

# EXHIBIT 1

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

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DONNA MOORE, FRENCHOLA	:	
HOLDEN, and KEITH MCMILLON,	:	
individually and on behalf of all others	:	
similarly situated,	:	
	:	
Plaintiffs,	:	Civil Action No. 2:07-cv-04296-PD
	:	
v.	:	
	:	
GMAC MORTGAGE, LLC, GMAC	:	
BANK and CAP RE OF VERMONT,	:	
INC.,	:	
	:	
Defendants.	:	
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**SETTLEMENT AGREEMENT**

This Settlement Agreement (the "Agreement"), dated as of December 10, 2013, is entered into between Donna Moore ("Moore"), Frenchola Holden ("Holden"), and Keith McMillon ("McMillon") (collectively, "Named Plaintiffs"), on their own behalf and on behalf of the Class (as defined below), and Defendants GMAC Mortgage, LLC ("GMAC Mortgage"), GMAC Bank (now known, and herein referred to, as "Ally Bank"), and Cap Re of Vermont, LLC ("Cap Re") (collectively, "Defendants"), (together with Named Plaintiffs, the "Parties"). Subject to the terms and conditions hereof, the Parties, in consideration of the covenants and agreements set forth herein, agree to the settlement of this action, subject to approval of the Court, as defined below, upon the following terms and conditions, and do hereby stipulate and agree as follows:

**RECITALS**

A. Named Plaintiffs obtained mortgage loans secured by residential real property; each of the loans required private mortgage insurance that was reinsured by Cap Re.

B. On December 20, 2006, Named Plaintiff Moore filed a class action complaint against Defendants in the United States District Court for the Northern District of California. That action was transferred to the United States District Court for the Eastern District of Pennsylvania, and is now styled *Moore v. GMAC Mortgage, LLC*, No. 2:07-cv-04296-PD (E.D. Pa.) (the "Action").

C. On May 14, 2012, GMAC Mortgage and certain of its affiliates, not including Ally Bank (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Pursuant to an order of the Bankruptcy Court,

the Debtors' chapter 11 cases are being jointly administered and are styled *In re Residential Capital, LLC*, No. 12-12020-MG (the "Chapter 11 Cases").

D. Cap Re is a non-debtor wholly-owned subsidiary of GMAC Mortgage, organized under the laws of Vermont. Ally Bank is a non-debtor and an affiliate of GMAC Mortgage, and is currently organized under the laws of Utah.

E. The Action asserts a single cause of action, alleging that each of the Defendants violated Section 8 of the Real Estate Settlement Procedures Act of 1974 ("RESPA"), 12 U.S.C. §§ 2601 *et seq.*

F. Named Plaintiffs and Class Counsel (as defined below) have conducted an extensive investigation into the facts and law and the Parties have engaged in motion practice and extensive discovery in the Action, and in extensive settlement negotiations with the assistance of the Honorable Edward N. Cahn (ret.).

G. Named Plaintiffs and Class Counsel (as defined below) have fully analyzed and evaluated the merits of each Party's contentions and the terms of this Agreement as it affects the Parties, including the individual members of the Class (as defined below) and, after taking into account the foregoing, along with the risks of litigation and the likelihood that the Action, if not settled now, would be protracted and expensive as well as further complicated by the pending Chapter 11 Cases, are satisfied that the terms and conditions of this Agreement are fair, reasonable, and adequate, and that the Settlement (as defined below) is in the best interest of the Class (as defined below).

H. Defendants vigorously and expressly deny any wrongdoing, but nevertheless desire to settle the Action on the terms and conditions herein for the purposes of avoiding the burden, expense, and uncertainty of litigation, and putting to rest the controversies engendered by the Action and the issues within the scope of the releases set forth below. By agreeing to this Settlement (as defined below), Defendants do not retract or surrender any of the factual or legal positions that they asserted in the Action.

**NOW THEREFORE**, in consideration of the covenants and agreements set forth herein, it is agreed that the Action shall be settled, subject to judicial approval, under the following terms and conditions:

## **I. DEFINITIONS**

The following terms shall have the respective meanings specified below and shall be equally applicable to the singular and plural of the terms defined. Other terms may be defined elsewhere in this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement. As used in this Agreement, any reference to any federal, state, local, or foreign law, including any applicable law, will be deemed also to refer to such law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words "**include**", "**includes**", and "**including**" will be deemed to be followed by "**without limitation**". Pronouns in masculine, feminine, or neuter genders will be construed to include the plural and vice versa, unless the context otherwise requires. The words "**this Agreement**", "**herein**",

“hereof”, “hereby”, and “hereunder”, and words of similar import, refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited.

1.1 “Administrative Costs” means any and all costs and expenses incurred in connection with administering the Settlement and consummating the terms of this Agreement, including, but not limited to, the fees and expenses of the Financial Institution and/or Settlement Administrator, postage and website costs, the payment of any taxes incurred by the Settlement Fund, and any and all other costs in connection with administering the terms of this Agreement, including the costs of all notices described herein. “Administrative Costs” do not include any of the Parties’ attorneys’ fees.

1.2 “Case Contribution Award” means the monetary amount, awarded by the Court and to be paid from the Settlement Fund to Named Plaintiffs in recognition of Named Plaintiffs’ assistance in the prosecution of this Action, and which shall not exceed \$5,000.00 (five thousand dollars) each.

1.3 “Chapter 11 Plan” means the Revised Second Amended Joint Chapter 11 Plan Proposed by Residential Capital, LLC, et al. and the Official Committee of Unsecured Creditors filed on December 6, 2013, with the Bankruptcy Court, as may be amended, modified, or supplemented from time to time.

1.4 “Class” means all persons who obtained residential mortgage loans originated and/or acquired by GMAC Mortgage, Ally Bank, and/or their affiliates on or after January 1, 2004, with private mortgage insurance which was reinsured by Cap Re.

1.5 “Class Counsel” means Kessler Topaz Meltzer & Check, LLP (“KTMC”), Bramson, Plutzik, Mahler & Birkhaeuser, LLP (“BPMB”), Berke, Berke & Berke (“BBB”), and Travis & Calhoun, P.C. (“TC”).

1.6 “Class Member” means a member of the Class; provided, however, that when more than one (1) person is or was obligated on a Reinsured Loan, all of the persons so obligated shall be treated as a single Class Member for the purpose of distribution of the Settlement Fund.

1.7 “Class Member List” means the list on computer media of all known Class Members reasonably obtained from the readily-searchable computer media of Cap Re and GMAC Mortgage without the need for a file-level review to be provided to Lead Class Counsel and the Settlement Administrator in accordance with the terms and provisions of Section 2.7 hereof.

1.8 “Class Notice” or “Notice” means the form of notice of the Settlement to Class Members, in substantially the form attached hereto as Exhibit B.

1.9 “Complete Settlement Approval” means the first day on which all of the following have occurred:

(a) The Court has issued all necessary orders under Rule 23 approving the Settlement in a manner substantially consistent with the terms and intent of this Agreement;

(b) The Court enters a Final Approval Order and judgment finally approving the Settlement of the Action in a manner substantially consistent with the terms and intent of this Agreement;

(c) Either: (i) thirty (30) days have passed after entry of the Court's Final Approval Order and judgment finally approving the Settlement of the Action and within such time, no appeal is taken, or (ii) all appellate remedies are exhausted and the Court's judgment is upheld or not altered in a manner that is materially inconsistent with the terms of this Agreement;

(d) The Bankruptcy Court has entered an order confirming the Chapter 11 Plan that includes the Cap Re Carve-out; and

(e) The Chapter 11 Plan has achieved its Effective Date, as that term is defined in the Chapter 11 Plan, ("Plan's Effective Date").

1.10 "Court" means the Honorable Paul S. Diamond, United States District Judge for the Eastern District of Pennsylvania, and/or such other United States District Judge in the Eastern District of Pennsylvania to whom the Action may hereafter be assigned.

1.11 "Defendants" means collectively, GMAC Mortgage, Cap Re, Ally Bank and all present and former parents, predecessors, successors, assigns, subsidiaries, affiliates, divisions, owners, shareholders, officers, directors, attorneys, vendors, accountants, agents (alleged or actual), representatives and employees of GMAC Mortgage, Cap Re, and Ally Bank.

1.12 "Defense Counsel" means Morrison & Foerster LLP, Durant & Durant LLP, and Otterbourg, Steindler, Houston, and Rosen P.C.

1.13 "Final Approval Date" means the date upon which the Court signs and enters the Final Approval Order.

1.14 "Final Approval Hearing" means a hearing set by the Court for the purpose of (i) determining the fairness, adequacy, and reasonableness of the Agreement terms and associated Settlement pursuant to class action procedures and requirements; (ii) determining the good faith of the Agreement and associated Settlement; and (iii) entering judgment, in substantially the form attached hereto as Exhibit D.

1.15 "Final Approval Order" means an order of the Court in substantially the form attached hereto as Exhibit C that finally and unconditionally grants final approval of the Settlement, grants final certification of the Class for settlement purposes only, authorizes payments to Participating Class Members, the Settlement Administrator, Named Plaintiffs, and Class Counsel as provided herein, and fully and finally extinguishes the claims of Participating Class Members and Defendants each as provided herein.

1.16 "Last Known Address" means the current address for a Class Member, as such information is reasonably available from Cap Re's readily-searchable computer media, or as updated by the procedures set forth herein.

1.17 "Lead Class Counsel" means KTMC.

1.18 “Moore Proof of Claim” means Proof of Claim no. 5284 filed by Named Plaintiffs, individually and on behalf of the Class, against GMAC Mortgage in the Chapter 11 Cases.

1.19 “Net Settlement Amount” means the Settlement Fund plus any accrued interest, less: (i) the amount of any Court-awarded attorneys’ fees and costs to Class Counsel; (ii) the aggregate amount of any Court-awarded Case Contribution Awards; (iii) the Administrative Costs; and (iv) any other expenses to be paid from the Settlement Fund as specifically provided for under this Agreement.

1.20 “Notice Mailing Date” means the date that the Settlement Administrator mails the Class Notice to Class Members, and shall occur no later than forty-five (45) days after the Court enters the Preliminary Approval Order, or such other date ordered by the Court.

1.21 “Opt-Out Deadline” means the date sixty (60) days after the Notice Mailing Date, or such other date ordered by the Court.

1.22 “Participating Class Members” means the Class Members who do not submit valid opt-outs by the Opt-Out Deadline.

1.23 “Plan of Allocation” means the plan of allocation approved by the Court as contemplated by Article IV of this Agreement.

1.24 “Preliminary Approval Date” means the date on which the Preliminary Approval Order, or any other order(s) approving the Settlement on a preliminary basis, is entered by the Court.

1.25 “Preliminary Approval Order” means the order or orders of the Court preliminarily approving the terms and conditions of this Agreement and the associated Settlement, in substantially the form attached hereto as Exhibit A.

1.26 “Reinsured Loan” means a residential mortgage loan (a) that was originated and/or acquired after January 1, 2004, by GMAC Mortgage, Ally Bank, or their affiliates and (b) that was reinsured by Cap Re.

1.27 “Rule” means a rule of the Federal Rules of Civil Procedure.

1.28 “Settlement” means the resolution of the matters within the scope of the releases set forth herein, as embodied in this Agreement, the Final Approval Order, the withdrawal with prejudice of the Moore Proof of Claim and the payment of \$6.25 million into the Settlement Fund.

1.29 “Settlement Administrator” means, subject to Court approval, the Garden City Group, Inc., whom the Parties will propose to administer the Settlement in accordance with this Agreement.

1.30 “Settlement Effective Date” means the date upon which Complete Settlement Approval occurs.

1.31 “Settlement Fund” means the sum of \$6,250,000 (six million two hundred fifty thousand dollars).

1.32 “Successful Opt-Out” means any person or persons who timely and validly exercise their right to opt out of the Class, pursuant to Sections 2.13, 2.14, and 2.15 and Rule 23(b)(3), but shall not include, in the discretion of the Parties, (a) persons whose opt-outs are challenged by Defendants, and the challenge is not overruled by the Court or withdrawn by Defendants, (b) persons whose communications are not treated as an opt-out, as provided in Section 2.16, and (c) persons who purport to opt-out of the Settlement as a group, aggregate, or class, or on whose behalf such a purported opt-out is attempted through the submission of one (1) opt-out notice.

1.33 As used herein, the plural of any defined term includes the singular thereof and vice versa, except where the context requires otherwise.

1.34 Other terms are defined in the text of this Agreement, and shall have the meaning given to those terms in the text.

## **II. SETTLEMENT PROCEDURES**

### **A. Preliminary Approval**

2.1 As soon as practicable after the execution of this Agreement, Class Counsel, through Lead Class Counsel, shall move the Court for a Preliminary Approval Order, substantially in the form attached hereto as Exhibit A: (a) preliminarily approving the Settlement memorialized herein as fair, reasonable, and adequate; (b) preliminarily certifying the Class for settlement purposes only; (c) appointing the Settlement Administrator and/or Financial Institution (as defined below); (d) setting a date for a Final Approval Hearing; (e) approving the proposed Class Notice in substantially the form attached hereto as Exhibit B, and authorizing its dissemination; (f) setting deadlines reasonably consistent with this Agreement for mailing of the Class Notice, submitting requests for awards of attorney fees and costs or Case Contribution Awards, opting out of or objecting to the Settlement, and filing papers in connection with the Final Approval Hearing and the consideration of the approval or disapproval of the Settlement and Settlement procedures; (g) approving the Plan of Allocation; and (h) preliminarily appointing Moore, Holden, and McMillon as Class Representatives, KTMC as Lead Class Counsel, and BPMB, BBB, and TC as Class Counsel. Defendants will not oppose the entry of the Preliminary Approval Order, so long as the order is consistent in all material respects with Exhibit A.

