avenue	Suite 300	Des Moines	IA	50309
KS Division of Consumer and Mortgage Lending	David L. Herndon	700 SW Jackson St.	Suite 300	Topeka	KS	66603
KY Division of Non-Depository Institutions	Charles Vice	500 Mero St.	Mail Stop 2 SW 19	Frankfort	KY	40601
Louisiana Office of Financial Institutions	Stanley M. Dameron	8660 United Plaza Blvd	2nd Floor	Baton Rouge	LA	70809
Louisiana Secretary of State	R. Kyle Ardoin	8585 Archives Ave.		Baton Rouge	LA	70809
ME Bureau of Consumer Credit Protection	William N. Lund	76 Northern Avenue		Gardiner	ME	04345
Maryland Commissioner of Financial Regulation	Antonio P. Salazar	1100 North Eutaw Street	Suite 611	Baltimore	MD	21201
Massachusetts Division of Banks	Mary L. Gallagher	1000 Washington Street	10th Floor	Boston	MA	02118
MI Dept of Insurance and Financial Services	Anita G. Fox	530 W. Allegan Street	7th Floor	Lansing	MI	48933
MN Dept of Commerce Fin Institutions Division	Grace Arnold	85 7th Place East	Suite 280	St. Paul	MN	55101
MS Dept Banking & Consumer Fin Mortgage Div	Rhoshunda Kelly	PO Box 12129		Jackson	MS	39236
Missouri Division of Finance	Mick Campbell	301 W High St Truman State Office Building	Room 630	Jefferson City	MO	65101
MT Division of Banking & Financial Inst	Melanie G. Hall	PO Box 200546		Helena	MT	59620
Nebraska Department of Banking and Finance	Kelly Lammers	1526 K Street	Suite 300	Lincoln	NE	68508
NV DBI Division of Mortgage Lending	Cathy Sheehy	3300 W. Sahara Ave.	Suite 285	Las Vegas	NV	89102
NV DBI Financial Institutions Division	Sandy O'Laughlin	3300 W. Sahara Ave.	Suite 250	Las Vegas	NV	89102
NV Office of the Secretary of State	Barbara Cegavske	101 N Carson Street	Suite 3	Carson City	NV	89701
NH Banking Dept Consumer Credit Division	Emelia A.S. Galdieri	53 Regional Drive	Suite 200	Concord	NH	03301
NJ Dept Banking & Ins Office of Consumer Fin	Marlene Caride	20 West State Street	PO Box 040	Trenton	NJ	08608
NM Reg & Licensing Dept Fin Inst Division	Linda M. Trujillo	PO Box 25101		Santa Fe	NM	87504
NY Department of Financial Services	Adrienne A. Harris	One State Street		New York	NY	10004
NC Office of the Commissioner of Banks	Katherine M.R. Bosken	4309 Mail Service Center		Raleigh	NC	27699
CNMI Department of Commerce	Edward M. Deleon Guerrero	PO Box 5795	CHRB	Saipan	MP	96950
Ohio Division of Financial Institutions	Kevin R. Allard	77 S High Street	23rd Floor	Columbus	OH	43215
Oklahoma Department of Consumer Credit	Scott Leshner	629 N.E. 28th Street		Oklahoma City	OK	73105
Oregon Division of Financial Regulation	Andrew R. Stolfi	350 Winter St. NE	Fourth Floor	Salem	OR	97301
PA Dept Banking and Securities	Richard Vague	17 N. Second Street	Suite 1300 Market Square Plaza	Harrisburg	PA	17101
PR Office of the Commissioner of Fin Inst	Natalia I. Zequeira Díaz	PO Box 11855		San Juan	PR	00910
PR Department of Consumer Affairs	Edan Rivera Rodriguez	PO Box 41059	Minillas Station	San Juan	PR	00940
RI Dept of Business Regulation Div Banking	Elizabeth Tanner	1511 Pontiac Avenue		Cranston	RI	02920
SC State Board of Financial Institutions	Curtis M. Loftis Jr.	1205 Pendleton St.	3rd Floor Edgar Brown Building	Columbia	SC	29201
South Dakota Division of Banking	Bret Afdahl	1601 N. Harrison Avenue	Suite 1	Pierre	SD	57501
TN Dept of Fin Institutions Compliance Div	Greg Gonzales	312 Rosa L. Parks Avenue	Tennessee Tower 26th Floor	Nashville	TN	37243
TN Department of Commerce and Insurance	Carter Lawrence	500 James Robertson Pkwy	Davy Crockett Tower	Nashville	TN	37243
TX Department Savings & Mortgage Lending	Hector Retta	2601 North Lamar Boulevard	Suite 201	Austin	TX	78705
TX Office of Consumer Credit Commissioner	Leslie L. Pettijohn	2601 North Lamar Boulevard	Finance Commission Building	Austin	TX	78705
Utah Department of Financial Institutions	Darryle Rude	324 S State Street	Suite 201	Salt Lake City	UT	84111
Utah Division of Real Estate	Jonathan Stewart	160 E 300 S	2nd Floor	Salt Lake City	UT	84111
UT Division Corps & Commercial Code	Leigh Veillette	160 E 300 S		Salt Lake City	UT	84111
VT Department of Financial Regulation	Molly Dillon	89 Main Street		Montpelier	VT	05602
VI Div of Banking Ins and Fin Regulation	Tregenza A. Roach	5049 Kongens Gade		St. Thomas	VI	00802
VA Bureau of Financial Institutions	Jehmal T. Hudson	PO Box 640		Richmond	VA	23218
WA State Department of Financial Institutions	Charles E. Clark	PO Box 41200		Olympia	WA	98504
WV Div of Fin Inst Mortgage Division	Dawn E. Holstein	900 Pennsylvania Ave.	Suite 306	Charleston	WV	25302
West Virginia State Tax Department	Matthew Irby	1001 Lee St. E		Charleston	WV	25301
WI Department of Financial Institutions	Cheryll Olson-Collins	4822 Madison Yards Way	North Tower	Madison	WI	53705
WY Dept of Audit Collection Agency Board	Bradley Chapman	2300 Capitol Avenue	2nd Floor	Cheyenne	WY	82002
Wyoming Division of Banking	Joe Mulberry	2300 Capitol Avenue	2nd Floor	Cheyenne	WY	82002

# Attachment 2

**CAFA NOTICE ADMINISTRATOR**

HILSOFT NOTIFICATIONS

10300 SW Allen Blvd

Beaverton, OR 97005

P 503-350-5800

DL-CAFA@epiglobal.com

June 3, 2022

**VIA UPS OR USPS CERTIFIED MAIL****Class Action Fairness Act – Notice to Federal and State Officials**

Dear Federal and State Officials:

Pursuant to the Class Action Fairness Act of 2005 (“CAFA”), codified at 28 U.S.C. § 1715, please find enclosed information from Defendant Carrington Mortgage Services, LLC relating to the proposed settlement of a class action lawsuit styled *Alexander v. Carrington Mortgage Services, LLC*, Case No. 1:20-cv-02369-RDB (the “Action”), pending in the United States District Court for the District of Maryland (“the Court”).

The parties to the Action entered into a Class Action Settlement Agreement (“Settlement Agreement”) on May 25, 2022.<sup>1</sup> On May 25, 2022, Plaintiffs filed their Motion for Preliminary Approval of Class Action Settlement (“the Motion”). Plaintiffs submitted the Settlement Agreement with their Motion.

In the Action, Plaintiffs alleges that Carrington violated the federal Fair Debt Collection Practices Act, state fair debt collection practices acts, and breached the terms of Plaintiffs’ and the putative Class Members’ Mortgages and Deeds of Trust, by collecting a fee when borrowers chose to use an optional service to make monthly payments by telephone, including through the use of the telephonic automated “IVR” (interactive voice response) system, or the internet. Carrington denies any wrongdoing or liability, but to avoid the further expense, inconvenience and distraction of protracted complex litigation, Carrington agreed to resolve the Action pursuant to the terms of the Settlement Agreement.

- **Case:** *Alexander v. Carrington Mortgage Services, LLC*, Case No. 1:20-cv-02369-RDB.
- **Court:** United States District Court for the District of Maryland.
- **Defendant:** Carrington Mortgage Services, LLC.
- **Documents Enclosed:** In accordance with the requirements of 28 U.S.C. § 1715(b), please find copies of the following documents associated with this action on the enclosed CD:

1. **Per 28 U.S.C. § 1715(b)(1) – Complaint and Any Amended Complaints:**

- Class Action Complaint, filed on July 10, 2020 (Exhibit 1 on the enclosed CD);
- First Amended Complaint, filed on September 8, 2020 (Exhibit 2 on enclosed CD); and
- Second Amended Complaint, filed on May 25, 2022 (Exhibit 3 on enclosed CD).

2. **Per 28 U.S.C. § 1715(b)(2) – Notice of Any Scheduled Judicial Hearing:** The Court has not scheduled a preliminary approval hearing or a final approval hearing or any other judicial hearing concerning the settlement agreement at this time.

3. **Per 28 U.S.C. § 1715(b)(3) – Notification to Class Members:** The Long Form Notice, Postcard Notice, and Email Notice are attached as Exhibits A1, A2 and A3, to the Settlement Agreement, which is Exhibit 4 on the enclosed CD.

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<sup>1</sup> Unless specifically defined in this letter, defined terms refer to the definitions set forth in the Settlement Agreement enclosed herewith as Exhibit 4.

