

**If you were charged by Carrington Mortgage Services LLC, Carrington Mortgage Holdings LLC, or Carrington Holding Company LLC (“Carrington”) during the Class Period (below) for a lender-placed insurance policy for your residential property, you could receive a cash award from a class action settlement.**

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

- If you were charged by Carrington for lender-placed insurance issued by American Modern Insurance Group, Inc., American Modern Home Insurance Company, The Atlas Insurance Agency, Inc., Midwest Enterprises, Inc., American Family Home Insurance Company, American Modern Surplus Lines Insurance Company, American Western Home Insurance Company, American Southern Home Insurance Company, American Modern Insurance Company of Florida, Inc., American Modern Select Insurance Company, or American Modern Lloyds Insurance Company (together, the “AMIG Defendants”), or Southwest Business Corporation (“SWBC”), this Settlement will provide you with an opportunity to claim a cash award.
- Class Period: The Class Period begins on December 1, 2012 and ends on August 9, 2017.
- If you were charged by Carrington for an LPI Policy during the Class Period, subject to this Notice and the Settlement, you may make a claim for benefits pursuant to the Settlement.
- This Notice explains what the class action lawsuit is about, what the Settlement will be if it is approved by the Court, whether you qualify to submit a claim for a cash award based on the Settlement, and what to do if you want to: (i) submit a claim; or (ii) object to the Settlement; or (iii) not participate in the Settlement and instead “opt out” of the class action. This Notice also tells you how to get more information if you want it.
- If you decide to submit a claim, you must follow the Instructions for the Claim Form and fill out the Claim Form mailed to you with this Notice. Everyone submitting a Claim Form must answer the questions on the Claim Form completely and truthfully under penalty of perjury.
- All Claimants who meet the requirements of the Settlement and who timely submit valid and properly completed Claim Forms will receive a cash award of 10.5% of the Net Premium charged to the claimant by Carrington during the Class Period for the LPI Policy.

**YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DON'T ACT.  
PLEASE READ THIS NOTICE CAREFULLY, AND GET MORE INFORMATION IF YOU NEED IT.  
THIS NOTICE WILL TELL YOU HOW TO GET THAT INFORMATION.**

# **WHAT THIS NOTICE CONTAINS**

## **BASIC INFORMATION..... PAGE 3**

1. Why Was This Notice Sent To Me?
2. What Is This Notice?
3. What Is This Lawsuit About?
4. Why Is There A Settlement?

## **SETTLEMENT CLASS MEMBERSHIP ..... PAGE 4**

5. Who Is A Settlement Class Member?
6. What If I Am Not Sure Whether I Am Included In The Settlement Class?

## **THE SETTLEMENT TERMS AND BENEFITS..... PAGE 4**

7. What Are The Terms Of The Settlement?
8. How Do I Receive A Cash Award?
9. How Do I Know The Amount Of A Cash Award I Am Eligible For?
10. When Would I Receive My Cash Award?
11. What Am I Giving Up To Be Part Of The Carrington Settlement Class?
12. What Happens If I Do Nothing?

## **EXCLUDING YOURSELF FROM THE SETTLEMENT ..... PAGE 6**

13. How Do I Get Out Of The Settlement?
14. What If I Do Not Opt Out Of The Settlement?
15. If I Exclude Myself, Can I Receive Money From This Settlement?

## **OBJECTING TO THE SETTLEMENT ..... PAGE 6**

16. How Can I Object To The Settlement?

## **THE LAWYERS REPRESENTING YOU ..... PAGE 7**

17. Do I Have A Lawyer In This Case?
18. How Will The Class Counsel Lawyers Be Paid?

## **THE COURT'S FINAL APPROVAL HEARING ..... PAGE 8**

19. When And Where Will The Court Decide Whether To Approve The Settlement?
20. As A Carrington Settlement Class Member, May I Speak At The Hearing?

## **GETTING MORE INFORMATION..... PAGE 8**

21. Where Can I Get More Details About The Settlement?

## **BASIC INFORMATION**

### **1. WHY WAS THIS NOTICE SENT TO ME?**

This Notice was sent to you because Defendants' records indicate that your residential insurance policy lapsed, that a hazard, flood, flood-gap, or wind lender-placed insurance policy ("LPI Policy") was issued for your residential property, and that you were charged by Carrington, as your mortgage servicer, for this LPI Policy during the Class Period.

