

IN THE CIRCUIT COURT OF JACKSON COUNTY, MISSOURI
AT INDEPENDENCE

JOYCE W. AND LUKE SHOKERE
AND MICHAEL D. MAYO,
Plaintiffs.

vs.

RESIDENTIAL FUNDING COMPANY,
LLC AND GMAC MORTGAGE, LLC
Defendants.

Case No. 1116-CV30478

Division 15

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT
AND OF SETTLEMENT HEARING

*A Missouri Court has authorized this Notice. This is not a solicitation from a lawyer.
Please read this Notice carefully and completely.*

THIS NOTICE AND ANNOUNCEMENT APPLIES TO YOU BECAUSE YOU ARE AMONG A CLASS OF PERSONS WHO OBTAINED A "SECOND MORTGAGE LOAN" AS DEFINED UNDER MISSOURI LAW THAT WAS SECURED BY A MORTGAGE OR DEED OF TRUST ON RESIDENTIAL REAL PROPERTY LOCATED IN THE STATE OF MISSOURI, AND THAT WAS PURCHASED BY, ASSIGNED TO, SERVICED BY OR MASTER SERVICED BY RESIDENTIAL FUNDING COMPANY, LLC (FORMERLY RESIDENTIAL FUNDING CORPORATION) OR GMAC MORTGAGE, LLC (FORMERLY GMAC MORTGAGE CORPORATION) (REFERRED TO AS THE "RFC RELATED LOANS").

YOU MAY BE ENTITLED TO RECEIVE A SUBSTANTIAL PAYMENT IN CONNECTION WITH THE SETTLEMENT. CLASS MEMBERS WHO OBTAINED A LOAN FROM FIRSTPLUS BANK AND WHO DO NOT EXCLUDE THEMSELVES FROM THE SETTLEMENT WILL RECEIVE A PAYMENT RANGING FROM AN ESTIMATED \$5,613.69 TO \$89,522.61 (\$32,834.67 ON AVERAGE). CLASS MEMBERS WHO OBTAINED A LOAN THAT WAS ACQUIRED BY UBS REAL ESTATE SECURITIES, INC. AND WHO DO NOT EXCLUDE THEMSELVES FROM THE SETTLEMENT WILL RECEIVE A PAYMENT RANGING FROM \$250.00 TO AN ESTIMATED \$23,457.09 (\$2,229.36 ON AVERAGE).

CLASS MEMBERS CAN REVIEW WHAT PLAINTIFFS' COUNSEL CURRENTLY ESTIMATES THE AMOUNT OF THEIR PARTICULAR "RFC SETTLEMENT CLASS MEMBER PAYMENT" TO BE BY VISITING THE WEBSITE OF PLAINTIFFS' COUNSEL, www.wbsvlaw.com, AND CLICKING ON THE LINK LABELED "SHOKERE RFC SETTLEMENT."

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY!

1. WHY SHOULD I READ THIS NOTICE?

This Notice has been mailed to you because the parties' records show that you obtained a second mortgage loan that was either originally made by FirstPlus Bank (formerly Citizens Thrift & Loan Association) or made by some other loan originator, which sold and assigned the loan to UBS Real Estate Securities, Inc. ("UBS"). In both instances, the loans were thereafter purchased by, assigned to, serviced by, or master serviced by Residential Funding Company, LLC (formerly, Residential Funding Corporation) ("RFC"), or GMAC Mortgage, LLC (formerly, GMAC Mortgage Corporation) ("GMAC").

Your second mortgage loan is currently the subject of the class action lawsuit filed in the Circuit Court of Jackson County, Missouri styled "Shokere v. Residential Funding Company, LLC, Case No. 1116-CV30478" (the "Litigation") and one of two earlier-filed class action lawsuits currently pending before the United States District Court for the Western District of Missouri, captioned *Deanthony Thomas, et al., v. U.S. Bank National Association, N.D.*, Case No. 5:11-cv-06013-SOW, and *Michael D. Mayo v. GMAC Mortgage, LLC, et al.*, Case No. 4:08-CV-00568-W-DGK (the "Missouri Cases").

You (and any co-borrower(s) on your second mortgage loan) may be eligible to receive money from a proposed settlement (the "Settlement") executed on October 1, 2011 by Joyce W. and Luke Shokere and Michael D. Mayo, as named plaintiffs in the Litigation, and RFC, individually and as attorney-in-fact for GMAC, which have been sued as an assignee, owner, holder, servicer or master servicer of the RFC Related Loans. Please share this Notice with any co-borrower(s) on your loan(s).

This Notice generally describes the Litigation, your rights under the proposed Settlement, which has been preliminarily approved by the Circuit Court of Jackson County, Missouri (the "Court"), and the public "Fairness Hearing" that will be held by the Court to consider the fairness of the proposed Settlement.

2. WHAT IS THE LITIGATION ABOUT?

The Litigation was filed on November 9, 2011 in the Circuit Court of Jackson County, Missouri at Independence. Plaintiffs Joyce W. and Luke Shokere and Michael D. Mayo ("Plaintiffs") filed the Litigation on their own behalf, and on behalf of a proposed class of Missouri borrowers who, like Plaintiffs, obtained a junior or "second" mortgage loan secured by their Missouri home that was either: (1) made by FirstPlus Bank on or after May 16, 1994 and thereafter purchased, assigned, serviced or master serviced by RFC; or (2) purchased by or assigned to UBS, and either closed on or after June 20, 2002, or was a loan for which interest was paid on or after June 20, 2002, and was thereafter purchased, assigned, serviced or master serviced by RFC or GMAC. These particular second mortgage loans are called the "RFC Related Loans" and they are the loans covered by the Settlement. Plaintiffs and RFC believe that you obtained an RFC Related Loan.

