

IN THE CIRCUIT COURT OF CLAY COUNTY, MISSOURI
AT LIBERTY

JAMES AND JILL BAKER, et al.,

Plaintiffs,

v.

CENTURY FINANCIAL GROUP, INC., et
al.,

Defendants.

Case No. CV100-4294 CC

Division 3

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT
AND 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 APPLIES TO YOU BECAUSE (1) YOU ARE A MEMBER OF THE CLASS OF PERSONS CERTIFIED IN THIS LAWSUIT ON JANUARY 2, 2003 AND (2) THE MISSOURI SECOND MORTGAGE LOAN THAT YOU OBTAINED FROM CENTURY FINANCIAL GROUP, INC. (“CFG”) WAS PURCHASED BY AND/OR ASSIGNED TO LIFE BANK (NOW KNOWN AS PACIFIC PREMIER BANK). FOR PURPOSES OF THIS NOTICE AND THE OTHER DOCUMENTS RELATED TO THE SETTLEMENT, PACIFIC PREMIER BANK (ORIGINALLY LIFE BANK) IS REFERRED TO AS THE “SETTLING DEFENDANT”.

AS A MEMBER OF THE “PPB SETTLEMENT CLASS,” YOU ARE ELIGIBLE TO RECEIVE A PAYMENT OF MONEY WITH REGARD TO YOUR CFG LOAN PURSUANT TO THE SETTLEMENT DESCRIBED IN THIS NOTICE. IF APPROVED BY THE COURT, THE SETTLEMENT WILL RESOLVE ALL OF YOUR CLAIMS AGAINST THE SETTLING DEFENDANT WITH REGARD TO YOUR CFG LOAN. THOSE MEMBERS OF THE PPB SETTLEMENT CLASS WHO DO NOT OPT OUT OF AND EXCLUDE THEMSELVES FROM THE SETTLEMENT WILL RECEIVE A PAYMENT OF MONEY RANGING FROM AN ESTIMATED \$9,276.65 TO \$168,371.94 (\$61,949.50 ON AVERAGE) IN EXCHANGE FOR A DISMISSAL OF THEIR CLAIMS AGAINST THE SETTLING DEFENDANT. YOU CAN SEE WHAT PLAINTIFFS’ COUNSEL CURRENTLY ESTIMATES THE AMOUNT OF YOUR “PPB CLASS MEMBER PAYMENT” TO BE BY VISITING www.wbsvlaw.com AND CLICKING ON THE LINK “BAKER PPB SETTLEMENT.”

1. WHY SHOULD I READ THIS NOTICE?

This Notice has been mailed to you because the Parties’ records show that (1) you obtained a second mortgage loan that was originated by Century Financial Group, Inc. (“CFG”) on or after

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

June 28, 1994 that was secured by your Missouri residence; (2) your loan was purchased by and/or assigned to the Settling Defendant; (3) you are a member of the “Litigation Class” that the Circuit Court of Clay County, Missouri certified in the lawsuit styled *James and Jill Baker, et al., v. Century Financial Group, Inc. et al.*, Case No. CV 100-4294 (the “Lawsuit” or “Litigation”); and (4) you did not timely opt out of and exclude yourself from the Litigation Class.

You (and any co-borrower(s) on your second mortgage loan) are now eligible to receive payment of money in connection with your second mortgage loan pursuant to a proposed settlement (the “Settlement”) entered into on March 20, 2015 by James C. Baker, Jill S. Baker, Jeffrey A. Cox, Michelle A. Cox, William L. Springer, and Linda A. Springer, the “Named Plaintiffs” in the Lawsuit, and the Settling Defendant.

The Named Plaintiffs and the Settling Defendant are collectively referred to in this Notice as the “Parties.”

This Notice generally describes your rights under the proposed Settlement, which has been preliminarily approved by the Circuit Court of Clay County, Missouri (the “Court”) and provides notice to you of the date and time of the “Fairness Hearing” that the Court will conduct to consider whether Settlement should be finally approved. Please share this Notice with any co-borrower(s) on your loan(s).

