

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

IN RE HOME LOAN SERVICING
SOLUTIONS, LTD. SECURITIES
LITIGATION

Master File No. 0:16-cv-60165 (WPD)

ORDER AND FINAL JUDGMENT

WHEREAS, a securities class action is pending in this Court entitled *In re Home Loan Servicing Solutions, Ltd. Securities Litigation*, Case 16-60165-CIV-WPD (the “Action”);

WHEREAS, (a) West Palm Beach Police Pension Fund (“WPB Police”), the City of Fort Lauderdale Police and Firefighters’ Retirement System (“FTL P&F”), and The Police Retirement System of St. Louis (“St. Louis Police,” and together with WPB Police and FTL P&F, “Lead Plaintiffs”), on behalf of themselves and the other members of the Settlement Class (as defined in the Stipulation); and (b) defendants Home Loan Servicing Solutions, Ltd. (“HLSS”), William C. Erbey (“Erbey”), John P. Van Vlack (“Van Vlack”), and James E. Lauter (“Lauter”) (collectively, the “Individual Defendants” and, together with HLSS, the “Defendants,” and together with Lead Plaintiffs, the “Settling Parties”) have entered into a Stipulation and Agreement of Settlement dated June 9, 2017 (the “Stipulation”), that provides for a complete dismissal with prejudice of the claims asserted in the Action and release of the Released Claims (as defined in the Stipulation) on the terms and conditions set forth in the Stipulation, subject to the approval of this Court (the “Settlement”);

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Stipulation;

WHEREAS, by Order dated June 15, 2017 (the “Preliminary Approval Order”), this Court: (a) preliminarily approved the Settlement; (b) certified the Settlement Class solely for purposes of effectuating the Settlement; (c) ordered that notice of the proposed Settlement be provided to potential Settlement Class Members; (d) provided Settlement Class Members with the opportunity either to exclude themselves from the Settlement Class or to object to the proposed Settlement; and (e) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, due and adequate notice has been given to the Settlement Class;

WHEREAS, the Court has reviewed and considered all matters brought to the Court’s attention regarding the proposed Settlement, and is fully informed of the premises thereof;

WHEREAS, the Court conducted a hearing on November 17, 2017 (the “Settlement Hearing”) to consider, among other things, (a) whether the terms and conditions of the Settlement are fair, reasonable and adequate to the Settlement Class, and should therefore be approved; and (b) whether a judgment should be entered dismissing the Action with prejudice; and

WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the Settlement, and the record in the Action, and good cause appearing therefor;

It is hereby **ORDERED and ADJUDGED** as follows:

1. **Jurisdiction** – The Court has jurisdiction to enter this Order and Final Judgment. The Court has jurisdiction over the subject matter of the Action and all matters relating to the Settlement, as well as personal jurisdiction over Lead Plaintiffs, the Defendants, and each of the Settlement Class Members.

2. **Incorporation of Settlement Documents** – This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on June 9, 2017; and (b) the Notice and the Summary Notice, both of which were filed with the Court on June 9, 2017.

3. **Class Certification for Settlement Purposes** – The Court hereby affirms its determinations in the Preliminary Approval Order certifying, for Settlement purposes only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of a Settlement Class consisting of all persons or entities who or which purchased or otherwise acquired HLSS common stock during the period from February 28, 2012 through January 22, 2015, inclusive (the “Class Period”). Excluded from the Settlement Class are the Defendants; the affiliates and subsidiaries of HLSS, Ocwen, Altisource Portfolio Solutions, S.A., Altisource Residential Corporation, Altisource Asset Management Corporation, and New Residential Investment Corp.; members of the immediate family of each of the Individual Defendants; the officers and directors of HLSS, Ocwen, Altisource Portfolio Solutions, S.A., Altisource Residential Corporation, Altisource Asset Management Corporation, and New Residential Investment Corp. during the Class Period; the heirs, successors, and assigns of any excluded person or entity; and any entity in which any excluded person has or had during the Class Period a controlling interest.

4. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for Settlement purposes only, the Court hereby affirms its determinations in the Preliminary Approval Order appointing Lead Plaintiffs West Palm Beach Police Pension Fund, the City of Fort Lauderdale Police and Firefighters’ Retirement System, and The Police Retirement System of St. Louis as the Class Representatives for the Settlement Class, and appointing Lead Counsel as Class Counsel for the Settlement Class. Lead Plaintiffs and Lead

Counsel have fairly and adequately represented the Settlement Class both in terms of litigating the Action and for purposes of entering into and implementing the Settlement and have satisfied the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

5. **Notice** – The Court finds that the dissemination of the Notice and the publication of the Summary Notice: (a) were implemented in accordance with the Preliminary Approval Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of (i) the pendency of the Action; (ii) the effect of the proposed Settlement (including the Releases to be provided thereunder); (iii) Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses; (iv) their right to object to any aspect of the Settlement, the Plan of Allocation and/or Lead Counsel’s motion for attorneys’ fees and reimbursement of litigation expenses; (v) their right to exclude themselves from the Settlement Class; and (vi) their right to appear at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, *et seq.*, as amended, and all other applicable law and rules.

6. **Plan of Allocation** – The Court finds that the Plan of Allocation is a fair and reasonable method to distribute the Settlement Fund to the Settlement Class, and Lead Counsel and the Claims Administrator are directed to administer the Plan of Allocation in accordance with the terms and provisions of the Stipulation.

7. Defendants have filed a declaration regarding compliance with the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. § 1715. Defendants timely mailed notice of the

Stipulation pursuant to 28 U.S.C. § 1715(b), including notices to the Attorney General of the United States of America, and the Attorneys General of all states in which members of the Settlement Class reside. The notice contains the documents and information required by 28 U.S.C. § 1715(b)(1)-(8). The Court finds that Defendants have complied in all respects with the requirements of 28 U.S.C. § 1715.

8. **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation: the amount of the Settlement; the Releases provided for therein; and the dismissal with prejudice of the claims asserted in the Action), and finds that the Settlement is, in all respects, fair, reasonable and adequate to the Settlement Class. The Settling Parties are directed to implement, perform and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

9. All of the claims asserted in the Action by Lead Plaintiffs and the other Settlement Class Members are hereby dismissed with prejudice. The Settling Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

10. **Binding Effect** – The terms of the Stipulation and of this Judgment shall be forever binding on Defendants, Lead Plaintiffs and all other Settlement Class Members (regardless of whether or not any individual Settlement Class Member submits a Claim Form or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective successors and assigns.

11. **Releases** – The Releases set forth in paragraphs 5 and 6 of the Stipulation, together with the definitions contained in paragraph 1 of the Stipulation relating thereto, are

expressly incorporated herein in all respects. The Releases are effective as of the Effective Date of the Settlement. Accordingly, this Court orders that:

a) Without further action by anyone, and subject to paragraph 13 below, upon the Effective Date of the Settlement, Plaintiffs' Releasees (i) shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiffs' Claim against the Defendants and the other Defendants' Releasees; (ii) shall be deemed to have, and by operation of law and of this Judgment shall have, covenanted not to commence, institute, maintain or prosecute any or all of the Released Plaintiffs' Claims against any or all of the Defendants or the other Defendants' Releasees; and (iii) shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees. This Release shall not apply to any of the Excluded Claims (as that term is defined in paragraph 1(q) of the Stipulation).

(b) Without further action by anyone, and subject to paragraph 13 below, upon the Effective Date of the Settlement, the Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of this Judgment (i) shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim against Lead Plaintiffs and the other Plaintiffs' Releasees and (ii) shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any or all of the Released Defendants' Claims against any of the Plaintiffs' Releasees.

12. Notwithstanding paragraphs 12(a) – (b) above, nothing in this Judgment shall bar any action by any of the Settling Parties to enforce or effectuate the terms of the Stipulation or this Judgment. Also, for the avoidance of doubt, neither this Judgment nor the Stipulation shall (a) release any claims (including any claims under or relating to any policy of liability, any other insurance policy or any contractual or statutory rights to indemnification) that HLSS or any other Defendant may have against any Person other than any of the Plaintiffs' Releasees; or (b) release any insurer, co-insurer, excess insurer, or re-insurer from any obligation owed to HLSS or any other Defendant for indemnity or coverage under or relating to any policy of liability or other insurance policy.

13. **Rule 11 Findings** – The Court finds and concludes that Lead Plaintiffs and Defendants and their respective counsel have complied in all respects with the requirements of Rule 11 of the Federal Rules of Civil Procedure in connection with the institution, prosecution, defense and/or settlement of this Action.