Plaintiffs filed the Litigation in order to consolidate and expeditiously and efficiently resolve more than 100 individual but similar claims that are among the thousands of unresolved claims at

issue in the Missouri Cases. Neither of the Missouri Cases has yet been certified as a class action.

Plaintiffs allege in the Litigation that the RFC Related Loans violated Missouri law, specifically the Missouri Second Mortgage Loans Act, §§ 408.231-408.241 RSMo. The alleged Missouri state law violations stem from allegations that FirstPlus Bank and the other lenders that made the loans directly or indirectly charged, contracted for or received a number of loan fees in connection with the loans in violation of § 408.233.1 RSMo. Plaintiffs also allege that each of the illegal loans was sold and assigned to (a) RFC or GMAC, (b) UBS or some other entity that sold and assigned the loan to RFC or GMAC, or (c) one or more other entities for which RFC or GMAC “serviced” or “master serviced” the loan. Plaintiffs assert that, as the purchasers or assignees of the RFC Related Loans, RFC and GMAC are derivatively liable for the originating lender’s Missouri law violations. In addition, Plaintiffs assert that RFC and GMAC, themselves, violated the Missouri Second Mortgage Loans Act by directly or indirectly charging, contracting for, collecting or receiving the illegal loan fees, as well as interest, on the RFC Related Loans. Plaintiffs contend that, because the loans violated the Missouri Second Mortgage Loans Act, Plaintiffs, and all other Missouri borrowers like them, are entitled to recover the illegal fees and all of the interest paid (or to be paid) on the loans, together with “prejudgment” interest on the illegal fee and interest paid amounts, plus punitive damages, reasonable attorney’s fees and equitable relief as determined by the Court.

RFC and GMAC deny that all of the alleged settlement charges assessed in connection with the RFC Related Loans violated the Missouri Second Mortgage Loan Act. RFC and GMAC further deny that they are derivatively liable for any violations of the law. RFC and GMAC also deny that they directly or indirectly charged, contracted for or received any settlement charges or loan fees in violation of the Missouri Second Mortgage Loans Act and also deny that there is liability under the Act for interest on the loans.

Plaintiffs, as members and representatives of the proposed RFC Settlement Class whose Missouri Second Mortgage Loans were purchased by, assigned to, serviced by or master serviced by RFC or GMAC, and RFC, individually and as the attorney-in-fact for GMAC, as the assignee(s), owner(s), holder(s), servicer(s) or master servicer(s) of the RFC Related Loans (collectively, the “Settling Defendants”), have now agreed to settle and resolve the Litigation as between and among them pursuant to the terms and conditions that are summarized in this Notice. The complete details of the proposed Settlement are contained in a “Settlement and Release Agreement” filed with the Court (the “Agreement”).

On November 14, 2011, the Court preliminarily approved the proposed Settlement as fair, reasonable, and adequate. The Court will conduct a “fairness hearing” **on December 16, 2011** to consider, among other things, whether the Settlement should be finally approved. The proposed Settlement will become effective only if it is finally approved by the Court, provided all other terms and conditions of the Settlement are met.

3. WHO IS COVERED BY THE PROPOSED SETTLEMENT?

According to the parties' records, you are a member of the "RFC Settlement Class" and will be covered by the Settlement. The Settlement Class includes all persons who obtained a "Second Mortgage Loan," as defined in Mo.Rev.Stat. § 408.231.1, that was secured by a mortgage or deed of trust on residential real property located in the state of Missouri, and that:

- (1) was made by FirstPlus Bank (formerly Citizens Thrift and Loan Association) on or after May 16, 1994 and was thereafter purchased by, assigned to, serviced by or master serviced by Residential Funding Company, LLC (f/k/a Residential Funding Corporation); or
- (2) was purchased by or assigned to UBS Real Estate Securities, Inc. and either closed on or after June 20, 2002, or was a loan for which interest was paid on or after June 20, 2002, and which was thereafter purchased by, assigned to, serviced by or master serviced by Residential Funding Company, LLC (f/k/a Residential Funding Corporation) or GMAC Mortgage, LLC (formerly GMAC Mortgage Corporation).

4. WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?

The following is only a summary of some of the terms and conditions of the proposed Settlement. For more information, you may obtain a copy of the executed Agreement by contacting Plaintiffs' Counsel at the address listed in Section 7 of this Notice, or by visiting the website of Plaintiffs' Counsel, www.wbsvlaw.com, and clicking on the link labeled "Shokere RFC Settlement."