2. WHAT IS THE SETTLEMENT ABOUT?

A class action lawsuit was commenced on June 28, 2000 in the Circuit Court of Clay County, Missouri, styled *James and Jill Baker, et al., v. Century Financial Group, Inc. et al.*, Case No. CV 100-4294. The plaintiffs filed the lawsuit on their own behalf, and on behalf of a proposed class of other borrowers who obtained second mortgage loans secured by Missouri residential real estate from Century Financial Group, Inc. (“CFG”). Once made, CFG sold and assigned its Missouri second mortgage loans and the purchasers, assignees and servicers of the CFG Loans are also Defendants in the case.

The plaintiffs allege that CFG violated the Missouri Second Mortgage Loans Act (“MSMLA”), §§ 408.231-408.241 RSMo by directly or indirectly charging, contracting for and/or receiving a number of different fees in connection with its Missouri second mortgage loans in violation of the MSMLA, § 408.233.1 RSMo. The plaintiffs also allege that the entities that purchased or received the Missouri loans are derivatively liable to the borrowers for CFG’s violations of Missouri law. In addition, the plaintiffs allege that the entities that purchased and/or serviced the loans violated the MSMLA by directly or indirectly charging, contracting for and/or receiving the illegal settlement charges and loan fees, as well as interest, on the unlawful loans that CFG made.

On January 2, 2003, the Court certified a litigation class in the Lawsuit comprised of those persons who obtained a second mortgage loan from CFG on or after June 28, 1994 (the “Litigation Class”). Notice was thereafter provided to the members of the Litigation Class apprising them of the Lawsuit, the Certification Order, and of the right to be excluded from the

Litigation Class.

A copy of the Notice of Class Action Lawsuit was mailed to you in 2003. If you do not have or cannot locate the Notice of Class Action Lawsuit, a copy is available online at the website of Plaintiffs' Counsel, www.wbsvlaw.com (click on the link "Our Cases" then "Class Action Settlements" then "Baker PPB Settlement"). You can also obtain a copy of the Notice of Class Action Lawsuit by contacting Plaintiffs' Counsel at the address listed in Section 7 of this Notice.

On March 20, 2015, the Named Plaintiffs, as representatives of the members of the Litigation Class whose second mortgage loans from CFG were sold and/or assigned to the Settling Defendant (the "PPB Settlement Class"), and the Settling Defendant agreed to settle and resolve the Lawsuit as between the PPB Settlement Class and the Settling Defendant. The Settlement and its terms are summarized in this Notice. The CFG Loans covered by the Settlement are referred to as the "CFG-PPB Loans." If approved by the Court, the Settlement will bring an end to the claims that the Named Plaintiffs are pursuing in the Lawsuit on behalf of the PPB Settlement Class with regard to CFG-PPB Loans. Complete details of the Settlement are contained in a written "Settlement Agreement and Release" (the "Agreement") filed with the Court.

On March 25, 2015, the Court preliminarily approved the Settlement as fair, reasonable, and adequate. The Court will conduct a "fairness hearing" **on June 2, 2015** to consider, among other things, whether the Settlement should be finally approved as fair, reasonable, and adequate. The proposed Settlement will become effective only if it is finally approved by the Court, provided all the other terms and conditions of the Settlement as stated in the Agreement are met.

3. WHO IS COVERED BY THE PROPOSED SETTLEMENT?

The Settlement will only apply to the "PPB Settlement Class Members" as defined in the Agreement. The "PPB Settlement Class" is comprised of those persons who, on or after June 28, 1994, obtained a "Second Mortgage Loan," as defined in § 408.231.1 RSMo, from Century Financial Group, Inc. on real property situated in Missouri, that was purchased by and/or assigned to the Settling Defendant, and who did not timely exclude themselves from the litigation class that the Court certified on January 2, 2003.

