

1 BLOOD HURST & O'REARDON, LLP
TIMOTHY G. BLOOD (149343)
2 THOMAS J. O'REARDON II (247952)
PAULA R. BROWN (254142)
3 701 B Street, Suite 1700
San Diego, CA 92101
4 Tel: 619/338-1100
619/338-1101 (fax)
5 tblood@bholaw.com
toreardon@bholaw.com
6 pbrown@bholaw.com

7 Attorneys for Plaintiff and Proposed Class
8 Counsel

9 **UNITED STATES DISTRICT COURT**
10 **SOUTHERN DISTRICT OF CALIFORNIA**

11 CARMEN TERRY, On Behalf of
Herself, All Others Similarly
12 Situated and the General Public,

13 Plaintiff,

14 v.

15 JPMORGAN CHASE BANK, N.A.;
and REAL TIME RESOLUTIONS,
16 INC.,

17 Defendant.

Case No. 3:15-cv-01666-DMS-KSC

CLASS ACTION

**DECLARATION OF TIMOTHY G.
BLOOD IN SUPPORT OF
UNOPPOSED MOTION FOR
PRELIMINARY APPROVAL OF
SETTLEMENT**

Date: September 22, 2017
Time: 1:30 p.m.

USDJ: Dana M. Sabraw
Ctrm: 13A, 13th, Carter/Keep
USMJ: Karen S. Crawford
Ctrm: Ste. 1010, 10th Carter/Keep

Complaint Filed: July 27, 2015
Trial Date: June 19, 2017

DEMAND FOR JURY TRIAL

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1 I, TIMOTHY G. BLOOD, declare:

2 1. I am a partner at the law firm of Blood Hurst & O'Reardon, LLP,
3 and am one of the counsel of record for Plaintiff in the above-entitled action. I
4 am an attorney duly licensed to practice before all courts of the State of
5 California and in this district. I have personal knowledge of the matters stated
6 herein, and if called upon, I could and would competently testify hereto.

7 2. Attached hereto as Exhibit A is a true and correct copy of the
8 Settlement Agreement between Plaintiff Terry and Defendants JPMorgan Chase
9 Bank, N.A. and Real Time Resolutions, Inc. ("Ex. A").

10 3. Attached hereto as Exhibit B is a true and correct copy of the
11 Proposed Order Preliminarily Approving Class Action Settlement ("Ex. B").

12 4. Attached hereto as Exhibit C is a true and correct copy of the Firm
13 Resume for Blood Hurst & O'Reardon, LLP ("Ex. C").

14 5. Based on the discovery taken in this case, there are 795 Settlement
15 Class Loans on which borrowers paid approximately \$5.83 million in Challenged
16 Payments, meaning payments made after Chase released its lien on the security
17 underlying the loans, and 22,581 Settlement Class Loans on which no
18 Challenged Payments were made. *See* Ex. A, §I.G. Under the Settlement, all
19 Settlement Class Members will receive a significant portion of that money back
20 from a \$4.3 million dollar non-reversionary Settlement Fund that represents
21 about 74% of the total amount of Challenged Payments. *Id.*

22 6. Under the Settlement, Notice will be sent directly to Settlement
23 Class Members by first class-mail. Each notice will be personalized to state the
24 amount of money the recipient is expected to receive under the Settlement. The
25 Settlement payment will also be sent directly to Settlement Class Members.
26 Settlement Class Members who are in Tranche I will receive about 76% of their
27 post-release payments. Settlement Class Members who are in Tranche II will
28 receive about 38% of their post-release payments. Settlement Class Members

1 who did not make any post-release payments (referred to as “Tranche 3”
2 Settlement Class Members) will nevertheless receive direct monetary relief.
3 Tranche 1 and Tranche 2 Settlement Class Members will also be eligible to
4 receive payments from a secondary distribution if money remains in the
5 Settlement Fund following the initial distribution, most likely from uncashed
6 checks. The second distribution will occur if enough remains for recipients to
7 receive more than \$10. The Settlement Fund will also be used to pay my firm’s
8 attorneys’ fees not to exceed 25% of the Settlement Fund and expenses, a service
9 award to the Class Representative, and the costs incurred by the Settlement
10 Administrator, such as costs for notice, administration, and distribution of the
11 Settlement payments. *See* Ex. A, §§II.A.31. and III.D., G., J-K.