- A. The Settling Defendants have agreed to pay the following amount in settlement of the "Released Claims": (1) \$2,194,212.12 to the members of the RFC Settlement Class who obtained their loans from FirstPlus Bank; and (2) \$266,633.79 to the members of the RFC Settlement Class whose loans were originated by a lender other than FirstPlus Bank and were initially sold to UBS. The "Settlement Fund" is \$2,460,845.91, or the sum of these two amounts.
- B. If the Court approves the proposed Settlement, the members of the RFC Settlement Class who obtained their loans from FirstPlus Bank, and who do not exclude themselves from the Settlement, will receive a settlement payment ranging from an estimated \$5,613.69 to \$89,522.61 (\$32,834.67 on average). The amount of each such payment (defined as an "RFC Settlement Class Member Payment") represents a pro rata share of the "Net Distributable Settlement Fund" (defined below) and is determined per loan based on the following: (a) the allegedly illegal loan fees charged, contracted for or received in connection with the loan; (b) the interest paid on the loan; and (c) prejudgment interest on those amounts.
- C. If the Court approves the proposed Settlement, the members of the RFC Settlement Class whose loans were originated by a lender other than FirstPlus Bank and were initially sold to

UBS, and who do not exclude themselves from the Settlement, will receive a settlement payment ranging from \$250.00 to an estimated \$23,457.09 (\$2,229.36 on average). The amount of each such payment (defined as an “RFC Settlement Class Member Payment”) represents a pro rata share of the “Net Distributable Settlement Fund” (defined below) and is determined per loan as the greater of \$250.00 or one-third of the following amounts: (a) the allegedly illegal loan fees charged, contracted for or received in connection with the loan; (b) the interest paid on the loan; and (c) prejudgment interest on those amounts. See Section 9 below (“What are the Reasons for Settlement?”) for more details concerning why the amounts being paid to these Class Members have been discounted as a part of the Settlement.

- D. The “Net Distributable Settlement Fund” will be a percentage of the “Net Settlement Fund,” which is determined by deducting the following amounts from the \$2,460,845.91 “Settlement Fund”: (a) the amount of any incentive awards made to Plaintiffs by the Court; and (b) the amount of any litigation expenses and/or court costs awarded to Plaintiffs’ Counsel by the Court. The portion of the “Net Distributable Settlement Fund” to be made available to the members of the RFC Settlement Class who obtained their loans from FirstPlus Bank is estimated to be \$1,313,386.94 or 60% of the Net Settlement Fund attributable to those loans. Plaintiffs and Plaintiffs’ Counsel will ask the Court to award the remaining \$875,591.29 or 40% of the Net Settlement Fund attributable to the FirstPlus loans as an attorney’s fee award to Plaintiffs’ Counsel for their services and work with respect to the separate Settlement with RFC, the Litigation and the Missouri Cases. The portion of the “Net Distributable Settlement Fund” to be made available to the members of the RFC Settlement Class whose loans were initially sold to UBS is estimated to be \$156,055.38 or 60% of the Net Settlement Fund attributable to those loans. Plaintiffs and Plaintiffs’ Counsel will ask the Court to award the remaining \$104,036.92 or 40% of the Net Settlement Fund attributable to the UBS loans as an attorney’s fee award to Plaintiffs’ Counsel for their services and work with respect to the separate Settlement with RFC, the Litigation and the Missouri Cases. The amount of the incentive, expense and attorney’s fees awards that Plaintiffs and Plaintiffs’ Counsel will ask the Court to approve are explained in Section 10 of this Notice.
- E. RFC Settlement Class Members can review what Plaintiffs’ Counsel currently estimates the amount of their individual RFC Settlement Class Member Payment to be by visiting the website of Plaintiffs’ Counsel, www.wbsvlaw.com, and clicking on the link “Shokere RFC Settlement.”
- F. If the Court approves the Settlement and it becomes effective in accordance with the terms of the Agreement, the members of the RFC Settlement Class who do not exclude themselves from the Settlement will receive their RFC Settlement Class Member Payment for the loan by check. The check will be mailed by first-class mail, postage prepaid, to the RFC Settlement Class Members, or to the bankruptcy trustee for those RFC Settlement Class Members who filed a Chapter 7 bankruptcy after obtaining their loan. The check will be mailed by Plaintiffs’ Counsel and will not come from RFC directly. **Joint borrowers, such as a husband and wife, will receive a single payment per loan, even if they are separated or divorced. Any RFC Settlement Class Member who receives a payment**

under the Settlement is personally and solely responsible for distributing or allocating the payment between or among any co-borrower(s), regardless of whether the check is made payable to all or only some of the RFC Settlement Class Member's co-borrowers. RFC Settlement Class Members will also be responsible for paying any taxes due on any RFC Settlement Class Member Payment received. RFC Settlement Class Members are strongly encouraged to consult with their own tax advisor concerning the tax effects of any money received pursuant to this Settlement. Plaintiffs' Counsel cannot provide you with any tax advice.

- G. The proposed Settlement will become effective only if approved by the Court and all other terms and conditions as to effectiveness as stated in the Agreement are met. If the proposed Settlement is approved and becomes effective, the Court will enter a judgment that releases and discharges RFC and certain other persons, including the other Settling Defendants, as of the Effective Date from certain claims that were or could have been asserted against them in the Litigation. The Releases are further discussed and set out in Section 11 of this Notice.

5. WHAT DO I NEED TO DO TO PARTICIPATE IN THE SETTLEMENT?

Nothing. You are already a member of the RFC Settlement Class and will participate in the Settlement and will receive the estimated RFC Settlement Class Member Payments as stated above. **If you filed for Chapter 7 bankruptcy protection after you obtained your loan, you are still a member of the RFC Settlement Class, but the Settlement Payment will be made payable to you and/or your Chapter 7 bankruptcy trustee, who will also receive this Notice.** If you filed for bankruptcy protection, you should consult with a bankruptcy attorney about this Notice.