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 "Our Cases" then "Class Action Settlements" then "Baker PPB Settlement."

- A. The total amount that the Settling Defendant has agreed to pay in settlement (the "Settlement Fund") is \$1,700,000.00. If the Court approves the Settlement, the members of the PPB Settlement Class who do not exclude themselves from the Settlement will receive a settlement payment ranging from an estimated \$9,276.65 to \$168,371.94 (\$61,949.50 on

average) per loan. The amount of each such “PPB Settlement Class Member Payment” represents a pro rata share of the “Net Distributable Settlement Fund” recovered via the Settlement and is determined per loan based on the following: (a) the total amount of the allegedly illegal loan fees that were charged, contracted for or received in connection with the loan; (b) the actual and/or estimated amount of interest paid on the loan; and (c) prejudgment interest on the fee and interest amounts.

The “Net Distributable Settlement Fund” is a percentage of the “Net Settlement Fund.” The “Net Settlement Fund” is determined by deducting the following from the Settlement Fund: (a) the amount of any incentive fees that the Court awards to the Named Plaintiffs for their services, time and commitment in representing the PPB Settlement Class; and (b) the amount of any litigation expenses and court costs that the Court awards to Plaintiffs’ Counsel pursuant to the Agreement. As proposed, the “Net Distributable Settlement Fund” will total \$929,242.49, or fifty-five percent (55%) of the “Net Settlement Fund.” The Named Plaintiffs and Plaintiffs’ Counsel will ask the Court to award the remaining forty-five percent (45%) of the “Net Settlement Fund” (\$760,289.31), as attorneys’ fees to Plaintiffs’ Counsel for their services and work in pursuing the claims against the Settling Defendant and in procuring the \$1,700,000.00 Settlement Fund for the PPB Settlement Class. The bases for the proposed incentive, expense and attorneys’ fees awards that the Named Plaintiffs and Plaintiffs’ Counsel will ask the Court to approve are explained in Section 10 of this Notice.

If approved by the Court, each PPB Settlement Class Member Payment will compensate the PPB Settlement Class Members – net of the proposed attorneys’ fee award – for the following: (1) all (100%) of the allegedly illegal loan fees sought in the Lawsuit, which totals \$45,736.38; (2) all (100%) of the interest that the PPB Settlement Class paid (or have yet to pay) on their second mortgage loans, which totals \$373,568.80; and (3) prejudgment interest on the above fee and interest amounts at the legal rate of 9% per year, calculated from the date of the Notes and interest payment dates over the past 14 or more years, which totals \$509,937.31.

PPB Settlement Class Members can review what Plaintiffs’ Counsel currently estimates the amount of their particular PPB Settlement Class Member Payment to be by visiting the website of Plaintiffs’ Counsel, www.wbsvlaw.com, and clicking on the link “Our Cases” then “Class Action Settlements” then “Baker PPB Settlement.”

- B. If the Court approves the Settlement and it becomes effective in accordance with the terms and conditions of the Agreement, the members of the PPB Settlement Class who do not exclude themselves from the Settlement will receive their PPB Settlement Class Member Payment for the loan by check. The check will be mailed by first-class mail, postage prepaid, to the PPB Settlement Class Members, or to the bankruptcy trustee for those PPB 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 the Settling Defendant directly.

Joint borrowers, such as a husband and wife, will receive a single payment per loan, even if they are separated or divorced. Any PPB 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 PPB Settlement Class Member's co-borrowers. PPB Settlement Class Members will also be responsible for paying any taxes due on any PPB Settlement Class Member Payment received. PPB 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.

Note: A PPB Settlement Class Member's right to a settlement payment is a conditional right that terminates if a PPB Settlement Class Member to whom a PPB Settlement Class Member Payment check is mailed fails to cash his or her check within six (6) months of the date of the check. In such case, the check shall be null and void (the checks shall be stamped or printed with a notice to such effect), and the Parties shall have no further obligation to make any payment to such PPB Settlement Class Member.