The Court ordered this Notice to be sent to you because you have a right to know about the proposed Settlement of this class action lawsuit, which concerns LPI issued by AMIG Defendants and/or SWBC to Carrington, and about your options, before the Court decides whether to approve the Settlement.

If the Court approves the Settlement, and if you satisfy the claim criteria and submit a timely and valid claim, you will receive a cash award. However, the cash award will not be paid until any objections or appeals are resolved.

### **2. WHAT IS THIS NOTICE?**

This Notice is part of a package sent to all potential Carrington Settlement Class Members like you. The package includes this Notice, the Claim Form Instructions, and the Claim Form. This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of Florida, and the case is called *Strickland, et al., v. Carrington Mortgage Services, LLC, et al.*, Case No. 1:16-cv-25237-JG.

Plaintiffs Robert Strickland, Nicole Masters, and Pedro Santos sued on behalf of you and all Carrington Settlement Class Members and are called the "Plaintiffs." They sued Carrington, AMIG Defendants, and SWBC (called the "Defendants").

### **3. WHAT IS THIS LAWSUIT ABOUT?**

This lawsuit involves lender-placed insurance ("LPI"), which is insurance (hazard, flood, flood-gap, or wind only) that is placed on a borrower's property to protect the borrower and mortgage lender when the borrower's insurance policy lapses, or when the borrower does not maintain a homeowner's insurance policy that is acceptable to the mortgage lender. When an LPI Policy is placed pursuant to the borrower's mortgage contract, Carrington pays premiums to the LPI insurer that issues the policy, in this case, one of the AMIG Defendants and/or SWBC, and then Carrington charges borrowers for those premiums.

Plaintiffs brought claims on behalf of all persons in the Carrington Settlement Class (as defined in Answer #5). Plaintiffs allege that when a borrower was required to have insurance for his or her property pursuant to a residential mortgage or home equity loan or line of credit, and evidence of acceptable coverage was not provided (for example, when the insurance policy did not exist or had lapsed), Carrington would place insurance in a manner such that Carrington allegedly received an unauthorized benefit. Plaintiffs allege further that Carrington did so primarily to receive "kickbacks" or other consideration from AMIG Defendants and/or SWBC. Plaintiffs also allege that the way in which LPI policies were obtained and placed caused the charges to borrowers attributed to premiums and the amount of coverage to be excessive.

Carrington, AMIG Defendants, and SWBC expressly deny Plaintiffs' allegations and assert their actions were and are fully authorized under the mortgage instruments and by law. They also expressly deny that they did anything wrong. There has been no court decision on the merits of this case and no finding that Carrington, AMIG Defendants, or SWBC committed any wrongdoing.

#### 4. WHY IS THERE A SETTLEMENT?

Both sides have agreed to a Settlement to avoid the cost and risk of a trial and so that borrowers can get benefits in exchange for releasing Carrington, AMIG Defendants, and SWBC from liability.

### SETTLEMENT CLASS MEMBERSHIP

#### 5. WHO IS A SETTLEMENT CLASS MEMBER?

To see if you will be affected by this class action, you first have to determine if you are a member of the Carrington Settlement Class. The "Carrington Settlement Class" includes:

All borrowers in the United States who, from December 1, 2012 to August 9, 2017 ("Settlement Class Period"), inclusive of those dates, were charged by Carrington for a hazard, flood, flood-gap, or wind-only LPI Policy for Residential Property issued by AMIG Defendants and procured by SWBC during the Settlement Class Period and who either (i) paid to Carrington all or part of the Net Premium for that LPI Policy, or (ii) were charged but did not pay and still owe to Carrington the Net Premium for that LPI Policy.

Excluded from the Carrington Settlement Class are: (i) individuals who are or were during the Settlement Class Period officers or directors of Carrington, AMIG Defendants, or SWBC, or of their respective Affiliates; (ii) any justice, judge, or magistrate judge of the United States or of any State, their spouses, and persons within the third degree of relationship to any of them, or the spouses of such persons; (iii) borrowers who only had an LPI Policy that was cancelled in its entirety such that any premiums charged and/or collected were fully refunded or credited to the borrower or the borrower's escrow account; and (iv) all borrowers who file a timely and proper request to be excluded from the Carrington Settlement Class.

The Settlement Class Period begins on December 1, 2012 and continues through and including August 9, 2017.