If you change your address, please contact Plaintiffs' Counsel at the address provided in Section 7 below.

6. CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

Yes. However, if you exclude yourself from the Settlement, you will **not** receive any payment from the Settlement Fund.

Consequently, if you wish to receive your RFC Settlement Class Member Payment as described in Section 4 of this Notice, **DO NOTHING.**

If you do wish to exclude yourself from the Settlement, you must send a request for exclusion by first-class mail, postage prepaid, to Plaintiffs' Counsel and Settling Defendants' Counsel (the names and addresses are provided in Section 7 below). To be effective, your request for exclusion must be in writing and be **received** by Plaintiffs' Counsel and Settling Defendants' Counsel at the addresses below on or before **December 14, 2011**. The request for exclusion must include: (a) your name, address, telephone number and the last four digits of your social security number; (b) a statement that you and all other borrowers named on the promissory note for your loan are seeking exclusion from the Settlement; (c) your signature and the signature of

any other borrower(s) named on the promissory note for your loan; and (d) a reference to “Shokere v. Residential Funding Company, LLC, Case No. 1116-CV30478.” The request for exclusion must be signed personally by you and any other borrower(s) named on the promissory note for your loan or the personal representative of any such person if deceased or legally incompetent. No request for exclusion may be made on behalf of a group of RFC Settlement Class members. Nor may any member(s) of the RFC Settlement Class opt out or exclude themselves from the RFC Settlement Class by having an agent or attorney sign and submit an exclusion request form on their behalf. A request for exclusion form must be signed personally by you and any other borrower(s) named on the promissory note for your loan. Your request for exclusion must be timely **received** to be effective.

If you exclude yourself from the Settlement, you will not be bound by any Final Order and Judgment entered in the case with respect to the RFC Settlement Class. You will be free to continue pursuing whatever legal rights you may have against RFC and the other Settling Defendants in the Litigation.

7. WHY, WHEN, AND WHERE WILL A FAIRNESS HEARING BE HELD?

A hearing on whether to grant final approval of the Settlement will be held before the Honorable Robert M. Schieber of the Circuit Court of Jackson County, Missouri (Division 15) on **December 16, 2011 at 4:00 p.m.**, in the Jackson County Courthouse, 308 W. Kansas, Independence, Missouri 64050 (the “Fairness Hearing”). There is no need for you to attend the Fairness Hearing if you simply wish to benefit from the Settlement. The purpose of the Fairness Hearing is to determine, among other things: (a) whether the terms and conditions of the Settlement are fair, reasonable and adequate; (b) whether Plaintiffs are adequate representatives of the proposed RFC Settlement Class; (c) whether Plaintiffs’ Counsel is entitled to attorney’s fees and expenses and, if so, how much; (d) whether Plaintiffs should be entitled to a payment for their services as class representatives and, if so, how much; and (e) whether the Final Order and Judgment should be entered dismissing the Litigation with prejudice on the merits as to the Settling Defendants.

The Court has the power to adjourn or reschedule the Fairness Hearing from time to time without further notice of any kind.

At the Fairness Hearing, the Court will consider the statements of the parties and any objections that may have been made. Any member of the RFC Settlement Class who has not filed a timely written Request for Exclusion has the right to object to the proposed Settlement. If you want to object, you must file a written objection with the Clerk of Court, Jackson County Courthouse, 308 W. Kansas, Independence, Missouri 64050, no later than **December 14, 2011**. All persons wishing to object must also send a copy of their written objection to Plaintiffs’ Counsel and Settling Defendant’s Counsel (the names and addresses are stated below). The objection must include: (a) your name, address, and telephone number; (b) a statement of each objection to the proposed Settlement that you wish to assert; (c) a detailed description of the facts supporting each of the objections; (d) copies of any loan documents in your possession or control that you rely on as a basis for your objections; (e) the names of all witnesses, and the report(s) from any

proposed experts you intend to call at the Fairness Hearing; (f) copies of any exhibits that you intend to rely on at the hearing; (g) a reference to “Shokere v. Residential Funding Company, LLC, Case No. 1116-CV30478”; (h) a statement of whether you intend to appear at the Fairness Hearing in person or through an attorney; and (i) if you are represented by an attorney, a detailed description of the legal authorities supporting each of your objections.

Any member of the RFC Settlement Class who has not filed a timely written request for exclusion has the right to appear and/or enter an appearance at the Fairness Hearing. Attendance at the final hearing is not necessary. If you do wish to appear at the Hearing, you or your attorney must: (a) file a Notice of Appearance with the Clerk of Court no later than **December 14, 2011**; and (b) serve the Notice of Appearance on Plaintiffs’ Counsel and Settling Defendants’ Counsel. Any subjects to be raised at the Fairness Hearing must be contained in a written objection filed with the Court in the manner set out above. If you wish to call witnesses or present other evidence at the Fairness Hearing, you must identify the witnesses in your written objection. You must also attach any documents to your objection and describe any other evidence you intend to present at the Hearing.