**CAFA NOTICE ADMINISTRATOR**

HILSOFT NOTIFICATIONS

10300 SW Allen Blvd

Beaverton, OR 97005

P 503-350-5800

DL-CAFA@epiqglobal.com

**4. Per 28 U.S.C. § 1715(b)(4) – Class Action Settlement Agreement:**

- Settlement Agreement (Exhibit 4 on enclosed CD);
- Motion for Preliminary Approval of Class Action Settlement (Exhibit 5 on enclosed CD);
- [Proposed] Order Granting Plaintiffs' Motion for Preliminary Approval of Class Action Settlement and for Certification of Settlement Class (Exhibit 6 on enclosed CD);
- Plaintiffs' Memorandum of Law in Support of Motion for Preliminary Approval Class Action Settlement and for Certification of Settlement Class (Exhibit 7 on enclosed CD); and
- [Proposed] Order Granting Plaintiffs' Motion for Final Approval of Class Action Settlement. This is attached as Exhibit C to the Settlement Agreement, which is Exhibit 4 on the enclosed CD.

**5. Per 28 U.S.C. § 1715(b)(5) – Any Settlement or Other Agreements:** No other settlement or agreement has been entered into by the Parties to this Action with each other, either directly or by and through their respective counsel.

**6. Per 28 U.S.C. § 1715(b)(6) – Final Judgment or Notice of Dismissal:** To date, the Court has not issued a final order, judgment or dismissal in the above-referenced action.

**7. Per 28 U.S.C. § 1715(b)(7) – Estimate of Class Members:**

28 U.S.C. § 1715(b)(7)(A) provides that a notification must include “if feasible, the names of class members who reside in each State and the estimated proportionate share of the claims of such members to the entire settlement . . . .” 28 U.S.C. § 1715(b)(7)(B) provides that a notification must include, “if the provision of information under subparagraph (A) is not feasible, a reasonable estimate of the number of class members residing in each State and the estimated proportionate share of the claims of such members to the entire settlement.”

Pursuant to 28 U.S.C. § 1715(b)(7)(B), Carrington states that it is not feasible within the timeframe allotted to identify the names of all class members of the proposed settlement class, nor is it feasible to determine precisely the amount of settlement relief that will be provided to each individual class member at the time of payment distribution, because such amounts depend upon factors which cannot be reliably predicted, including whether any class members will opt out of the class after receiving the Class Notice. Nonetheless, it is estimated that there are approximately 442,059 individuals in the class. Pursuant to 28 U.S.C. § 1715(b)(7)(B), in accordance with information available at this time, Carrington attaches the enclosed Exhibit 8, Geographical Analysis Report, listing the estimated number of class members within each state and U.S. territory according to Carrington's records, along with a percentage reflecting the proportion of overall class members that are within each state or territory.

**8. 28 U.S.C. § 1715(b)(8) – Judicial Opinions Related to the Settlement:** To date, the Court has not issued a final order or judgment in the above-referenced action.

If you have questions or concerns about this notice or the enclosed materials, please contact this office.

Very truly yours,

CAFA Notice Administrator

Enclosures

# Exhibit B

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**From:** Carrington Mortgage Services Convenience Fee Settlement Administrator  
<noreply@mortgageservicefeesettlement.com>  
**Sent:**  
**To:**  
**Subject:** Carrington Mortgage Services Convenience Fee Class Action Settlement

Unique ID: XXXXXXXXXX

**A federal court authorized this notice. This is not a solicitation from a lawyer, and you are not being sued.**

You are receiving this notice because you could be affected by the settlement of class action lawsuits against Carrington Mortgage Services, LLC ("Carrington") involving Carrington's charging fees to borrowers to make mortgage payments by telephone, IVR (interactive voice response), or the internet ("Convenience Fees").

A Settlement has been reached in three class action lawsuits alleging that Carrington's practice of charging such fees, among other things, violated the federal Fair Debt Collection Practices Act and state debt collection laws, including Maryland, Texas, Florida, and California, and breached the terms of the borrowers' loan agreements. Carrington denies the allegations asserted in the lawsuits. The court has not decided who is right. Plaintiffs and the Carrington have agreed to settle the lawsuits to avoid the cost and uncertainty of litigation. You can read the Complaints, Settlement Agreement, and other case documents on the Settlement Website:

**<http://www.MortgageServiceFeeSettlement.com>**

**Who's Included?** Carrington's records show you are a member of the Settlement Class. The **Settlement Class includes:**

All persons who paid a fee to Carrington for making a mortgage loan payment by telephone, IVR, or via the internet, between January 1, 2016, through December 31, 2021 ("Convenience Fees"), who fall into one or more of the following groups:

- (1) were borrowers on residential mortgage loans on properties located in California, Texas, New York, Maryland, or Florida;
- (2) were borrowers on residential mortgage loans on properties in the United States to which Carrington acquired servicing rights when such loans were 30 days or more delinquent on loan payment obligations; or
- (3) were borrowers on residential mortgage loans on properties located in the United States insured by the Federal Housing Administration.

**What are the Settlement terms?** Carrington has agreed to establish a Settlement Fund of \$18,181,898.65 from which Settlement Class Members will receive payments by check, or by digital payment method. Subject to the Court's approval, the Settlement Fund will also be used to pay Settlement Notice and Administration Costs, Attorneys' Fees and Expenses to Class Counsel, and Service Awards for the Class Representatives. The Settlement Fund, net of any Settlement Notice and Administration Costs, Service Awards, and Attorneys' Fees and Expenses award by the Court ("Net Settlement Fund") will be distributed to Settlement Class Members pro rata according to the amount of Convenience Fees Settlement Class Members paid. If the Court

awards all Administrative Costs, Attorneys' Fees and Expenses, and Service Awards requested, the Net Settlement Fund will be approximately \$11,636,265.77.

Also as part of the Settlement, Carrington has agreed to refrain from charging fees for telephone, IVR, or internet payments for a period of at least three years. Carrington stopped charging such Convenience Fees as of January 1, 2022.

Settlement Class Members will automatically receive payments from the Net Settlement Fund based on the amount of fees that the Settlement Class Member paid. Settlement Class Members who paid at least one Convenience Fee are entitled to receive a payment of \$5.00 from the Net Settlement Fund, with the remainder paid to Settlement Class Members on a pro rata basis, based upon the amount of Convenience Fees paid by each Settlement Class Member during the Class Period. Settlement Class Members are solely responsible for distributing or allocating Settlement Payments between or among all co-account holders.

Payments will be made by check mailed to Settlement Class Members, or, at the Settlement Class Member's election, by a digital payment method. Checks will be valid for 90 days. Settlement Class Members may request that the Settlement Administrator reissue a check for one additional 90-day period for good cause shown. If there is any amount in the Settlement Fund that remains following the distribution of checks to Settlement Class Members as a result of checks being returned undeliverable or which are not cashed within 90 days of issuance, those funds will be distributed on a pro rata basis to Settlement Class Members who cashed their checks. Within 180 days after the Settlement Administrator mails the first Settlement Class Member Payments, the administrator will decide whether these remaining funds should be distributed to the Settlement Class Members through a second distribution. If the amount of the remaining funds is so minimal that a second distribution would be impracticable or infeasible, then, subject to Court approval, the remaining funds shall be distributed to NeighborWorks America and the Maryland Consumer Rights Coalition, 501(c)(3) charitable organizations that works with nonprofits around the country on housing issues.

**Your Other Options:** If you do not want to be bound by the Settlement, you must exclude yourself by **October 19, 2022**. If you exclude yourself, you cannot get money from the Settlement. If you do not exclude yourself, you will release your claims against Carrington for the claims at issue in the lawsuits. Specifically, you will not be able to sue for any claim relating to Convenience Fees paid between January 1, 2016, and December 31, 2021. A more detailed Long Form Notice, available at <http://www.MortgageServiceFeeSettlement.com> contains instructions for how to exclude yourself.

If you do not exclude yourself, you may object to the Settlement by **October 19, 2022**. The more detailed Long Form Notice available at <http://www.MortgageServiceFeeSettlement.com> contains instructions for how to object.

**Final Fairness Hearing:** The Court will hold a "Final Fairness Hearing" on **November 10, 2022 at 11:00 a.m.** to hear any objections and to consider whether to give final approval to the Settlement. The hearing will be held at the United States District Court for the District of Maryland, United States Courthouse, 101 West Lombard Street, Chambers 5D, Baltimore, MD 21201. If there are any updates to the hearing format, date, and time, it can be found on the Settlement Website or on the Court's website (<https://www.mdd.uscourts.gov/>). The hearing may be moved to a different date or time without additional notice, so it is a good idea to check the Settlement Website at <http://www.MortgageServiceFeeSettlement.com> for updates. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate.

At the Final Fairness Hearing, Class Counsel will ask the Court to award attorneys' fees in an amount not to exceed forty percent of the Settlement Fund, or \$6,060,632.88, plus litigation costs and expenses. Class Counsel will also request Court approval of Service Awards to the Class Representatives in the amount of \$5,000.00 each. Class Counsel will file that request, along with all supporting documents, at least 21 days prior to the deadline to opt-out from or object to the Settlement. The Fee and Service Award Application and all supporting papers will be available for your review on the Settlement Website at <http://www.MortgageServiceFeeSettlement.com>. The Court will determine the appropriate amount of the

attorneys' fees and awards to be paid. The Settlement is not conditioned upon approval of any of the attorneys' fees, costs, or service award amounts.

If there are objections, the Court will consider them at this time. After the hearing, the Court will decide whether to approve the Settlement. You may appear at the hearing, but you don't have to. You may hire your own attorney, at your own expense, to appear or speak for you at the hearing.