LPI Policy means one or more certificates for lender-placed insurance issued by one of the AMIG Defendants and procured by SWBC applicable to a borrower's Residential Property, and placed pursuant to a mortgage loan agreement, home equity loan agreement, or home equity line of credit serviced by Carrington to cover a borrower's failure to maintain the required insurance coverage on the residential property securing the loan.

#### 6. WHAT IF I AM NOT SURE WHETHER I AM INCLUDED IN THE SETTLEMENT CLASS?

If you are not sure whether you are included in the Carrington Settlement Class, or if you have questions about the case, call the toll-free number, 1-844-632-0308, or visit the Settlement Website at [www.StricklandLPISettlement.com](http://www.StricklandLPISettlement.com).

### THE SETTLEMENT TERMS AND BENEFITS

#### 7. WHAT ARE THE TERMS OF THE SETTLEMENT?

Defendants have agreed to pay a cash award in the amount of 10.5% of the Net Premium charged by Carrington to the claimant during the Class Period for the LPI Policy, provided each Carrington Settlement Class Member timely submits a valid and properly completed Claim Form, and either paid a part of or still owes the premium to Carrington. **Each Carrington Settlement Class Member must submit a Claim Form to be eligible to receive a payment.**

Defendants also have agreed to injunctive relief from which you may benefit. The Settlement benefits are described in more detail in the Settlement Agreement, which is available at [www.StricklandLPISettlement.com](http://www.StricklandLPISettlement.com).

This Settlement will not affect any rights or claims that you may have under any settlement between Defendants and any governmental entity. This Settlement also will not affect any claim for benefits on your LPI Policy that you have made or may make in the future for property damage or loss to your residence. However, as described below (see Answer #11), this Settlement will affect all claims that you may have relating to Defendants' acts, omissions, policies, or practices concerning LPI Policies issued to Carrington and charges by Carrington for LPI Policies during the Class Period.

#### **8. HOW DO I RECEIVE A CASH AWARD?**

To receive a cash award, you must be a Carrington Settlement Class Member and must send in a properly completed and accurate Claim Form by U.S. Mail, postmarked by March 28, 2018 ("Claim Deadline") or, if a private mail carrier is used, a label reflecting a sending date no later than the Claim Deadline. You may also submit a completed Claim Form by uploading it to the Settlement Website, or submitting a completed Claim Form online, no later than midnight Eastern Standard Time on the Claim Deadline.

The Claim Form Instructions and a Claim Form have been sent to you with this Notice. You may also obtain a Claim Form on the Settlement Website at [www.StricklandLPISettlement.com](http://www.StricklandLPISettlement.com), or you can ask for one by calling toll-free, 1-844-632-0308. Please read the Claim Form Instructions carefully, complete and sign the Claim Form, and mail it postmarked or submit online on the Settlement Website no later than March 28, 2018. If your Claim Form is not properly completed or not timely submitted, you will not be paid.

#### **9. HOW DO I KNOW THE AMOUNT OF A CASH AWARD I AM ELIGIBLE FOR?**

Carrington Settlement Class Members are eligible for a cash award of 10.5% of the Net Premium charged by Carrington for an LPI Policy issued by one of the AMIG Defendants and/or SWBC during the Class Period, if you either paid all, or a part of, or still owe Carrington a premium for the LPI Policy. The Net Premium is the amount of the LPI premium charged less any refunds already provided to the borrower.

#### **10. WHEN WOULD I RECEIVE MY CASH AWARD?**

The Court will hold a hearing on January 22, 2018, to determine whether to approve the Settlement. If the Court approves the Settlement, there may be appeals after that. It is always uncertain when any appeals, if filed, will be resolved. Cash payments will be mailed after the Settlement becomes final and effective, which means after all appeals have been resolved.

Please be patient.

#### **11. WHAT AM I GIVING UP TO BE PART OF THE CARRINGTON SETTLEMENT CLASS?**

If you are a Carrington Settlement Class Member and unless you exclude yourself, you will remain in the Carrington Settlement Class. That means you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about LPI or the issues that were or could have been raised in this case. It also means that all of the Court's orders concerning the Carrington Settlement Class will apply to you and legally bind you, including the Releases described in detail in Section 10 of the Settlement Agreement. The Releases describe the legal claims that you give up if this Settlement is approved and you do not exclude yourself. Please carefully read the Releases in the Settlement Agreement.