- D. As a part of the Settlement, the Settling Defendant has made certain representations and acknowledgements concerning the CFG-PPB Loans including, but not limited to, a representation, warranty and acknowledgment that 13 of the 15 CFG-PPB Loans have been fully repaid and satisfied or is otherwise such that no debt or other amount remains due and/or owing from any obligor on any of these 13 CFG-PPB Loans. The Settling Defendant has agreed to treat the 2 remaining CFG-PPB Loans as having been fully repaid and satisfied or otherwise resolved such that no debt or other amount remains due and/or owing from the obligors. The Settling Defendant will not seek to collect, recover on, or obtain any relief in connection with the CFG-PPB Loans and has agreed to indemnify and hold the PPB Settlement Class Members harmless from and against any and all liability, loss, expense, damage, cost, or payment of any kind, including but not limited to attorneys' fees and expenses, they incur, sustain or make as a result any demand, suit, claim or proceeding, and any related appeals, made, filed, commenced or otherwise initiated by anyone in order to collect, recover on or obtain any relief in connection with the CFG-PPB Loans.
- E. The proposed Settlement will be enforceable regardless of its tax consequences. All PPB Settlement Class Members will be responsible for paying and/or reporting any and all federal, state and local taxes due on the consideration received by [payments made to] them pursuant to the Settlement.
- F. The proposed Settlement will become effective only if approved by the Court and all of the other terms and conditions as to effectiveness as stated in the Agreement are met. If the Settlement is approved and becomes effective, the Court will enter a Final Approval Order and Judgment that releases and discharges the Settling Defendant and its affiliates and other related persons as of the "Effective Date" from certain claims that were or could have

been asserted against them in the Lawsuit. 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 PPB Settlement Class and will participate in the Settlement and will receive a PPB Settlement Class Member Payment as stated above. **If you filed for Chapter 7 bankruptcy protection after you obtained your loan from CFG, you are still a member of the PPB Settlement Class, but the Settlement Payment will be made payable to you and 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.

If you wish to receive your "PPB Settlement Class Member Payment" as described in Section 4.A of this Notice, **DO NOTHING.**

If, on the other hand, you wish to exclude yourself from the Settlement, you must send a request for exclusion by first-class mail, postage prepaid, to Plaintiffs' Counsel and Counsel for the Settling Defendant (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 Counsel for the Settling Defendant at the addresses below on or before **April 24, 2015**. 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 "Baker v. Century Financial Group, Inc., Case No. CV100-4294." 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 PPB Settlement Class members. Nor may any member(s) of the PPB Settlement Class opt out or exclude themselves from the PPB 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. If there is more than one borrower on your loan, all borrowers on your loan must sign and submit an exclusion request to exclude you from the PPB Settlement Class. Your request for exclusion must be timely **received** to be effective.

If you do exclude yourself from the Settlement, you will not be bound by any Order or Judgment entered with respect to the PPB Settlement Class. You will be free to continue with your claims against the Settling Defendant.

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 K. Elizabeth Davis of the Circuit Court of Clay County, Missouri (Division 3) on **June 2, 2015**, at **9:00 a.m.**, at the Clay County Courthouse, 11 S. Water, Liberty, MO 64068 (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 the Named Plaintiffs are adequate representatives of the proposed PPB Settlement Class; (c) whether the Named Plaintiffs are entitled to a payment for their time, work, services and commitment as representatives of the PPB Settlement Class and, if so, how much; (d) whether Plaintiffs’ Counsel are entitled to attorneys’ fees and expenses in connection with the Settlement and, if so, how much; and (e) whether a Final Approval Order and Judgment should be entered to dismiss the Lawsuit with prejudice and on the merits as to the Settling Defendant. Note: The Court has the power to adjourn or reschedule the Fairness Hearing from time to time without further notice of any kind.