**If you do not take any action, you will be legally bound by the Settlement and any orders or Judgments entered in the Action, and will fully, finally, and forever give up any rights to prosecute certain claims against Carrington.**

This notice provides limited information about the Settlement. For more information call  
1-855-654-0867

or visit <http://www.MortgageServiceFeeSettlement.com>

AH017\_v04

To unsubscribe from this list, please click on the following link: [Unsubscribe](#)



# Exhibit C

Carrington Mortgage  
Settlement Administrator  
P.O. Box 5564  
Portland, OR 97228-5564

Case 1:20-cv-02369-RDB Document 64-2 Filed 10/27/22 Page 25 of 45

FIRST-CLASS MAIL  
U.S. POSTAGE  
PAID  
Portland, OR  
PERMIT NO. 2882

Unique ID: [REDACTED]

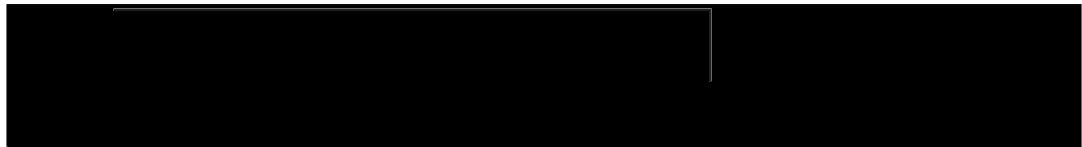
**Legal Notice about a Class Action Settlement**

**If you were charged a fee by Carrington Mortgage Services, LLC for a telephone, Internet, or IVR mortgage payment, you may be eligible for a payment from a class action settlement.**

Read this notice carefully.

You can also visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com)  
or call 1-855-654-0867.

*Para una notificación en Español, visite nuestro sitio de Web, [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).*



Case 1:20-cv-02369-PDB Document 64-2 Filed 10/27/22 Page 26 of 45

## If You Were Charged Fees by Carrington Mortgage Services, LLC for Making a Mortgage Payment by Telephone, IVR, or Internet, You May Be Eligible for a Payment from a Class Action Settlement.

An \$18,181,898.65 Settlement has been reached in class action lawsuits alleging that Carrington Mortgage Services, LLC (“Carrington”) improperly charged fees to borrowers who made mortgage payments by telephone, IVR (interactive voice response), or Internet (“Convenience Fees”). Carrington denies any wrongdoing. The Court has not decided who is right.

**Who’s Included? Carrington’s records show you are a member of the Settlement Class.** The Settlement Class includes all persons who paid a fee to Carrington for making a mortgage loan payment by telephone, IVR, or via the Internet, between January 1, 2016, and December 31, 2021 (“Convenience Fees”) and who fall into one or more of the following groups: (1) were borrowers on residential mortgage loans on properties located in California, Texas, New York, Maryland, or Florida; (2) were borrowers on residential mortgage loans on properties in the United States to which Carrington acquired servicing rights when such loans were 30 days or more delinquent on loan payment obligations; or (3) were borrowers on residential mortgage loans on properties located in the United States insured by the Federal Housing Administration.

**What Are the Settlement Terms?** Carrington has agreed to establish a Settlement Fund of \$18,181,898.65 from which Settlement Class Members will receive payments. Carrington has also agreed to refrain from charging Convenience Fees for three years. Once the Court approves the Settlement, each Settlement Class Member will automatically receive a payment for his or her portion of the Settlement Fund, after Court-approved deductions for attorneys’ fees and costs, Administrative Costs, and Service Awards (“Net Settlement Fund”). There is no need to file a claim. The Net Settlement will be paid \$5 to each Settlement Class Member who paid at least one Convenience Fee with the remainder distributed pro rata according to the amount of fees each paid. The Net Settlement Fund is estimated to be \$11,636,265.77. Class Counsel may seek up to 40% of the Settlement Fund for attorneys’ fees plus reimbursement of litigation expenses, and the Class Representatives may each seek \$5,000.00 as Service Awards.

**Your Rights May Be Affected.** If you do not want to be legally bound by the Settlement, you must exclude yourself from the Settlement Class by **October 19, 2022**. If you do not timely exclude yourself, you will not be able to sue for any claim relating to Convenience Fees paid between January 1, 2016, and December 31, 2021. If you exclude yourself or “opt out” of the Class, you won’t get a payment. If you stay in the Settlement Class, you may object to the Settlement in writing by **October 19, 2022**. A more detailed Long Form Notice, available at [MortgageServiceFeeSettlement.com](https://MortgageServiceFeeSettlement.com), contains instructions for how to exclude yourself or object to the Settlement.

**The Fairness Hearing.** The Court will hold a “Final Fairness Hearing” on **November 10, 2022, at 11:00 a.m.** to hear any objections and to consider whether to give final approval to the Settlement. The hearing will be held at the United States District Court of the District of Maryland, United States Courthouse, 101 West Lombard Street, Chambers 5D, Baltimore, MD 21201. If there are any updates to the hearing format, date, and time, it can be found on the Settlement Website or on the Court’s website (<https://www.mdd.uscourts.gov/>). At the hearing the Court will consider whether to approve the Settlement and Class Counsel’s request for attorneys’ fees and expenses, and the plaintiffs’ Service Awards. Unless you opt out of the Settlement, you may appear at the hearing, but you are not required to attend. You may also hire your own attorney, at your own expense, to appear or speak for you at the hearing.

**How Can I Get More Information?** If you have questions or want more information about the lawsuits and your rights, visit [MortgageServiceFeeSettlement.com](https://MortgageServiceFeeSettlement.com). You may obtain a detailed notice that explains how to exclude yourself from or object to the Settlement by visiting [MortgageServiceFeeSettlement.com](https://MortgageServiceFeeSettlement.com), by calling 1-855-654-0867 or by writing to the Settlement Administrator at P.O. Box 5564, Portland, OR 97228-5564.

# Exhibit D

**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND**

A class action settlement may affect your rights if you paid Carrington Mortgage Services, LLC (“Carrington”) a fee to make a residential loan payment by telephone, including through the use of the telephonic automated “IVR” (interactive voice response) system, or the internet between January 1, 2016, and December 31, 2021.

**THIS NOTICE COULD AFFECT YOUR RIGHTS – PLEASE READ IT CAREFULLY**

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

- Carrington’s records identify you as a Class Member.
- A proposed settlement requires Carrington to pay \$18,181,898.65 to make payments to Class Members and to pay other fees and expenses.

**SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

<b>Do Nothing and Receive a Payment</b>	If you are entitled under the Settlement to payment, you do not have to do anything to receive it. If the Court approves the Settlement and it becomes final and effective, and you remain in the Settlement Class (i.e., you do nothing and do not otherwise exclude yourself from the Settlement), you will automatically receive a payment and will give up your right to bring your own lawsuit against Carrington about the claims in this case.
<b>Exclude Yourself from the Settlement</b> <b>Deadline: October 19, 2022</b>	Instead of doing nothing, you may ask to be excluded from the lawsuit. If you do so, you will receive no benefit from the Settlement, but you retain your right to sue on your own.
<b>Object</b> <b>Deadline: October 19, 2022</b>	You may object to the terms of the Settlement Agreement and have your objections heard at the November 10, 2022 Final Approval Hearing.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.

The United States District Court for the District of Maryland (the “Court”) authorized this Notice. The following is a summary of the Settlement and of your rights. A full copy of the Settlement Agreement is available at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**

## Basic Information

Three class action lawsuits have been filed against Carrington in Maryland, California, and Florida. They are entitled *Alexander v. Carrington*, Case No. 1:20-cv-2369-RDB (D. Md.), *Thomas-Lawson et al. v. Carrington Mortgage Services, LLC*, Case No. 2:20-cv-07301-ODW (Ex) (C.D. Cal.) and *Dawkins et al. v. Carrington Mortgage Services, LLC*, Case No. 0:20-cv-60998 (S.D. Fla.). The *Thomas-Lawson* and *Dawkins* cases have been consolidated with the *Alexander* case for settlement before the U.S. District Court for the District of Maryland. The actions are collectively referred to here as the Action.

The Plaintiffs in the Action sued Carrington claiming that Carrington charged borrowers fees to make mortgage payments online or over the phone, including through the use of the telephonic automated “IVR” (interactive voice response) system (“Convenience Fees”). The Action asserts that Carrington’s practice of charging such fees, among other things, violated the federal Fair Debt Collection Practices Act and state debt collection laws including the Maryland Consumer Debt Collection Act, the Maryland Consumer Protection Act, the Texas Finance Code, the California Rosenthal Fair Debt Practices Act, the California Unfair Competition Law, the Florida Consumer Collection Practices Act, and the Florida Deceptive and Unfair Trade Practices Act, and breached the terms of the borrowers’ loan agreements. Carrington denies these allegations. The Court has not decided who is right.

This Notice summarizes the proposed Settlement and your rights. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at [MortgageServiceFeeSettlement.com](https://MortgageServiceFeeSettlement.com), by contacting the Settlement Administrator at 1-855-654-0867 or Class Counsel at the addresses listed in Part 9 below, by accessing the Court docket in this case, for a fee, through the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.mdd.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the District of Maryland, 101 West Lombard Street, Baltimore, MD 21201 between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

## Why is there a notice?

A Court authorized this Notice because you have a right to know about the proposed Settlement of this Action, and about all of your options, before the Court decides whether to give Final Approval to the Settlement. This notice explains the Action, the Settlement and your legal rights.

Judge Richard D. Bennett, of the U.S. District Court for the District of Maryland, is overseeing this case. The case is known as *Alexander v. Carrington*, Case No. 1:20-cv-2369-RDB (D. Md.). The people who sued are called the “Plaintiffs.” The Defendant is Carrington Mortgage Services, LLC.