2.2 Once the Court enters the Preliminary Approval Order, Lead Class Counsel and Defense Counsel shall meet and confer to reach agreement on any revisions of the deadlines and timetables set forth herein, if necessary. In the event that the Parties fail to reach such agreement, any of Parties may apply to the Court via a noticed motion for modification of the dates and deadlines herein, provided that such a request to the Court may seek only reasonable modifications of the dates and deadlines contained herein and no other changes.

**B. Settlement Administrator**

2.3 Parties will have equal access to information held by the Settlement Administrator.

2.4 The Settlement Administrator will be responsible for administering the Settlement in accordance with this Agreement and applicable orders of the Court. Lead Class Counsel may direct the Settlement Administrator to disburse money from the Settlement Fund in accordance with this Agreement and applicable orders of the Court, so long as Lead Class Counsel provides written notice to counsel for Cap Re at least two (2) days in advance.

2.5 The actions of the Settlement Administrator shall be governed by the terms of this Agreement. The Parties shall provide relevant information needed by the Settlement Administrator per this Agreement and engage in related communications with the Settlement Administrator, provided that notice and copies of said information and communications are given to one another.

**C. Notice to Class Members**

2.6 The Class Notice shall be mailed via first class mail through the United States Postal Service (“USPS”), postage pre-paid. The Class Notice and its envelope or covering shall be marked to denote the return address of the Settlement Administrator.

2.7 Pursuant to order of the Court, within twenty (20) days after the Preliminary Approval Date, Cap Re shall provide to Lead Class Counsel and the Settlement Administrator, conforming to the specifications of the Settlement Administrator, the Class Member List. In preparing the Class Member List, except as discussed herein, Defendants shall have no obligation to look beyond information obtainable from Cap Re’s and GMAC Mortgage’s readily-searchable computer media. The Class Member List shall, for each Reinsured Loan, specify:

- (a) the names of all the borrower(s) associated with the Reinsured Loan;
- (b) the address of the property securing the Reinsured Loan; and
- (c) the loan number of the Reinsured Loan.

The costs to GMAC Mortgage and Cap Re in compiling the Class Member List in accordance with the Agreement shall not be considered Administrative Costs to be paid from the Settlement Fund. Named Plaintiffs may conduct reasonable confirmatory discovery of Cap Re, GMAC Mortgage and Ally Bank with respect to the contours and size of the Settlement Class, in a manner to be mutually agreed upon by the Parties.

2.8 After obtaining the Class Member List, the Settlement Administrator shall utilize current USPS software and/or National Change of Address (“NCOA”) searches to update the address records so that Class Members’ most recent addresses will be utilized. If GMAC Mortgage’s or Cap Re’s records or USPS/NCOA searches indicate that co-obligors on a loan now reside at separate addresses, the Settlement Administrator will send notices to each address where a co-obligor is believed to reside. If the most recent address cannot be identified, the



Class Member's Last Known Address will be utilized. The cost to the Settlement Administrator of compiling, updating, or otherwise processing the Class Member List in accordance with the Agreement and Court orders will be paid from the Settlement Fund.

2.9 The Class Member List and its contents are to be used by Lead Class Counsel and the Settlement Administrator solely for the purpose of performing their obligations under this Agreement, and shall not be used for any other purpose at any time. Neither the Class Member List, nor the information contained in it, shall be reproduced, copied, stored, or distributed in any form, electronic or otherwise, to anyone by Lead Class Counsel or the Settlement Administrator and shall be subject to return or destruction pursuant to Section 8.14 of this Agreement.

2.10 Lead Class Counsel, through the Settlement Administrator, will establish a website for communications with Class Members, but the domain name and content of the website must be approved by GMAC Mortgage and Cap Re, and such approval shall not be unreasonably withheld.

2.11 The cost of providing Class Notice to each person on the Class Member List, as well as the cost of the Settlement Administrator, and all expenses incurred by the Settlement Administrator, including, without limitation, postage costs and data processing, will be paid from the Settlement Fund. The Parties, in good faith, will endeavor to minimize these costs to the extent possible or prudent.

2.12 No later than forty-five (45) days after entry of the Preliminary Approval Order, the Settlement Administrator will provide notice of this Settlement and the date of the Final Approval Hearing by mailing to all Class Members a copy of the Class Notice, in substantially the form attached hereto as Exhibit B. Prior to the Final Approval Hearing, Class Counsel shall serve and file a sworn statement by the Settlement Administrator evidencing compliance with the provisions of the Preliminary Approval Order concerning the preparation of and mailing of the Class Notice.

2.13 In the event that a Class Notice is returned to the Settlement Administrator by the United States Postal Service because the address of the recipient is no longer valid, and the envelope contains a forwarding address, the Settlement Administrator shall resend the Class Notice to the address within seven (7) days of receiving such information.

2.14 In the event that subsequent to the first mailing of a Class Notice, and at least fourteen (14) days prior to the Opt-Out Deadline, a Class Notice is returned to the Settlement Administrator by the United States Postal Service because the address of the recipient is no longer valid, *i.e.*, the envelope is marked "Return to Sender," and does not contain a new forwarding address, the Settlement Administrator shall perform a standard skip trace, in the manner that the Settlement Administrator customarily performs skip traces and to the extent that the information needed to perform a skip trace is available, in an effort to ascertain the current address of the particular Class Member in question and, if such an address is ascertained, the Settlement Administrator will resend the Class Notice within seven (7) days of receiving such information.

2.15 The Class Notice shall inform each Class Member of his or her right to opt-out of the Class and not to be bound by this Agreement, if, by the Opt-Out Deadline, the Class Member mails to the Settlement Administrator a notice of intention to opt out (in no particular format, but which contain the words “opt- out,” “exclusion,” or words to that effect clearly indicating an intent not to participate in the Settlement, and sets forth the Class Member’s name, address, telephone number, and loan number (if available)). The Class Notice shall further inform each Class Member of the impact of confirmation of the Chapter 11 Plan on their individual claims should they decide to opt out. The Parties shall reach an agreement as to whether a communication from a Class Member is a request to opt-out, and shall inform the Court of their position at the Final Approval Hearing if necessary and/or appropriate. In no event shall persons who purport to opt out of the Settlement as a group, aggregate, or class involving more than one (1) Class Member be considered Successful Opt-Outs.

2.16 Unless the Court directs otherwise, the Class Notices shall provide that requests by any Class Member to opt-out of the Settlement be mailed to the Settlement Administrator and postmarked by the Opt-Out Deadline, or be forever barred. In the event that more than one (1) person is obligated on a Reinsured Loan, all the obligors must submit opt-outs by the Opt-Out Deadline to designate the loan a Successful Opt-Out. Unless a Class Member is deemed a Successful Opt-Out, the Class Member will be deemed a Participating Class Member, subject to all the terms of this Agreement.

2.17 Lead Class Counsel or Defense Counsel may dispute an opt-out or purported opt-out, including an attempt to opt out as a group, aggregate or class, within thirty (30) days of the postmarking of a notice of intention to opt out, or by the Settlement Effective Date, whichever occurs later. The Court shall retain jurisdiction to resolve such disputes. Any decision by Defense Counsel not to dispute an opt-out or purported opt-out shall not be a waiver, determination, or preclusive finding against any of the Defendants as to the truth of the facts in any proceeding other than the Action or of the facts with respect to any other Class Member.

2.18 For a period of three hundred sixty (360) days after the Preliminary Approval Date, or one hundred eighty (180) days after the Final Approval Order is entered, whichever is later, the Settlement Administrator shall maintain a post office box or address, as well as a functioning email address, to receive mail in connection with the Settlement.

#### **D. Final Approval**

2.19 At the time appointed by the Court, Named Plaintiffs shall move the Court for a Final Approval Order, substantially in the form attached hereto as Exhibit C, finally approving the Settlement and this Agreement as fair, reasonable, and adequate; giving the terms of the Settlement final and complete effect; finding that all requirements of any statute, rule, or constitution necessary to effectuate this Settlement have been met and satisfied; and otherwise entering final judgment of dismissal on the merits and with prejudice in the Action. Defendants agree not to oppose the entry of the Final Approval Order, so long as the order is consistent in all material respects with Exhibit C.

2.20 The Parties shall request that the Court enter the Final Approval Order, or a separate order, providing that all Participating Class Members and Class Counsel shall be

enjoined from commencing, prosecuting, or assisting in any suit against Defendants with respect to the reinsurance of Participating Class Members' loans and the fees, charges, conduct, services, acts, or omissions of Defendants relating to matters within the scope of the Releases in Article VI of this Agreement.

### **III. SETTLEMENT FUND**

3.1 In full settlement of Named Plaintiffs' and the Participating Class Members' claims against Defendants, Cap Re agrees to establish and fund a Settlement Fund in the amount of \$6,250,000 (six million two hundred fifty thousand dollars) plus interest earned thereon, for the benefit of the Participating Class Members. Not later than five (5) business days after execution of this Agreement, Lead Class Counsel and Defense Counsel shall select a third-party FDIC-insured bank (the "Financial Institution") with whom the escrow account will be established for the purpose of holding the Settlement Fund (the "Escrow Account") together with proposed terms under which the Financial Institution shall maintain the Escrow Account. Those terms will include the right for Lead Class Counsel to instruct the Financial Institution to make disbursements to the Settlement Administrator in accordance with this Agreement and Court orders so long as Lead Class Counsel provides written notice to counsel for Cap Re at least two (2) days in advance of the transmission of the instruction(s) to the Financial Institution. Cap Re shall fund the \$6,250,000 into the Escrow Account within seven (7) days of the entry of the Preliminary Approval Order. The monies in the Escrow Account shall be considered a common fund created as a result of the Action.

3.2 The Settlement Fund shall include and retain any interest and income earned thereon, for the benefit of Participating Class Members, and shall be invested only in United States Treasury securities and/or securities of the United States Treasury with a maturity period not to exceed thirty (30) days, repurchase agreements collateralized by such securities, and mutual funds or money market accounts, provided that such funds or accounts invest exclusively in the foregoing securities.

3.3 The Settlement Administrator shall structure and manage the Settlement Fund to qualify as a "Qualified Settlement Fund" under Section 468B of the Internal Revenue Code and Treasury regulations promulgated thereunder.

3.4 All taxes on the income of the Settlement Fund and tax-related expenses incurred in connection with the taxation of the Settlement Fund shall be paid out of the Settlement Fund. Fees and expenses incurred for or by the Settlement Administrator in connection with the calculation, allocation, and distribution of the Settlement Fund shall also be paid from the Settlement Fund.

3.5 In accordance with this Agreement and following entry of the Preliminary Approval Order, the Settlement Administrator shall pay from the Settlement Fund all reasonable costs of administering the Settlement without further order from the Court, which expenses shall include: (a) expenses associated with the preparation and filing of all tax reports and tax returns required to be filed by the Settlement Fund; (b) payment of taxes owed by the Settlement Fund; (c) expenses associated with the preparation and issuance of any Forms 1099 associated with payments from the Settlement Fund; and (d) fees charged and expenses incurred by the Financial

Institution or the Settlement Administrator, associated with the provision of Class Notice, administration of the Settlement Fund, or the allocation or distribution of the Settlement Fund. There shall be no disbursement of the Settlement Fund until after the Settlement Effective Date except to fund the payment of the costs of class notice and administration required to obtain Final Approval.

#### **IV. PAYMENTS FROM THE SETTLEMENT FUND**

4.1 The Settlement Fund will be used to pay:

- (a) The Settlement Payments (as defined below) of the Participating Class Members, as awarded by the Court and subject to the procedures set forth herein;
- (b) The attorneys' fees and litigation costs of Class Counsel, as awarded by the Court;
- (c) The Case Contribution Awards of Named Plaintiffs, as approved by the Court;
- (d) The fees and costs of the Settlement Administrator, including the costs of Class Notice; and
- (e) Any other Administrative Costs in connection with the implementation of this Agreement.

4.2 Except as otherwise provided herein, the Parties and their counsel shall not charge any fees or expenses to the Settlement Fund. All other costs not provided for herein that any Defendant incurs relative to the Settlement shall be borne by such Defendant except as otherwise agreed to among the Defendants. All other costs not provided for herein that Named Plaintiffs or Class Counsel incur relative to the Settlement shall be borne by Class Counsel.

4.3 Subject to and in accordance with the other terms and conditions of Article IV, the Settlement Administrator shall provide to each Participating Class Member his or her distribution of the Net Settlement Amount ("Settlement Payment"). The Settlement Payment with respect to any Participating Class Member shall be provided by check. Cap Re and GMAC Mortgage will conduct a reasonably complete good-faith investigation within a reasonable time after the date of the execution of this Agreement into whether the number of primary mortgage insurance payments made by class members for all Reinsured Loans from the period beginning on January 1, 2004 and ending on December 31, 2008, the date when Cap Re ceased reinsuring loans ("Payment Information") is reasonably obtainable from the readily-searchable computer media of Cap Re and GMAC Mortgage.

