

Notice of Proposed Class Action Settlement

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

You are not being sued. Please do not contact the Court.

Background & Introduction

- A settlement has been proposed to end a class action lawsuit against JPMorgan Chase Bank, N.A. (“Chase”), known as *Cymbalista v. JPMorgan Chase Bank, N.A.*, No. 2:20-cv-00456-RPK-LB (E.D.N.Y.). The lawsuit claims that Chase did not pay interest on certain mortgage escrow balances in accordance with the laws of Connecticut, Maryland, Minnesota, New York, Rhode Island, and Wisconsin. Chase denies that it did anything wrong.
- The parties in this lawsuit have agreed to a settlement to resolve this lawsuit on a class action basis. As described further below, if the settlement is approved by the Court, Chase will pay \$11.5 million, and will pay interest on escrow accounts of Settlement Class Members under the law of the state in which the property was located going forward for three years unless there is a controlling legal determination it does not have to do so. **If the settlement is approved and becomes final, you will be issued a payment and your rights will be affected if you are a member of the Settlement Class as set forth below and you do not exclude yourself from the Settlement Class.**
- Read below, visit www.InterestOnEscrowSettlement.com, or call 1-855-786-1046 for more information.

Your Legal Rights and Options in this Lawsuit	
<u>Option 1:</u> Do nothing, receive payment, give up right to sue	If you do nothing and the settlement becomes final, you will be issued a settlement payment and receive the other settlement benefits if you are a Settlement Class Member, and you will give up your right to bring your own lawsuit about the issues in this lawsuit. See Questions 6-8, 11 for details.
<u>Option 2:</u> Opt out, receive no payment, retain right to sue	If you exclude yourself from the Settlement Class (also called “opting out”), you will give up your right to receive a settlement payment and other settlement benefits, but will not release any claims and will retain any rights you may have to bring your own lawsuit about the issues in this lawsuit. See Question 12 for more information. The deadline to exclude yourself is February 21, 2022 .
<u>Option 3:</u> Object or Comment	If you do not exclude yourself from the Settlement Class, you may object to, or comment on, the settlement and/or Settlement Class Counsel’s request for attorneys’ fees, expenses, and service awards to the Plaintiffs who brought this lawsuit on behalf of the Settlement Class. See Question 13 for more information. The deadline for submitting objections or comments is February 21, 2022 .

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Basic Information

1. What is this lawsuit about?

The lawsuit concerns certain mortgages for properties in Connecticut, Maryland, Minnesota, New York, Rhode Island, or Wisconsin serviced by Chase. Some customers for these mortgages paid money in advance to be held by Chase in escrow accounts for purposes relating to the property, such as the payment of property taxes or homeowners' insurance. The lawsuit alleges that Chase did not pay interest on certain mortgage escrow account balances in accordance with state law in the six states identified above.

Plaintiffs Rachel Cymbalista and Ariel Cymbalista filed a class action lawsuit against Chase about these issues. The complaint in this case is available at www.InterestOnEscrowSettlement.com. Chase denies that it did anything wrong.

Plaintiffs and Chase have now agreed to a settlement to resolve this lawsuit, as described below. The Court has not decided whether Plaintiffs or Chase are correct. By agreeing to the settlement, neither Chase nor Plaintiffs make any admissions regarding the merits of the allegations, claims, or defenses in this case.

The United States District Court for the Eastern District of New York is overseeing this class action lawsuit. The lawsuit is known as *Cymbalista v. JPMorgan Chase Bank, N.A.*, No. 2:20-cv-00456-RPK-LB (E.D.N.Y.).

2. Why is this a class action?

In a class action, one or more people sue on behalf of themselves and other people with similar claims. All of these people together make up the Settlement Class and are Settlement Class Members. One court resolves the issues for all Settlement Class Members, except for those who exclude themselves from the Settlement Class.

Information about the Settlement

3. Who is in the Settlement Class?

The “Settlement Class” is defined as:

All persons identified in Chase’s mortgage-servicing records as holding a mortgage loan serviced by Chase that was secured by real property in Connecticut, Maryland, Minnesota, New York, Rhode Island, or Wisconsin who, during the Class Period, would have been due interest on an escrow account maintained by Chase under the laws of Connecticut, Maryland, Minnesota, New York, Rhode Island, or Wisconsin, but were not paid such interest. Excluded from the Settlement Class are Chase; Chase’s officers and directors at all relevant times, as well as members of their immediate families and their legal representatives, heirs, successors, or assigns; and any entity in which Chase has or had a controlling interest. Also excluded from the Settlement Class are federal, state, and local governments and all agencies and subdivisions thereunder; and any judge to whom this Action is or has been assigned and any member of his or her immediate family. Not included in the Settlement Class are persons having the following types of loans excluded by the applicable laws in Connecticut, Maryland, Minnesota, New York, Rhode Island, or Wisconsin:

- a. In Connecticut, loans securing non-owner-occupied properties.
- b. In Maryland, loans that are not the first mortgage on the property.
- c. In Minnesota, (i) loans originated after July 1, 1996; (ii) loans securing non-owner-occupied properties; (iii) loans where the original loan amount is above 80% of the original appraised value of the property; and (iv) loans insured or guaranteed by the Department of Veterans Affairs or the Federal Housing Administration.
- d. In New York, (i) loans securing non-owner-occupied properties and (ii) loans originated before July 1, 1974.
- e. In Rhode Island, (i) loans securing non-owner-occupied properties; and (ii) loans insured by the Federal Housing Administration or the Department of Veterans Affairs.
- f. In Wisconsin, (i) loans securing non-owner-occupied properties; (ii) loans insured by the Federal Housing Administration or the Department of Veterans Affairs; and (iii) loans originated after January 1, 2019.

If you received a notice of this settlement in the mail or by email, Chase’s records indicate that you are in the Settlement Class.

People in the Settlement Class are called “Settlement Class Members.”

The final Settlement Class will consist of all persons within the Settlement Class definition except for those individuals who submit timely and valid requests for exclusion by the deadline set by the Court. (See Question 12.)

4. What is the Class Period?

The “Class Period” means:

- For Settlement Class Members whose mortgage loan is or was secured by property in Rhode Island: January 1, 2010 through April 9, 2021.
- For Settlement Class Members whose mortgage loan is or was secured by property in Connecticut, Minnesota, New York, or Wisconsin: January 1, 2014 through April 9, 2021.
- For Settlement Class Members whose mortgage loan is or was secured by property in Maryland: January 1, 2017 through April 9, 2021.

5. What are the terms of the proposed settlement?

The complete terms of the proposed settlement are set forth in the Settlement Agreement, which is available at www.InterestOnEscrowSettlement.com. This notice provides only a summary of the terms of the settlement. The settlement benefits and obligations are summarized below.

6. What are the benefits of the proposed settlement?

If the settlement is approved and becomes final, Chase will pay eleven million, five hundred thousand dollars (\$11,500,000.00) into a settlement fund. This money will be used to:

(1) make settlement payments to Settlement Class Members, as described at Question 7; (2) pay the costs of distributing notice and settlement payment checks to Settlement Class Members and other costs of administering the settlement; and (3) pay court-awarded attorneys' fees and litigation expenses of the attorneys appointed by the Court to represent the Class ("Settlement Class Counsel") and any service awards granted to the Plaintiffs.

You do not need to file a claim or take any other action to receive a settlement payment.

In addition to the settlement payments, if the settlement is approved and becomes final, going forward Chase will pay interest on escrow accounts of Settlement Class Members under the law of the state in which the property was located for three years unless there is a controlling legal determination that it does not have to do so. (See Question 8.)

7. How will settlement payments be determined and sent?

If the settlement is approved and becomes final, Settlement Class Members who do not exclude themselves from the Settlement Class will be issued a settlement payment. Settlement Class Members' payment amounts will be based on the amount of unpaid interest for their mortgage escrow account balances during the Class Period (See Question 4). Specifically, each Settlement Class Member will get a minimum payment of \$5.00 plus a portion of the remaining settlement payment funds in amounts proportionate to the alleged unpaid escrow interest for their loan. In all, the average settlement payment amount is currently anticipated to be approximately \$24.00, but your payment may be higher or lower depending on the balance(s) in your mortgage escrow account. The unpaid interest owed and the settlement payment amounts will be calculated based on Chase's records by an expert appointed by the Court.

You do not need to file a claim or take any other action to receive a settlement payment. If the settlement is approved and becomes final, settlement payments will be sent by check.

For any settlement payment checks that are uncashed or deemed undeliverable by the Settlement Administrator, the funds will be distributed by one or both of the following means:

(1) a pro rata second distribution to those Settlement Class Members who cashed/deposited their initial settlement payment checks (if there are sufficient residual funds to justify the administrative costs of such distribution); and/or (2) distribution to the following charitable organizations providing housing or mortgage relief services: i) Center for NYC Neighborhoods; ii) Legal Services Corporation; iii) National Housing Resource Center; and iv) Association for Neighborhood & Housing Development.