## What is this Action about?

The Action claims that Carrington charged borrowers fees to make mortgage payments online, or over the phone, including through the use of the telephonic automated “IVR” (interactive voice response) system (“Convenience Fees”). The Action asserts that Carrington’s practice of charging such fees, among other things, violated the federal Fair Debt Collection Practices Act and state debt collection laws including the Maryland Consumer Debt Collection Act, the Maryland Consumer Protection Act, the Texas Finance Code, the California Rosenthal Fair Debt Practices Act, the California Unfair Competition Law, the Florida Consumer Collection Practices Act, and the Florida Deceptive and Unfair Trade Practices Act, and breached the terms of the borrowers’ loan agreements. Carrington denies the allegations asserted in the Action.

The Amended Complaint in this Action is posted on [MortgageServiceFeeSettlement.com](https://MortgageServiceFeeSettlement.com) and contains all of the allegations and claims asserted against Carrington.

## Why is this a class action?

In a class action, one or more people, called Class Representatives (in this one, mortgage borrowers whose mortgages were serviced by Carrington and who paid Convenience Fees), sue on behalf of people who have similar claims.

All of the people who have claims similar to the Class Representatives are members of the Settlement Class, except for those who exclude themselves from the class.

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](https://MortgageServiceFeeSettlement.com).**

### Who is a Class Member?

The Court has determined that every person who fits the following description is a Class Member:

All persons who paid a fee to Carrington for making a mortgage loan payment by telephone, IVR, or via the internet, between January 1, 2016, through December 31, 2021 (“Convenience Fees”), who fall into one or more of the following groups:

- (1) were borrowers on residential mortgage loans on properties located in California, Texas, New York, Maryland, or Florida;
- (2) were borrowers on residential mortgage loans on properties in the United States to which Carrington acquired servicing rights when such loans were 30 days or more delinquent on loan payment obligations; or
- (3) were borrowers on residential mortgage loans on properties located in the United States insured by the Federal Housing Administration.

### Why is there a settlement?

Both sides agreed to the Settlement. By agreeing to the Settlement, the Parties avoid the costs and uncertainty of a trial, and Settlement Class Members receive the benefits described in this Notice. The Class Representatives and their attorneys think the Settlement is best for everyone who is affected.

The complete terms of the proposed Settlement are set forth in a formal Settlement Agreement (the “Agreement”) which is on file with the Court, and which is also available on the Settlement Website at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com). This Notice is only a summary of the Settlement, and in case of any conflict between this Notice and the Agreement, the terms of the Agreement will control.

In the proposed Settlement, Carrington has agreed to create a \$18,181,898.65 Common Fund. All Administrative Costs, any Court-awarded attorneys’ fees and expenses to Class Counsel, and any Service Awards to the Class Representatives will be paid out of the Gross Settlement Fund first. The remaining balance of the settlement fund (the “Net Settlement Fund”) will be distributed among the Class Representative and all Class Members who are not excluded from the class, as set forth below (the “Settlement Class Members”). If the Court awards all Administrative Costs, attorneys’ fees and expenses, and Service Awards requested by the Parties, the Net Settlement Fund will be approximately \$11,636,265.77.

Also, as part of the Settlement, Carrington has agreed to stop charging fees for payments made online or by telephone, including through the use of the telephonic automated “IVR” (interactive voice response) system for three years.

Allocations of the Net Settlement Fund will be calculated on a borrower-by-borrower basis, such that each Settlement Class Member who paid at least one Convenience Fee will receive a minimum payment of \$5 and the remaining funds will be distributed on a pro rata basis based on the amount of Convenience Fees each Settlement Class Member paid during the Class Period. Settlement Class Members who receive a Settlement Payment are solely responsible for distributing or allocating their payment between or among all co-account holders. By way of illustration, if you are a borrower on a loan that paid one percent of the total Convenience Fees collected by Carrington during the Class Period, you will be allocated one percent of the Net Settlement Fund.

**Attorneys’ Fees and Expenses, and Service Award.** Class Counsel will ask the Court to award attorneys’ fees in an amount not to exceed forty percent of the Settlement Fund, or \$6,060,632.88, plus litigation costs and expenses. Class Counsel will also request Court approval of Service Awards to the Class Representatives in the amount of \$5,000.00 each. Class Counsel will file that request, along with all supporting documents, at least 21 days prior to the deadline to opt-out from or object to the Settlement. The Fee and Service Award Application and all supporting papers will be available for your review on the Settlement Website at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com). The Court will determine the appropriate amount of the attorneys’ fees and awards to be paid. The Settlement is not conditioned upon approval of any of the attorneys’ fees, costs, or Service Award amounts.

**You are not required to make any payments to Class Counsel in this action.**

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**

### How can I get the relief?

As long as you do not exclude yourself from the Settlement, you will automatically receive cash benefits from the Settlement, and you do not need to take further action.

Payments will be made by check mailed to Settlement Class Members, or, at the Settlement Class Member's election, by a digital method. Checks will be valid for 90 days. Settlement Class Members may request that the Settlement Administrator reissue a check for one additional 90-day period for good cause shown. If there is any amount in the Settlement Fund that remains following the distribution of checks to Settlement Class Members as a result of checks being returned undeliverable or which are not cashed within 90 days, those funds will be distributed on a pro rata basis to Settlement Class Members who cashed their checks. Within 180 days after the Settlement Administrator mails the first Settlement Class Member Payments, the administrator will decide whether Residual Funds should be distributed to the Settlement Class Members through a secondary distribution. If the amount of the remaining funds is so minimal that a secondary distribution would be impracticable or infeasible, then, subject to the Court's approval, the remaining funds shall be distributed to NeighborWorks America and the Maryland Consumer Rights Coalition, 501(c)(3) charitable organizations that works with nonprofits around the country on housing issues.

### When will I get the relief?

As described below, the Court will hold a Fairness Hearing on November 10, 2022, to decide whether to grant final approval of the Settlement. The Court must finally approve the Settlement before any relief will be distributed, and it will only do so after finding that the Settlement is fair, reasonable, and adequate. In addition, any final approval order the Court may enter may be subject to appeal. If there are any such appeals, resolving them takes time. Payments to Settlement Class Members will only be made after the time for any appeals expires. **Please be patient.**

### Who represents me?

The Court has appointed Hassan A. Zavareei and Kristen G. Simplicio of Tycko & Zavareei LLP, James L. Kauffman of Bailey & Glasser LLP, and Phillip Robinson of Consumer Law Center, LLC to represent you and other Class Members in this Action and for purposes of this Settlement, and for no other purpose. These attorneys are called "Class Counsel." You will not be charged for these lawyers. If you want to be represented by your own lawyer in this case, you may hire one at your own expense.

You may contact Class Counsel at:

James Kauffman Bailey & Glasser LLP 1055 Thomas Jefferson Street NW Suite 540 Washington, D.C. 20007	Hassan Zavareei Kristen G. Simplicio Tycko & Zavareei LLP 1828 L Street NW Suite 100 Washington, D.C. 20036	Phillip Robinson Consumer Law Center, LLC 10125 Colesville Road Suite 378 Silver Spring, MD 20901
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### How will the lawyers be paid?

Class Counsel will ask the Court to award attorneys' fees in an amount not to exceed forty percent of the Settlement Fund, or \$6,060,632.88, plus litigation costs and expenses. Class Counsel will also request Court approval of Service Awards to the Class Representatives in the amount of \$5,000.00 each. Class Counsel will file that request, along with all supporting documents, at least 21 days prior to the deadline to opt out from or object to the Settlement. The Fee and Service Award Application and all supporting papers will be available for your review on the Settlement Website at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com). The Court will determine the appropriate amount of the attorneys' fees and awards to be paid. The Settlement is not conditioned upon approval of any of the attorneys' fees, costs, or Service Award amounts.

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**



### How do I exclude myself from the Settlement?

If you do not want benefits from the Settlement and you want to keep the right to sue or continue to sue Carrington on your own about the legal issues in this case, then you must take steps to exclude yourself from the Settlement. This is called “opting out” of the Settlement Class.

If you choose to opt out of the Settlement, you must send a written statement to the Settlement Administrator that includes name, address, phone number, and signature of the borrowers(s) seeking exclusion, as well as language clearly indicating a request for exclusion, such as “I wish to be excluded from the Settlement in *Alexander v. Carrington Mortgage Services, LLC*.” If there are co-borrowers on the loan, all co-borrowers must sign the request for exclusion.

You must mail your request for exclusion by no later than **October 19, 2022**, to the following address:

Mortgage Service Fee Settlement Administrator  
P.O. Box 5564  
Portland, OR 97228-5564

If you are a co-borrower or joint borrower on a loan covered by the Settlement and you opt out of the Settlement, all co-borrowers and/or joint borrowers on the loan must sign the request for exclusion and will also be excluded from the Settlement. Similarly, if you are a co-borrower or joint borrower on a loan covered by the Settlement and another borrower on that loan is a Class Member who opts out of the Settlement, you must also sign the opt out and will also be excluded from the Settlement. If you do not opt out, and no co-borrower or joint borrower on your loan opts out, you (and your co-borrower[s] and/or joint borrower[s], if any) will be bound by this Settlement.

### If I do not exclude myself, can I sue Carrington for the same thing later?

No. Unless you exclude yourself, you give up the right to sue Carrington for the claims that the Settlement resolves. You must exclude yourself from the Settlement Class in order to try to pursue your own lawsuit.

### If I exclude myself, will I receive a payment?

No. You will not receive a payment if you exclude yourself from the Settlement.

