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13 **UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

14 IN RE CITIBANK HELOC REDUCTION
15 LITIGATION

No. 09-CV-0350-MMC

CLASS ACTION

PRELIMINARY APPROVAL ORDER

The Honorable Maxine M. Chesney

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19 This matter coming before the Court upon the Motion of the proposed “Class
20 Representatives,” David Levin, Loren S. Siegel, Gary Cohen, Marie Cohen, Mark Winkler, and
21 Jennie Lapointe, on behalf of a class defined herein, individually and on behalf of a class of
22 persons, for Preliminary Approval of the Settlement Agreement executed August 10, 2012 (the
23 “Settlement Agreement”). No party opposes the relief now sought.

24 IT IS HEREBY DETERMINED AND ORDERED AS FOLLOWS:
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1 1. The Settlement Agreement is hereby incorporated by reference in this Order as if
2 fully set forth herein. First-letter capitalized terms in this Order shall, unless otherwise defined
3 herein, have the same meaning and definition as in the Settlement Agreement.

4 2. Pursuant to Fed. R. Civ. P. 23, the terms of the Settlement Agreement, and the
5 Settlement provided for therein, are preliminarily approved as (a) fair, just, reasonable, adequate,
6 and in the best interests of the Settlement Class in light of the relevant factual, legal, practical, and
7 procedural considerations of the Actions, (b) free of collusion to the detriment of Settlement Class
8 Members, and (c) within the range of possible settlement suitable for final judicial approval,
9 subject to further consideration thereof at the Final Approval Hearing described at paragraph 7 of
10 this Order.

12 3. The proposed settlement is sufficient to justify giving notice of the Settlement to
13 the Settlement Class.

14 4. Subject to the Settlement Agreement, and for purposes only of the settlement of
15 this Actions, the Court hereby provisionally CERTIFIES the following Settlement Class:

17 All persons in the United States from January 1, 2008 to January 31, 2012 whose Citibank
18 HELOC Accounts were suspended or reduced based on a claim by Citibank of Collateral
19 Deterioration regarding the value of the property securing the HELOC.

20 The persons potentially comprising the Settlement Class are identified on the Class List, as
21 defined in Section 1.15 of the Settlement Agreement.

22 5. David Levin, Loren S. Siegel, Gary Cohen, Marie Cohen, Mark Winkler and Jennie
23 Lapointe are appointed as Class Representatives of the Settlement Class.

25 6. Plaintiffs' Counsel, Jay Edelson, Steven Woodrow and Evan Meyers of Edelson
26 McGuire LLC and Jim Patterson of Patterson Law Group, are appointed as Class Counsel.

27 7. A Final Approval Hearing shall be held before the undersigned on March 15, 2013
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1 at 9:00 a.m. in Courtroom 7, 19th Floor, of the United States District Court for the Northern
2 District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, to determine, among
3 other things: (a) whether the Settlement should be finally approved as fair, reasonable, and
4 adequate; (b) whether the Actions should be dismissed with prejudice as to the Class
5 Representatives David Levin, Loren S. Siegel, Gary Cohen, Marie Cohen, Mark Winkler, and
6 Jennie Lapointe, and the Settlement Class Members, pursuant to the terms of the Settlement
7 Agreement; (c) whether Settlement Class Members should be bound by the Release set forth in
8 Section 4 of the Settlement Agreement; (d) whether Settlement Class Members should be subject
9 to a permanent injunction that bars them from filing, commencing, prosecuting, intervening in, or
10 participating in (as class members or otherwise), any lawsuit, claim, demand or proceeding in any
11 jurisdiction that is based on or related to, directly or indirectly, matters within the scope of the
12 Released Claims; (e) whether the Settlement Class should be finally certified; and (f) the amount
13 of attorneys' fees and costs to be awarded to Class Counsel. The Final Approval Hearing may be
14 adjourned or continued by the Court without further notice to the members of the Settlement
15 Class.
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18 8. The Court approves the proposed forms of Notice attached hereto as Exhibits A
19 (summary "short form" notice) and B ("long form" website notice). Pursuant to the procedures
20 detailed in the Settlement Agreement, within fourteen days of entry of this Order, the Claims
21 Administrator shall establish and maintain a settlement website with links on the home page to
22 only the Complaint, the Settlement Agreement, and the Preliminary Approval Order at a domain
23 name to be mutually agreed upon by the Parties. By November 16, 2012 a link to the traditional
24 "long form" notice shall be added to the settlement website substantially in the form attached
25 hereto as Exhibit B. In addition, Defendant shall mail the summary form of the Notice,
26 substantially in the form attached hereto as Exhibit A, through a billing statement insert, stand
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1 alone direct mail notice, or a combination of the two, no later than December 17, 2012. The
2 Notice referenced herein shall be mailed to the Class members to the last known mailing address
3 of record on Citibank's account records, which addresses are to be updated by the national change
4 of address resources offered by the United States Postal Service. Citibank shall have no obligation
5 to re-mail any returned mail or attempt to obtain forwarding addresses for any returned mail. All
6 expenses of notice shall be paid by Citibank.