8. Will I receive interest going forward if my mortgage escrow account is still active?

In addition to the settlement payments, if the settlement is approved and becomes final, Chase will pay interest on the escrow accounts of Settlement Class Members under the law of the applicable state for three years, except that Chase will not be required by the settlement to pay the interest in any state if an appellate court of that state, the federal Court of Appeals encompassing that state, or the U.S. Supreme Court issues a decision establishing that federal banking law preempts state interest-on-escrow requirements.

Your Rights and Options

9. What are my options?

You do not need to do anything in order to receive the benefits of the settlement. If you are a Settlement Class Member and do nothing and the settlement is approved and becomes final, you will be issued a settlement payment as described in Question 7 and receive the other settlement benefits, and in exchange you will give up your right to bring your own lawsuit against Chase about the issues in this lawsuit.

You may exclude yourself from the Settlement Class (sometimes referred to as “opting out”) by following the steps described in Question 12. If you exclude yourself, you will give up your right to receive a settlement payment and other settlement benefits but will retain any right you may have to sue Chase about the issues in this lawsuit.

If you do not exclude yourself, you may object to or comment on the settlement and/or to Settlement Class Counsel’s request for attorneys’ fees, litigation expenses, and service awards (see Question 13). You do not need to object or comment in order to receive a settlement payment or other settlement benefits.

10. How do I stay in the Settlement Class?

You do not need to do anything to stay in the Settlement Class. If you are within the Settlement Class definition and you do not exclude yourself, you will remain in the Settlement Class and, if the settlement becomes final, you will be issued a settlement payment and receive other settlement benefits.

11. What happens if I do nothing?

If you are in the Settlement Class and you do nothing, you will stay in the Settlement Class. If the settlement is approved and becomes final, you will be issued a settlement payment and receive other settlement benefits and you will not be able to sue Chase about the issues in this lawsuit. You will also be legally bound by all of the orders that the Court issues and judgments the Court makes in this class action.

12. How do I exclude myself from the Settlement Class?

To exclude yourself from the Settlement Class, you must mail a written request for exclusion to:

Cymbalista v. JPMorgan Chase Bank
Settlement Administrator
P.O. Box 43420
Providence, RI 02940-3420

To be effective, your request for exclusion must be **postmarked no later than February 21, 2022**, and must include the following information:

- (a) your full name, telephone number, and mailing address;
- (b) a statement that you wish to be excluded from the Settlement Class in *Cymbalista v. JPMorgan Chase Bank, N.A.*, No. 2:20-cv-00456-RPK-LB (E.D.N.Y.); and
- (c) your signature and the date.

13. How do I object or comment?

If you are a Settlement Class Member, and have not excluded yourself from the Settlement Class, you can comment on or object to the settlement, Settlement Class Counsel’s request for attorneys’ fees and litigation expenses, and/or the request for service awards for the Plaintiffs. To object or comment, you must send a written objection/comment including the following:

- (a) the name and case number of this lawsuit: *Cymbalista v. JPMorgan Chase Bank, N.A.*, No. 2:20-cv-00456-RPK-LB (E.D.N.Y.);

- (b) your full name, mailing address, email address, and telephone number;
- (c) an explanation of why you claim to be a Settlement Class Member;
- (d) an explanation of the basis for your objection, including all grounds for the objection and any legal support;
- (e) the identity of any attorney representing you in this matter, or any attorney who may be entitled to compensation for any reason related to the objection;
- (f) a statement about whether or not you intend to appear at the Final Approval Hearing, and if so, the identity of all counsel representing you who will appear at the Final Approval Hearing (who must enter a written Notice of Appearance of Counsel with the Clerk of the Court);
- (g) a list of all other class action settlements to which you or your attorney has previously filed an objection;
- (h) a list of any persons who will be called to testify at the Final Approval Hearing in support of the objection; and
- (i) your signature (your attorney’s signature is not sufficient).

To be considered by the Court, your comment or objection must be filed or mailed to the Clerk of the Court and Settlement Administrator, **filed/postmarked no later than February 21, 2022**, at the following addresses:

THE COURT	SETTLEMENT ADMINISTRATOR
Clerk of the Court USDC for the Eastern District of New York 225 Cadman Plaza East Courtroom 4E-N Brooklyn, NY 11201	Cymbalista v. JPMorgan Chase Bank Settlement Administrator P.O. Box 43420 Providence, RI 02940-3420

You have the right to consult with your own attorney, at your own expense, before deciding how best to proceed.