### How do I tell the Court that I don’t like the Settlement?

If you are a Class Member and have not requested to be excluded from the Settlement Class, you can object to any part of the Settlement, the Settlement as a whole, Class Counsel’s requests for fees and expenses, and/or Class Counsel’s request for Service Awards for the Class Representatives.

You can’t ask the Court to order a different settlement; the Court can only approve or reject the Settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

The Court will accept objections that substantially comply with the objection requirements set forth below, and the submission of the following may be excused upon a showing of good cause. In particular, your objection must include the following:

- Your name, address, email address (if any), and phone number;
- The case caption, *Alexander v. Carrington*, Case No. 1:20-cv-2369-RDB (D. Md.);
- The specific legal and factual bases for your objection;
- A list of all cases in which you have objected to a class action settlement, including case name, court, and docket number;
- If you are represented by counsel, a list of all cases in which your counsel has represented an objector in objecting to a class action settlement, including the case name, court, and docket number;
- A statement indicating whether you and/or your counsel intend to appear at the Final Fairness Hearing;
- A list of witnesses, if any, that you intend to call;
- Whether the objection relates only to you, to a subset of the Settlement Class, or to the entire Settlement Class; and
- Your signature.

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**

Any Class Member who has not submitted a timely request for exclusion may appear at the Final Fairness Hearing either in person or through an attorney. However, if the Settlement Class Member intends to appear through counsel, the Settlement Class Member must have submitted a written objection pursuant to this section. Any lawyer who intends to appear at the Final Fairness Hearing also must enter a written Notice of Appearance of Counsel with the Clerk of the Court no later than the Response Deadline. Any Settlement Class Member who intends to request the Court to allow him or her to call witnesses at the Final Fairness Hearing must make such a request in a written brief, which contains a list of such witnesses and a summary of their requested testimony. These written notice requirements may be excused upon a showing of good cause.

Your objection must be postmarked no later than **October 19, 2022**, and must be mailed to the Court c/o the Clerk of the Court for the United States District Court for the District of Maryland, 101 West Lombard Street, Baltimore, MD 21201 or filed in person on or before October 19, 2022 at any location of the United States District Court for the District of Maryland.

### What am I agreeing to by remaining in the Class in this case?

If the Settlement receives final approval from the Court, the Settlement will be legally binding on all Settlement Class Members, including Settlement Class Members who object. If you, or someone acting on your behalf, are currently litigating claims against Carrington or other released parties that are the same as or similar to those addressed here, you will be barred from pursuing the claims released by the Settlement unless you validly opt out, as described above. Under the terms of the release, you will not be able to sue for any claim relating to Convenience Fees for mortgage payments made over the internet, and or by phone, including those made using the telephonic automated “IVR” (interactive voice response) system, between January 1, 2016, and December 31, 2021.

The full terms of the release, which will bind all Settlement Class Members as to certain claims against Carrington and certain affiliates and related entities (“Released Parties”), are set forth in the Settlement Agreement, which is on file with the Court, and which is available on the Settlement Website at MortgageServiceFeeSettlement.com. Unless you exclude yourself, you will be a Settlement Class Member, and that means that any claims you have regarding fees Convenience Fees you paid to Carrington will be fully and completely resolved, and that you cannot sue, continue to sue, or be part of any other lawsuit against Carrington about Carrington’s collection of Convenience Fees. It also means that the Court’s Orders approving the Settlement and the judgment in this case will apply to you and legally bind you.

If you want to keep the right to sue or continue to sue Carrington, on your own, about Carrington’s collection of Convenience Fees, you must exclude yourself from the Settlement in this case. If you exclude yourself, as set forth above, you will not receive any of the benefits of the Settlement, as described above.

### What happens next?

The Court will hold a “Final Fairness Hearing” on **November 10, 2022, at 11:00 a.m.**, to hear any objections and to consider whether to give final approval to the Settlement. The hearing will be held at the United States District Court for the District of Maryland, United States Courthouse, 101 West Lombard Street, Chambers 5D, Baltimore, MD 21201. If there are any updates to the hearing format, date, and time, it can be found on the Settlement Website or on the Court’s website (<https://www.mdd.uscourts.gov/>). The Court will hear objections at the hearing only from those who timely object to the Settlement, as described below. You may participate in the Fairness Hearing with or without an attorney, but if you choose to be represented by an attorney, you must do so at your own expense.

### **YOU DO NOT HAVE TO APPEAR AT THE HEARING TO RECEIVE THE BENEFITS OF THE SETTLEMENT.**

You may ask the Court for permission to speak at the Final Fairness Hearing. To do so, you must send a letter saying that you intend to appear and wish to be heard. Your Notice of Intention to Appear must include the following:

- Your name, address, and telephone number;
- A statement that this is your “Notice of Intention to Appear” at the Final Approval Hearing for the Settlement in *Alexander v. Carrington*, Case No. 1:20-cv-2369-RDB (D. Md.);
- The reasons you want to be heard;
- Copies of any papers, exhibits, or other evidence or information that is to be presented to the Court at the Final Fairness Hearing; and
- Your signature.

**Questions? Call 1-855-654-0867 or visit MortgageServiceFeeSettlement.com.**

You must submit your Notice of Intention to Appear no later than **October 19, 2022**, to the following:

Settlement Administrator	Class Counsel	Defendant's Counsel
Mortgage Service Fee Settlement Administrator P.O. Box 5564 Portland, OR 97228-5564	James Kauffman Bailey & Glasser LLP 1055 Thomas Jefferson Street NW Suite 540 Washington, D.C. 20007  Hassan Zavareei Kristen G. Simplicio Tycko & Zavareei LLP 1828 L Street NW Suite 1000 Washington, D.C. 20036	Fredrick Levin Buckley LLP 100 Wilshire Boulevard Suite 1000 Santa Monica, CA 90401  John Williams Buckley LLP 2001 M Street NW Suite 500 Washington, D.C. 20036  Scott Sakiyama Buckley LLP 353 N Clark Street Suite 3600 Chicago, IL 60654

### More Information

This Notice is only a summary of the Settlement and the Agreement. More details can be found in the Settlement Agreement. You can obtain a copy of the Settlement Agreement, and additional court documents related to the Settlement, at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).

If you have other questions regarding the Settlement, you may contact the Settlement Administrator at:

Mortgage Service Fee Settlement Administrator  
P.O. Box 5564  
Portland, OR 97228-5564  
1-855-654-0867

You may also contact Class Counsel at:

James Kauffman Bailey & Glasser LLP 1055 Thomas Jefferson Street NW Suite 540 Washington, D.C. 20007 <a href="mailto:jkauffman@baileyglasser.com">jkauffman@baileyglasser.com</a>	Hassan Zavareei Kristen G. Simplicio Tycko & Zavareei LLP 1828 L Street NW Suite 100 Washington, D.C. 20036 <a href="mailto:havareei@tzlegal.com">havareei@tzlegal.com</a> <a href="mailto:ksimplicio@tzlegal.com">ksimplicio@tzlegal.com</a>
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You may also review the Court's file during regular court hours at:

United States District Court for the District of Maryland  
101 West Lombard Street  
Baltimore, MD 94102

**PLEASE DO NOT TELEPHONE THE COURT, THE JUDGE, OR THE CLERK OF THE COURT.**

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**

**TRIBUNAL DE DISTRITO DE LOS ESTADOS UNIDOS PARA EL DISTRITO DE  
MARYLAND**

Sus derechos se pueden ver afectados por una conciliación de demanda colectiva si usted pagó a Carrington Mortgage Services, LLC (“Carrington”) un cargo por realizar un pago telefónico del préstamo residencial, incluso mediante el uso del sistema telefónico automatizado “IVR” (respuesta de voz interactiva), o por Internet entre el 1 de enero de 2016 y el 31 de diciembre de 2021.

**ESTE AVISO PODRÍA AFECTAR SUS DERECHOS; LÉALO DETENIDAMENTE**

*Un tribunal autorizó este Aviso. Esto no es una solicitud de parte de un abogado.*

- Los registros de Carrington lo identifican como Miembro del Grupo de Demandantes.
- Una propuesta de conciliación requiere que Carrington pague \$18,181,898.65 para realizar pagos a los Miembros del Grupo de Demandantes y para pagar otros cargos y gastos.

RESUMEN DE SUS OPCIONES Y DERECHOS LEGALES EN ESTA CONCILIACIÓN	
No hacer nada y recibir un pago	Si usted tiene derecho al pago en virtud de la Conciliación, usted no tiene que hacer nada para recibirla. Si el Tribunal aprueba la Conciliación y esta se convierte en definitiva y efectiva, y usted permanece en el Grupo de Demandantes de la Conciliación (es decir, usted no hace nada y no se excluye de otro modo de la Conciliación), usted recibirá automáticamente un pago y renunciará a su derecho a presentar su propia demanda contra Carrington sobre las reclamaciones de este caso.
Excluirse de la Conciliación Fecha límite: 19 de octubre de 2022	En lugar de no hacer nada, usted puede solicitar que lo excluyan de la demanda. Si lo hace, usted no recibirá ningún beneficio de la Conciliación, pero conserva su derecho a demandar por su cuenta.
Objetar Fecha límite: 19 de octubre de 2022	Usted puede oponerse a los términos del Acuerdo de conciliación y solicitar que se escuchen sus objeciones en la Audiencia de aprobación final del 10 de noviembre de 2022.

- Estos derechos y opciones, y **las fechas límite para ejercerlos**, se explican en este Aviso.

