

**IMPORTANT LEGAL MATERIALS**



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**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA  
FRESNO DIVISION**

EFRAIN MUNOZ, et al., individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

PHH CORP., PHH MORTGAGE CORP., PHH HOME  
LOANS, LLC, and ATRIUM INSURANCE CORP.,

Defendants.

Case No. 1:08-CV-00759-AWI-BAM

Judge: Hon. Anthony W. Ishii

**LEGAL NOTICE OF PENDENCY OF CLASS ACTION**

**TO: All persons who obtained residential mortgage loans through PHH Corp., PHH Mortgage Corp., or PHH Home Loans, LCC that closed on or after June 2, 2007 through December 31, 2009, and who paid for private mortgage insurance subject to reinsurance through Atrium Insurance Corp. (“Class Members”).**

**PLEASE READ THIS NOTICE CAREFULLY.  
A FEDERAL COURT AUTHORIZED THIS NOTICE.  
THIS IS NOT A SOLICITATION.  
YOU HAVE NOT BEEN SUED.**

**1. WHY DID I RECEIVE THIS NOTICE?**

The purpose of this Notice is to advise you of a pending class action in the Eastern District of California entitled *Munoz, et al. v. PHH Corp., et. al.*, Case No. 1:08-cv-00759-AWI-BAM (“the Action”). This Notice is issued pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Eastern District of California. This Notice will summarize certain rights and options you may have in the Action. You may or may not be a Class Member. Please read below to see if you are a Class Member.

**2. WHAT IS A CLASS ACTION?**

A class action is a type of lawsuit in which one or a few named plaintiffs bring suit on behalf of all of the members of a similarly situated group to recover damages for all of the group, without the necessity of each member filing an individual lawsuit or appearing as an individual plaintiff. Cases are certified as class actions by courts where the claims raise basic issues of law or fact that are common to a large group, making it fair, efficient and effective to bind all class members to the orders and the judgments in the case without the necessity of prosecuting/hearing essentially the same claims over and over again. Use of a class action eliminates the necessity of filing multiple suits, and assures that all class members who do not exclude themselves from the Class are bound by the results of the lawsuit.

### 3. WHAT IS THIS CLASS ACTION ABOUT?

The complaint in the Action alleges that PHH Corp., PHH Mortgage Corp., PHH Home Loans, LCC, and Atrium Insurance Corp. (“Atrium”) (collectively “Defendants”) violated section 8 of the Real Estate Settlement Procedures Act (“RESPA”) 12 U.S.C. § 2607. In particular, the complaint alleges that PHH required certain borrowers to pay for private mortgage insurance with one of four primary mortgage insurers. These private mortgage insurers entered into reinsurance agreements with PHH’s affiliate, Atrium, whereby Atrium would assume some of the risk on the loan in exchange for a portion of the premiums paid by the borrower. Plaintiffs allege that Atrium assumed either no real or an insufficient amount of the risk and, thus, the reinsurance arrangement was a disguised form of rebate to PHH.

Defendants deny the allegations of the complaint and contend the agreements are appropriate and standard reinsurance involving meaningful transfer of risk, and that Atrium paid claims under its reinsurance agreements. The Defendants assert numerous defenses to this Action. The Court has not formed any opinion concerning the merits of the case. The Court has not ruled in favor of or against Plaintiffs on the merits of any of their claims.

### 4. WHO IS INCLUDED IN THE CLASS?

On June 11, 2015 the Court ordered that the Action may proceed as a class action lawsuit on behalf of the following Class:

All persons who obtained residential mortgage loans originated and/or acquired by PHH and/or its affiliates on or after June 2, 2007 through December 31, 2009, and, in connection therewith, purchased private mortgage insurance and whose loans were included within PHH’s captive mortgage reinsurance arrangements.

To be a member of the Class, you must meet the description above. If you do not meet the Class definition, this Notice does not apply to you. If you are uncertain whether you are a Class Member, contact Plaintiffs’ attorney or your own attorney. Do not call PHH.

### 5. WHAT DOES THE PLAINTIFF SEEK IN THIS ACTION?

Plaintiffs in this action seeks a judgment (1) declaring that Defendants violated certain laws in conjunction with the reinsurance agreements; and (2) awarding to Plaintiffs and class members damages plus costs including reasonable attorneys’ fees and expenses.

The ruling by the Court allowing the case to proceed as a class action does not mean that any money or other relief will be obtained for the class because these are contested issues that have not yet been decided. Rather, the ruling means that the final outcome of this lawsuit—whether favorable to the Plaintiffs or to Defendants—will apply in like manner to every Class Member. In other words, the outcome of this lawsuit will apply to all individuals described in the Court’s class certification order summarized above who do not timely elect to be excluded from the Class (see below).