The addresses for Plaintiffs’ Counsel and Settling Defendants’ Counsel are as follows:

Plaintiffs’ Counsel

R. Frederick Walters
Kip D. Richards
Walters Bender Strohbehn & Vaughan, P.C.
2500 City Center Square
1100 Main Street
Kansas City, MO 64105

Settling Defendants’ Counsel

Irvin V. Belzer
Bryan Cave, LLP
One Kansas City Pl., 1200 Main St.,
Ste. 3500
Kansas City, MO 64105-2100

Any member of the RFC Settlement Class who has not filed a timely written request for exclusion may also request to intervene in the Litigation, in person or through an attorney retained at the RFC Settlement Class Member’s own expense. A request or motion to intervene must be in writing and reference “Shokere v. Residential Funding Company, LLC, Case No. 1116-CV-30478” and otherwise comply with the Missouri Rules of Civil Procedure and applicable law. A request to intervene must be filed with the Clerk of Court, Jackson County Courthouse, 308 W. Kansas, Independence, Missouri 64050, no later than **December 14, 2011**. Any persons wishing to intervene must also send a copy of their written request to intervene to Plaintiffs’ Counsel and Defendants’ Counsel at the addresses above.

Any member of the RFC Settlement Class who does not comply with the above requirements shall be deemed to have waived all objections to and shall be forever barred from challenging the proposed Settlement.

8. WHO REPRESENTS THE RFC SETTLEMENT CLASS?

The RFC Settlement Class is represented by Plaintiffs’ Counsel: R. Frederick Walters, Kip D. Richards, David M. Skeens, J. Michael Vaughan, and Garrett M. Hodes of the law firm Walters Bender Strohbehn & Vaughan, P.C. If you have questions regarding the Settlement, this Notice

or your options, you can contact Plaintiffs' Counsel without charge by writing to them at the address provided above, or by calling 1-877-472-6620 (or 816-421-6620 if in the KC Metro Area) or by visiting the website of Plaintiffs' Counsel, www.wbsvlaw.com and clicking on the link "Shokere RFC Settlement."

9. WHAT ARE THE REASONS FOR SETTLEMENT?

Plaintiffs and the Settling Defendants have agreed to the Settlement after considering, among other things: (i) the substantial benefits available to the RFC Settlement Class under the terms of the Agreement; (ii) the attendant risks and uncertainty of litigation, especially in complex litigation such as this, as well as the difficulties and considerable delays inherent in such litigation; (iii) the likelihood that the payments to be made pursuant to the Settlement to Plaintiffs Joyce W. and Luke Shokere and the members of the RFC Settlement Class whose loans were made by FirstPlus Bank may be the only amounts available for recovery on these loans; (iv) the likelihood that Plaintiff Mayo and the members of the RFC Settlement Class whose loans were purchased by UBS will be able to recover damages in addition to the amounts being paid pursuant to the Settlement; (v) the possibility and risk of beneficial or adverse future rulings; (vi) the vigorousness of the defenses asserted by the Settling Defendants; and (vii) the desirability of consummating the Settlement promptly to provide effective relief to the RFC Settlement Class. The difference in the settlement amounts being paid to the Class Members reflects the perceived relative merits, risks and available recoveries associated with the loans at the time of the Settlement.

The Court has not ruled on the merits of the claims or defenses in this case, and the Settling Defendants have denied and continue to deny each and every claim asserted against them. They deny and continue to deny all charges of wrongdoing or liability against it arising out of or relating to any of the conduct, statements, acts, or omissions alleged, or that could have been alleged in the Litigation. Nonetheless, the Settling Defendants have concluded that further litigation and a trial of the claims would be protracted, burdensome, and expensive, and that it is desirable that the Litigation be fully and finally settled as against them in the manner and on the terms and conditions set forth in the Agreement.

10. WILL PLAINTIFFS OR PLAINTIFFS' COUNSEL RECEIVE COMPENSATION?

Yes. Plaintiffs, as representatives of the RFC Settlement Class, will make applications to the Court for approval of what is called an "incentive award." Such awards are used and made in class action lawsuits to provide an "incentive" to individuals like Michael Mayo and Mrs. and Mr. Shokere to file and prosecute class action lawsuits for the benefit of a class of people they do not know. The award also compensates the representatives of a class for their work and time as class representatives. Plaintiffs Joyce and Luke Shokere will ask the Court to approve and make an incentive award to them of up to \$500.00 for their time and efforts in the Litigation and *Thomas* case. Plaintiff Michael Mayo will ask the Court to approve and make a partial incentive award to him of up to \$3,000.00 for his time, services and expenses in the Litigation and in the *Mayo* case (being interviewed and deposed, reviewing documents, meeting and conferring with class counsel, etc.) The Settling Defendants will not object to Plaintiffs' applications, but the

Court must still determine and approve the amount of any incentive award to be made as “reasonable.” Any incentive award made to Plaintiffs will be paid from the Settlement Fund in order to determine the Net Settlement Fund and Net Distributable Settlement Fund, the latter of which will be distributed to the RFC Settlement Class Members as “RFC Settlement Class Member Payments” as described in Section 4 above.