- (a) If the investigation reveals that the Payment Information is not reasonably obtainable, then counsel for Cap Re and GMAC Mortgage shall submit, by the date of the Preliminary Approval Hearing, a declaration attesting to the investigation and that fact, and the Parties will propose that each Participating Class Member's Settlement Payment be a pro rata share of the Net Settlement Amount based on the number of Reinsured Loans of Participating Class Members

(b) If the investigation reveals that the Payment Information is reasonably obtainable, then the Parties will propose that each Participating Class Member's Settlement Payment be determined as follows:

(i) The Settlement Administrator shall (i) aggregate the total number of monthly private mortgage insurance payments made by Participating Class Members for all Reinsured Loans from the period beginning on January 1, 2004 and ending on December 31, 2008, the date when Cap Re ceased reinsuring loans ("PMI Aggregate"); (ii) Divide the total Net Settlement Amount by the PMI Aggregate; and (iii) Arrive at the "Per Month" amount;

(ii) For each Reinsured Loan, the Settlement Administrator shall then multiply the Per Month amount by the number of months that PMI was paid in connection with the Reinsured Loan in order to arrive at the Settlement Payment amount for the Reinsured Loan.

For the purposes of calculating Settlement Payments, after receiving any and all information from Cap Re and/or GMACM Mortgage directly and indirectly and after the Opt-Out Deadline has passed, the Settlement Administrator shall provide to Lead Class Counsel and Defense Counsel all relevant information in its possession regarding the number of Reinsured Loans of Participating Class Members and the number of the private mortgage insurance payments made by such Participating Class Members, if available in accordance with the investigation described above.

It shall not be a condition of this Agreement that the Court approve any particular method of calculating the Settlement Payment to a Participating Class Member and the Parties shall have the flexibility to propose mutually acceptable alternatives to the Court for approval in the event the methods set forth in this Agreement are not approved by the Court.

#### 4.4 In order to effectuate the provision of Settlement Payments:

(a) Within forty-five (45) days following the date on which the Final Approval Order is entered, the Settlement Administrator shall prepare a "Distribution List," which shall be the Class Member List prepared under Section 2.7 hereof, (i) with names omitted where the Class Notice to a Class Member was returned by the United States Postal Service and was not successfully redelivered, or where the Class Member was a Successful Opt-Out and (ii) with names omitted to reflect the resolution of disputed opt-outs or purported opt-outs under Section 2.16.

(b) The persons on the Distribution List shall be the Participating Class Members. The preliminary Distribution List shall be provided to Defense Counsel and Lead Class Counsel within five (5) business days of its preparation. The Distribution List shall be amended by the Settlement Administrator from time to time as information becomes available. It shall be the complete list of all Participating Class Members who will be provided the Settlement Payments regarding the applicable Reinsured Loans, unless otherwise ordered by the Court or agreed by Parties or unless amended as required herein.

(c) Within seventy-five (75) days after the Settlement Effective Date, the Settlement Administrator shall mail to every Participating Class Member a check in the

amount of the Settlement Payment to which the Participating Class Member is entitled hereunder on account of a Reinsured Loan at the Participating Class Member's Last Known Address ("First Distribution"). In the event that there are multiple Participating Class Members listed as co-borrowers on a Reinsured Loan who are entitled to relief under this Agreement on account of the same Reinsured Loan and there are multiple addresses listed for those Participating Class Members, the check shall be mailed to the Last Known Address associated with the primary borrower.

4.5 Aside from a lost, discarded, or destroyed check, the Settlement Administrator shall not be permitted to make multiple payments of the Settlement Payment to co-borrowers who are entitled to relief under this Agreement on account of the same Reinsured Loan, but, in such cases, shall make only one Settlement Payment jointly to all such co-borrowers in such a manner that the check can be cashed by any co-borrower. Defendants, Named Plaintiffs, and their respective counsel, shall have no liability to any co-borrower arising from any claim regarding the division of such funds among co-borrowers. A Participating Class Member (joint or several) with two or more Reinsured Loans shall be entitled to separate Settlement Payments for each Reinsured Loan.

4.6 Settlement Payments to any Participating Class Members that are delayed, because of a disputed opt-out, or purported opt-out, or a dispute with respect to how a Participating Class Member shall be treated, shall not be made on the schedule set forth in Section 4.4, but instead shall be made promptly by the Settlement Administrator or GMACM Mortgage or Cap Re, if and when finally resolved favorably to the Participating Class Member.

4.7 Sixty (60) days after the issuance of the Settlement Payments, the Settlement Administrator shall mail a reminder postcard ("Reminder Postcard") to all Participating Class Members who have not yet negotiated their Settlement Payment checks, in substantially the form attached hereto as Exhibit E. The Reminder Postcard shall note that a check was previously issued to the Participating Class Member pursuant to the Settlement, and the check must be negotiated by the date that is one hundred twenty (120) days after issuance. The Reminder Postcard will also provide the contact information for the Settlement Administrator should the Participating Class Member need to request a new check, and note that a check reissue request must be made within sixty (60) days of the date that the reminder postcard is mailed. Any checks reissued pursuant to this Section 4.7 must be negotiated by the date that is sixty (60) days after issuance.

4.8 All Settlement Payment checks issued pursuant to the First Distribution shall be void and treated as never owed if not negotiated within one hundred twenty (120) days of their date of issue, and shall contain a legend to such effect. However, in the event that any Settlement Payment checks are reissued to Participating Class Members pursuant to Section 4.7, those Settlement Payment checks shall be void and treated as never owed if not negotiated within sixty (60) days of their date of and shall contain a legend to such effect. In the event that Settlement Payment checks from the First Distribution are not cashed by Participating Class Members within one hundred twenty (120) days of their date of issue, or Settlement Payment checks that are reissued pursuant to Section 4.7 are not cashed by a Participating Class Members within sixty (60) days of their date of issue, then the total funds constituting the uncashed checks will be redistributed, pro rata based on the number of Reinsured Loans, to those Participating

Class Members who cashed their Settlement Payment checks pursuant to the First Distribution (“Second Distribution”). Settlement Payment checks issued pursuant to the Second Distribution shall be void and treated as never owed if not negotiated within sixty (60) days of their date of issue, and shall contain a legend to such effect. If any Settlement Payment checks from the Second Distribution remain uncashed within sixty (60) days of their date of issue, then the total funds constituting the uncashed checks shall be applied towards Administrative Costs that have not already been paid from the Settlement Fund. In the event that the amount of uncashed Settlement Payment checks from the Second Distribution exceeds the unpaid Administrative Costs or no Administrative Costs remain unpaid after the Second Distribution, then all funds remaining in the Escrow Account shall be distributed, pro rata based on the number of Reinsured Loans, to those Participating Class Members who cashed their original Settlement Payment checks pursuant to the First Distribution but shall exclude those Participating Class Members who did not cash their Settlement Payment checks pursuant to the Second Distribution (“Third Distribution”).

4.9 Subject to its obligations in Sections 2.7 and 2.13, the Settlement Administrator shall have no duty to locate Participating Class Members.

## **V. ATTORNEYS’ FEES, LITIGATION COSTS, AND CASE CONTRIBUTION AWARDS**

5.1 Named Plaintiffs and Class Counsel shall make application, in writing, for any Case Contribution Awards and awards of attorneys’ fees and litigation costs, at least two weeks prior to the deadline set by the Court for opt-outs and objections. Such applications shall be by separate motion, and, to the extent approved, granted by separate order. In no event shall Class Counsel seek attorneys’ fees or reimbursement of litigation costs incurred in their application for attorneys’ fees and reimbursement of litigation costs or the application for Case Contribution Awards. Any order or proceeding relating to the amount of any Case Contribution Award or award of attorneys’ fees or costs or any appeal from any order relating thereto, or reversal or modification thereof, shall not operate to modify, terminate, or cancel this Agreement, or affect or delay the finality of the Final Approval Order. A decision by the Court to approve less than Named Plaintiffs may request as Case Contribution Awards or less than Class Counsel may request as fees and/or costs shall not be deemed a basis to void any provision of this Agreement.

5.2 Class Counsel agree not to seek an award of attorneys’ fees in excess of 33<sup>1</sup>/<sub>3</sub>% (thirty-three and one-third percent) of the Settlement Fund, to be paid from the Settlement Fund. The Settlement Fund shall not be obligated to pay any award of attorneys’ fees that, individually or collectively, is in excess of 33<sup>1</sup>/<sub>3</sub>% of the Settlement. Class Counsel expressly disclaim any and all right to collect in excess of the amount awarded by the Court or 33<sup>1</sup>/<sub>3</sub>% of the Settlement Fund, whichever is less. Class Counsel agree not to seek an award of costs or expenses (payable from the Settlement Fund) in excess of actual and reasonable costs. Class Counsel agree that they shall not be entitled to any fees or costs from Defendants except those permitted by this Agreement, awarded by the Court, and paid from the Settlement Fund. Defendants agree to take no positions with respect to Class Counsel’s fee and/or expense request or any disposition thereof by the Court. It is not a condition of this Agreement that any particular amount of attorneys’ fees or costs be approved by the Court, or that such fees or costs be approved at all.

5.3 Class Counsel agree not to seek Case Contribution Awards for Named Plaintiffs in excess of \$5,000 (five thousand dollars) each. Defendants agree to take no positions with respect to Named Plaintiffs' requests for said Case Contribution Awards or any disposition thereof by the District Court. It is not a condition of this Agreement that any particular amount of Case Contribution Award be approved by the Court, or that such Case Contribution Awards be approved at all.

5.4 Any portion of Class Counsel's fees and costs, or Named Plaintiffs' Case Contribution Awards, that is not approved or awarded by the Court shall be included in the Net Settlement Amount and shall be distributed to Participating Class Members.

5.5 Lead Class Counsel may direct payment of any Court-approved award of attorneys' fees and litigation costs from the Settlement Fund after the Settlement Effective Date. Class Counsel are solely responsible for allocating such fees, costs, and expenses among themselves. Defendants shall have no responsibility for, no interest in, and no liability whatsoever with respect to the allocation amongst Class Counsel. If any dispute amongst Class Counsel arises relating to the allocation of attorneys' fees, costs, or expenses, each Class Counsel releases Defendants, and shall indemnify and hold Defendants harmless, from any and all liabilities, costs, and expenses that arise from such dispute. Such dispute shall not affect or delay the finality of the Final Approval Order.

5.6 Within five (5) business days following the Settlement Effective Date, Lead Class Counsel shall instruct the Settlement Administrator in writing to disburse payment from the Settlement Fund to Named Plaintiffs in the amounts awarded by the Court (or as modified, as necessary, following any appeal) as Case Contribution Awards.

5.7 Notwithstanding Sections, 5.2 and 5.3, Defendants, or any one of them, may submit papers in support of Preliminary and Final Approval that are consistent with the terms of this Agreement.

## **VI. RELEASES**

6.1 Upon the Settlement Effective Date, the Parties agree that Named Plaintiffs will cause their claims in this Action against Defendants to be dismissed with prejudice, with all Parties to bear its, his or her own fees and costs not otherwise awarded pursuant to the terms of this Agreement.

6.2 Except as provided for in Sections 6.4 and 6.6, and provided that any order approving the Chapter 11 Plan contains the Cap Re Carve Out (defined below), upon the Settlement Effective Date, and in consideration of the promises and covenants set forth herein, Named Plaintiffs and each Participating Class Member, and any other person or entity who claims through a Participating Class Member or who assert claims (or could assert claims) on a Participating Class Member's behalf, including each of their respective representatives, heirs, executors, spouses, guardians, successors, estates, bankruptcy estates, attorneys, agents, and assigns, will be deemed to have completely released and forever discharged Defendants, from any claim, right, demand, charge, complaint, action, cause of action, or liability of any and every kind, including without limitation those known or unknown, from the beginning of the world



until today, that arise out of common law, state law, or federal law, including claims against Defendants under RESPA that: (a) was raised in the Action or the Chapter 11 Cases (including without limitation the Moore Proof of Claim and any proof of claim filed by, or on behalf of, any Participating Class Member in the Chapter 11 Cases that is otherwise covered by the release set forth herein), or (b) could have been raised in the Action or the Chapter 11 Cases (including without limitation the Moore Proof of Claim and any proof of claim filed by or on behalf of any Participating Class Member in the Chapter 11 Cases that is otherwise covered by the release set forth herein) arising out of the same transactional nucleus of operative facts regarding Cap Re's reinsurance of primary mortgage insurance for Participating Class Members. For the avoidance of doubt, nothing in this Section 6.2 in any way limits Section 6.5. This release shall specifically apply to bar any further dispute between Parties about the matters that are within the scope of this release, whether such dispute or issue may arise or be raised in a case filed after the Preliminary Approval date.