Again, Defendants deny they violated any laws and contend they are not liable to any Class Members. This Notice is not an admission by Defendants that the claims asserted by Plaintiffs in this case are valid, or that there has been any wrongdoing or violation of law.

### 6. WHO ARE THE ATTORNEYS FOR THE PLAINTIFFS AND CLASS?

The names and addresses of the class counsel, appointed by the Court, who represent the Plaintiffs and certified Class are:

<b>KESSLER TOPAZ MELTZER &amp; CHECK, LLP</b> Edward W. Ciolko Terence S. Ziegler Donna Siegel Moffa Amanda R. Trask Natalie Lesser 280 King of Prussia Road Radnor, PA 19087 Telephone: (610) 667-7706 Facsimile: (610) 667-7056 <i>Lead Class Counsel</i>	<b>BRAMSON, PLUTZIK, MAHLER &amp; BIRKHAUSER, LLP</b> Alan R. Plutzik (SBN 077785) 2125 Oak Grove Blvd., Suite 120 Walnut Creek, CA 94598 Telephone: (925) 945-0770 Facsimile: (925) 945-8792	<b>BERKE, BERKE &amp; BERKE</b> Ronald J. Berke 420 Frazier Avenue Chattanooga, TN 37402 Telephone: (423) 266-5171 Facsimile: (423) 265-5307	<b>TRAVIS, CALHOUN &amp; CONLON, P.C.</b> Eric G. Calhoun 1000 Providence Towers East 5001 Spring Valley Road Dallas, Texas 75244 Telephone: (972) 934-4100 Facsimile: (972) 934-4101
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Please call any of the attorneys listed above or call the toll-free “Action Helpline” with questions on this Notice using the following toll-free telephone number: (888) 334-6147. Please do not call PHH.

## **7. WHAT ARE MY OPTIONS?**

If you are a Class Member, you have the choice of staying in the Class or excluding yourself from the Class. Each choice has risks and consequences. You have the right to discuss your decision with Plaintiff’s counsel, Class Counsel or your own attorney. You have the right to be notified of any proposed settlement or dismissal of the Class claims.

1. If you stay in the Class, you will be bound by the result of the lawsuit, whether that result is favorable or unfavorable. If the Court finds in favor of the Class, you will be entitled to a share of the recovery, if there is any recovery and if the Court awards you a share. If the Court finds in favor of the defendants, you will recover nothing and any claim you would have against the Defendants related to the allegations in the operative complaint in this Action, and certain related matters, will be forever barred.
2. If you exclude yourself from the Class, you will not be bound by the result of this case. Accordingly, should the Class recover money from Defendants, whether by settlement or judgment, you will not share in the recovery. Nor will you be bound by any adverse result in this case. You will retain the right to pursue any individual claims against Defendants and hire your own attorney, unless otherwise barred.

If you are a Class Member, you will automatically be considered a member of the Class unless you request to be excluded. **YOU NEED NOT DO ANYTHING IF YOU WISH TO BE INCLUDED. THERE IS NO NEED FOR YOU TO CALL, WRITE OR SEND ANYTHING AT THIS TIME IN ORDER FOR YOU TO REMAIN A MEMBER OF THE CLASS.**

If you wish to exclude yourself from the Class, please send a letter referencing “PHH reinsurance case,” and stating your name and address, and that you wish to be excluded from the Class, to PHH Reinsurance Case Notice Administrator, c/o Rust Consulting, Inc., P.O. Box 2452, Faribault, MN 55021-9149. The letter must be received on or before December 26, 2015. If you mail a request for exclusion, you bear the risk of any delay or failure of delivery.

## **8. DO I STILL HAVE TO MAKE MY MONTHLY MORTGAGE PAYMENTS?**

**YES.** This Notice, and the Action itself, has no effect on whether you need to make payments on your home mortgage loan. If you continue to have a loan with PHH, or continue to have a loan that PHH originally made to you, you are required to continue to make payments on the loan.

## **9. WHERE MAY I OBTAIN ADDITIONAL INFORMATION?**

This Notice provides only a summary of matters relating to the litigation. You **MAY DISCUSS THIS WITH YOUR OWN ATTORNEY.** You may **EXAMINE THE COURT’S FILE** regarding this litigation during regular business hours, at the office of the Clerk of the Eastern District Court of California, Room 1501 on the 1st Floor of the Robert E. Coyle United States Courthouse, 2500 Tulare Street, Fresno, 93721. You may also visit the dedicated litigation website created by Plaintiffs’ counsel at <http://www.PHHPMIRESPAlitigation.com> where you may obtain important documents filed in the case thus far, or call the toll-free number (888) 334-6147.

**PLEASE DO NOT CONTACT THE COURT OR DEFENDANTS CONCERNING THIS CASE.**

