



3. 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.

4. 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.

5. 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.

6. 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.

7. 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 21 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.

8. 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 and to this Order.

9. 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.

10. Prior to the Final Approval Hearing, as described in paragraph 21 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.

11. 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.

12. 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 **June 13, 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.

13. 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.

14. 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.

15. 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.

16. 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 Huntington National Bank (the "Escrow Account") in accordance with Section 3.1 of the Settlement Agreement and pursuant to that certain agreement between Lead Class Counsel, Defendant Cap Re, and Huntington National Bank dated as of April 17, 2014.

17. 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.

18. 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.

19. All other events contemplated under the Settlement Agreement to occur after this Order and before the Final Approval Hearing described in paragraph 21 of this Order shall be governed by the Settlement Agreement, to the extent not inconsistent herewith.

20. 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 **July 29, 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.

21. A Final Approval Hearing shall be held before the undersigned at **10:00 a.m.** on **September 17, 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.

22. 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.



23. 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.

24. 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.

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

**AND IT IS SO ORDERED.**

Dated: **April 29, 2014.**

*/s/ Paul S. Diamond*

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Paul S. Diamond, J.