6.3 The confirmation order approving the Chapter 11 Plan shall include a carve out to the release provided for under Article IX of the Chapter 11 Plan in favor of Cap Re (the "Cap Re Carve-out"), as set forth in paragraph 39(a)C. of the *Order Confirming Second Amended Joint Chapter 11 Plan Proposed by Residential Capital, LLC et. al. and the Official Committee of Unsecured Creditors* [Docket No. 6021, Ex. 1] (the "Cap Re Carve-out"). The Cap Re Carve-out shall be for the exclusive benefit of Participating Class Members and shall not apply to any putative Class Member who elects to opt out of the Settlement, any other putative Class Member in connection with an independent claim asserted in his or her individual capacity, or any other persons or entities. The Parties agree that in the event of any inconsistency between the Cap Re Carve-out contained in the Confirmation Order and the Plan, the Cap Re Carve-out contained in the confirmation order shall control.

6.4 To the extent that (i) the Bankruptcy Court confirms the Chapter 11 Plan; (ii) the order approving confirmation of the Chapter 11 Plan contains the Cap Re Carve-out, and (iii) the Chapter 11 Plan's Effective Date occurs, all releases, exculpations, discharges, and injunctions provided for in Article IX of the Chapter 11 Plan and in the order confirming the Chapter 11 Plan in favor of GMAC Mortgage, Cap Re and their respective "Representatives" (as such term is defined in the Chapter 11 Plan) shall be in full force and effect subject to the terms and conditions provided for in the Chapter 11 Plan and in the order confirming the Chapter 11 Plan, provided, however, that with respect to Cap Re, the Cap Re Carve-out shall apply.

6.5 On the occurrence of the Chapter 11 Plan's Effective Date, all releases, exculpations, discharges, and injunctions provided for in Article IX of the Chapter 11 Plan and in the order confirming the Chapter 11 Plan in favor of the "Ally Released Parties" as such term is defined in the Chapter 11 Plan, shall be in full force and effect subject to the terms and conditions provided for in the Chapter 11 Plan and in the order confirming the Chapter 11 Plan. For the avoidance of doubt, Cap Re will not be deemed an "Ally Released Party" for purposes of this section 6.5 consistent with the Cap Re Carve-out.

6.6 Subject to and conditioned upon (i) the confirmation of the Chapter 11 Plan; (ii) the inclusion of the Cap Re Carve-out in the order approving confirmation of the Chapter 11 Plan and (iii) the occurrence of the Chapter 11 Plan's Effective Date, upon execution of this

Agreement, the Moore Proof of Claim shall be deemed to be withdrawn with prejudice and expunged.

6.7 Upon the Settlement Effective Date, Defendants shall be deemed to have released Named Plaintiffs, each Participating Class Member and Class Counsel from all potential or asserted claims arising from the institution or prosecution of the Action and/or the Moore Proof of Claim and/or relating to the Settlement.

## **VII. REPRESENTATIONS AND WARRANTIES**

7.1 In addition to the provisions hereof, this Agreement and the Settlement shall be subject to the ordinary and customary judicial approval procedures under Rule 23. Until and unless this Agreement is dissolved or becomes null and void by its own terms, or unless otherwise ordered by the Court, or if Complete Settlement Approval is not achieved, Named Plaintiffs and Class Counsel represent and acknowledge to Cap Re and GMAC Mortgage and Cap Re and GMAC Mortgage represent to Named Plaintiffs and Class Counsel, that they each shall use their best efforts to cause the Court to grant Preliminary and Final Approval of this Agreement as promptly as possible, use their best efforts to resist and oppose any or all objections to the Settlement and any or all attempts to opt out of the Settlement on any basis other than an individual basis, and take or join in such other steps as may be necessary to implement this Agreement and to effectuate the Settlement. Best efforts includes (a) the obligation to oppose objections, to not cooperate with objectors or prospective opt-outs, and to defend, protect, and seek enforcement of this Agreement and the Settlement before the Court or before any other court or on appeal, if any; (b) to amend the pleadings and/or seek and obtain the participation of additional plaintiff parties, if necessary; (c) to seek approval of the Class Notice, this Agreement, and the Settlement by the Court; (d) to move for the entry of the orders set forth in Sections 2.1 and 2.18; (e) to join in the entry of such other orders or revisions of orders or notices, including the orders attached hereto, as are required by the Court, not to be unreasonably withheld; and (f) to jointly appeal or to not oppose an appeal of any denial of a motion for approval of the Settlement or an award of attorneys' fees and litigation costs and/or Case Contribution Awards for Named Plaintiffs. Ally Bank represents to Named Plaintiffs and Class Counsel that it shall not interfere with any efforts by Class Counsel, Cap Re and GMAC Mortgage to obtain approval of this Settlement in accordance with this Agreement.

7.2 Named Plaintiffs and Class Counsel represent and warrant that the term "Class Counsel" as defined in Section 1.5 of this Agreement, and their bankruptcy counsel, Lowenstein Sandler, LLP, are all persons and entities having any interest in an award of attorneys' fees and litigation costs in connection with the Action. Named Plaintiffs and Class Counsel represent and warrant that any motion and/or application that they file requesting an award of attorneys' fees and litigation costs shall include within its scope all attorneys and law firms with a financial interest in any such award.

7.3 Named Plaintiffs, Class Counsel, and Defendants represent and warrant that they are fully authorized to enter into this Agreement and to carry out the obligations provided for herein. Each person executing this Agreement on behalf of a Party covenants, warrants, and represents that he is and has been fully authorized to do so by such Party. Each Party hereto

further represents and warrants that the Party intends to be bound fully by the terms of this Agreement.

7.4 The Parties represent and warrant that they will have not, nor will they (a) opt-out of the Settlement under this Agreement; (b) solicit, encourage, or assist in any fashion Class Members to opt out; or (c) solicit, encourage, or assist in any fashion any effort by any person (natural or legal) to object to the Settlement under this Agreement.

7.5 Named Plaintiffs and Class Counsel represent and warrant that they will cooperate in any necessary consultation with the Debtors and the Creditors' Committee in the Chapter 11 Cases. The Parties acknowledge and agree that Defendants would not have entered into this Agreement, and would not have provided benefits to the Class, if Named Plaintiffs and Class Counsel had not agreed (a) to cooperate in any necessary consultation with the Creditors' Committee in the Chapter 11 Cases; (b) to withdraw, with prejudice, from the Chapter 11 Cases, the Moore Proof of Claim consistent and in accordance with the terms and conditions of Article VI hereof; (c) to release GMAC Mortgage and Ally Bank and their respective affiliates in accordance with the terms of Article VI hereof; and (d) to represent that the Moore Proof of Claim is the only proof of claim filed on behalf of Named Plaintiffs in the Chapter 11 Cases.

7.6 If any person, legal or natural, breaches the terms of any of the representations and warranties in this Article VII, he, she, or it shall be fully liable for all damages he, she, or it caused, including legal fees and costs reasonably incurred as a consequence of the breach, to any adversely affected Party. Any adversely affected Party may institute a proceeding before the Court to recover all sums due and owing under this Section 7.6, and to seek additional equitable relief as the Court deems proper and just, and the Court shall retain jurisdiction over this matter to entertain such proceedings.

7.7 Lead Class Counsel represent and warrant that they have authority to bind Class Counsel to the Settlement and the terms of this Agreement.

7.8 The Defendants (or any of them) shall not oppose class certification pursued in accordance with this Agreement.

## **VIII. MISCELLANEOUS PROVISIONS**

8.1 This Agreement reflects, among other things, the compromise and settlement of disputed claims among the Parties hereto, and nothing in this Agreement nor any action taken to effectuate this Agreement is intended to be an admission or concession of liability of any Party or third party or of the validity of any claim. Defendants deny the allegations in the Action and contend that their conduct, and the conduct of each of Defendants, has been lawful and proper.

8.2 This Agreement is entered into only for purposes of settlement. In the event that the Court enters an order preliminarily or finally approving the Settlement of the Action in a manner that is materially inconsistent with the terms and intent of this Agreement, the Parties shall meet and confer in good faith as to any such modifications by the Court. If it is determined by the Parties that the modifications do not materially alter the terms and intent of this Agreement, then this Agreement shall remain effective. However, if it is determined by the Parties, after meeting and conferring in good faith, that the modifications do materially alter the

terms and intent of this Agreement, or if the Court refuses to grant Final Approval of this Agreement, or, if any Party has a good-faith basis to unilaterally determine that it does not want to proceed with the Settlement due to material modifications set forth in the Court's Preliminary Approval Order or Final Approval Order, then, subject to Sections 8.4, 8.5 and 8.6, any Party shall have the option to terminate this Agreement. The Court will retain jurisdiction and will retain final authority to resolve any dispute with respect to this section 8.2. If this Agreement is terminated, except as otherwise set forth in Section 8.4, the Parties shall be absolved from all obligations under this Agreement, and this Agreement, any draft hereof, and any discussion, negotiation, documentation, or other part or aspect of Parties' settlement discussions leading to the execution of this Agreement shall have no effect and shall not be admissible evidence for any purpose. Any orders entered pursuant to the Settlement thereafter shall be null and void, shall not be an adjudication of any fact or issue for any purpose other than the effectuation of this Agreement, and shall not be considered as law of the case, *res judicata*, or collateral estoppel in this or any other proceeding. In addition, the status of the Action shall revert to the state it was in prior to the Settlement, and the agreements contained herein (including the agreement not to oppose the certification of a class) shall be null and void, and shall not be cited or relied upon as an admission as to the propriety of certification, and Parties shall have all rights, claims, and defenses that they had or were asserting prior to this Agreement.

8.3 In addition to Defendants' rights set forth in Section 8.2, this Agreement shall be terminable at the option of Defendants (a) if the valid opt-outs number more than three percent (3%) of the Class, or (b) if the releases set forth in Article VI are precluded, in any way, including by any objection or similar action taken by any governmental entity or court. This Agreement shall also be terminable at any time upon the mutual agreement of Parties.

8.4 Notwithstanding the termination of this Agreement in accordance with the terms hereof, (a) the provisions in Sections 6.4 and 6.6 in favor of Defendants shall remain in full force and effect provided that the Chapter 11 Plan is confirmed, the Plan's Effective Date occurs and the order confirming Chapter 11 Plan contains the Cap Re Carve-out, and (b) the provisions of 6.5 in favor of the Ally Released Parties shall remain in full force and effect provided that the Chapter 11 Plan is confirmed and the Chapter 11 Plan's Effective Date occurs.

8.5 In the event that Complete Settlement Approval does not occur, Class Counsel commit to work with counsel to Cap Re to modify or amend this Agreement, as appropriate, in order to obtain the entry of the Final Approval Order, and Class Counsel will utilize reasonable efforts to help obtain such approval in a manner that requires no further contribution by Cap Re or any contribution on behalf of GMAC Mortgage, Ally Bank, or any of their affiliates. Notwithstanding the foregoing, any amendment to the Agreement shall in no way affect the releases and other provisions set forth in Sections 6.2, 6.4 and 6.5 of this Agreement. The Parties will ask the Court to retain jurisdiction for the purpose of implementing this provision.

8.6 In the event that the Court declines to grant final approval of the Settlement, and the Agreement is not modified in accordance with section 8.5 hereof, Defendants agree that this Agreement is not terminated so long as Named Plaintiffs timely appeal/petition the Supreme Court for review. Defendants agree not to oppose any appeal/Supreme Court petition by Named Plaintiffs of the Court's or any appellate court's decision(s) or, any petition to have the Settlement finally approved. The Settlement will remain effective during the pendency of any

such appeal or petition. If the Court enters the Final Approval Order, but approves an award of attorneys' fees and costs in an amount less than 33<sup>1</sup>/<sub>3</sub>% (thirty-three and one-third percent) of the Settlement Fund, this Agreement shall remain in full force and effect, and Class Counsel shall accept such lesser award of attorneys' fees and costs subject only to their right to appeal any such award by the Court and with the express understanding that the Net Settlement Amount available for distribution to Participating Class Members cannot be determined pursuant to the Parties' plan of allocation until such appeal has been resolved.

8.7 Pending Complete Settlement Approval, Cap Re agrees that it (i) will not dissolve or take any action to cause its dissolution; (ii) will not cause any dividend or payment (in cash or in kind) to be made to GMAC Mortgage or any affiliate thereof except such usual and customary payments as may be necessary to the conduct of the business of Cap Re in the ordinary course; (iii) will not make any unusual payments to any third-party outside the ordinary course of business except as may be required to comply with applicable law, court order, regulation or regulator request; provided; however, and for the avoidance of doubt, Cap Re, in its sole discretion, shall be entitled to retain and compensate third-party consultants and professionals in connection with the evaluation of strategic business alternatives; and (iv) pending Preliminary Approval and creation of the Settlement Fund, will retain \$6.25 million in available cash to pay into the Settlement Fund, which funds following Preliminary Approval will be subject to the terms of this Agreement; provided, however, the foregoing shall not preclude Cap Re, in its sole discretion, from taking any action to sell or otherwise monetize its assets, which in the reasonable business judgment of its officers and directors is intended to maximize the value thereof, provided Cap Re retains the net proceeds of any such transaction.