Entry of Appearance

Any member of the PPB Settlement Class who does not submit a timely written request for exclusion has the right to appear at the Fairness Hearing. Attendance at the Fairness Hearing is not required. If you wish to appear, you or your attorney must: (a) file a Notice of Appearance with the Clerk of Court, Clay County Courthouse, 11 S. Water, Liberty, MO 64068, no later than **April 24, 2015**; and (b) serve the Notice of Appearance on Plaintiffs’ Counsel and Counsel for the Settling Defendant in compliance with the Missouri Rules of Civil Procedure. The Court will consider the statements of the parties and any objections that may have been filed at the Fairness Hearing.

Objections

Any member of the PPB Settlement Class who has not submitted a timely written Request for Exclusion has the right to object to the Settlement. If you wish to object to the Settlement, you must file your objection in writing with the Clerk of Court, Clay County Courthouse, 11 S. Water, Liberty, MO 64068, no later than **April 24, 2015**. All persons wishing to object must also send a copy of their written objection to Plaintiffs’ Counsel and Counsel for the Settling Defendant (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 “Baker v. Century Financial Group, Inc., Case No. CV 100-4294”; (h) a statement of whether you intend to appear at the Fairness Hearing in person or through an attorney; (i) if you are represented by an attorney, a detailed description of the legal authorities supporting each of your objections; and (j) any other matter to be raised.

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

Plaintiffs’ Counsel

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

Counsel for the Settling Defendants

Joel Athey
Holland & Knight
400 South Hope Street, 8th Floor
Los Angeles CA 90071

Any member of the PPB 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 Settlement.

Intervention

Any member of the PPB Settlement Class who has not filed a timely written request for exclusion may request to intervene in the Lawsuit, in person or through an attorney retained at the PPB Settlement Class Member’s own expense. A request or motion to intervene must be in writing and reference “Baker v. Century Financial Group, Inc., Case No. CV 100-4294” 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, Clay County Courthouse, 11 S. Water, Liberty, MO 64068, no later than **April 24, 2015**. Any persons wishing to intervene must also send a copy of their written request to intervene to Plaintiffs’ Counsel and Counsel for the Settling Defendant at the addresses above.

8. WHO REPRESENTS THE PPB SETTLEMENT CLASS?

The PPB 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 in the Kansas City Metro Area) or by visiting the website of Plaintiffs’ Counsel, www.wbsvlaw.com and clicking on the link “Our Cases” then “Class Action Settlements” then “Baker PPB Settlement.”

9. WHAT ARE THE REASONS FOR SETTLEMENT?

The Named Plaintiffs and the Settling Defendant have agreed to the Settlement after considering, among other things, (i) the substantial benefits to be made available to the PPB Settlement Class

under the Agreement; (ii) the attendant risks and uncertainty of litigation, especially in complex litigation such as this; (iii) the difficulties and considerable delays inherent in such litigation; (iv) the vigorousness of the defenses asserted by the Settling Defendant; and (v) the desirability of consummating the Settlement promptly to provide effective relief to the PPB Settlement Class.

The Settling Defendant has denied and continues to deny the claims and all charges of wrongdoing being made against it. Nonetheless, the Settling Defendant has concluded that further litigation and a trial of the Lawsuit would be protracted, burdensome, and expensive, and that it is desirable that the Lawsuit be fully and finally settled and resolved as between the Settling Defendant and the PPB Settlement Class in the manner and on the terms set forth in the Agreement.