12 7. If any money remains after the secondary distributions and payment
13 of Settlement Costs, it will be distributed in equal shares to the National Housing
14 Law Project and Consumer Watchdog (“CW”) in accordance with the *cy pres*
15 doctrine, subject to Court approval. *Id.*, §III.H.3. As will be more fully explained
16 in connection with final approval, CW is a 501(c)(3) nonprofit organization that
17 has been dedicated to educating and advocating on behalf of consumers for 30
18 years. CW helps consumers nationwide, but with a particular emphasis on
19 Californians. Through policy research, investigation, public education, and
20 advocacy, CW fights to expose, confront, and change deceptive corporate
21 practices in a variety of areas, including mortgage lending. I am informed CW
22 fields thousands of consumer complaints each year, many from consumers
23 seeking advice on mortgage fraud. I am further informed that CW has researched
24 and reported on fraud and kickbacks in the title, escrow, mortgage and natural
25 hazard disclosure industries. In a February 2010 report, CW exposed rampant
26 fraudulent mortgage modification advertising, which prompted the federal
27 government to shut down 85 online mortgage modification scams. In April 2017,
28 CW filed a petition with the California Attorney General on behalf of aggrieved

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1 borrowers who were overcharged in a real estate kickback scheme that was
2 referred to the state real estate oversight board for action.

3 8. The proposed Settlement Class is defined as:

4 California borrowers who obtained a residential mortgage loan
5 owned or serviced by Chase and secured by real property located in
6 the State of California, as to which, between July 28, 2011 through
7 August 1, 2017, Chase (1) released the lien on the property securing
8 the loan, and (2) directly or indirectly, thereafter attempted to collect
9 or actually collected unpaid balances on the loan after the lien
release.

10 Excluded from the proposed Settlement Class are: (a) members of the class
11 action lawsuit entitled *Banks, et al. v. JPMorgan Chase Bank, N.A.*, Case
12 No. RG12614875 (Cal. Super. Ct.), including the settlement and related actions
13 subject to the separate prior class action settlement in that action; and (b) the
14 Judges to whom the Action is assigned and any members of the Judges' staff or
15 immediate family members. *See Ex. A, §II.A.29.*

16 9. The Parties, including Ms. Terry, participated in an Early Neutral
17 Evaluation Conference which took place on November 5, 2015, before the
18 Honorable Karen S. Crawford. The Parties did not resolve the Action at that
19 time.

20 10. The Parties engaged in extensive formal and informal discovery. My
21 firm, acting as proposed Class Counsel for Plaintiff, propounded several sets of
22 interrogatories, requests for admission, and requests for production of documents
23 on Defendants Chase and Real Time. After meet-and-confer sessions to resolve
24 objections and to establish a detailed protocol for the production and review of
25 electronically stored information ("ESI"), Defendants produced thousands of
26 pages of documents and data. The data and ESI broadly related to Defendants'
27 policies and practices for releasing loans and their post-release collection
28 attempts, as well as sample loan files from absent Settlement Class Members,

1 and detailed payment data for the Settlement Class. Plaintiff's counsel created a
2 dedicated document database for this Action and coded and analyzed
3 Defendants' productions. We also retained an expert statistician to review and
4 analyze the payment data and assist us with settlement negotiations.
5 Additionally, we subpoenaed discovery from numerous third parties involved in
6 payment collections for Chase.

7 11. Defendants also conducted discovery with respect to Plaintiff Terry.
8 On May 3, 2016, Plaintiff's counsel, provided responses to Chase's sets of
9 interrogatories and document requests. Separate and apart from providing
10 information to respond to Chase's formal discovery requests, Plaintiff Terry
11 devoted substantial time and effort to providing documents and information to
12 assist in our pre-filing investigation, participating in the ENE with Judge
13 Crawford, participating in periodic telephone conferences and exchanging
14 correspondence with my firm, and reviewing and approving pleadings, including
15 the complaint and the Settlement Agreement.