8.8 The obligations of the Parties and the Settlement Administrator with respect to the provision of the Settlement Payments, including their activities with respect to the Class Member List and/or the Distribution List or their assistance to the Settlement Administrator and its service, acts, or omissions as Settlement Administrator (if any), shall be performed reasonably, non-negligently, and in good faith, subject to the further provision that the terms of the Settlement and any Court orders shall control. Each of the Parties and the Settlement Administrator will only be liable for their own negligent or grossly negligent activities or omissions with respect to the Class Member List and/or the Distribution List or their assistance to the Settlement Administrator therewith, or the allocation or distribution of payments pursuant to this Settlement Agreement. Defendants agree that Named Plaintiffs, Lead Class Counsel, and Class Counsel have no ability to independently verify the accuracy of the information provided by Defendants. So long as they abide by the terms of the Settlement, the Parties shall not be liable for erroneous, improper, or inaccurate actions, omissions, crediting, or payment, and the releases and any judgment shall be effective as of Final Approval as to every Participating Class Member notwithstanding any error or dispute and regardless of whether such error or dispute is corrected or addressed only thereafter, unless such error is attributable to the Parties' negligence or gross negligence. In the event that a Participating Class Member's release of Defendants is invalidated as a result of Defendants' negligence or gross negligence in connection with this Agreement, as set forth in this Section, that shall not in any way undermine or invalidate the releases of Defendants by other Participating Class Members or effect the distributions from the Settlement Fund to other Participating Class Members.

8.9 The time periods and dates described herein with respect to the giving of notices and hearings are subject to Court approval and modification by the Court or by written stipulation of counsel for the Parties.

8.10 This Agreement is intended to and shall be governed as a contract executed under the laws of the Commonwealth of Pennsylvania.

8.11 The terms and conditions set forth herein constitute the complete and exclusive agreement between Parties hereto, and may not be contradicted by evidence of any prior or contemporaneous agreement, and no extrinsic evidence may be introduced in any judicial proceeding to interpret this Agreement. Any modification of this Agreement must be confirmed in a writing served upon counsel for all Parties.

8.12 This Agreement shall inure to the benefit of the respective heirs, successors, and assigns of Parties.

8.13 The waiver by one Party of any provision or breach of this Agreement shall not be deemed a waiver of any other provision or breach of this Agreement.

8.14 This Agreement shall become effective upon its execution by the undersigned. This Agreement and any amendments hereto may be executed by exchange of executed signature pages by facsimile or Portable Document Format (PDF) as an electronic mail attachment, and any signature transmitted by facsimile or PDF via electronic mail for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one and the same instrument. Class Counsel represent that they are fully authorized under all applicable laws to execute this Agreement by, and on behalf of, each and every Named Plaintiff, each of whom they represent (a) has had the opportunity to discuss this matter with Class Counsel, and (b) each of whom freely and voluntarily enter into this Settlement on their own behalf, and as representatives of the proposed Class.

8.15 Pursuant to the Confidentiality Stipulation and Order (ECF No. 47), within one (1) year after the Settlement Effective Date, if the Settlement Fund has been completely allocated and there is no further reason to utilize such information to effectuate the Settlement, any person “who is in possession of Discovery Materials, including copies thereof, shall certify in writing to the Producing Person that all such Discovery Materials and copies in such person’s possession, custody, or control have been either returned to the Producing Person or destroyed. Outside counsel, however, shall not be required to return any pretrial or trial records regularly maintained by that counsel in the ordinary course of business (such as pleadings and exhibits filed with the Court), which records will continue to be maintained confidential in conformity with [the Confidentiality Stipulation and] Order.” Work product and attorney-client privileged material are exempt. All other provisions of the Confidentiality Stipulation and Order are hereby incorporated herein. Also within one (1) year after the Settlement Effective Date, Lead Class Counsel and the Settlement Administrator shall each certify in writing to Defendants that they have either returned or destroyed the Class Member List or any copy, extract or summary thereof.

8.16 Class Counsel and Named Plaintiffs agree that they will not disparage any Defendant with respect to any issue related to this Action or the Chapter 11 Cases. Each Defendant and each Defendant's counsel agrees that they will not disparage Named Plaintiffs or Class Counsel with respect to any issue related to this Action or the Chapter 11 Cases. Any press release relating to the Agreement must be prepared jointly and agreed to by the Parties.

8.17 Although the Court shall enter a judgment, the Court shall retain jurisdiction over the interpretation, effectuation, enforcement, administration, and implementation of this Agreement. In the event any proceeding is brought to enforce the terms of this Agreement, the prevailing party shall recover from the other(s), damages arising from any breach of this Agreement, and his, her, or its reasonable attorneys' fees and costs incurred therein.

8.18 The provisions of this Agreement, except for the provisions in Articles III and VI, are severable insofar as the partial or complete invalidity, illegality or legal ineffectiveness of any term in this Agreement shall not affect the validity, legality, or legal effectiveness of the remainder of such term or of any other terms herein.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have caused this Agreement to be executed on the dates shown below.

Dated: December 10, 2013

  
\_\_\_\_\_  
GMAC Mortgage, LLC  
*Defendant*      WILLIAM R. THOMPSON  
GENERAL COUNSEL

Dated: December 10, 2013

  
\_\_\_\_\_  
Cap Re of Vermont, LLC  
*Defendant*      WILLIAM R. THOMPSON  
GENERAL COUNSEL

Dated: December \_\_, 2013

\_\_\_\_\_  
Ally Bank  
*Defendant*

Dated: December \_\_, 2013

\_\_\_\_\_  
Donna Moore  
*Named Plaintiff*

By Lead Class Counsel  
KESSLER TOPAZ MELTZER & CHECK LLP  
Edward W. Ciolko  
Terence Ziegler

8.16 Class Counsel and Named Plaintiffs agree that they will not disparage any Defendant with respect to any issue related to this Action or the Chapter 11 Cases. Each Defendant and each Defendant's counsel agrees that they will not disparage Named Plaintiffs or Class Counsel with respect to any issue related to this Action or the Chapter 11 Cases. Any press release relating to the Agreement must be prepared jointly and agreed to by the Parties.

8.17 Although the Court shall enter a judgment, the Court shall retain jurisdiction over the interpretation, effectuation, enforcement, administration, and implementation of this Agreement. In the event any proceeding is brought to enforce the terms of this Agreement, the prevailing party shall recover from the other(s), damages arising from any breach of this Agreement, and his, her, or its reasonable attorneys' fees and costs incurred therein.

8.18 The provisions of this Agreement, except for the provisions in Articles III and VI, are severable insofar as the partial or complete invalidity, illegality or legal ineffectiveness of any term in this Agreement shall not affect the validity, legality, or legal effectiveness of the remainder of such term or of any other terms herein.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have caused this Agreement to be executed on the dates shown below.

Dated: December \_\_, 2013

\_\_\_\_\_  
GMAC Mortgage, LLC  
*Defendant*

Dated: December \_\_, 2013

\_\_\_\_\_  
Cap Re of Vermont, LLC  
*Defendant*

Dated: December 11, 2013

  
\_\_\_\_\_  
Ally Bank  
*Defendant*

Dated: December \_\_, 2013

\_\_\_\_\_  
Donna Moore  
*Named Plaintiff*

By Lead Class Counsel  
KESSLER TOPAZ MELTZER & CHECK LLP  
Edward W. Ciolko  
Terence Ziegler



8.16 Class Counsel and Named Plaintiffs agree that they will not disparage any Defendant with respect to any issue related to this Action or the Chapter 11 Cases. Each Defendant and each Defendant's counsel agrees that they will not disparage Named Plaintiffs or Class Counsel with respect to any issue related to this Action or the Chapter 11 Cases. Any press release relating to the Agreement must be prepared jointly and agreed to by the Parties.

8.17 Although the Court shall enter a judgment, the Court shall retain jurisdiction over the interpretation, effectuation, enforcement, administration, and implementation of this Agreement. In the event any proceeding is brought to enforce the terms of this Agreement, the prevailing party shall recover from the other(s), damages arising from any breach of this Agreement, and his, her, or its reasonable attorneys' fees and costs incurred therein.

8.18 The provisions of this Agreement, except for the provisions in Articles III and VI, are severable insofar as the partial or complete invalidity, illegality or legal ineffectiveness of any term in this Agreement shall not affect the validity, legality, or legal effectiveness of the remainder of such term or of any other terms herein.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have caused this Agreement to be executed on the dates shown below.

Dated: December \_\_, 2013

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GMAC Mortgage, LLC  
*Defendant*

Dated: December \_\_, 2013

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Cap Re of Vermont, LLC  
*Defendant*

Dated: December \_\_, 2013

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Ally Bank  
*Defendant*

Dated: December 10, 2013

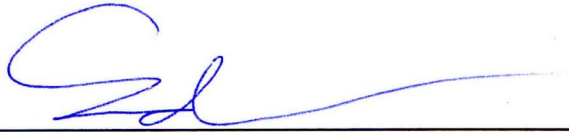


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Donna Moore  
*Named Plaintiff*

By Lead Class Counsel  
KESSLER TOPAZ MELTZER & CHECK LLP  
Edward W. Ciolko  
Terence Ziegler

Dated: December 10, 2013

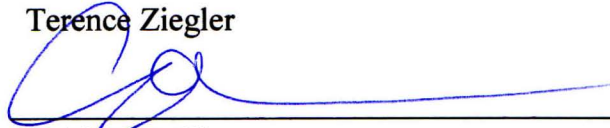


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Frenchola Holden  
*Named Plaintiff*

By Lead Class Counsel  
KESSLER TOPAZ MELTZER & CHECK LLP  
Edward W. Ciolko  
Terence Ziegler

Dated: December 10, 2013



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Keith McMillon  
*Named Plaintiff*

By Lead Class Counsel  
KESSLER TOPAZ MELTZER & CHECK LLP  
Edward W. Ciolko  
Terence Ziegler

APPROVED AS TO CONTENT AND FORM

DURANT & DURANT LLP

Dated: December \_\_, 2013

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Marc Durant

*Counsel for Defendants GMAC Mortgage, LLC  
and Cap Re of Vermont, LLC*

MORRISON & FOERSTER LLP

Dated: December \_\_, 2013

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Michael J. Agolia

*Counsel for Defendants GMAC Mortgage, LLC  
and Cap Re of Vermont, LLC*

Dated: December \_\_, 2013

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Frenchola Holden  
*Named Plaintiff*

By Lead Class Counsel  
KESSLER TOPAZ MELTZER & CHECK LLP  
Edward W. Ciolko  
Terence Ziegler

Dated: December \_\_, 2013

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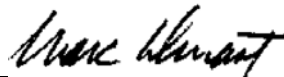
Keith McMillon  
*Named Plaintiff*

By Lead Class Counsel  
KESSLER TOPAZ MELTZER & CHECK LLP  
Edward W. Ciolko  
Terence Ziegler

APPROVED AS TO CONTENT AND FORM

DURANT & DURANT LLP

Dated: December 10, 2013



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Marc Durant

*Counsel for Defendants GMAC Mortgage, LLC  
and Cap Re of Vermont, LLC*

MORRISON & FOERSTER LLP

Dated: December \_\_, 2013

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Michael J. Agoglia

*Counsel for Defendants GMAC Mortgage, LLC  
and Cap Re of Vermont, LLC*

Dated: December \_\_, 2013

---

Frenchola Holden  
*Named Plaintiff*

*By Lead Class Counsel*  
KESSLER TOPAZ MELTZER & CHECK LLP  
Edward W. Ciolko  
Terence Ziegler

Dated: December \_\_, 2013

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Keith McMillon  
*Named Plaintiff*

*By Lead Class Counsel*  
KESSLER TOPAZ MELTZER & CHECK LLP  
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and Cap Re of Vermont, LLC*

Dated: December 10, 2013

OTTERBOURG P.C.



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Richard G. Haddad

*Counsel for Defendant Ally Bank*

KESSLER TOPAZ MELTZER & CHECK LLP

Dated: December \_\_, 2013

---

Edward W. Ciolko  
Terence Ziegler

*Lead Class Counsel*

OTTERBOURG P.C.

Dated: December \_\_, 2013

---

Richard G. Haddad

*Counsel for Defendant Ally Bank*

KESSLER TOPAZ MELTZER & CHECK LLP

Dated: December \_\_, 2013



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Edward W. Ciolko  
Terence Ziegler

*Lead Class Counsel*

# Exhibit A





Preliminary Approval of the Settlement Agreement is hereby granted, subject to further consideration thereof at the Final Approval Hearing described in paragraph 22 of this Order.

3. If, for any reason, the Settlement is not finally approved or does not become effective, this provisional approval and class certification Order shall be null and void, and shall not be used or referred to for any purpose in this Action or any other action or proceeding.

4. Preliminary Certification of the Settlement Class. Solely for the purpose of settlement in accordance with the Settlement Agreement, and pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, this Court hereby conditionally certifies the following class (“Settlement Class”):

All persons who obtained residential mortgage loans originated and/or acquired by GMAC Mortgage, GMAC Bank (now known as Ally Bank), and/or their affiliates on or after January 1, 2004, with private mortgage insurance which was reinsured by Cap Re.

5. Pursuant to the Settlement Agreement, and for settlement purposes only, the Court preliminarily finds as to the Settlement Class that:

a. The Settlement Class is so numerous that joinder of all members is impracticable.

b. There are questions of law or fact common to the Settlement Class.

c. The claims of the Named Plaintiffs are typical of the claims of the Settlement Class that Named Plaintiffs seek to certify.

d. Named Plaintiffs and Class Counsel will fairly and adequately protect the interests of the Settlement Class.

e. The questions of law or fact common to members of the Settlement Class, and which are relevant for settlement purposes, predominate over the questions affecting only individual members.

f. Certification of the Settlement Class is superior to other available methods for fair and efficient adjudication of the controversy.