10. WILL THE NAMED PLAINTIFFS OR PLAINTIFFS' COUNSEL RECEIVE COMPENSATION?

Yes. The Named Plaintiffs, as representatives of the PPB Settlement Class, will make an application to the Court for approval of what is called an "incentive award." Such awards are made in class action lawsuits to provide an "incentive" to individuals like the Named Plaintiffs 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 (nearly 15 years of service in this case) as class representatives (being interviewed and deposed, reviewing documents, meeting and conferring with Class Counsel, etc.). The Named Plaintiffs will ask the Court to approve a separate incentive award of up to \$2,000 per couple for their time, services, expenses and dedication to the PPB Settlement Class, based on the recovery to be obtained for the PPB Settlement Class under the Settlement. The Settling Defendant will not object to the Named Plaintiffs' application, but the Court must still determine and approve the amount of any incentive awards to be made as "reasonable." Any incentive awards made to the Named 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 PPB Settlement Class Members as "PPB Settlement Class Member Payments" as described in Section 4 above.

Plaintiffs' Counsel and/or the Named Plaintiffs will make an application to the Court to approve and award up to \$4,468.20 to reimburse Plaintiffs' Counsel for the costs and expenses incurred and advanced on behalf of the PPB Settlement Class in connection with the Lawsuit from June 28, 2000 through February 25, 2015. The \$4,468.20 amount represents approximately 2.4% of the \$184,473.96 in total costs and expenses that Plaintiffs' Counsel have incurred and advanced on behalf of the entire Litigation Class through February 25, 2015. The \$4,468.20 amount represents an allocable share of the "common" costs and expenses fairly attributable to the claims against all defendants calculated on a per loan basis, plus all of the expenses and advances directly attributable to the claims against the Settling Defendant alone. The Settling Defendant will not object to the proposed award of costs and expenses, but the Court must still consider and approve the amount of the proposed award as "reasonable." Like any incentive award made to the Named Plaintiffs, the amount of any expense award to Plaintiffs' Counsel will be paid from the Settlement Fund in order to determine the "Net Settlement Fund" and "Net Distributable Settlement Fund" as described in Section 4 above.

Plaintiffs' Counsel and/or the Named Plaintiffs will also make an application to the Court to approve and award \$760,289.31 of attorneys' fees to Plaintiffs' Counsel for their services and work in pursuing the Lawsuit against the Settling Defendant, and in procuring the \$1.7 million Settlement Fund for the PPB Settlement Class. The Settling Defendant will not object to the proposed award of attorneys' fees, but the Court also must still determine and approve the amount of any such award to be made to Plaintiffs' Counsel as "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, the amount involved in the controversy, and the benefits to the client.

If approved by the Court, the \$760,289.31 amount will constitute forty-five percent (45%) of the Net Settlement Fund and the amount of any such award made to Plaintiffs' Counsel will be deducted and paid from the Net Settlement Fund to calculate the Net Distributable Settlement Fund to be distributed to the PPB Settlement Class Members, which as proposed will equal fifty-five percent (55%) of the Net Settlement Fund. Under this proposal, the amount of the Net Settlement Fund to be paid to the PPB Settlement Class Members will compensate the PPB Settlement Class Members for the following: (1) all (100%) of the allegedly illegal loan fees sought in the Lawsuit; (2) all (100%) of the interest that the Class Members paid (or have yet to pay) on their second mortgage loans; and (3) prejudgment interest on both the fee and interest amount at the legal rate of 9% per year, calculated from the date of the Notes and interest payment dates over the past 14 or more years.

The Named Plaintiffs and Plaintiffs' Counsel believe that the percentage fee amount and amount of the attorneys' fees being proposed as a part of the Settlement are reasonable for a number of reasons including, among others, the considerable length and complexity of the case, the nature and extent of the legal work provided by Plaintiffs' Counsel in connection with the claims against the Settling Defendant, the defenses raised by the Settling Defendant in response to the claims, the commitment of and work performed by Plaintiffs' Counsel in prosecuting and continuing to prosecute the claims, the contingency fee percentages charged and/or approved in similar cases in the community, the timing of the Settlement, the amount and risks involved in this controversy, the attorneys' fees previously awarded to Plaintiffs' Counsel pursuant to other settlements, the extraordinary benefits obtained for the members of the PPB Settlement Class, including but not limited to the fact that the PPB Settlement Class Members will receive all (100%) of the recoverable fee and interest damages, plus an additional amount of pre-judgment interest, under the Settlement.