14. What claims will be released by this settlement?

If you are in the Settlement Class definition and do not exclude yourself from the Settlement Class, and the settlement is approved and becomes final, the settlement will be legally binding on you. In exchange for the settlement benefits, you will release all claims against Chase and its affiliates about the issues in this Lawsuit regarding Chase’s alleged failure to pay interest on funds held in mortgage escrow accounts for property located in Connecticut, Maryland, Minnesota, New York, Rhode Island, or Wisconsin. You also covenant and agree that you will not take any step whatsoever to commence, institute, continue, pursue, maintain, or prosecute any claims about the issues in this Lawsuit against Chase and its affiliates. The Settlement Agreement, available at www.InterestOnEscrowSettlement.com, describes the claims you are releasing (giving up) by staying in the Settlement Class (called “Released Claims”).

The Lawyers Representing You

15. Do I have a lawyer in this class action?

Yes. The Court has appointed the following attorneys and law firms to represent the Settlement Class Members. Together, these lawyers are called “Settlement Class Counsel”:

Joseph S. Tusa Tusa P.C. P.O. Box 566 55000 Main Road Southhold, NY 11971	Roger Heller Lieff Cabraser Heimann & Bernstein LLP 275 Battery Street 29th Floor San Francisco, CA 94111	Oren Giskan Giskan Solotaroff & Anderson LLP 90 Broad Street 10th Floor New York, NY 10004
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You do not have to pay Settlement Class Counsel for their time or expenses incurred in this case out of your pocket. Instead, Settlement Class Counsel will petition the Court for an award of their fees and expenses; any amount awarded will be paid from the settlement fund.

The Court has also appointed Plaintiffs Rachel Cymbalista and Ariel Cymbalista as class representatives to represent the Settlement Class.

16. How will the lawyers be paid?

Settlement Class Counsel (see Question 15) will file a motion on or before January 21, 2022 asking the Court to award them attorneys’ fees and reimbursement of litigation expenses up to one-third of the \$11.5 million settlement fund. The attorneys’ fees and expenses awarded by the Court will be the only payment to Settlement Class Counsel for their efforts in achieving the settlement and for their risk in undertaking this representation on a wholly contingent basis. In addition, Settlement Class Counsel will ask the Court on or before January 21, 2022 to award the Plaintiffs representing the Settlement Class a service award of \$10,000.00 each to compensate them for their efforts and commitment on behalf of the Settlement Class in this lawsuit.

The Court will determine the amount of attorneys’ fees, expenses, and service award to award. Settlement Class Counsel’s application for attorneys’ fees, expenses, and service award will be available at www.InterestOnEscrowSettlement.com when it is filed.

17. Should I hire my own lawyer for this case?

You do not need to hire your own lawyer because Settlement Class Counsel represents you and the other members of the Settlement Class already. However, you have the right to hire your own lawyer. If you want your own lawyer separate from Settlement Class Counsel, you will have to pay that lawyer.

The Court’s Final Approval Hearing

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing by telephone at 11:00 a.m. Eastern on March 17, 2022. If you wish to attend the telephone hearing, call (888) 363-4734 and use the access code 4444221 at 11:00 a.m. Eastern on March 17, 2022. The date and time of this hearing may change, and/or the Court may change whether the hearing is held by telephone, without further notice. Please check www.InterestOnEscrowSettlement.com for updates or changes.

At the Final Approval Hearing, the Court will consider whether the settlement is fair, reasonable and adequate. The Court will also consider Settlement Class Counsel’s application for attorneys’ fees, expenses, and service awards. If there are objections, the Court will consider them. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

19. Do I have to attend the hearing?

No, you do not. Settlement Class Counsel will answer questions the Court may have.

But, you are welcome to attend the final approval hearing by telephone conference. If you submit an objection, you do not have to participate in the final approval hearing to talk about it. So long as you submitted your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

20. May I speak at the hearing?

If you are a Settlement Class Member and have not opted out of the settlement, you may ask the Court for permission to speak at the Final Approval Hearing. You cannot speak at the hearing if you exclude yourself from the Settlement Class.

Getting More Information

21. Where can I get more information?

More information can be found at www.InterestOnEscrowSettlement.com. That website includes important case deadlines, links to case documents including the full Settlement Agreement and the complaint in this lawsuit, and other information about the lawsuit and the settlement. You can also get more information by calling 1-855-786-1046, or by calling Settlement Class Counsel at 415-956-1000.

PLEASE DO NOT CONTACT THE COURT