Plaintiffs’ Counsel has prosecuted this litigation against the Settling Defendants on a contingency fee basis and has incurred or advanced all of the costs associated with Plaintiffs’ claims against the Settling Defendants in both the Litigation and the Missouri Cases. Plaintiffs’ Counsel has not yet been paid for the work attributable to the claims against the Settling Defendants or received reimbursement for the expenses incurred or advanced on behalf of Plaintiffs and the RFC Settlement Class in connection with those claims. The Court must determine and approve the amount of any such awards of attorneys’ fees and litigation expenses to be made to Plaintiffs’ Counsel. The amount of any such award must be reasonable based on a number of factors including, but not limited to, the nature and extent of the work involved, the difficulty of the case and the issues presented, the skill needed to conduct the case properly, the experience, reputation and ability of the lawyers, the contingency or certainty of compensation, the customary charges for similar work, and the amount involved in the controversy and the benefits resulting to the client.

Based on these and other factors, and as a part of the Settlement, Plaintiffs’ Counsel and/or Plaintiffs will request the Court to approve an award of attorney’s fees and litigation expenses not to exceed the following amounts: (a) \$4,733.88 for an allocated share of the more than \$359,183.27 of total litigation expenses and court costs that Plaintiffs’ Counsel has incurred and advanced in connection with the claims involving the FirstPlus loans as of February 28, 2011; (b) \$3,541.48 for an allocated share of the more than \$21,906.59 of total litigation expenses and court costs that Plaintiffs’ Counsel has incurred and advanced in connection with the UBS loans as of February 28, 2011; (c) 40% of the “Net Settlement Fund” attributable to the First Plus loans as explained in Section 4.D of this Notice; and (d) 40% of the “Net Settlement Fund” attributable to the UBS loans as explained in Section 4.D of this Notice. The amounts of any such expense and attorney’s fees awards made to Plaintiffs’ Counsel will be deducted and paid from the Settlement Fund and Net Settlement Fund, respectively, before the RFC Settlement Class Member Payments are distributed to the RFC Settlement Class Members as described in Section 4 above.

The Settling Defendants will not object to the above application for expenses and attorney’s fees by Plaintiffs’ Counsel, but the Court must also determine and approve the amount of any expense and attorney’s fee awards as “reasonable.”

If the Court approves and makes the expense and attorney’s fees awards as proposed, the RFC Settlement Class Members who obtained their loans from FirstPlus Bank, absent any exclusions from the Settlement, will receive \$1,313,386.94 or 60% of the Net Settlement Fund attributable to the those loans and Plaintiffs’ Counsel will receive the remaining \$875,591.29 (or 40%) of the Net Settlement Fund. Under this proposal, the amount of the Net Settlement Fund to be paid to the RFC Settlement Class Members who obtained their loans from FirstPlus Bank will compensate those Class Members for: (1) all (100%) of the allegedly illegal loan fees sought

from RFC for the RFC Related Loans; (2) all (100%) of the interest that the Class Members paid (or have yet to pay) on the RFC Related Loans; and (3) prejudgment interest on the loan fee and interest paid amounts at the legal rate of 9% per year, calculated from the date of the Notes and interest payment dates over the past 10 or more years.

If the Court approves and makes the expense and attorney's fees awards as proposed, the RFC Settlement Class Members whose loans were originated by a lender other than FirstPlus Bank and were sold to UBS, and absent any exclusions from the Settlement, will receive \$156,055.38 or 60% of the Net Settlement Fund attributable to the those loans and Plaintiffs' Counsel will receive the remaining \$104,036.92 (or 40%) of the Net Settlement Fund. Under this proposal, the amount of the Net Settlement Fund to be paid to the RFC Settlement Class Members whose loans were sold to UBS will compensate those Class Members for the greater of \$250.00 or one-third of the allegedly illegal loan fees and interest amounts sought from RFC and GMAC for the RFC Related Loans, plus prejudgment interest on the loan fee and interest paid amounts at the legal rate of 9% per year calculated from the date of the Notes and interest payment dates over the past 10 or more years. See Section 9 above ("What are the Reasons for Settlement?") for more details concerning why the amounts being paid to these Class Members have been discounted per the Settlement with RFC.

The range and average of the Settlement Payments described above and in Section 4 of this Notice have been estimated with the expectation that the Court will approve as reasonable the applications for the above stated incentive, expense and attorney's fees awards given, among other things, Plaintiffs' service and work in each of the Missouri Cases and the Litigation, the complexity of the cases, the nature and extent of the legal work provided by Plaintiffs' Counsel since 2000, and the extraordinary results obtained for the RFC Settlement Class. If the Court approves an incentive award or an award of expenses or attorney's fees in an amount less than that applied for, the difference shall be reallocated to the Net Settlement Fund or the Net Distributable fund, as applicable.

11. WHAT CLAIMS WILL BE RELEASED UNDER THE SETTLEMENT?

If approved by the Court and effective in accordance with its terms, the proposed Settlement will be legally binding upon all members of the RFC Settlement Class who did not timely request exclusion from the RFC Settlement Class. The Settlement will fully, finally and forever release, settle, compromise, relinquish and discharge any and all of the Released Persons, as defined in the Agreement, from the Released Claims, also as defined in the Agreement, as of the Effective Date.

The Releases mean that you cannot bring any lawsuit against RFC or any of the other Released Persons identified in the Agreement for any reason whatsoever relating to the "Released Claims," which are also defined in the Agreement; but you will of course be able to enforce your rights under the Agreement, if necessary. If you are currently litigating any claims against RFC or any other Released Person in any other lawsuit or proceeding, either individually or as part of a class, you may be barred from continuing to pursue those claims if you do not timely exclude yourself from the RFC Settlement Class in this case. If you are currently litigating any such claims, you should consult with an attorney concerning your rights immediately.