16 12. The Parties participated in three mediation sessions with the
17 Honorable Richard Kramer (Ret.) of JAMS on November 29, 2016, January 12,
18 2017, and January 18, 2017. In connection with these efforts, the Parties
19 submitted and exchanged detailed mediation statements setting forth their
20 respective views as to the strengths of their cases. These settlement negotiations
21 occurred while the Action was being heavily litigated. As a result, the Parties'
22 respective positions were the fruits of the discovery that had been conducted and
23 analysis of the claims and issues. The last formal mediation session was followed
24 by numerous telephonic conferences until a memorandum of understanding was
25 reached in May 2017. Over the past several months, the Parties have exchanged
26 numerous drafts of settlement documents, further exchanges of information and
27 numerous drafts the Settlement Agreement and related documents, as the Parties
28 continued negotiating all aspects of the Settlement.

1 13. Every aspect of this Settlement was heavily negotiated, from the
2 overall dollar amount of the Settlement to each aspect of the Settlement
3 Agreement and exhibits, including the amounts available to individual
4 Settlement Class Members, the details surrounding the Notice Program, and the
5 distribution of Settlement Awards.

6 14. The Settlement Class consists of 23,376 persons who fall within one
7 of three tranches: (1) those who made at least one Challenged Payment on their
8 Purchase Money Mortgages; (2) those who made at least one Challenged
9 Payment on their Non-Purchase Money Mortgages; and (3) those who did not
10 make any Challenged Payments on either Purchase or Non-Purchase Money
11 Mortgages. Ex. A, §II.A.34-36. The 181 Members of Tranche 1 will receive an
12 initial distribution representing about 76% of the total Challenged Payments they
13 made during the Class Period. The 614 members of Tranche 2 will receive an
14 initial distribution representing about 38% of the total Challenged Payments they
15 made during the Class Period. *Id.*, §III.G.1.a-b. Members of both Tranche 1 and
16 Tranche 2 are eligible for a second distribution if sufficient funds remain. *Id.* The
17 22,581 members of Tranche 3 will receive equal shares of \$500,000
18 (approximately \$22 each), which is the maximum amount of statutory penalties
19 available under the Rosenthal Act. *Id.*, §III.G.1.c.

20 15. Payments will be mailed directly to Settlement Class Members, so
21 no one will need to make a claim.

22 16. All notice and claims administration expenses (estimated to be
23 about \$60,000), attorneys' fees and expenses, and a Class Representative service
24 award will be paid from the Settlement Fund. Ex. A, §§II.A.31., III.J.-K.
25 Defendants agree to not oppose Plaintiff's counsel's application for attorneys'
26 fees not to exceed 25% of the Settlement Fund (\$1,075,000), plus reimbursement
27 of out-of-pocket expenses (approximately \$27,500 to date). *Id.*, §III.J.-K.
28 Defendants also agree not to oppose any request for a Court-awarded service

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1 award of \$5,000 to Plaintiff Terry. *Id.*

2 17. The Parties developed a Notice Program with the assistance of
3 Kurtzman Carson Consultants, LLC (the "Settlement Administrator"), a firm
4 which specializes in developing class action notice plans. *See* www.kccllc.com.

5 18. The Settlement was reached after over two years of hard-fought
6 litigation, which included protracted formal and informal settlement negotiations,
7 work with an expert, motion practice, and extensive discovery. The nature of the
8 negotiations between the Parties, my firm's experience as longstanding class
9 action attorneys, and the fair result reached are illustrative of the arms'-length
10 negotiations that led to the Settlement Agreement.

11 19. My firm and I have substantial experience serving as class counsel
12 in a variety of consumer protection class actions, including those involving
13 mortgage loans. I believe that a settlement of the Action on the terms reflected in
14 the Settlement Agreement is fair, reasonable, adequate, and in the best interests
15 of Plaintiff and the Settlement Class.

16 20. Pursuant to §III.B. of the Settlement Agreement, attached hereto as
17 Exhibit D is a true and correct copy of the First Amended Complaint.

18 I declare under penalty of perjury under the laws of the United States of
19 America that the foregoing is true and correct. Executed on August 21, 2017, at
20 San Diego, California.

21 By: s/ Timothy G. Blood
22 TIMOTHY G. BLOOD

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CERTIFICATE OF SERVICE

I hereby certify that on August 21, 2017, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the Electronic Mail Notice List, and I hereby certify that I have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the Electronic Mail Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on August 21, 2017.

s/ Timothy G. Blood

TIMOTHY G. BLOOD

BLOOD HURST & O'REARDON, LLP
701 B Street, Suite 1700
San Diego, CA 92101
Tel: 619/338-1100
619/338-1101 (fax)
tblood@bholaw.com