6. For the purpose of preliminary approval and all matters relating to the Settlement and this Action, until further order of the Court, Donna Moore, Frenchola Holden, and Keith McMillon are hereby conditionally appointed as class representatives.

7. Pursuant to Rule 23(g), the Court preliminarily appoints Kessler Topaz Meltzer & Check, LLP; Bramson, Plutzik, Mahler & Birkhaeuser, LLP; Berke, Berke & Berke; and Travis & Calhoun, P.C. as Class Counsel. The Court further preliminarily appoints Kessler Topaz Meltzer & Check, LLP as Lead Class Counsel.

8. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the terms of the Settlement Agreement, and the Settlement provided for therein, are preliminarily approved as (a) fair, reasonable, and adequate in light of the relevant factual, legal, practical, and procedural considerations of the Action, (b) free of collusion to the detriment of Class Members, and (c) within the range of possible final judicial approval, subject to further consideration thereof at the Final Approval Hearing, described in paragraph 22 of this Order. Accordingly, the Settlement Agreement and the Settlement are sufficient to warrant notice thereof, as set forth below, and a full hearing on the Settlement.

9. Pursuant to the terms of Section 2.7 of the Settlement Agreement, Cap Re is hereby directed to prepare and provide to Lead Class Counsel and the Settlement Administrator the Class Member List within twenty (20) days of the entry of this Order. Within forty-five (45) days of entry of this Order, the Settlement Administrator shall provide notice of this Settlement and the Final Approval Hearing to all Class Members by mailing a copy of the Notice

of Pendency of Class Action Settlement and Final Approval Hearing (“Class Notice”), substantially in the form attached to the Settlement Agreement as Exhibit B.

10. As set forth in in Section 2.11 of the Settlement Agreement, Administrative Costs including but not limited to, the expenses of printing, preparing, and mailing the Class Notice and the reasonable costs and expenses of the Settlement Administrator, shall be paid from the Settlement Fund. In no event will Administrative Costs include any fees or expenses incurred by the Parties or their counsel.

11. Prior to the Final Approval Hearing, as described in paragraph 22 herein, Lead Class Counsel shall serve and file a sworn statement of the Settlement Administrator evidencing compliance with the provisions of this Order concerning the mailing of Class Notice.

12. The form, content, and procedures of Class Notice, as set forth in Exhibit B to the Settlement Agreement and in compliance with Sections 2.12 through 2.15 of the Settlement Agreement, are approved. The proposed Class Notice is hereby found to be the best notice practicable under the circumstances, and constitutes due and sufficient notice of this Order to all persons affected by and/or entitled to participate in the Settlement, in full compliance with the notice requirements of Rule 23 of the Federal Rules of Civil Procedure and due process. This Court further finds that, other than as provided herein, no other or further notice is reasonably necessary in this Action.

13. Any Class Member wishing to be excluded from the Class shall mail an opt-out notice conforming in all respects to the terms and provisions of Section VI of the Class Notice to the Settlement Administrator, postmarked no later than \_\_\_\_\_, 2014. As set forth in greater detail in the Settlement Agreement and Class Notice, such opt-out notice shall set forth: the name, address, mortgage loan number (if available), and telephone number of the Class

Member, and contain the words “opt-out,” “exclusion,” or other words clearly indicating an intent not to participate in the Settlement. If more than one Class Member was obligated on the loan, then the opt-out request must be signed by all obligors in order to be valid. Opt-outs shall be deemed to have been made in each and every capacity in which the person requesting the exclusion is acting. Any Class Member who does not properly and timely request exclusion shall be included in the Class and shall be bound by any judgment entered in this Action.

14. At least fourteen (14) days prior to the Final Approval Hearing, the Settlement Administrator shall: (i) notify Lead Class Counsel and counsel for Defendants, in writing, of the names of the Class Members, if any, who request exclusion, and the mortgage loan numbers (if available) for which each is claiming exclusion; (ii) file with the Court a sworn statement listing all persons who have submitted timely requests for exclusion; and (iii) provide copies of all opt-out notices received by it to Lead Class Counsel and counsel for Defendants. The originals of all opt-out notices shall be retained by the Settlement Administrator (i) unless and until such originals are filed with the Court or (ii) until such originals are delivered to counsel for Defendants following the Settlement Effective Date.

15. To effectuate the Settlement and the Class Notice provided for herein, the Settlement Administrator shall lease and maintain a post office box of adequate size. The Class Notice shall designate said post office box for all purposes of communicating with the Settlement Administrator. The Class Notice shall designate the Settlement Administrator as the entity to whom opt-out notices shall be sent. The Settlement Administrator shall be responsible for the receipt of all responses from Class Members and shall preserve all opt-out notices and any and all other written communications from Class Members or any other person in response to the Class Notice until administration of the Settlement is complete or pursuant to further Order of

this Court. All written communications received from Class Members and all written responses to inquiries by Class Members relating to the Settlement Agreement and Settlement shall be available at all reasonable times for inspection and copying by Lead Class Counsel and counsel for Defendants, subject to further Order of the Court if issues of privilege or confidentiality arise.

16. In the event that the Settlement Effective Date occurs in accordance with all of the terms and conditions of the Settlement Agreement, Class Members need not take any affirmative action to be included in the Settlement, but if desirous of participating in the Settlement, they shall not opt out of or request exclusion from the Settlement.

17. Within seven (7) days of the entry of this order, Defendant Cap Re shall fund \$6,250,000 (the "Settlement Fund") into an escrow account established at [●] (the "Escrow Account") in accordance with Section 3.1 of the Settlement Agreement and pursuant to that certain agreement between Lead Class Counsel, Defense Counsel, and the Financial Institution dated as of [●].

18. Pending Complete Settlement Approval, as defined in the Settlement Agreement, Cap Re shall not (i) dissolve or take any action to cause its dissolution; (ii) cause any dividend or payment (in cash or in kind) to be made to GMAC Mortgage or any affiliate thereof except such usual and customary payments as may be necessary to the conduct of the business of Cap Re in the ordinary course; or (iii) make any unusual payments to any third-party outside the ordinary course of business except as may be required to comply with applicable law, court order, regulation or regulator request; provided; however, and for the avoidance of doubt, Cap Re, in its sole discretion, shall be entitled to retain and compensate third-party consultants and professionals in connection with the evaluation of strategic business alternatives. Pending creation of the Settlement Fund, Cap Re shall retain \$6.25 million in available cash to pay into

the Escrow Account which funds following entry of this Order will be subject to the terms of the Settlement Agreement and any related documents; provided, however, the foregoing shall not preclude Cap Re, in its sole discretion, from taking any action to sell or otherwise monetize its assets, which in the reasonable business judgment of its officers and directors is intended to maximize the value thereof, provided Cap Re retains the net proceeds of any such transaction.

19. Cap Re's obligations under paragraph 18 above shall terminate upon Complete Settlement Approval or, thirty (30) days after the termination of the Settlement Agreement according to its terms.

20. All other events contemplated under the Settlement Agreement to occur after this Order and before the Final Approval Hearing described in paragraph 22 of this Order shall be governed by the Settlement Agreement, to the extent not inconsistent herewith.

21. All memoranda, affidavits, declarations, and other evidence in support of the request for approval of the Settlement; Class Counsels' request for approval of attorneys' fees, costs, and reimbursement of expenses; and the request for Case Contribution Awards shall be filed on or before \_\_\_\_\_, 2014, at least two weeks prior to the Objection Deadline, and shall be posted immediately to the settlement website. Any responses or objections to these requests shall be filed on or before the Objection Deadline.

22. A Final Approval Hearing shall be held before the undersigned at \_\_:\_\_ (a.m./p.m.) on \_\_\_\_\_, 2014, in the United States District Court for the Eastern District of Pennsylvania, 601 Market Street, Courtroom 6B, Philadelphia, Pennsylvania 19106, to consider the fairness, reasonableness, and adequacy of the proposed Settlement, the entry of any final order or judgment in the Action, any petition for attorneys' fees and costs and Case Contribution Awards for the Named Plaintiffs, and other related matters. The Final Approval

Hearing may be postponed, adjourned, or continued by further Order of this Court without further notice to the Class.

23. Any Class Member who does not opt out of the Settlement may appear at the Final Approval Hearing in person or through counsel, if an appearance is filed and served as provided in the Class Notice, and will be heard to the extent allowed by the Court in support of, or in opposition to, the fairness, reasonableness, and adequacy of the proposed Settlement and the requested attorneys' fees and costs and Case Contribution Awards for the Named Plaintiffs; provided, however, that no person shall be heard in opposition to the proposed Settlement and, if approved, the judgment entered thereon, or to the requested award of attorneys' fees and costs and Case Contribution Awards for the Named Plaintiffs, and no papers or briefs submitted by any person shall be accepted or considered by the Court, unless, on or before the Objection Deadline, such person (i) has filed with the Clerk of the Court a notice of such person's intention to appear, together with a statement that indicates the basis for such opposition along with any supporting documentation, and (ii) has served copies of such notice, statement, and documentation together with copies of any other papers or briefs that such person files with the Court, either in person or by mail, upon Lead Class Counsel and Defense Counsel, and (iii) otherwise complies with the Settlement Agreement and Class Notice for purpose of such hearing. Any Class Member who does not submit an objection in the manner provided above shall be deemed to have waived any objection to the Settlement and shall forever be foreclosed from making any objection to class certification, to the fairness, adequacy, or reasonableness of the Settlement, and to any attorneys' fees and reimbursements approved.

24. All proceedings in the Action other than such as may be necessary to carry out the terms and conditions of the Settlement Agreement or the responsibilities related or incidental thereto are stayed and suspended until further order of this Court.

25. The Court expressly reserves its right to adjourn the Final Approval Hearing from time to time without further notice, other than to counsel of record, and to approve the proposed Settlement and request for approval of attorneys' fees and expenses and request for approval of the Case Contribution Awards at or after the originally scheduled Final Approval Hearing.

26. The Garden City Group, Inc. is hereby appointed to serve as Settlement Administrator.

Dated: \_\_\_\_\_, 2013

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The Honorable Paul S. Diamond  
United States District Judge



# **Exhibit B**



<b>YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT</b>	
<b>YOU MAY ATTEND THE FINAL APPROVAL HEARING TO BE HELD ON _____, 2014.</b>	If you submit a written objection to the Settlement to the Court and counsel to the addresses set forth below before the Court-approved deadline, you may (but do not have to) attend the Court hearing about the Settlement and present your objections to the Court. You may attend the hearing even if you do not file a written objection, but you will be allowed to speak at the hearing only if you file a written objection in advance of the hearing and serve it on Counsel as set forth in the Class Notice.

**A FEDERAL COURT AUTHORIZED THIS NOTICE.**

**I. DESCRIPTION OF THE ACTION**

On December 20, 2006, Plaintiff Donna Moore (together with Frenchola Holden and Keith McMillon) (collectively, the “Named Plaintiffs”) filed this Action against Defendants GMAC Mortgage, LLC (“GMAC Mortgage”), GMAC Bank (now known, and hereinafter referred to, as Ally Bank), and Cap Re of Vermont, LLC (“Cap Re”) (collectively, “Defendants”) (Defendants together with the Named Plaintiffs, the “Parties”). The Action was filed as a proposed class action.

Named Plaintiffs allege that the portions of the mortgage insurance premiums that certain non-party private mortgage insurance providers ceded to Cap Re were disguised kickbacks paid for the referral of private mortgage insurance business. Named Plaintiffs allege that Defendants’ conduct violated Section 8 of the federal Real Estate Settlement Procedures Act, 12 U.S.C. §§ 2601 *et seq.*

On May 14, 2012, GMAC Mortgage and certain of its affiliates (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). Pursuant to an order of the Bankruptcy Court, the Debtors’ chapter 11 cases are being jointly administered and are styled *In re Residential Capital, LLC*, No. 12-12020-MG (the “Chapter 11 Cases”). On July 3, 2013, the Debtors and the Official Committee of Unsecured Creditors filed that certain *Joint Chapter 11 Plan Proposed by Residential Capital, LLC, and the Official Committee of Unsecured Creditors* (as may be modified, amended or supplemented from time to time, the “Chapter 11 Plan”). On November 19, 2013, the Bankruptcy Court commenced a hearing in connection with confirmation of the Chapter 11 Plan. A copy of the Chapter 11 Plan and related documents is available at [kccllc.net/rescap](http://kccllc.net/rescap).

Defendants deny all of Named Plaintiffs’ claims and deny any wrongdoing and any liability to Named Plaintiffs or any Class Members, in any amount. Defendants contend that Named Plaintiffs’ claims have no merit and that Defendants would prevail in the Action.

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QUESTIONS? CALL XXX-XXX-XXXX TOLL-FREE, E-MAIL XXXXXXXXXXXX@XXXX.COM, OR VISIT  
WWW.\_\_\_\_\_.COM.

Do not call the Court with your questions.