El Tribunal de Distrito de los Estados Unidos para el Distrito de Maryland (el “Tribunal”) autorizó este Aviso. El siguiente es un resumen de la Conciliación y de sus derechos. Puede encontrar una copia completa del Acuerdo de conciliación en **MortgageServiceFeeSettlement.com**.

**¿Tiene alguna pregunta? Llame al 1-855-654-0867 o visite  
MortgageServiceFeeSettlement.com.**

**Información básica**

Se han presentado tres demandas colectivas contra Carrington en Maryland, California y Florida. Están tituladas *Alexander v. Carrington*, Caso n.º 1:20-cv-2369-RDB (D. Md.), *Thomas-Lawson et al. v. Carrington Mortgage Services, LLC*, Caso n.º 2:20-cv-07301-ODW (Ex) (C.D. Cal.) y *Dawkins et al. v. Carrington Mortgage Services, LLC*, Caso n.º 0:20-cv-60998 (S.D. Fla.). Los casos de *Thomas-Lawson* y *Dawkins* se han consolidado con el caso *Alexander* para su conciliación ante el Tribunal de Distrito de los Estados Unidos para el Distrito de Maryland. Las acciones se denominan colectivamente en este documento como la Acción.

Los Demandantes en la Acción demandaron a Carrington alegando que Carrington cobraba a los prestatarios cargos por realizar los pagos de la hipoteca en línea o por teléfono, incluso mediante el uso del sistema telefónico automatizado “IVR” (respuesta de voz interactiva) (“Cargos por procesamiento”). La Acción afirma que la práctica de Carrington de cobrar estos cargos, entre otras cosas, infringió la Ley federal de Prácticas Justas de Cobro de Deudas y las leyes estatales de cobro de deudas, incluida la Ley de Cobro de Deudas al Consumidor de Maryland, la Ley de Protección al Consumidor de Maryland, el Código Financiero de Texas, la Ley de Prácticas Justas de Deuda Rosenthal de California, la Ley de Competencia Desleal de California, la Ley de Prácticas de Cobro al Consumidor de Florida, y la Ley de Prácticas Comerciales Desleales y Engañosas de Florida, e incumplió los términos de los acuerdos de préstamo de los prestatarios. Carrington niega estas acusaciones. El Tribunal no ha decidido quién tiene razón.

Este Aviso resume la Conciliación propuesta y sus derechos. Para conocer los términos y condiciones precisos de la Conciliación, consulte el Acuerdo de conciliación disponible en [MortgageServiceFeeSettlement.com](https://MortgageServiceFeeSettlement.com), comunicándose con el Administrador de la Conciliación al 1-855-654-0867 o con el Abogado del Grupo de Demandantes a las direcciones que se indican en la Parte 9 a continuación, accediendo al expediente del Tribunal en este caso, por un cargo, a través del sistema de Acceso Público a Registros Electrónicos del Tribunal (Public Access to Court Electronic Records, PACER) en <https://ecf.mdd.uscourts.gov> o visitando la oficina del Secretario del Tribunal del Tribunal de Distrito de los Estados Unidos del Distrito de Maryland, 101 West Lombard Street, Baltimore, MD 21201 de lunes a viernes de 9:00 a. m. a 4:00 p. m., salvo los feriados judiciales.

**¿Por qué hay un aviso?**

Un Tribunal autorizó este Aviso porque usted tiene derecho a estar informado con respecto a la Conciliación propuesta de esta Acción y con respecto a todas las opciones con las que cuenta, antes de que el Tribunal determine si le dará Aprobación Final a la Conciliación. Este aviso explica la Acción, la Conciliación y sus derechos legales.

El juez Richard D. Bennett, del Tribunal de Distrito de los Estados Unidos para el Distrito de Maryland, está supervisando este caso. El caso se conoce como *Alexander v. Carrington*, Caso n.º 1:20-cv-2369-RDB (D. Md.). Las personas que demandaron se denominan “Demandantes”. El Demandado es Carrington Mortgage Services, LLC.

**¿De qué se trata esta Acción?**

La Acción alega que Carrington cobraba a los prestatarios cargos por realizar los pagos de hipoteca en línea o por teléfono, incluso mediante el uso del sistema telefónico automatizado “IVR” (respuesta de voz interactiva) (“Cargos por procesamiento”). La Acción afirma que la práctica de Carrington de cobrar tales cargos, entre otras cosas, infringió la Ley federal de Prácticas Justas de Cobro de Deudas y las leyes estatales de cobro de deudas, incluida la Ley de Cobro de Deudas al Consumidor de Maryland, la Ley de Protección al Consumidor de Maryland, el Código Financiero de Texas, la Ley de Prácticas Justas de Deuda Rosenthal de California, la

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Ley de Competencia Desleal de California, la Ley de Prácticas de Cobro al Consumidor de Florida, y la Ley de Prácticas Comerciales Desleales y Engañosas de Florida, e incumplió los términos de los acuerdos de préstamo de los prestatarios. Carrington niega las acusaciones presentadas en la Acción.

La reclamación modificada en esta Acción está publicada en [MortgageServiceFeeSettlement.com](https://MortgageServiceFeeSettlement.com) y contiene todos los alegatos y las reclamaciones presentadas contra Carrington.

### **¿Por qué es esta una demanda colectiva?**

En una demanda colectiva, una o más personas, llamadas Representantes del Grupo de Demandantes (en esta, prestatarios hipotecarios cuyas hipotecas fueron administradas por Carrington y que pagaron Cargos por procesamiento), demandan en nombre de personas que tienen reclamos similares.

Todas las personas que cuentan con reclamos similares a los de los Representantes del Grupo de Demandantes son miembros del Grupo de Demandantes de la Conciliación, a excepción de aquellos que se excluyeron del Grupo.

### **¿Quién es Miembro del Grupo de Demandantes?**

El Tribunal ha determinado que cada persona que se ajusta a la siguiente descripción es Miembro del Grupo de Demandantes:

Todas las personas que pagaron un cargo a Carrington por realizar un pago de préstamo hipotecario por teléfono, IVR o por Internet, entre el 1 de enero de 2016 y el 31 de diciembre de 2021 (“Cargo por procesamiento”) que pertenecen a uno o más de los siguientes grupos:

- (1) eran prestatarios de préstamos hipotecarios para viviendas en propiedades ubicadas en California, Texas, Nueva York, Maryland o Florida;
- (2) eran prestatarios de préstamos hipotecarios para viviendas sobre propiedades en los Estados Unidos sobre las cuales Carrington adquirió derechos de administración cuando dichos préstamos estaban 30 días o más en mora en las obligaciones de pago del préstamo; o
- (3) eran prestatarios de préstamos hipotecarios para viviendas sobre propiedades ubicadas en los Estados Unidos aseguradas por la Administración Federal de Vivienda.

### **¿Por qué hay una Conciliación?**

Ambas partes acordaron la Conciliación. Al aceptar la Conciliación, las partes evitan los costos e incertidumbre de un juicio y los Miembros del Grupo de Demandantes de la Conciliación recibirán los beneficios descritos en este Aviso. Los Representantes del Grupo de Demandantes y sus abogados consideran que la Conciliación es lo mejor para todas las partes afectadas.

Los términos completos de la Conciliación propuesta se establecen en un Acuerdo de conciliación formal (el “Acuerdo”) que está registrado en el Tribunal y que también está disponible en el sitio web de la Conciliación en [MortgageServiceFeeSettlement.com](https://MortgageServiceFeeSettlement.com). Este Aviso es solo un resumen de la Conciliación y, en caso de conflicto entre este Aviso y el Acuerdo, prevalecerán los términos del Acuerdo.

En la Conciliación propuesta, Carrington ha acordado crear un Fondo común de 18.181.898,65 USD. Todos los Costos administrativos, los honorarios y gastos de abogados adjudicados por el Tribunal al Abogado del

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[MortgageServiceFeeSettlement.com](https://MortgageServiceFeeSettlement.com).**



Grupo de Demandantes y cualquier Adjudicación de servicio a los Representantes del Grupo de Demandantes se pagarán primero del Fondo bruto de Conciliación. El saldo restante del fondo de la conciliación (el “Fondo neto de la Conciliación”) se distribuirá entre el Representante del Grupo de Demandantes y todos los Miembros del Grupo de Demandantes que no estén excluidos del grupo, según se establece a continuación (los “Miembros del Grupo de Demandantes de la Conciliación”). Si el Tribunal adjudica todos los Costos administrativos, honorarios y gastos de abogados y Adjudicaciones de servicio solicitados por las Partes, el Fondo neto de la Conciliación será de aproximadamente 11,636,265.77 USD.

Además, como parte de la Conciliación, Carrington ha acordado suspender el cobro de cargos por los pagos realizados en línea o por teléfono, incluso a través del uso del sistema telefónico automatizado “IVR” (respuesta de voz interactiva) durante tres años.

Las asignaciones del Fondo neto de la Conciliación se calcularán sobre la base de cada prestatario, de manera que cada Miembro del Grupo de Demandantes de la Conciliación que haya pagado al menos un Cargo por procesamiento recibirá un pago mínimo de \$5, y los fondos restantes se distribuirán de manera prorrateada en función del monto del Cargo por procesamiento que cada Miembro del Grupo de Demandantes de la Conciliación haya pagado durante el Período de la demanda colectiva. Los Miembros del Grupo de Demandantes de la Conciliación que reciban un Pago de la Conciliación son los únicos responsables de distribuir o asignar su pago entre todos los titulares de cuentas conjuntas. A modo de ejemplo, si usted es prestatario de un préstamo que pagó un uno por ciento del Cargo por procesamiento total cobrado por Carrington durante el Período de la demanda colectiva, a usted se le asignará un uno por ciento del Fondo neto de la Conciliación.