14. **No Admissions** – Neither this Judgment, the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Stipulation, nor any proceedings taken pursuant to or in connection with the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith):

a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by Lead Plaintiffs or the validity of any claim that was or could have been asserted or the

deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any arbitration proceeding or other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation or this Judgment;

(b) shall be offered against any of the Plaintiffs' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiffs' Releasees that any of their claims are without merit, that any of the Defendants' Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Releasees, in any arbitration proceeding or other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation or this Judgment;

(c) shall be offered or construed as evidence that a class should or should not be certified in the Action if the Settlement is not consummated; or

(d) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given under the Stipulation represents the amount that could be or would have been recovered after trial; *provided, however,* that the Settling Parties and the Releasees and their respective counsel may refer to this Judgment and the Stipulation to effectuate the protections from liability granted hereunder and thereunder or otherwise to enforce the terms of the Settlement.

15. Notwithstanding Paragraph 14 above, the Defendants' Releasees may file or use the Stipulation or Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, statute of limitations, statutes of repose, good-faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim, or to effectuate any liability protection granted to them.

16. **Award of Attorney's Fees and Reimbursement of Litigation Expenses.** Lead Counsel are hereby awarded 33-1/3% of the Settlement Fund in attorney's fees, which sum the Court finds to be fair and reasonable, and \$612,986.62 in reimbursement of expenses, which shall be paid to Lead Counsel from the Settlement Fund. In making this award of attorneys' fees and expenses to be paid from the Settlement Fund, the Court has considered and found that:

a) The Settlement has resulted in the creation of the Settlement Fund of \$6,000,000 that is already on deposit, and that numerous Class Members who submit a valid Proof of Claim Form will benefit from the Settlement achieved by Lead Counsel;

b) 78,876 copies of the Notice were distributed to putative Class Members indicating that Lead Counsel was moving for attorneys' fees in an amount not to exceed 33-1/3% of the Settlement Fund and for reimbursement of actual expenses, and no objections were filed against the terms of the proposed Settlement or the ceiling on the fees and expenses to be requested as disclosed in the Notice;

c) Lead Counsel have conducted the litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

d) The Action involves complex legal and factual issues and, in the absence of a settlement, would involve further lengthy proceedings with uncertain resolution of these complex issues;

e) Had Lead Counsel not achieved the Settlement, there would remain a significant risk that the Class may have recovered less or nothing from the Defendants; and

f) The amount of attorneys' fees and expenses reimbursed from the Settlement Fund is fair and reasonable and consistent with awards in similar cases.

17. **Lead Plaintiffs' Reimbursement Award**: The Court hereby awards the Lead Plaintiffs reimbursement for their reasonable costs and expenses incurred in representing the Class during the prosecution of this Action in the amount of \$4,172.00, which shall be paid from the Settlement Fund.

18. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over: (a) Lead Plaintiffs and Defendants for purposes of the administration, interpretation, implementation and enforcement of the Settlement, including without limitation the Releases provided thereunder; (b) the disposition of the Settlement Fund; (c) the Plan of Allocation; (d) any motion to approve the Class Distribution Order; and (e) the Settlement Class Members for all matters relating to the Action.

19. **Modification of the Agreement of Settlement** – Without further approval from the Court, the Settling Parties are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of

Settlement Class Members in connection with the Settlement. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any provisions of the Settlement.

20. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be vacated, rendered null and void and be of no further force and effect, except as otherwise provided by the Stipulation; this Judgment shall be without prejudice to the rights of Lead Plaintiffs, the other Settlement Class Members, and the Defendants; the Settlement Class shall be decertified; the Settlement Amount, less any Notice and Administration Costs actually incurred, paid or payable and less any Taxes paid, due or owing, subject to appropriate adjustment in the event any tax refund is obtained pursuant to the Stipulation, shall be refunded by the Escrow Agent to HLSS (or such other persons or entities that Defendants' Counsel may direct in writing) as provided by the Stipulation; and Lead Plaintiffs and the Defendants shall revert to their respective litigation positions in the Action as of May 10, 2017, as provided in the Stipulation.

21. **Entry of Final Judgment** – The Clerk of the Court is directed to enter this final judgment in this Action.

DONE AND ORDERED in Chambers at Ft. Lauderdale, Broward County Florida, this 17th day of November, 2017.


WILLIAM P. DIMITROULEAS
United States District Judge

cc: Counsel of record