You should also note that the Settlement with the Settling Defendants does not cover or discharge the claims that you may have against any person, association or entity, other than the Settling Defendants and other “Released Persons.” As provided in the Agreement, neither the dismissal of the Litigation nor the dismissal of the Missouri Cases as against the Settling Defendants shall in any way bar, preclude or otherwise operate as a dismissal, release, discharge or other adjudication of the claims of Plaintiffs or the RFC Settlement Class Members against any person, association or entity other than the Settling Defendants and other “Released Persons” including, without limitation, the claims asserted in the Missouri Cases pursuant to the Missouri Second Mortgage Loans Act, §§ 408.231-408.241 RSMo against the assignees and servicers of the Missouri Second Mortgage Loans other than the Settling Defendants and “Released Persons.”

The term “Releasers” is defined in the Agreement at paragraph 2.18 as:

“Releasers means the Named Plaintiffs and all “RFC Settlement Class Members,” and each of their respective heirs, executors, administrators, assigns, predecessors, and successors, and any other person claiming by or through any or all of them. The Releasers shall not include any of the following: (a) any members of the RFC Settlement Class who opt out of the Settlement in accordance with Paragraph 10 below; (b) any person(s) whom RFC fails to identify as a member of the RFC Settlement Class on Exhibit E; and (c) the Non-RFC Plaintiff Borrowers. It is understood that the releases to be given by the Named Plaintiffs and other Releasers shall only release the “Released Persons” from the “Released Claims,” and nothing more, as provided herein.”

The term “Released Persons” is defined in the Agreement at paragraph 2.19 as:

“Released Persons shall mean the Settling Defendants, individually and together with the RFC affiliates, parent companies and subsidiaries listed on Exhibit G, Wilmington Trust Company, but solely in its capacity as an assignee, holder, trustee, servicer or master servicer of the RFC Related Loans, and JP Morgan Chase Bank, NA, individually and formerly and as successor to Banc One, NA, Chase Manhattan Bank and others, but solely in its capacity as assignee, holder, trustee, servicer or master servicer of the RFC Related Loans, and each of their past and present officers, directors, shareholders, employees, attorneys (including any consultants hired by counsel), accountants, insurers, heirs, executors, and administrators, and each of their respective predecessors, successors, and assigns. Notwithstanding anything in this Agreement to the contrary, the term “Released Persons” does not include any of the following: (a) Wilmington Trust Company in its capacity as an assignee, holder, trustee, servicer and/or master servicer of loans other than the RFC Related Loans; (b) JP Morgan Chase Bank, NA, individually and/or formerly and/or as successor to Banc One, NA, Chase Manhattan Bank and others, in its capacity as an assignee, holder, trustee, servicer and/or master servicer of loans other than RFC Related Loans; (c) the “U.S. Bank Defendants,” UBS Real Estate Securities, Inc. (“UBS”), Deutsche Bank National Trust Company, MASTR Specialized Loan Trust 2007-01, or any other current and/or former defendant named in the Missouri Cases (other than RFC and GMAC Mortgage, LLC; (d) any person, association or entity who is not a “Released

Person,” including, but not limited to, FirstPlus Bank, Option One Mortgage Corporation or any other lender, mortgage banker, mortgage broker and/or loan originator that solicited or made any of the Missouri second mortgage loans that UBS or the Settling Defendants acquired or serviced; (e) any person, association or entity to whom any of the RFC Related Loans were sold, assigned, transferred and/or conveyed prior to the sale, assignment, transference or conveyance to RFC; (f) any person, association or entity, who is not a Released Person, that serviced any of the RFC Related Loans; (g) any person, association or entity to whom any of the loans made to any Non-RFC Plaintiff Borrower were sold, assigned or otherwise transferred or conveyed; or (h) any person, association or entity that serviced any of the loans of any of the Non-RFC Plaintiff Borrowers.”

The term “Released Claims” is defined in the Agreement at paragraph 2.20 as:

“Released Claims means any and all claims, demands, actions, causes of action, rights, offsets, setoffs, suits, damages, lawsuits, liens, costs, surcharges, losses, attorney’s fees, expenses or liabilities of any kind whatsoever, in law or in equity, for any relief whatsoever, including monetary, injunctive or declaratory relief, rescission, general, compensatory, special, liquidated, indirect, incidental, consequential or punitive damages, as well as any and all claims for treble damages, penalties, attorney’s fees, costs or expenses, whether known or unknown, alleged or not alleged in the Missouri Cases or the Litigation, suspected or unsuspected, contingent or vested, accrued or not accrued, liquidated or unliquidated, matured or unmatured, that in any way concern, relate to, or arise out of the RFC Related Loans and which any of the Releasers have had, or now have, from the beginning of time up through and including the Effective Date, against the Released Persons (“Claims”), including but not limited to, any and all Claims arising out of or relating to: (1) allegations that were or could have been asserted against the Released Persons in the Missouri Cases or the Litigation in any way relating to the RFC Settlement Class Members’ RFC Related Loans; (2) any activities of the Released Persons with respect to the RFC Related Loans including, without limitation, any alleged representations, misrepresentations, disclosures, incorrect disclosures, failures to disclose, acts (legal or illegal), omissions, failures to act, deceptions, acts of unconscionability, unfair business practices, breaches of contract, usury, unfulfilled promises, breaches of warranty or fiduciary duty, conspiracy, excessive fees collected, or violations of any consumer protection statute, any state unfair trade practice statute, or any other body of case, statutory or common law or regulation, federal or state, including but not limited to the Missouri Second Mortgage Loans Act, Mo.Rev.Stat. § 408.231, *et seq.*, or any other similar state statute; the Truth in Lending Act, 15 U.S.C. § 1601, *et seq.*, and its implementing regulations, 12 C.F.R. part 226; the Home Ownership and Equity Protection Act, 15 U.S.C. § 1639, *et seq.*, and its implementing regulation, 12 C.F.R. part 226.31-32; the Real Estate Settlement Procedures Act, 12 U.S.C. § 2601, and its implementing regulation, 24 C.F.R. part 3500; the Equal Credit Opportunity Act, 15 U.S.C. § 1691, *et seq.*, and its implementing regulation, 12 C.F.R. part 202; the Home Mortgage Disclosure Act, 12 U.S.C. § 2801, *et seq.*, and its implementing regulation, 12 C.F.R. part 203; the Fair Housing Act, 42 U.S.C. §§ 3601, *et seq.*; the Fair Credit Reporting Act, 15 U.S.C. §§ 1681, *et seq.*; the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692, *et seq.*; and the Federal Trade Commission Act, 15 U.S.C. §§ 45, *et seq.*; and/or (3) any conduct undertaken by any of the

Released Persons to defend the Missouri Cases or the Litigation, including but not limited to, any alleged improper discovery conduct and/or any request for sanctions. It is the intention of the Releasers to provide a general release of the Released Claims against the Released Persons; provided, however, that anything in this Agreement to the contrary notwithstanding, the term Released Claims does not include: (1) the claims of the Named Plaintiffs or any other Releaser, whether or not currently asserted in the Missouri Cases or Litigation, against the U.S. Bank Defendants, UBS Real Estate Securities (“UBS”), Deutsche Bank National Trust Company, MASTR Specialized Loan Trust 2007-01, or any other person, association or entity, other than the Released Persons, in connection with the Named Plaintiffs’ and other Releasers’ RFC Related Loans, notwithstanding the fact that the Named Plaintiffs’ and other Releasers’ RFC Related Loans, in whole or in part, were purchased, acquired, held, serviced or master serviced by the Settling Defendants; (2) any and all other claims of any kind or type by the Named Plaintiffs or any other Releaser against any person, association or entity that is not a Released Person, whether such claims arise out of or relate to a Missouri Second Mortgage Loan, including any RFC Related Loans, and/or some other conduct, transaction, loan or occurrence; (3) any claims of any kind or type by the Named Plaintiffs or any other Releaser against any person, association or entity in connection with any loan and/or loan transaction other than an RFC Related Loan, notwithstanding the fact that the loan, in whole or in part, was purchased by, assigned to, acquired, serviced, or master serviced by RFC and/or any of the other Released Persons; and/or (4) any claims of whatever kind or type by any Non-RFC Plaintiff Borrower and any other person not a Releaser with respect to any Missouri Second Mortgage Loan.”

12. WHAT IF THE SETTLEMENT IS NOT APPROVED BY THE COURT OR DOES NOT BECOME EFFECTIVE?

If the proposed Settlement is not approved by the Court as being fair, reasonable, and adequate, or if the Settlement does not become effective in accordance with the terms and conditions of the Agreement, the Settlement and the Agreement will be null and void and Plaintiffs will dismiss the Litigation without prejudice and will proceed with their claims against RFC, the Settling Defendants and the other Defendants in the Missouri Cases. In that event, no payments will be made under the terms of the Agreement; however, RFC and the other Settling Defendants and Plaintiffs could attempt to enter into another settlement.

13. WHERE DO I GET ADDITIONAL INFORMATION?

This Notice is only a summary of the proposed Settlement and does not describe all of the terms and conditions of the Agreement. You are encouraged to review the Agreement and other related documents, all of which are available upon request from Plaintiffs’ Counsel, or by visiting the website of Plaintiffs’ Counsel, www.wbsvlaw.com and clicking on the link “Shokere RFC Settlement.”

14. WHAT ARE THE RELEVANT DATES?

If you wish to request exclusion from the RFC Settlement Class or appear at the Fairness

Hearing, these are the relevant dates:

- **Deadline for mailing a request for exclusion (must be received by): December 14, 2011**
- **Deadline for filing and serving a notice of appearance, a motion to intervene or any written objection (must be received by the court by): December 14, 2011**
- **Date and time of Fairness Hearing: December 16, 2011 at 4:00 p.m.**

This Notice provides only a summary of matters about the Litigation. If you have any questions or concerns, please contact Plaintiffs' Counsel in writing at the address listed in Section 7 of this Notice or call 816-421-6620.

PLEASE DO NOT CALL OR CONTACT THE COURT FOR INFORMATION.

This notice is sent pursuant to Rule 52.08 of the Missouri Rules of Civil Procedure and
BY ORDER OF THE COURT

DATED: November 14, 2011