**Honorarios y gastos de abogados y Adjudicación de servicio.** El Abogado del Grupo de Demandantes solicitará al Tribunal que regule los honorarios de los abogados por un monto que no exceda el cuarenta por ciento del Fondo de la Conciliación, o \$6,060,632.88, más los costos y gastos del litigio. El Abogado del Grupo de Demandantes también solicitará que el Tribunal apruebe las Adjudicaciones de servicio para los Representantes del Grupo de Demandantes por un monto de \$5,000.00 cada uno. El Abogado del Grupo de Demandantes presentará esa solicitud, junto con todos los documentos de respaldo, al menos 21 días antes de la fecha límite para excluirse u oponerse a la Conciliación. La Solicitud de adjudicación de servicio y honorarios y todos los documentos de respaldo estarán disponibles para su revisión en el sitio web de la Conciliación en [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com). El Tribunal determinará el importe adecuado de los honorarios de los abogados y las adjudicaciones que se pagarán. La Conciliación no está condicionada a la aprobación de ninguno de los honorarios de los abogados, costos o montos de Adjudicación de servicio.

**Usted no está obligado a realizar ningún pago al Abogado del Grupo de Demandantes en esta acción.**

#### **¿Cómo puedo obtener el beneficio?**

Siempre que no se excluya de la Conciliación, usted recibirá automáticamente beneficios en dinero en efectivo de la Conciliación y no es necesario que tome ninguna medida adicional.

Los pagos se realizarán mediante cheque enviado por correo postal a los Miembros del Grupo de Demandantes de la Conciliación o, a elección del Miembro del Grupo de Demandantes de la Conciliación, mediante un método digital. Los cheques serán válidos durante 90 días. Los Miembros del Grupo de Demandantes de la Conciliación pueden solicitar que el Administrador de la Conciliación vuelva a emitir un cheque por un período adicional de 90 días por una causa razonable. Si existe algún monto en el Fondo de la Conciliación que quede después de la distribución de cheques a los Miembros del Grupo de Demandantes de la Conciliación como resultado de que los cheques se devuelvan sin entregar o que no se cobren dentro de los 90 días, esos fondos se distribuirán de manera prorrateada a los Miembros del Grupo de Demandantes de la Conciliación que cobraron sus cheques. En el transcurso de 180 días después de que el Administrador de la Conciliación envíe por correo postal los primeros Pagos a los Miembros del Grupo de Demandantes de la Conciliación, el

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administrador decidirá si los Fondos residuales deben distribuirse a los Miembros del Grupo de Demandantes de la Conciliación a través de una distribución secundaria. Si el importe de los fondos restantes fuera tan pequeño que sería imposible o inviable una distribución secundaria, entonces, sujeto a la aprobación del Tribunal, los fondos restantes se distribuirán a NeighborWorks America y a las organizaciones benéficas de Maryland Consumer Rights Coalition, 501(c)(3) que trabajan con organizaciones sin ánimo de lucro en todo el país en cuestiones de vivienda.

### ¿Cuándo recibiré el beneficio?

Como se describe a continuación, el Tribunal celebrará una Audiencia de Imparcialidad el 10 de noviembre de 2022 para decidir si otorga la aprobación final de la Conciliación. El Tribunal debe aprobar finalmente la Conciliación antes de que se distribuya cualquier compensación, y solo lo hará después de determinar que la Conciliación es justa, razonable y adecuada. Además, cualquier orden de aprobación final que el Tribunal pueda dictar puede estar sujeta a apelación. En caso de que existan tales apelaciones, resolverlas llevará tiempo. Los pagos a los Miembros del Grupo de Demandantes de la Conciliación solo se realizarán después de que venza el plazo para apelar. **Tenga paciencia.**

### ¿Quién me representa?

El Tribunal ha nombrado a Hassan A. Zavareei y Kristen G. Simplicio de Tycko & Zavareei LLP, James L. Kauffman de Bailey & Glasser LLP y Phillip Robinson de Consumer Law Center, LLC para representarle a usted y a otros Miembros del Grupo de Demandantes en esta Acción y a los fines de esta Conciliación, pero para ningún otro propósito. Estos abogados se denominan “Abogado del Grupo de Demandantes”. A usted no se le cobrará por estos abogados. Si desea ser representado por su propio abogado en este caso, usted puede contratarlo por cuenta propia.

Usted puede ponerse en contacto con el Abogado del Grupo de Demandantes en:

James Kauffman Bailey & Glasser LLP 1055 Thomas Jefferson Street NW Suite 540 Washington, D.C. 20007	Hassan Zavareei Kristen G. Simplicio Tycko & Zavareei LLP 1828 L Street NW Suite 100 Washington, D.C. 20036	Phillip Robinson Consumer Law Center, LLC 10125 Colesville Road Suite 378 Silver Spring, MD 20901
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### ¿Cómo se pagará a los abogados?

El Abogado del Grupo de Demandantes solicitará al Tribunal que regule los honorarios de los abogados por un monto que no exceda el cuarenta por ciento del Fondo de la Conciliación, o \$6,060,632.88, más los costos y gastos del litigio. El Abogado del Grupo de Demandantes también solicitará que el Tribunal apruebe las Adjudicaciones de servicio para los Representantes del Grupo de Demandantes por un monto de \$5,000.00 cada uno. El Abogado del Grupo de Demandantes presentará esa solicitud, junto con todos los documentos de respaldo, al menos 21 días antes de la fecha límite para excluirse u oponerse a la Conciliación. La Solicitud de adjudicación de servicio y los honorarios y todos los documentos de respaldo estarán disponibles para su revisión en el sitio web de la Conciliación en [MortgageServiceFeeSettlement.com](https://MortgageServiceFeeSettlement.com). El Tribunal determinará el importe adecuado de los honorarios de los abogados y las adjudicaciones que se pagarán. La Conciliación no está condicionada a la aprobación de ninguno de los honorarios de los abogados, costos o montos de Adjudicación de servicio.

**¿Tiene alguna pregunta? Llame al 1-855-654-0867 o visite  
MortgageServiceFeeSettlement.com.**



**¿Cómo me excluyo de la Conciliación?**

Si usted no desea obtener los beneficios de la Conciliación y desea conservar el derecho de demandar o continuar demandando a Carrington por su propia cuenta por los asuntos legales de este caso, entonces usted debe tomar medidas para excluirse de la Conciliación. A esto se denomina “excluirse” del Grupo de Demandantes de la Conciliación.

Si decide excluirse de la Conciliación, usted debe enviar una declaración por escrito al Administrador de la Conciliación que incluya el nombre, la dirección, el número de teléfono y la firma de los prestatarios que piden la exclusión, así como un texto que indique claramente una solicitud de exclusión, como “Deseo ser excluido de la Conciliación en *Alexander v. Carrington Mortgage Services, LLC*.” Si hay coprestatarios en el préstamo, todos los coprestatarios deben firmar la solicitud de exclusión.

Usted debe enviar por correo postal su solicitud de exclusión a más tardar el **19 de octubre de 2022** a la siguiente dirección:

Mortgage Service Fee Settlement Administrator  
P.O. Box 5564  
Portland, OR 97228-5564

Si usted es coprestatario o prestatario conjunto de un préstamo cubierto por la Conciliación y opta por excluirse de la Conciliación, todos los coprestatarios y/o prestatarios conjuntos del préstamo deben firmar la solicitud de exclusión y también serán excluidos de la Conciliación. De manera similar, si usted es coprestatario o prestatario conjunto de un préstamo cubierto por la Conciliación y otro prestatario de ese préstamo es un Miembro del Grupo de Demandantes que opta por excluirse de la Conciliación, usted también debe firmar la solicitud exclusión y también será excluido de la Conciliación. Si usted no opta por excluirse, y ningún prestatario conjunto o coprestatario de su préstamo opta por excluirse, usted (y sus coprestatarios y/o prestatarios conjuntos, si los hubiera) estarán vinculados por esta Conciliación.

**Si no me excluyo, ¿puedo demandar a Carrington por lo mismo más adelante?**

No. A menos que se excluya, usted renuncia al derecho de demandar a Carrington por las reclamaciones que resuelve la Conciliación. Usted debe excluirse de este Grupo de Demandantes de la Conciliación para intentar llevar a cabo su propia demanda.

**Si me excluyo, ¿recibiré un pago?**

No. Usted no recibirá un pago si se excluye de la Conciliación.

**¿Cómo le digo al Tribunal que no me gusta la Conciliación?**

Si usted es Miembro del Grupo de Demandantes y no ha solicitado ser excluido del Grupo de Demandantes de la Conciliación, usted puede objetar cualquier parte de la Conciliación, la Conciliación completa, las solicitudes de honorarios y gastos del Abogado del Grupo de Demandantes y/o la solicitud de una adjudicación de servicio del Abogado del Grupo de Demandantes para los Representantes del Grupo de Demandantes.

Usted no puede pedir al Tribunal que ordene una conciliación diferente; el Tribunal solo puede aprobar o rechazar la Conciliación. Si el Tribunal rechaza la aprobación, no se enviarán pagos de la Conciliación y la demanda continuará. Si eso es lo que usted quiere que suceda, debe oponerse.

