

**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.

**NOTICE OF PENDENCY OF CLASS ACTION  
SETTLEMENT AND FINAL APPROVAL HEARING**

**YOU MAY BE ENTITLED TO COMPENSATION AND YOUR LEGAL RIGHTS MAY BE AFFECTED IF YOU ARE A MEMBER OF THE FOLLOWING CLASS:**

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.

THIS CLASS ACTION LAWSUIT ALLEGES THAT A MORTGAGE REINSURANCE COMPANY, CAP RE OF VERMONT, LLC, ENGAGED IN UNLAWFUL PRACTICES THAT MAY HAVE AFFECTED THE MORTGAGE INSURANCE ON YOUR HOME. THE DEFENDANTS DENY THESE ALLEGATIONS. THIS IS NOT A LAWSUIT AGAINST YOU. YOU WILL AUTOMATICALLY RECEIVE A CHECK FROM THE PROPOSED SETTLEMENT OF THIS ACTION UNLESS YOU CHOOSE TO EXCLUDE YOURSELF FROM THE CLASS. PLEASE CONSIDER THIS NOTICE CAREFULLY.

<b>YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT</b>	
<b>YOU ARE NOT REQUIRED TO DO ANYTHING.</b>	If the Settlement is approved by the Court and you are a member of the Class, you will not need to do anything to receive a payment. The portion of the Settlement Fund to be allocated to you will be calculated as part of the implementation of the Settlement.
<b>YOU MAY OPT OUT OF THE SETTLEMENT BY AUGUST 12, 2014.</b>	If you wish to exclude yourself, or "opt out" of the Settlement, you must (as discussed below) submit your opt-out notice to the Settlement Administrator.
<b>YOU MAY OBJECT TO THE SETTLEMENT BY AUGUST 12, 2014.</b>	If you wish to object to any part of the Settlement, you must (as discussed below) write to the Court and counsel about why you object to the Settlement.
<b>YOU MAY ATTEND THE FINAL APPROVAL HEARING TO BE HELD ON SEPTEMBER 17, 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 December 11, 2013, the Chapter 11 Plan, as amended, was confirmed, and on December 17, 2013, the Plan Effective Date occurred. A copy of the Chapter 11 Plan and related documents is available at [www.kccllc.net/rescap](http://www.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.

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 as confirmed by the Bankruptcy Court 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.GMACPMIsettlement.com](http://www.GMACPMIsettlement.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:

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 & BIRKHAUSER, LLP  
2125 Oak Grove Road, Suite 120  
Walnut Creek, CA 94598

BERKE, BERKE & BERKE  
420 Frazier Avenue  
P.O. Box 4747  
Chattanooga, TN 37405

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. The Settlement Payment or Settlement Payments with respect to any 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 1/3 % (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 the Chapter 11 Plan was confirmed by the Bankruptcy Court and the Plan Effective Date has occurred. All claims against Ally Bank asserted in the Action have been released and all claims against GMAC Mortgage asserted in the Action were released except individual proofs of claim related to the Action that 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 are enjoined under the Chapter 11 Plan as confirmed by the

Bankruptcy Court. In addition, if you chose to opt out of the Class but did not timely file a proof of claim against GMAC Mortgage in the Chapter 11 Cases, you are 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:

**GMAC PMI Settlement  
Exclusions  
c/o GCG  
PO Box 10035  
Dublin, OH 43017-6635**

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 August 12, 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 17th day of September, 2014, at 10:00 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.

### **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 August 12, 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.GMACPMIsettlement.com](http://www.GMACPMIsettlement.com). 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

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

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 August 12, 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.GMACPMIsettlement.com](http://www.GMACPMIsettlement.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 address for Class Members, should be directed to Lead Class Counsel via the following e-mail address: [GMACPMIsettlement@ktmc.com](mailto:GMACPMIsettlement@ktmc.com), toll-free at (877) 899-2980, or by writing to Lead Class Counsel at the address listed above.

Dated: June 13, 2014

BY ORDER OF THE COURT

The Honorable Paul S. Diamond  
United States District Judge