## **12. WHAT HAPPENS IF I DO NOTHING?**

If you do nothing as a Carrington Settlement Class Member, you'll receive no money from this Settlement. But, unless you exclude yourself from the Settlement, you will not be able to start a lawsuit or continue with a lawsuit against Defendants about the legal issues that were or could have been raised in this case, ever again.

## **EXCLUDING YOURSELF FROM THE SETTLEMENT**

## **13. HOW DO I GET OUT OF THE SETTLEMENT?**

If you are within the definition of the Carrington Settlement Class (see Answer #5), you are automatically a member of the Carrington Settlement Class. However, you can exclude yourself, or "opt out" of the Carrington Settlement Class, if you do not wish to participate. This means you will receive no payment as part of this Settlement nor any of the Settlement benefits.

You cannot ask to be excluded over the phone or on the internet. To exclude yourself, you must mail a written request for exclusion to the Settlement Administrator that includes: (1) the case name and number; (2) your name and your address; (3) your original signature; and (4) a statement requesting exclusion from the proposed Settlement, such as "I hereby request that I be excluded from the proposed Carrington Settlement Class in the Strickland Class Action." Your written Request for Exclusion must be postmarked no later than December 13, 2017, and mailed to StricklandLPISettlement, P.O. Box 6878, Broomfield, CO 80021. You cannot "opt out" of the Settlement on behalf of other members of the Carrington Settlement Class.

## **14. WHAT IF I DO NOT OPT OUT OF THE SETTLEMENT?**

Any member of the Carrington Settlement Class who does not opt out of the Settlement in the manner and by the deadline described above will be part of the Carrington Settlement Class, will be bound by all Orders and proceedings in this action, and will give up the right to sue any of the Defendants for the claims that this Settlement resolves. If you want to opt out, you must take timely affirmative written action even if you have filed a separate action against any of the Defendants or are a putative class member in any other class action filed against any of the Defendants. If you have a pending lawsuit, please contact your lawyer in that lawsuit immediately. Remember, the exclusion deadline is December 13, 2017.

## **15. IF I EXCLUDE MYSELF, CAN I RECEIVE MONEY FROM THIS SETTLEMENT?**

No. If you are a Carrington Settlement Class Member and exclude yourself, do not send in a Claim Form to ask for any money. But, you may sue or continue to sue Defendants individually, or you may be part of a different lawsuit against Defendants.

## **OBJECTING TO THE SETTLEMENT**

## **16. HOW CAN I OBJECT TO THE SETTLEMENT?**

You may object to or comment on all or part of the proposed Settlement if you are a Carrington Settlement Class Member and do not opt out of the Settlement. To do so, you (or your attorney at your expense) must submit a valid objection.

To be valid, your objection must be in writing, personally signed by you, and must include: (a) the case name and number; (b) your name, address, telephone number, and, if represented by an attorney, his or her contact information; (c) the basis for your objection; and (d) a statement of whether you intend to appear at the Final Approval Hearing.

Your objection must be filed with the Clerk of Court, with copies mailed to counsel for all of the parties identified below, postmarked no later than December 13, 2017:

<b>CLERK OF THE COURT</b>	<b>CLASS COUNSEL</b>	<b>COUNSEL FOR CARRINGTON</b>
Clerk of the United States District Court for the Southern District of Florida 400 North Miami Avenue 8th Floor Miami, FL 33128	Adam M. Moskowitz Kozyak, Tropin, & Throckmorton, LLP 2525 Ponce de Leon Blvd. 9th Floor Coral Gables, FL 33134	Robyn Quattrone Buckley Sandler LLP 1250 24th Street NW Suite 700 Washington, DC 20037
<b>COUNSEL FOR AMIG DEFENDANTS</b>	<b>COUNSEL FOR SWBC</b>	
Mark A. Johnson Rodger L. Eckelberry Robert Tucker Baker & Hostetler LLP 200 Civic Center Drive Suite 1200 Columbus, OH 43215	Diana C. Manning Benjamin J. DiLorenzo BRESSLER, AMERY & ROSS, P.C. 325 Columbia Turnpike Suite 301 Florham Park, NJ 07932	

## **THE LAWYERS REPRESENTING YOU**

### **17. DO I HAVE A LAWYER IN THIS CASE?**

The Court appointed the following lawyers to represent you and all other Carrington Settlement Class Members. Together, these lawyers are called Class Counsel. You will not be charged any money to pay for these lawyers.