The range and average of the PPB Settlement Class Member Payments described 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 attorneys' fees awards. If the Court approves an incentive award or awards costs and expenses or attorneys' fees in amounts that are less than that applied for, the difference will 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 PPB Settlement Class who do not timely request to be excluded from the PPB 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, as defined in the Agreement, as of the Effective Date.

The Releases mean that you as a “Releasor” cannot bring any lawsuit against the Settling Defendant or any of the other “Released Persons” identified in the Agreement for any reason whatsoever relating to the “Released Claims,” as defined in the Agreement. You will of course be able to enforce your rights under the Agreement, if necessary.

Accordingly, if you are currently litigating any other claims against the Settling Defendant 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 PPB Settlement Class in this case. If you are currently litigating any such claims, you should consult with an attorney concerning your rights and claims immediately.

The term “**Releasors**” is defined in the Agreement at paragraph 2.25 as:

[T]he PPB 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 Releasors shall not include any of the following: (a) any members of the PPB Settlement Class who opt out of the Settlement in accordance with Paragraph 9 below; (b) any person(s) not identified as a member of the PPB Settlement Class on **Exhibit D**; or (c) the Named Plaintiffs and any other Non-PPB Plaintiff Borrowers.

The term “**Released Persons**” is defined in the Agreement at paragraph 2.26 as:

[T]he Settling Defendant and any partners, affiliates, predecessor companies, parent companies, subsidiaries, divisions, or other organizational units of any kind doing business in their own names, or doing business under any other names, and any entity now or in the past controlled by, controlling or under the common control with any of the foregoing and doing business under any other names, and any and all respective affiliates and subsidiaries, and shall also mean PaineWebber Mortgage Acceptance Corporation IV, but solely in its capacity as the Depositor of Life Financial Home Loan Owner Trust 1997-3, Wilmington Trust Company, but solely in its capacity as Owner Trustee of Life Financial Home Loan Owner Trust 1997-3, and Wells Fargo Bank NA, as successor by merger to Norwest Bank Minnesota, N.A., but solely in its capacities as the Indenture Trustee, Paying Agent Custodian and Administrator of Life Financial Home Loan Owner Trust 1997-3, and EMC Mortgage Corporation, but solely in its capacity as servicer of Life Financial Home Loan Owner Trust 1997-3, and the joint or respective predecessors, successors and assigns of each (collectively, the “LFHLO Trust Parties”), and shall also mean the past and present officers, directors, shareholders, partners, associates, trustees, employees, agents, attorneys, accountants, representatives, beneficial owners, investment advisors,

investment bankers, insurers, independent contractors, and the heirs, executors, predecessors, successors, and assigns of the Settling Defendant and the LFHLO Trust Parties; provided, however, that anything in this Agreement to the contrary notwithstanding, and regardless of any prior or current relationship or affiliation with the Settling Defendant, the term “Released Persons” **does not include any of the following**: (a) Century Financial Group, Inc. (“CFG”); (b) the “Master Financial Defendants”; (c) The Bank of New York Mellon (f/k/a The Bank of New York); (d) JP Morgan Chase Bank, NA; (e) Wilmington Trust Company, except as the Owner Trustee of Life Financial Home Loan Owner Trust 1997-3; (f) Wells Fargo Bank, N.A., except as successor by merger to Norwest Bank Minnesota, N.A., but solely as the Indenture Trustee, Paying Agent Custodian and Administrator of Life Financial Home Loan Owner Trust 1997-3; (g) any current and/or former defendant named in the Litigation, other than the Settling Defendant; (h) any person, association or entity that serviced any of the CFG-PPB Loans prior to the sale, assignment, transference or conveyance to the Settling Defendant; (i) any person, association or entity to whom any of the loans of any of the Non-PPB Plaintiff Borrowers were sold, assigned or otherwise transferred or conveyed; (j) any person, association or entity that serviced any of the loans of any of the Non-PPB Plaintiff Borrowers; or (k) any person, association or entity to whom any of the CFG-PPB Loans were sold, assigned, transferred and/or conveyed prior to the sale, assignment, transference or conveyance to the Settling Defendant or any of the LFHLO Trust Parties.

