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Attorneys for Plaintiff and the Class and the RBS SubClass

**UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA - SAN FRANCISCO DIVISION**

GREGORY M. JORDAN, ELI GOLDHABER  
and JOSEPHINA GOLDHABER individually  
and on behalf of all others similarly situated,

Plaintiffs,

v.

PAUL FINANCIAL, LLC, LUMINENT  
MORTGAGE CAPITAL, INC., HSBC BANK  
USA, N.A., AS TRUSTEE OF LUMINENT  
MORTGAGE TRUST 2006-2, RBS  
FINANCIAL PRODUCTS INC., and DOES 2  
through 10 inclusive,

Defendants.

Case No. 3:07-cv-04496-SI

**JOINT NOTICE OF SETTLEMENT AND  
STIPULATION AND [PROPOSED]  
ORDER TO RESCHEDULE CASE  
MANAGEMENT CONFERENCE**

Current date: March 29, 2013  
Time: 3:00 p.m.  
Courtroom: Courtroom 10, 19th Floor  
Judge: Hon. Susan Illston

1 Pursuant to Federal Rule of Civil Procedure 6(b) and Local Rule 6-1(b), Plaintiffs and  
2 Class Representatives Eli Goldhaber and Josephina Goldhaber (“Class Representatives”),  
3 Defendant Paul Financial, LLC (“Paul Financial”), and Defendant RBS Financial Products Inc.  
4 (“RBS”) (together, with Plaintiffs, the “Parties”), through their undersigned counsel, stipulate as  
5 follows:

6 WHEREAS, by Order dated July 27, 2011 (Dkt. No. 385), this Court dismissed HSBC  
7 Bank USA, N.A. and Luminent Mortgage Trust 2006-2;

8 WHEREAS, by Order dated August 23, 2012 (Dkt. No. 413), this Court denied RBS’s  
9 Motion for Summary Judgment and granted Plaintiffs’ Motion for Class Certification;

10 WHEREAS, by Order dated September 26, 2012 (Dkt. No. 419), this Court appointed  
11 Class Representatives and Class Counsel and certified the Class and the RBS SubClass as follows:

12 The Class

13 All individuals who, within the four-year period preceding the filing of Plaintiffs’  
14 original complaint through the date that notice is mailed to the Class (the “Class Period”),  
15 obtained an Option ARM loan from Paul Financial, LLC that either (a) was secured by real  
16 property located in the State of California, or (b) was secured by real property located  
17 outside the State of California where the loan was approved in or disseminated from  
18 California, which loan had the following characteristics: (i) the yearly numerical interest  
19 rate listed on page one of the Note is 3.0% or less; (ii) in the section entitled “Interest,” the  
20 Promissory Note states that this rate “may” instead of “will” or “shall” change (e.g., “The  
21 interest rate I will pay **may** change”); (iii) the yearly numerical interest rate listed on page  
22 one of the Note was only effective through the due date for the first monthly payment and  
23 then adjusted to a rate which is the sum of an “index” and “margin;” and (iv) the Note does  
24 not contain any statement that paying the amount listed as the “initial monthly  
25 payment(s),” will definitely result in negative amortization or deferred interest. Excluded  
26 from the Class are Defendants’ employees, officers, directors, agents, representatives, and  
27 their family members, as well as the Court and its officers, employees, and relatives.

22 The RBS SubClass

23 All members of the Class whose Option ARM loans were sold or otherwise  
24 assigned by Paul Financial, LLC to RBS Financial Products Inc.

25 WHEREAS, on February 7, 2013, Class Representatives and RBS participated in a day-  
26 long mediation session before Professor Eric D. Green of Resolutions, LLC;

1 WHEREAS, Class Representatives and RBS have agreed to a settlement in principle, but  
2 require an additional six weeks time to finalize a settlement agreement, and to prepare and file a  
3 motion for preliminary approval;

4 WHEREAS, this Court scheduled a Further Case Management Conference for March 29,  
5 2013, and ordered a joint case management conference statement be filed one week prior;

6 WHEREAS, no Party will be prejudiced by the relief requested in this Notice of Settlement  
7 and Stipulation; and

8 WHEREAS, this Notice of Settlement and Stipulation is without prejudice to, or waiver of,  
9 any rights or defenses otherwise available to the Parties in this action;

10 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, between Plaintiffs,  
11 by their undersigned counsel, and Defendants Paul Financial, LLC and RBS Financial Products  
12 Inc., by their undersigned counsel, that, subject to the approval of this Court:

- 13 (1) the Further Case Management Conference set for March 29, 2013 shall be continued to  
14 May 10, 2013 at 3:00 p.m., or at a time thereafter convenient for the Court;
- 15 (2) the Parties shall submit a full Joint Case Management Statement in compliance with  
16 Civil L.R. 16-9 and the Standing Order for All Judges of the Northern District of  
17 California one week prior to the date of the scheduled Further Case Management  
18 Conference; and
- 19 (3) if the Parties file a motion for preliminary approval of their settlement on or before the  
20 due date of the Joint Case Management Statement, then the Further Case Management  
21 Conference shall be taken off calendar.

22 Respectfully submitted,

23  
24 Dated: March 21, 2013

25 /s/ Lee A. Weiss  
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*Attorneys for Plaintiffs*

Dated: March 21, 2013

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*Attorneys for Defendant  
RBS Financial Products Inc.*

Dated: March 21, 2013

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1 **ECF CERTIFICATION**

2  
3 Pursuant to Local Rule 5-1(i)(3), the filing attorney attests that he has obtained  
4 concurrence regarding the filing of this document from the signatories to the document.

5 Dated: March 21, 2013

6 /s/ Lee A. Weiss  
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**[PROPOSED] ORDER**

Pursuant to the Joint Notice of Settlement and Stipulation of counsel and for good cause shown, IT IS HEREBY ORDERED that:

- (1) the Further Case Management Conference is continued to May 10, 2013 at 3:00 p.m.;
- (2) the Parties shall submit a full Joint Case Management Statement in compliance with Civil L.R. 16-9 and the Standing Order for All Judges of the Northern District of California on or before May 3, 2013;
- (3) if the Parties file a motion for preliminary approval of their settlement on or before April 26, 2013, then the Further Case Management Conference shall be taken off calendar; and
- (4) the proceedings in this action shall remain stayed in their entirety.

**IT IS SO ORDERED.**

Dated: 3/21, 2013



\_\_\_\_\_  
Judge Susan Illston  
UNITED STATES DISTRICT JUDGE