

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

KYLE J. LIGUORI and TAMMY L.  
HOFFMAN, individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

WELLS FARGO & COMPANY, WELLS  
FARGO BANK, N.A., NORTH STAR  
MORTGAGE GUARANTY REINSURANCE  
COMPANY,

Defendants.

**Civil Action No. 08-cv-00479-PD**

**ORDER PRELIMINARILY APPROVING SETTLEMENT, CONDITIONALLY  
CERTIFYING CLASS FOR SETTLEMENT PURPOSES, APPROVING FORM AND  
MANNER OF CLASS NOTICE, AND SETTING DATE FOR  
FINAL APPROVAL HEARING**

Upon review and consideration of the Settlement Agreement dated March 27, 2012 (the “Agreement”) in the above-captioned case (the “Action”), and as a hearing on the proposed Settlement described in the Agreement is necessary;

NOW, pursuant to Named Plaintiffs’ Motion for Preliminary Approval of Settlement, filed on May 16, 2012, and after a hearing held on August 30, 2012, and Good Cause appearing, THIS COURT FINDS and ORDERS as follows:

1. The definitions set forth in the Agreement are hereby incorporated by reference in this Order.
2. The terms of the Agreement, and the Settlement provided for therein, are preliminarily approved as within the range of reasonableness, subject to further consideration thereof at the Final Approval Hearing described in paragraph 17 of this Order.

3. Solely for the purpose of settlement in accordance with the 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:

All borrowers with residential mortgage loans closed on or after March 7, 2006 through January 1, 2008 that were originated by Wells Fargo Bank, N.A. (“Wells Fargo Bank”) and reinsured by North Star Mortgage Guaranty Reinsurance Company (“North Star”) or its subsidiaries, excluding borrowers with residential mortgage loans originated by Wells Fargo Bank’s Correspondent Lending Division or otherwise purchased on the secondary market.

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

- 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 that Named Plaintiffs seek to certify.
- d. Named Plaintiffs and Plaintiffs’ Counsel will fairly and adequately protect the interests of the Class.
- 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 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, that Kyle J. Liguori and Tammy L. Hoffman shall be appointed as class representatives.

6. The Court preliminarily appoints Kessler Topaz Meltzer & Check, LLP (“KTMC”) as Lead Class Counsel, Bramson, Plutzik, Mahler & Birkhaeuser, LLP (“BPMB”); Berke, Berke & Berke (“BBB”); and Travis Calhoun & Conlon (“TCC”) as Class Counsel (collectively, “Plaintiffs’ Counsel”) pursuant to Fed. R. Civ. P. 23(g).

7. Pursuant to the terms of Section 2.7 of the Agreement, Defendants are hereby directed to prepare and provide to Lead Class Counsel and the Settlement Administrator a Class Member List within twenty (20) days of the entry of this Order. Within 20 days of the receipt of the Class Member List, pursuant to the procedures detailed the Agreement, 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 Agreement as Exhibit 1.

8. The reasonable costs and expenses of printing, preparing and mailing the Class Notice and the reasonable costs and expenses of the Settlement Administrator, and other related Administration Costs, shall be paid from the Settlement Fund as set forth in Section 2.10 of the Agreement.

9. Prior to the Final Approval Hearing, as described in paragraph 17 herein, Plaintiffs’ 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.

10. The Class Notice is in compliance with the provisions set forth in paragraph 7 above and as set forth in the Agreement, and 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.

11. Any Class Member wishing exclusion from the Class shall mail an opt-out notice, described in Section 2.14 of the Agreement, to the Settlement Administrator postmarked no later than December 18, 2012. As set forth in the 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.

12. 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 Effective Date.

13. 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 Order of the Court. All written communications received from Class Members and all written responses to inquiries by Class Members relating to the 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.

14. In order to be deemed a Class Member entitled to participate in the Settlement as set forth in the Agreement, in the event that the Settlement is effected in accordance with all of the terms and conditions thereof, 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.

15. All other events contemplated under the Agreement to occur after this Order and before the Final Approval Hearing described in paragraph 17 of this Order shall be governed by the Agreement, to the extent not inconsistent herewith.

16. Memoranda in support of the Settlement and any petitions for attorneys' fees and costs and Case Contribution Awards for the Named Plaintiffs shall be filed with the Court on or before December 30, 2012.

17. A Final Approval Hearing shall be held before the undersigned at 11:00 a.m. on January 28, 2013 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 Order of the Court without further notice to the Class.

18. 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 hereon, 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 fourteen (14) days prior to the hearing (January 14, 2013) 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 counsel for Defendants, and (iii) otherwise complies with the Agreement and Class Notice for purpose of such hearing.

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

20. If Final Approval of the Settlement is not achieved, or if the Settlement is terminated for any reason whatsoever, the Settlement and all proceedings had in connection therewith shall be without prejudice to the *status quo ante* rights of the Parties to the Action, and all Orders issued pursuant to the Settlement shall be vacated. In such an event, the Settlement and all negotiations concerning it shall not be used or referred to for any purpose whatsoever.

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

Dated: August 31, 2012

/s/ Paul S. Diamond  
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The Honorable Paul S. Diamond  
United States District Judge