Class Counsel have investigated the facts and the applicable law regarding the matters raised in the Action. Class Counsel believe that the issues before the Court are complex and are further complicated by the pending Chapter 11 Cases. Given these complications and the uncertainty as to the outcome of the Action, there is a risk that Named Plaintiffs could recover nothing. Absent the Settlement, the Chapter 11 Plan filed by the Debtors, if confirmed by the Bankruptcy Court and once effective, provides the “Ally Released Parties” as such term is defined in the Plan, including Defendants Ally Bank and Cap Re, among other things, a full release of all claims and causes of action related to the Debtors, including the claims alleged in the Action. Therefore, Named Plaintiffs, on behalf of all others similarly situated, have entered into a Settlement Agreement, dated as of December 10, 2013 (the “Settlement Agreement”), which, if approved by the Court, will fully and finally resolve the claims asserted by Named Plaintiffs, on behalf of themselves and anyone else in the Class, as defined herein, against Defendants in this Action in return for the payment of the Settlement amount described below. Capitalized terms used in this Notice but not defined in this Notice shall have the same meanings ascribed to them in the Settlement Agreement, available at [www.\\_\\_\\_\\_\\_.com](http://www._____.com). **THIS NOTICE AFFECTS YOU BECAUSE YOU ARE A MEMBER OF THE CLASS DEFINED IN SECTION V BELOW.**

## **II. CONDITIONAL CERTIFICATION OF SETTLEMENT CLASS**

For purposes of this proposed Settlement only, a class of plaintiffs (as defined herein and referred to as the “Class”) has been conditionally certified. This does not mean that Named Plaintiffs would be successful if the case went to trial, and this Class Notice and the proposed Settlement do not imply that Defendants are liable to Named Plaintiffs or to any member of the Class or that a class action would be certified in the absence of settlement. Furthermore, if this proposed Settlement is not finally approved or is withdrawn at any time, for reasons detailed in the Settlement Agreement, the conditional class certification will be vacated, and the Action will revert to its same status as before the Settlement Agreement was signed subject to the confirmation of the Chapter 11 Plan as described below.

## **III. COUNSEL FOR THE CLASS**

The Court has appointed, for the purpose of the proposed Settlement only, the following attorneys and law firm as Lead Class Counsel:

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QUESTIONS? CALL XXX-XXX-XXXX TOLL-FREE, E-MAIL XXXXXXXXXXXX@XXXX.COM, OR VISIT  
[WWW.\\_\\_\\_\\_\\_.COM](http://WWW._____.COM).

Do not call the Court with your questions.

Edward W. Ciolko, Esq.  
Terence S. Ziegler, Esq.  
KESSLER TOPAZ MELTZER & CHECK, LLP  
280 King of Prussia Road  
Radnor, PA 19087

*Lead Class Counsel*

The Court has also appointed, for the purpose of the proposed Settlement only, the following firms as Class Counsel together with Lead Class Counsel:

Robert M. Bramson, Esq.  
BRAMSOM, PLUTZIK, MAHLER & BIRKHAEUSER, LLP  
2125 Oak Grove Road, Suite 120  
Walnut Creek, CA 94598

-and-

Andrew L. Berke, Esq.  
BERKE, BERKE & BERKE  
420 Frazier Avenue  
P.O. Box 4747  
Chattanooga, TN 37405

-and-

Eric G. Calhoun, Esq.  
TRAVIS & CALHOUN, P.C.  
5001 Spring Valley Road  
Dallas, TX 75244

*Class Counsel*

**IV. REASONS FOR ENTERING INTO SETTLEMENT AGREEMENT**

Named Plaintiffs and Defendants agreed on all of the terms of the proposed Settlement through extensive arm's-length negotiations between counsel for Named Plaintiffs and Defense Counsel. Named Plaintiffs have entered into the proposed Settlement after weighing the benefits of the Settlement against the probabilities of success or failure in the Action, the impact of the Chapter 11 Cases, and the delays that would be likely if the Action were to proceed to trial.

Named Plaintiffs and Class Counsel have concluded that the proposed Settlement provides substantial benefits to Named Plaintiffs and the Class; resolves substantial issues without prolonged litigation; provides the Class with significant benefits, both individually and in the aggregate; and is in the best interests of the Class. Named Plaintiffs and Class Counsel have concluded that the proposed Settlement is fair, reasonable, and adequate.

Although Defendants deny any wrongdoing and any liability whatsoever, Defendants believe that it is in their best interests to settle this Action on the terms set forth in the Settlement Agreement in order to avoid further risk, expense and inconvenience in connection with the Action.

## **V. THE TERMS OF THE PROPOSED SETTLEMENT**

The proposed Settlement contemplated by the Settlement Agreement provides as follows:

### ***CERTIFICATION OF SETTLEMENT CLASS***

The Court has certified preliminarily, for settlement purposes only, a Class which is defined generally as:

ALL PERSONS WHO OBTAINED RESIDENTIAL MORTGAGE LOANS ORIGINATED AND/OR ACQUIRED BY GMAC MORTGAGE, LLC, GMAC BANK (NOW KNOWN AS ALLY BANK), AND/OR THEIR AFFILIATES ON OR AFTER JANUARY 1, 2004, WITH PRIVATE MORTGAGE INSURANCE WHICH WAS REINSURED BY CAP RE OF VERMONT, LLC.

Any potential Class Member who opts out of the Settlement, as explained in Section VI of this Class Notice, is not a member of the Class and therefore receives nothing under the Settlement and is not affected by the Settlement. If you have more than one residential mortgage loan originated and/or acquired by GMAC Mortgage, Ally Bank, and/or their affiliates on or after January 1, 2004, with private mortgage insurance that was reinsured by Cap Re, you may receive more than one Class Notice and may be entitled to receive more than one check.

### ***SETTLEMENT AMOUNT***

Cap Re has agreed to provide \$6,250,000 (six million two hundred fifty thousand dollars) to establish the Settlement Fund. Subject to and in accordance with the terms and conditions of the Settlement Agreement, the Settlement Administrator shall provide to each Class Member that did not opt out (each a "Participating Class Member") his or her distribution of the Net Settlement Amount ("Settlement Payment"). Each Participating Class Member's Settlement Payment shall be [a pro rata portion of the Net Settlement Amount] [derived from a formula based upon the number of private mortgage insurance payments made by Participating Class Members from January 1, 2004 through December 31, 2008.] The Settlement Payment or Settlement Payments with respect to any

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QUESTIONS? CALL XXX-XXX-XXXX TOLL-FREE, E-MAIL XXXXXXXXXXXX@XXXX.COM, OR VISIT  
WWW.\_\_\_\_\_.COM.

Do not call the Court with your questions.

Class Member shall be provided by check. Only one check will be issued per loan that was reinsured by Cap Re, regardless of the number of co-borrowers on the loan.

***ATTORNEYS' FEES AND EXPENSES AND  
NAMED PLAINTIFF CASE CONTRIBUTION AWARDS***

Named Plaintiffs intend to apply for an award payable from the Settlement Fund not to exceed Five Thousand Dollars (\$5,000) per Named Plaintiff in recognition of their assistance in prosecution of the Action. Defendants take no position on the requests for Case Contribution Awards.

Class Counsel intend to seek an award from the Court for attorneys' fees of up to 33 <sup>1</sup>/<sub>3</sub> % (thirty-three and one-third percent) of the Settlement Fund and for reimbursement of litigation costs of Class Counsel to be paid from the Settlement Fund. Any payment of attorneys' fees and expenses must be approved by the Court. Defendants take no position with respect to Class Counsels' request for attorneys' fees and costs.

***RELEASES***

If the Settlement Agreement is finally approved, each and every Participating Class Member, and all those who claim through them or who assert claims on their behalf or could assert claims on their behalf are permanently barred from bringing, joining, or continuing to prosecute claims against Defendants, and shall be deemed to have completely released and forever discharged Defendants from any claim, complaint, or demand, of any and every kind, including, without limitation, those that: (a) concern the reinsurance of private mortgage insurance on any Reinsured Loan; (b) arise from any transaction or occurrence related to the reinsurance of primary mortgage insurance that was the subject of the Action; or (c) were or could have been raised in the Action or Chapter 11 Cases arising out of the same transactional nucleus of operative facts regarding Cap Re's reinsurance of primary mortgage insurance for Participating Class Members. This is only a summary of the releases. Article VI of the Settlement Agreement contains the full text of the releases that you will grant as a Class Member unless you exclude yourself from the Class by complying with the provisions of Section VI below.

It should also be noted that (i) if the Chapter 11 Plan is confirmed by the Bankruptcy Court and goes effective, all claims against Ally Bank asserted in the Action will be released and (ii) if the Chapter 11 Plan is confirmed by the Bankruptcy Court, goes effective and the order approving the Chapter 11 Plan contains certain agreed upon language required by the Settlement Agreement preserving claims against Cap Re, all claims against GMAC Mortgage asserted in the Action will be released except individual proofs of claim related to the Action that

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QUESTIONS? CALL XXX-XXX-XXXX TOLL-FREE, E-MAIL XXXXXXXXXXXX@XXXX.COM, OR VISIT  
WWW.\_\_\_\_\_.COM.

Do not call the Court with your questions.

have been timely filed by Class Members against GMAC Mortgage in the Chapter 11 Cases. If the Settlement Agreement is not finally approved, only the claims against Cap Re on behalf of Class Members asserted in the Action and individual proofs of claim related to the Action that have been timely filed by Class Members against GMAC Mortgage in the Chapter 11 Cases will be preserved. You should also note that if the Settlement Agreement is approved, all individual proofs of claim filed by Participating Class Members shall be released.

#### ***FINAL APPROVAL***

If the Court finally approves the proposed Settlement, as set forth in the Settlement Agreement (including any amendments agreed to between the Parties), the Court will enter a final judgment and a Final Approval Order. The Final Approval Order will include an approval of the financial and other terms of the Settlement Agreement, dismissal of the claims on the merits and with prejudice, and a finding that this Class Notice to the Class was proper and adequate. The Court will retain jurisdiction over all matters related to the Settlement, including any post-settlement disputes raised by any Class Member.

### **VI. RIGHTS AND OPTIONS OF CLASS MEMBERS**

You will be a member of the Class unless you request to be excluded as discussed in detail below. Your interests as a Class Member will be represented by Named Plaintiffs and the above-listed Class Counsel. You will not be billed for their services. Class Counsel will receive payment for their time and expenses only if the Court approves their application. The ultimate fee award will be set by the Court.

You will be bound by any judgment or other final disposition of this Action, including the release of claims in the Settlement Agreement. A summary of the effect of the Settlement Agreement, including the release of claims, is found in Sections V and IX of this Class Notice. You may also retain your own counsel to represent you at your own cost and seek to appear individually in the case.

You may request exclusion, or “opt out” from the Class. If you elect to be excluded from the Class, you will not be bound by any judgment or settlement of the Action, nor will you receive any of the benefits of the Settlement, including the payment of any monies. However, your claims, if any, against the “Ally Released Parties, as such term is defined in the Chapter 11 Plan, including Defendants Ally Bank and Cap Re will be released and enjoined under the Chapter 11 Plan if the Chapter 11 Plan is confirmed by the Bankruptcy Court and becomes effective and you will not be entitled to the preservation of any claims against Cap Re. In addition, if you chose to

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QUESTIONS? CALL XXX-XXX-XXXX TOLL-FREE, E-MAIL XXXXXXXXXXXX@XXXX.COM, OR VISIT  
WWW.\_\_\_\_\_.COM.

Do not call the Court with your questions.



opt out of the Class but have not timely filed a proof of claim against GMAC Mortgage in the Chapter 11 Cases, you will be barred from asserting any such claim against GMAC Mortgage. In the event you choose to opt out, you should consult your own counsel to determine your rights. If you wish to exclude yourself from the Class, you must mail a written opt-out request to the Settlement Administrator:

GARDEN CITY GROUP, INC.

Address

City, State ZIP

Requests for exclusion do not need to be in any particular format, except the request must state that you intend to “opt out” or request “exclusion” from the Class, and the request must be signed personally and contain the full name, current address, loan number (if available), and telephone number of the person or persons requesting exclusion. The written opt-out must be sent by U.S. Mail, first-class and postage prepaid, postmarked on or before \_\_\_\_\_, 2014, to the Settlement Administrator. If more than one person was obligated on the loan, then the opt-out must be signed by all obligors on the loan in order to be valid.

## VII. FINAL APPROVAL HEARING

A Final Approval Hearing will be held on the \_\_\_ day of \_\_\_\_\_, 2014, at \_\_\_ a.m. before the Honorable Paul S. Diamond, District Court Judge, United States District Court for the Eastern District of Pennsylvania, 601 Market Street, Courtroom 6B, Philadelphia, Pennsylvania, for the purpose of determining whether the proposed Settlement is fair, reasonable, and adequate and should be finally approved, whether to award attorneys’ fees and other amounts to Class Counsel whether to award Case Contribution Awards to Named Plaintiffs each as provided in the Settlement Agreement, and whether to enter the Final Approval Order and dismiss the Action. The Final Approval Hearing may be continued or adjourned without further notice other than an announcement at the Final Approval Hearing or at any adjournment or continuance thereof. The Settlement may be approved with modifications, if any, consented to by the Named Plaintiffs and Defendants jointly without further notice.