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El Tribunal aceptará las objeciones que cumplan sustancialmente con los requisitos de objeción establecidos a continuación, y la presentación de lo siguiente puede dispensarse con la demostración de una causa justificada. En particular, su objeción debe incluir lo siguiente:

- Su nombre, dirección, dirección de correo electrónico (si la hubiera) y número de teléfono;
- El título del caso, *Alexander v. Carrington*, Caso n.º 1:20-cv-2369-RDB (D. Md.);
- Las bases jurídicas y fácticas específicas de su objeción;
- Una lista de todos los casos en los que usted se ha opuesto a una conciliación de demanda colectiva, incluido el nombre del caso, el tribunal y el número de expediente;
- Si usted está representado por un abogado, una lista de todos los casos en los que su abogado ha representado a un objetante al oponerse a una conciliación de demanda colectiva, incluido el nombre del caso, el tribunal y el número de expediente;
- Una declaración que indique si usted y/o su abogado tienen la intención de comparecer en la Audiencia de Imparcialidad Final;
- Una lista de testigos, si los hubiera, a los que usted pretende llamar;
- Si la objeción se refiere únicamente a usted, a un subconjunto del Grupo de Demandantes de la Conciliación o a todo el Grupo; y
- Su firma.

Cualquier Miembro del Grupo de Demandantes que no haya presentado una solicitud de exclusión oportuna puede comparecer en la Audiencia de Imparcialidad Final, ya sea en persona en la audiencia en línea celebrada mediante el software de videoconferencia Zoom o a través de un abogado. Sin embargo, si el Miembro del Grupo de Demandantes de la Conciliación tiene la intención de comparecer a través de un abogado, el Miembro debe haber presentado una objeción por escrito de conformidad con esta sección. Todo abogado que tenga la intención de comparecer en la Audiencia de Imparcialidad Final también debe presentar una Notificación de Comparecencia del Abogado por escrito ante el Secretario del Tribunal a más tardar en la Fecha límite de Respuesta. Todo Miembro del Grupo de Demandantes de la Conciliación que pretenda solicitar al Tribunal que le permita llamar a testigos en la Audiencia de Imparcialidad Final debe realizar dicha solicitud en un escrito que contenga una lista de dichos testigos y un resumen de su testimonio solicitado. Estos requisitos de notificación por escrito pueden dispensarse si se demuestra una buena causa.

Su objeción debe tener un matasellos a más tardar del **19 de octubre de 2022** y debe enviarse por correo postal al Tribunal o al Secretario del Tribunal de Distrito de los Estados Unidos para el Distrito de Maryland, 101 West Lombard Street, Baltimore, MD 21201 o presentarse en persona hasta el 19 de octubre de 2022 en cualquier ubicación del Tribunal de Distrito de los Estados Unidos para el Distrito de Maryland.

#### **¿Qué estoy aceptando al permanecer en el Grupo de Demandantes en este caso?**

Si la Conciliación recibe la aprobación final del Tribunal, la Conciliación será legalmente vinculante para todos los Miembros del Grupo de Demandantes de la Conciliación, incluidos los Miembros que se opongan. Si usted, o alguien que actúa en su nombre, actualmente está litigando reclamaciones contra Carrington u otras partes exoneradas que sean iguales o similares a las mencionadas aquí, a usted se le prohibirá presentar las reclamaciones exoneradas por la Conciliación a menos que usted opte por excluirse válidamente, como se indica anteriormente. En virtud de los términos de la exoneración, usted no podrá demandar por ninguna reclamación relacionada con los Cargos por procesamiento por pagos hipotecarios realizados por Internet, y/o por teléfono, incluidos aquellos realizados mediante el sistema telefónico automatizado "IVR" (respuesta de voz interactiva), entre el 1 de enero de 2016 y el 31 de diciembre de 2021.

Los términos completos de la exoneración, que vincularán a todos los Miembros del Grupo de Demandantes de la Conciliación en cuanto a ciertas reclamaciones contra Carrington y ciertas filiales y entidades relacionadas ("Partes exoneradas"), se establecen en el Acuerdo de conciliación, que está registrado en el

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MortgageServiceFeeSettlement.com.**

Tribunal, y que está disponible en el Sitio web de la Conciliación en MortgageServiceFeeSettlement.com. A menos que se excluya, usted será un Miembro del Grupo de Demandantes de la Conciliación, y eso significa que cualquier reclamación que usted tenga con respecto a Cargos por procesamiento que usted pagó a Carrington se resolverá total y completamente, y que usted no puede demandar, continuar demandando o ser parte de cualquier otra demanda contra Carrington acerca de los Cargos por procesamiento cobrados por Carrington. También significa que las Órdenes del Tribunal que aprueban la Conciliación y la sentencia en este caso se aplicarán a usted y le vincularán legalmente.

Si usted desea conservar el derecho de demandar o continuar demandando a Carrington por su cuenta por el cobro del Cargo por procesamiento de Carrington, usted debe excluirse de la Conciliación en este caso. Si se excluye, según lo establecido anteriormente, usted no recibirá ninguno de los beneficios de la Conciliación, según lo descrito anteriormente.

### ¿Qué sucede a continuación?

El Tribunal celebrará una “Audiencia de Imparcialidad Final” el 10 de noviembre de 2022 a las 11:00 a. m., para escuchar cualquier objeción y considerar si dar la aprobación final a la Conciliación. La audiencia se celebrará en el Tribunal de Distrito de los Estados Unidos para el Distrito de Maryland, United States Courthouse, 101 West Lombard Street, Chambers 5D, Baltimore, MD 21201. Toda actualización del formato, la fecha y la hora de la audiencia se puede encontrar en el sitio web del Acuerdo o en el sitio web del Tribunal (<https://www.mdd.uscourts.gov/>). El Tribunal escuchará las objeciones en la audiencia solo de aquellos que se opongan oportunamente a la Conciliación, como se describe a continuación. Usted puede participar en la Audiencia de Imparcialidad con o sin un abogado, pero si decide ser representado por un abogado, usted debe hacerlo a su cargo.

### **USTED NO TIENE QUE COMPARECER EN LA AUDIENCIA PARA RECIBIR LOS BENEFICIOS DE LA CONCILIACIÓN.**

Usted puede solicitar el permiso del Tribunal para hablar en la Audiencia de Imparcialidad Final. Para ello, usted debe enviar una carta en la que se indique que tiene intención de comparecer y desea ser escuchado. Su Notificación de intención de comparecer debe incluir lo siguiente:

- Su nombre, dirección y número de teléfono;
- Una declaración de que esta es su “Notificación de intención de comparecer” en la Audiencia de Aprobación Final para la Conciliación en *Alexander v. Carrington*, Caso n.º 1:20-cv-2369-RDB (D. Md.);
- Los motivos por los que usted desea que le escuchen;
- Copias de todo documento, anexo u otra prueba o información que deba presentarse ante el Tribunal en la Audiencia de Imparcialidad final; y
- Su firma.

Usted debe enviar su Notificación de intención de comparecer a más tardar el **19 de octubre de 2022** a:

**¿Tiene alguna pregunta? Llame al 1-855-654-0867 o visite  
MortgageServiceFeeSettlement.com.**

Administrador de la Conciliación	Abogado del Grupo de Demandantes	Abogado del demandado
Mortgage Service Fee Settlement Administrator P.O. Box 5564 Portland, OR 97228-5564	James Kauffman Bailey & Glasser LLP 1055 Thomas Jefferson Street NW Suite 540 Washington, D.C. 20007  Hassan Zavareei Kristen G. Simplicio Tycko & Zavareei LLP 1828 L Street NW Suite 1000 Washington, D.C. 20036	Fredrick Levin Buckley LLP 100 Wilshire Boulevard Suite 1000 Santa Mónica, CA 90401  John Williams Buckley LLP 2001 M Street NW Suite 500 Washington, D.C. 20036  Scott Sakiyama Buckley LLP 353 N Clark Street Suite 3600 Chicago, IL 60654

### Más información

Este Aviso es solo un resumen de la Conciliación y del Acuerdo. Se pueden encontrar más detalles en el Acuerdo de conciliación. Usted puede obtener una copia del Acuerdo de conciliación y documentos judiciales adicionales relacionados con la Conciliación, en [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).

Si tiene otras preguntas con respecto a la Conciliación, puede comunicarse con el Administrador de la Conciliación en:

Mortgage Service Fee Settlement Administrator  
P.O. Box 5564  
Portland, OR 97228-5564  
1-855-654-0867

También puede ponerse en contacto con el Abogado del Grupo de Demandantes en:

James Kauffman Bailey & Glasser LLP 1055 Thomas Jefferson Street NW Suite 540 Washington, D.C. 20007 <a href="mailto:jkauffman@baileyglasser.com">jkauffman@baileyglasser.com</a>	Hassan Zavareei Kristen G. Simplicio Tycko & Zavareei LLP 1828 L Street NW Suite 100 Washington, D.C. 20036 <a href="mailto:hzavareei@tzlegal.com">hzavareei@tzlegal.com</a> <a href="mailto:ksimplicio@tzlegal.com">ksimplicio@tzlegal.com</a>
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También puede revisar el expediente del Tribunal durante el horario regular del tribunal en:

United States District Court for the District of Maryland  
101 West Lombard Street  
Baltimore, MD 94102

**NO LLAME POR TELÉFONO AL TRIBUNAL, AL JUEZ NI AL SECRETARIO DEL TRIBUNAL.**

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[MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**

# Exhibit E

**Exclusion Report -- Alexander v. Carrington Mortgage Services**

Number	First Name	Last Name	Additional Coments
1	JOHN	GRIMES	Joint account holder with Helen Grimes
2	HELEN	GRIMES	Joint account holder with John Grimes
3	PATRICA	MACDONALD	
4	ANGELA	PHILLIPS	Joint account holder with Mary Phillips
5	MARY	PHILLIPS	Joint account holder with Angela Phillips
6	SHIRLEY	THACKER	
7	JOY	PEIFER	