Adam M. Moskowitz amm@kttlaw.com Kozyak, Tropin, & Throckmorton, LLP 2525 Ponce de Leon Blvd. 9th Floor Coral Gables, FL 33134 Telephone: (305) 372-1800 Facsimile: (305) 372-3508	Aaron S. Podhurst apodhurst@podhurst.com Podhurst Orseck, P.A. SunTrust International Center One S.E. 3rd Ave. Suite 2700 Miami, FL 33131 Telephone: (305) 358-2800 Facsimile: (305) 358-2382	Lance A. Harke lharke@harkeclasby.com Harke Clasby & Bushman LLP 9699 NE Second Ave. Miami Shores, FL 33138 Telephone: (305) 536-8220 Facsimile: (305) 536-8229
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### **18. HOW WILL THE CLASS COUNSEL LAWYERS BE PAID?**

Class Counsel will ask the Court for attorneys' fees and expenses up to \$1,175,953, and a case contribution awards of \$5,000 each paid to Settling Plaintiffs Robert Strickland and Nicole Masters, jointly, and Pedro Santos, individually, for their time and effort in the matter. The Court may award less than these amounts.

Defendants will separately pay attorneys' fees and expenses and case contribution awards that the Court awards, up to maximums of \$1,175,953 in attorneys' fees and expenses and case contribution awards of \$5,000 to Settling Plaintiff Pedro Santos and \$5,000 jointly to Settling Plaintiffs Robert Strickland and Nicole Masters. These payments will not reduce the amount of any cash awards to Carrington Settlement Class Members. Defendants

have agreed not to oppose the applications by Class Counsel for attorneys' fees and expenses or the case contribution awards to Settling Plaintiffs that do not exceed those amounts.

## **THE COURT'S FINAL APPROVAL HEARING**

### **19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?**

The Court will hold a hearing about the Settlement at 9:30 a.m. on January 22, 2018, in the United States Courthouse located at 99 NE 4th Street, Eleventh Floor, Courtroom Number 11-3, in Miami, Florida. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and Class Counsel's applications for attorneys' fees and expenses and case contribution awards to the Settling Plaintiffs. If there are valid and timely objections, the Court will consider them.

The Court may listen to people who have properly asked in writing beforehand to speak at the hearing. After the hearing, the Court will decide whether to approve the Settlement. It is unknown how long this decision will take.

### **20. AS A CARRINGTON SETTLEMENT CLASS MEMBER, MAY I SPEAK AT THE HEARING?**

You cannot speak at the hearing if you have excluded yourself from the Carrington Settlement Class. However, if you are a member of the Carrington Settlement Class, you may ask the Court for permission for you or your attorney to speak at the hearing. To do so, you must file with the Clerk of the Court and serve on all counsel for the parties (at the addresses identified above in Answer #16) a notice of intention to appear at the hearing. The notice of intention to appear must include the case name and number; your name, address, telephone number, and signature, and, if represented by counsel, their contact information; and copies of any papers, exhibits, or other evidence that you intend to present to the Court in connection with the hearing. The notice of intention to appear must be filed with the Clerk of Court and served on all counsel no later than December 13, 2017.

If you do not file a notice of intention to appear by this deadline and follow the requirements in the Settlement Agreement and this Notice, you will not be entitled to appear at the hearing to raise any objections.

## **GETTING MORE INFORMATION**

### **21. WHERE CAN I GET MORE DETAILS ABOUT THE SETTLEMENT?**

This notice summarizes the lawsuit and Settlement. More details are in the Settlement Agreement, which is available on the Settlement Website at [www.StricklandLPISettlement.com](http://www.StricklandLPISettlement.com). You may also contact Class Counsel, identified in Answer #17 above.

In addition, you may call 1-844-632-0308 toll-free, or visit the Settlement Website to find answers to common questions about the Settlement, a Claim Form, and other information to help you determine whether you are eligible for a payment from this Settlement.

Date: October 24, 2017

**PLEASE DO NOT CALL OR WRITE THE COURT, THE JUDGE OR HIS STAFF, OR DEFENDANTS OR THEIR COUNSEL FOR INFORMATION OR ADVICE ABOUT THE SETTLEMENT**