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12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA

14 SOUTHERN DIVISION

15 ALFREDO B. PAYARES, ZINNIA
GONZALEZ and GREGORY
16 WALKER,

17 Plaintiffs,

18 vs.

19 J.P. MORGAN CHASE & CO. et al.,

20 Defendants.

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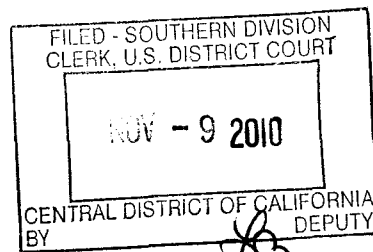
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No. CV-07-05540-AG(ANx)

CLASS ACTION

~~PROPOSED~~ FINAL JUDGMENT
AND ORDER OF DISMISSAL WITH
PREJUDICE

1 The Settlement Agreement between plaintiffs, on behalf of themselves and
2 members of the Class defined below, and defendants Chase Bank USA, N.A. and
3 JPMorgan Chase Bank, N.A. (“Chase”) provides for the Settlement of this lawsuit on
4 behalf of plaintiffs and Class Members, subject to final approval by this Court of its
5 terms and to the entry of this Final Judgment.

6 Pursuant to an Order, dated May 17, 2010 (“Preliminary Approval Order”), the
7 Court scheduled a hearing (the “Fairness Hearing”) to consider final approval of the
8 Settlement Agreement and the Settlement reflected in it.

9 Chase denies any wrongdoing, fault, violation of law, or liability for damages of
10 any sort. Chase objected, and continues to object, to the certification of any class and
11 has agreed to the certification of this class for settlement purposes only.

12 A Fairness Hearing was held before this Court on September 13, 2010, to
13 consider, among other things, (i) whether the Settlement should be approved by this
14 Court as fair, reasonable, and adequate, (ii) whether Class Counsel’s request for
15 approval of attorneys’ fees and expenses is reasonable and should be approved by this
16 Court, and (iii) whether plaintiffs’ request for approval of service payments is
17 reasonable and should be approved by this Court.

18 NOW THEREFORE, GOOD CAUSE APPEARING, IT IS HEREBY
19 ORDERED, ADJUDGED, AND DECREED THAT:

20 1. This Order incorporates by reference the definitions in the Settlement
21 Agreement, and all capitalized terms used in this Order will have the same meanings
22 as set forth in the Settlement Agreement, unless otherwise defined in this Order.

23 2. The Court finds that the Settlement Agreement is the product of good-
24 faith, arm’s length negotiations by the Parties, with the assistance of an experienced
25 mediator. All Parties were represented by experienced counsel.

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1 3. The Court finds that the Class proposed for purposes of the Settlement
2 meets the requirements of Fed. R. Civ. P. 23(a) and 23(b)(3), and hereby certifies a
3 Settlement Class in the Action as follows:

4 All African-American and Hispanic borrowers who, since August 23,
5 2005, obtained a mortgage loan originated through Chase's wholesale
6 channel.

6 4. Notice was provided to members of the Settlement Class as provided for
7 under the Settlement Agreement and the Preliminary Approval Order. For the reasons
8 set forth in the Preliminary Approval Order, the Court finds that Notice was the best
9 notice practicable in the circumstances and that it met applicable standards pursuant to
10 Fed. R. Civ. P. 23(c)(2).

11 5. This Court approves the Settlement and all terms set forth in the
12 Settlement Agreement and finds that the Settlement is, in all respects, fair, reasonable,
13 adequate, and in the best interests of the Settlement Class, and the Parties to the
14 Agreement are directed to consummate and perform its terms.

15 6. The Parties dispute the validity of the claims in this Action, and their
16 dispute underscores not only the uncertainty of the outcome but also why the Court
17 finds the Settlement Agreement to be fair, reasonable, adequate, and in the best
18 interests of the Settlement Class. Beyond facing uncertainty regarding the resolution
19 of those issues, by continuing to litigate, Class Members would also face the challenge
20 of surviving an appeal of any class certification order entered in this Action, and any
21 other rulings rendered during trial. The relief negotiated by the Parties includes the
22 ability of Class Members whose mortgage loans are paid off to claim either a cash
23 payment of \$70 or a \$300 credit toward the closing costs of a new Chase mortgage
24 loan. The relief negotiated by the Parties includes the ability of Class Members whose
25 mortgage loans are outstanding, but not Delinquent, to claim either a cash payment of
26 \$90 or a \$300 credit toward the closing costs of a new Chase mortgage loan. For
27 Class Members whose mortgage loans are outstanding, but are Delinquent, the relief
28 negotiated by the Parties includes special access ("Red Carpet Access") to Chase's

1 existing loan modification program, with dedicated Chase personnel to assist with
2 loan modifications, with personnel with Spanish language skills. For these reasons,
3 the Court finds that the uncertainties of continued litigation in the trial court and
4 potentially on appeal, as well as the expense associated with it, weigh in favor of
5 approval of the Settlement Agreement.

6 7. Any and all objections to Final Approval of the Settlement Agreement
7 and to Class Counsel's request for approval of attorneys' fees and expenses have been
8 considered and are hereby found to be without merit and are overruled.