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QUESTIONS? CALL XXX-XXX-XXXX TOLL-FREE, E-MAIL XXXXXXXXXXXX@XXXX.COM, OR VISIT  
WWW.\_\_\_\_\_.COM.

Do not call the Court with your questions.

**VIII. RIGHT TO OBJECT TO SETTLEMENT AND  
APPEAR AT FINAL APPROVAL HEARING**

Whether or not you exclude yourself from the Class, you may object to any aspect of the proposed Settlement. Any Class Member who objects to all or part of the proposed Settlement and wants the Court to consider his or her objection, must file such objection and any supporting papers with the Clerk of the Court on or before \_\_\_\_\_, 2014 (the "Settlement Objection Deadline"), at the following address:

**Clerk  
United States District Court for the Eastern District of Pennsylvania  
601 Market Street, Room 2609  
Philadelphia, Pennsylvania 19106**

The objection must set forth the full name, current address, and telephone number of the person making the objection and must include: (a) a written statement of the position that the objector wishes to assert; (b) a written statement of the grounds therefor; and (c) copies of any papers, briefs, or other documents the objector wishes to submit in support of his or her position. In advance of your deadline to object, you will have the opportunity to review the requests for fees and costs by Class Counsel, and requests for Case Contribution Awards by Named Plaintiffs, which will be posted by the Settlement Administrator at [www.\\_\\_\\_\\_\\_](http://www._____). Copies of the objection and supporting papers must be mailed or hand-delivered to each of:

Lead Class Counsel  
Edward W. Ciolko, Esq.  
Terence S. Ziegler, Esq.  
KESSLER TOPAZ MELTZER & CHECK, LLP  
280 King of Prussia Road  
Radnor, PA 19087

and

Counsel for GMAC Mortgage and Cap Re  
Michael Agoglia  
MORRISON & FOERSTER LLP  
425 Market Street  
San Francisco, CA 94105

and

Counsel for Ally Bank  
Richard G. Haddad  
OTTERBOURG, STEINDLER, HOUSTON, AND ROSEN, P.C.  
230 Park Avenue  
New York, NY 10169

Any Class Member who intends to appear personally (or through separate counsel if a timely and proper Entry of Appearance is filed) to object to the Settlement on any grounds whatsoever must file a Notice of Intention to Appear with the Clerk of the Court at the address listed above. The Notice of Intention to Appear must be filed on or before \_\_\_\_\_, 2014, and copies of the Notice of Intention to Appear must be mailed or hand-delivered to Lead Class Counsel and to Defense Counsel, at each of the addresses listed above. Any Class Member who does not file and serve a Notice of Intention to Appear will be prohibited from speaking at the Final Approval Hearing concerning this Settlement. Any Class Member who does not file an objection in the time and manner described above is forever foreclosed from raising any objection to such matters in the event the Settlement is approved.

### **IX. SCOPE OF PROPOSED SETTLEMENT**

If the Settlement is approved, the terms of the Settlement Agreement, including the releases described in Section V of this Class Notice, will be final and binding upon, and shall inure to the benefit of: (i) all members of the Settlement Class, except those who request timely and proper exclusion from the Class; (ii) any heir, executor, administrator, representative, assignee, or other party standing in the shoes of any Class Member; (iii) each of the Defendants; and (iv) all beneficiaries of the releases described in the Agreement.

### **X. INFORMATION THAT YOU MUST INCLUDE IN ANY DOCUMENT YOU SEND REGARDING THIS ACTION**

In sending any document to the Court, to Class Counsel, or to Defense Counsel, it is important that both your envelope and any documents inside contain the following case name and identifying numbers:

*Moore v. GMAC Mortgage, LLC,*

Civil Action No. 2:07-cv-04296-PD

### **XI. FOR MORE INFORMATION**

**THIS NOTICE IS ONLY A SUMMARY.** The full Settlement Agreement, the Complaint, Orders, and other documents on file in this Action may be inspected at the dedicated Settlement website [www.\\_\\_\\_\\_\\_.com](http://www._____.com), maintained by the Settlement Administrator through Lead Class Counsel. **DO NOT WRITE OR TELEPHONE THE COURT OR DEFENDANTS** if you have any questions about this Class Notice or the Settlement. Any questions regarding this Class Notice or the Settlement, or any notices of a change of

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QUESTIONS? CALL XXX-XXX-XXXX TOLL-FREE, E-MAIL XXXXXXXXXXXX@XXXX.COM, OR VISIT [WWW.\\_\\_\\_\\_\\_.COM](http://WWW._____.COM).

Do not call the Court with your questions.

address for Class Members, should be directed to Lead Class Counsel via the following e-mail address:  
\_\_\_\_\_, toll-free at (xxx) xxx-xxxx, or by writing to Lead Class Counsel at the address listed  
above.

BY ORDER OF THE COURT

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

\_\_\_\_\_  
The Honorable Paul S. Diamond  
United States District Judge

# Exhibit C

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

DONNA MOORE, FRENCHOLA HOLDEN, and KEITH MCMILLON, individually and on behalf of all others similarly situated,	:	
	:	
Plaintiffs,	:	Civil Action No. 2:07-cv-04296-PD
	:	
v.	:	
	:	
GMAC MORTGAGE, LLC, GMAC BANK and CAP RE OF VERMONT, INC.,	:	
	:	
Defendants.	:	
	:	

**[PROPOSED] ORDER GRANTING PLAINTIFFS' UNOPPOSED MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT, CERTIFICATION OF SETTLEMENT CLASS, APPOINTMENT OF CLASS REPRESENTATIVES, AND APPOINTMENT OF LEAD CLASS COUNSEL AND CLASS COUNSEL**

Upon review and consideration of Plaintiffs' Unopposed Motion for Final Approval of Class Action Settlement, Certification of Settlement Class, Appointment of Class Representatives, and Appointment of Lead Class Counsel and Class Counsel, the proposed class action Settlement on the terms in the Parties' Settlement Agreement ("Settlement Agreement") that was fully executed as of December 10, 2013, and previously filed with the Court on December \_\_, 2013, the Final Approval Hearing held on \_\_\_\_\_, 2014, the memoranda and arguments of counsel, and any objections to the Settlement having been overruled,

**IT IS HEREBY ORDERED** and adjudged as follows:

1. Except as otherwise defined herein, all capitalized terms used in this Order shall have the same meaning ascribed to them in the Settlement Agreement.
2. Pursuant to Rule 23(e) of the Federal Rules of Civil Procedure ("Rule(s)"), the terms of the Settlement Agreement dated December 10, 2013, relating to the above-captioned

action are hereby finally approved as fair, reasonable, and adequate in light of the factual, legal, practical, and procedural considerations raised by this Action.

3. Solely for the purpose of Settlement in accordance with the Settlement Agreement, and pursuant to Rules 23(a) and (b)(3), this Court hereby finally certifies the following Class:

All persons who obtained residential mortgage loans originated and/or acquired by GMAC Mortgage, GMAC Bank (now known as Ally Bank), and/or their affiliates on or after January 1, 2004, with private mortgage insurance which was reinsured by Cap Re.

4. The Court appoints Named Plaintiffs Donna Moore, Frenchola Holden, and Keith McMillon as representatives of the Class.

5. Pursuant to Rule 23(g), the Court appoints Kessler Topaz Meltzer & Check, LLP; Bramson, Plutzik, Mahler & Birkhaeuser, LLP; Berke, Berke & Berke; and Travis & Calhoun, P.C as Class Counsel. The Court further appoints Kessler Topaz Meltzer & Check, LLP as Lead Class Counsel.

6. The Court finds that, pursuant to Rules 23(a) and (b)(3), in light of the current posture of this case as a class action:

- a. The Class is so numerous that joinder of all members is impracticable.
- b. There are questions of law or fact common to the Class.
- c. The claims of the Named Plaintiffs are typical of the claims of the Class.
- d. Named Plaintiffs and Class Counsel have fairly and adequately protected the interests of the Class and will continue to do so.
- e. The questions of law or fact common to members of the Class, and which are relevant for settlement purposes, predominate over the questions affecting only individual members.

f. Certification of the Class is superior to other available methods for the fair and efficient adjudication of the controversy.

7. After due consideration of the Named Plaintiffs' likelihood of success at trial; the range of the Named Plaintiffs' possible recovery; the point within or below the range of possible recovery at which a settlement is fair, adequate, and reasonable; the complexity, expense, and duration of the Action; the substance and amount of opposition to the Settlement; the state of proceedings at which the Settlement was achieved; and the effect of the Chapter 11 Cases on the potential outcomes of the Action, this Court finds that the Settlement is fair, adequate, and reasonable. In particular, in light of the significant possibility that Defendants could prevail on the merits based on one or more of the defenses pleaded in their Answer or otherwise and the impact of the Chapter 11 Cases, it is clear that the Settlement falls well within the range of settlement terms that would be considered fair, adequate, and reasonable. Accordingly, the Settlement should be and is approved and shall govern all issues regarding the Settlement and all rights of the Parties, including the Class Members. Each Class Member (except those who have excluded themselves from the Class) shall be bound by the terms and provisions of the Settlement Agreement and this Order, including the releases and covenants not to sue set forth in the Settlement Agreement, which are hereby incorporated by reference and become part of the final judgment in this Action.

8. The Settlement Administrator shall cause the Settlement Fund to be disbursed in accordance with the Settlement Agreement. Specifically, within seventy-five (75) days of the Settlement Effective Date, the Settlement Administrator shall cause a check to be mailed to each Participating Class Member as payment under the terms of the Settlement Agreement, as provided therein.



9. Within five (5) business days following the Settlement Effective Date, the Settlement Administrator shall disburse to the Named Plaintiffs the respective compensation specified below as Case Contribution Awards, which the Court finds to be warranted by the activities and leadership undertaken by each of the Named Plaintiffs:

Donna Moore	\$5,000
Frenchola Holden	\$5,000
Keith McMillon	\$5,000

10. The Court having awarded Class Counsel attorneys' fees and costs in the Order Awarding Attorneys' Fees, Litigation Costs, and Case Contribution Awards for the Named Plaintiffs dated \_\_\_\_\_, 2014 (hereinafter, the "Fee Order"), the Settlement Administrator shall release from the Settlement Fund the amount of the fee and expense awards made in this case, as set forth in the Fee Order, to Lead Class Counsel after the Settlement Effective Date, pursuant to Section 5.5 of the Settlement Agreement. Lead Class Counsel shall disburse such award among Class Counsel as required by the Settlement Agreement.

11. The Settlement Administrator and the Parties, consistent with the terms and deadlines established in the Settlement Agreement, shall prepare the reports and calculations; make any payments, adjustments, or remittances required; and otherwise comply with their respective obligations under Article IV of the Settlement Agreement.

12. Pending Complete Settlement Approval, as defined in the Settlement Agreement, Cap Re shall not (i) dissolve or take any action to cause its dissolution; (ii) cause any dividend or payment (in cash or in kind) to be made to GMAC Mortgage or any affiliate thereof except such usual and customary payments as may be necessary to the conduct of the business of Cap Re in the ordinary course; or (iii) make any unusual payments to any third-party outside the ordinary

course of business except as may be required to comply with applicable law, court order, regulation or regulator request; provided; however, and for the avoidance of doubt, Cap Re, in its sole discretion, shall be entitled to retain and compensate third-party consultants and professionals in connection with the evaluation of strategic business alternatives; provided, further, however, that the foregoing shall not preclude Cap Re in its sole discretion from taking any action to sell or otherwise monetize its assets, which in the reasonable business judgment of its officers and directors is intended to maximize the value thereof, provided Cap Re retains the net proceeds of any such transaction.

13. Cap Re's obligations under paragraph 12 above shall terminate upon Complete Settlement Approval or, thirty (30) days after the termination of the Settlement Agreement according to its terms.

14. All claims against Defendants are hereby dismissed on the merits and with prejudice.

15. Each and every Participating Class Member is permanently barred from bringing, joining, or continuing to prosecute against Defendants any claim that was brought in this Action or otherwise for which a release and covenant not to sue is being given under the Settlement Agreement.

16. This Court hereby retains jurisdiction over all matters relating to the interpretation, implementation, effectuation, and enforcement of the Settlement Agreement. The Court further retains jurisdiction to enforce this Order.

Dated: \_\_\_\_\_, 2014

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The Honorable Paul S. Diamond  
United States District Judge

# Exhibit D

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

---

DONNA MOORE, FRENCHOLA  
HOLDEN, and KEITH MCMILLON,  
individually and on behalf of all others  
similarly situated,

Plaintiffs,

v.

GMAC MORTGAGE, LLC, GMAC  
BANK and CAP RE OF VERMONT,  
INC.,

Defendants.

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Civil Action No. 2:07-cv-04296-PD

**FINAL JUDGMENT**

On \_\_\_\_\_, 2014, the Court granted Plaintiffs' Unopposed Motion for Final Approval of Class Action Settlement and dismissed all claims against Defendants with prejudice. Pursuant to Rule 58 of the Federal Rules of Civil Procedure, the Court hereby ENTERS judgment. The Clerk of Court shall close the file in this matter.

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_, 2014

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The Honorable Paul S. Diamond  
United States District Judge

# Exhibit E