The term “**Released Claims**” is defined in the Agreement at paragraph 2.27 as:

[A]ny and all claims, demands, actions, causes of action, rights, offsets, setoffs, suits, damages, lawsuits, liens, costs, surcharges, losses, attorneys’ fees, expenses or liabilities of any kind whatsoever, in law or in equity, for any relief available to the Releasers under § 408.562 RSMo in connection with the CFG-PPB Loans, 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, sanctions, attorneys’ fees, costs or expenses, whether known or unknown, alleged or not alleged in 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 CFG-PPB 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 Litigation in any way relating to the PPB Settlement Class Members’ CFG-PPB Loans; (2) any activities that any of the Released Persons took with respect to the CFG-PPB 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 or merchandising practices act, any state unfair trade practice statute, or any other body of case, statutory or common law, rule or regulation, federal or state, including, but not limited to, the Missouri Second Mortgage Loans Act, §§ 408.231, *et seq.* RSMo, 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.*; the Federal Trade Commission Act, 15 U.S.C. §§ 45, *et seq.* and any applicable rule issued by the Consumer Financial Protection Bureau or applicable provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act; and/or (3) any conduct undertaken by any of the Released Persons to defend the Litigation, including, but not limited to, any alleged improper discovery conduct and/or any request for sanctions in the Litigation. The term “Released Claims” also includes, without limitation, any allegation that any Released Person has conspired with, aided and abetted, or otherwise acted in concert with any other third parties with respect to any of the facts, acts, events, transactions, occurrences, courses of conduct, business practices, representations, omissions, circumstances, or other matters related to the Litigation or the conduct of the Litigation. 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) any claims of any kind or type by the Releasers against any person, association or entity that is not a Released Person, whether such claims arise out of or relate to CFG-PPB Loans or some other conduct, transaction, loan or occurrence; (2) any claims of any kind or type by the Releasers against any person, association or entity in connection with a loan and/or loan transaction originated or made by a person, association or entity other than CFG, notwithstanding the fact that the loan, in whole or in part, was purchased by and/or assigned to Life Bank (now known as Pacific Premier Bank); (3) any claims of any kind or type against The Bank of New York Mellon (f/k/a The Bank of New York) and/or any of the other Master Financial Defendants; (4) any claims of any kind or type against any one or more of the Released Persons as defined in Paragraph 2.26, and including but not limited to the LFHLO Trust Parties as defined in this Paragraph 2.27, except for the claims relating to the 15 CFG-PPB Loans being released pursuant to this Agreement; and/or (5) any claims of any kind or type by any Non-PPB Plaintiff Borrower(s).

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 at the Fairness Hearing as 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 the Named Plaintiffs will proceed with their claims against the Settling Defendant and other Defendants in the Lawsuit. In that event, no payments will be made under the terms of the Agreement; however, the Settling Defendant and the Named 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 "Our Cases" then "Class Action Settlements" then "Baker PPB Settlement."

14. WHAT ARE THE RELEVANT DATES?

The relevant dates are:

- **Deadline for mailing a request for exclusion (must be received by): April 24, 2015**
- **Deadline for filing and serving any notice of appearance, written objection, or motion to intervene (must be received by the court by): April 24, 2015**
- **Date and time of the Fairness Hearing: June 2, 2015 at 9:00 a.m.**

This Notice provides only a summary of matters about the Lawsuit. 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: March 25, 2015