9 8. This entire Action is dismissed with prejudice, and without costs to any
10 Party, except as otherwise provided by the award of Attorney's Fees and Costs to
11 Class Counsel provided below.

12 9. Upon the Effective Date, the Class Representatives forever release,
13 waive, discharge, and agree to the dismissal of, with prejudice, all claims that have
14 been made, or could have been made, in the Action against Chase (defined here to
15 include all of its parents, subsidiaries, affiliates, agents, successors, assignors,
16 assignees, and/or assigns and their respective subsidiaries, affiliates, agents,
17 successors, assignors, assignees, and/or assigns, and each of their respective present,
18 former, or future officers, directors, shareholders, agents, employees, representatives,
19 consultants, accountants, and attorneys), under ECOA or the FHA, or any other
20 federal or state statute or any common law theory, including all claims for monetary,
21 equitable, declaratory, injunctive, or any other form of relief.

22 10. Each Class Member who has not opted out of the Settlement in
23 accordance with the terms of the Agreement, and each of their respective spouses,
24 executors, representatives, heirs, successors, bankruptcy trustees, guardians, wards,
25 joint tenants, tenants in common, tenants by the entirety, co-borrowers, agents, and
26 assigns, and all those who claim through them or who assert claims on their behalf
27 (including the government in its capacity as *parens patriae*), will be deemed to have
28 completely released and forever discharged the Released Parties, and each of them,

1 from any claim, right, demand, charge, complaint, action, cause of action, obligation,
2 or liability of any and every kind, including, without limitation, those based on
3 contract, ECOA, and/or the FHA, or any other federal, state, or local law, statute,
4 regulation, or common law, including all claims for monetary, equitable, declaratory,
5 injunctive, or any other form of relief, whether known or unknown, suspected or
6 unsuspected, under the law of any jurisdiction, which Class Representatives or any
7 Class Member ever had, now has, or may have in the future, resulting from, arising
8 out of, or in any way, directly or indirectly, connected with (a) the claims raised in this
9 Action or its related action, *Gonzalez v. JPMorgan Chase*, No. CV08-2140 (C.D.
10 Cal.), and (b) claims which could have been raised in this Action or the *Gonzalez*
11 Action based on the same transactional nucleus of facts.

12 11. Class Counsel's request for approval of attorneys' fees and costs in the
13 amount of \$1.95 million, which Chase does not oppose, is approved. This Court,
14 having presided over the above-captioned action and having considered the materials
15 submitted by Class Counsel in support of final approval of the settlement as well as
16 their request for attorneys' fees and costs, finds the award appropriate based on the
17 following factors:

- 18 a. The settlement provides substantial benefits for the class.
- 19 b. The requested award of attorneys' fees and expenses is within the
20 range of reasonable fees for similar class action settlements.
- 21 c. The requested fee is consistent with the total lodestar fees of Class
22 Counsel, based on declarations submitted to the Court.
- 23 d. This litigation raised numerous questions of law and fact,
24 plaintiffs' counsel was opposed by highly skilled defense counsel, the litigation was
25 intensely contested through the completion of the Settlement Agreement, and there
26 was substantial risk that plaintiffs would not prevail on some or all of their claims.
- 27 e. The Settlement was negotiated at arms' length and without
28 collusion, with the assistance of a highly qualified mediator.

1 f. Under the Settlement Agreement, the attorney's fees and costs will
2 be paid by Chase in addition to the substantial benefits to the Settlement Class and
3 therefore do not reduce the amount available to Class Members from a common fund.

4 12. Class Representatives' request for approval of service payments in the
5 amount of \$5,000 per Class Representative, which Chase does not oppose, is
6 approved. These payments represent appropriate compensation to the Class
7 Representatives, consistent with the value of their service to the members of the
8 Settlement Class. Under the Settlement Agreement, these amounts will be paid by
9 Chase in addition to the substantial benefits to the Settlement Class and therefore do
10 not reduce the amount available to Class Members.

11 13. Any person or entity wishing to appeal this Final Judgment ^{NEED NOT} shall post a
12 bond with this Court, ~~in the amount of \$ _____ as a condition of~~
13 ~~prosecuting the appeal,~~ **SINCE THIS HAS BEEN WAIVED.**

14 14. If the Effective Date, as defined in the Settlement Agreement, does not
15 occur for any reason whatsoever, this Final Judgment and the Preliminary Approval
16 Order shall be deemed vacated and shall have no force and effect whatsoever.

17 15. Without affecting the finality of this Final Judgment in any way, this
18 Court retains continuing jurisdiction for the purpose of enforcing the Settlement
19 Agreement and this Final Judgment, and other matters related or ancillary to the
20 foregoing.

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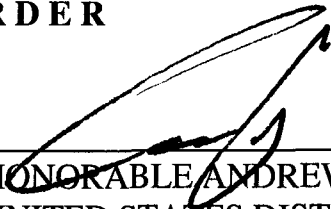
16. The Parties having so agreed, good cause appearing, and there being no just reason for delay, it is expressly directed that this Final Judgment and Order of Dismissal with Prejudice be, and hereby is, entered as a final and appealable order.

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ORDER

IT IS SO ORDERED.

DATED: November 9, 2010



HONORABLE ANDREW J. GUILFORD
UNITED STATES DISTRICT JUDGE