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8 9. The Court finds that the Settlement Agreement's plan for Notice is the best notice
9 practicable under the circumstances, is due and sufficient notice to the Settlement Class and
10 satisfies the requirements of due process and Rule 23 of the Federal Rules of Civil Procedure, and
11 is hereby approved. The Court further finds that no other notice other than that specifically
12 identified in the Settlement Agreement is necessary in this Action.

13 10. The Court approves the proposed Claim Form, attached hereto as Exhibit C. As set
14 forth in Sections 1.10 and 3.2 of the Settlement Agreement, Settlement Class Members may
15 submit Claim Forms by properly and fully completing them and either: (i) submitting them online
16 by the Claims Deadline, which is midnight, Pacific Time, on January 31, 2013; or (ii) mailing
17 them to the address identified on the Claim Form so that it is postmarked by the Claims Deadline,
18 which is midnight, Pacific Time, on January 31, 2013. Any Claim Form that is not timely
19 submitted or properly completed, that is sent to the wrong address or that does not otherwise
20 comply with the terms of the Settlement Agreement, shall be deemed invalid and Settlement Class
21 Members submitting such claims shall forfeit any right to payment, but the Settlement Agreement,
22 subject to final approval, shall in all other respects be fully enforceable against them.

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25 11. All Class members who wish to be excluded from the Settlement and not be bound
26 by the Settlement Agreement must complete and mail a request for exclusion ("Opt-Out") to the
27 address set forth in the Class Notice. Such request for exclusion must be postmarked no later than
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1 midnight, Pacific Time, on January 31, 2013. For a Class member's Opt-Out to be valid, it must
2 be timely filed and served (as judged by the filing deadline and postmark date set forth), and must
3 (i) be signed by all loan debtors (including joint debtors and co-debtors) on the account; (ii)
4 include the full name, address, and Citibank's account number(s) of the person requesting
5 exclusion; (iii) be timely postmarked and mailed to the address designated in the Class Notice
6 (which address is to be P.O. Box address to be secured and provided by Citibank); and (iv) include
7 a written statement that he or she wishes to opt out/be excluded from the Class. A request for
8 exclusion that does not comply with all the foregoing requirements, that is sent to an address other
9 than the one designated on the Class Notice, or that is not sent within the time specified, shall be
10 invalid, and the person(s) serving such a request shall be bound as a Settlement Class Member and
11 by the Settlement Agreement, if the Settlement Agreement is finally approved. No Class member
12 may purport to exercise any exclusion rights of any other person, or purport to exclude other Class
13 members as a group, aggregate, or class involving more than one person, or as an agent or
14 representative. Any such purported exclusion shall be invalid and the Class member(s) that is or
15 are the subject of the purported opt-out shall be a member or members of the Settlement Class and
16 treated and be bound by the Settlement Agreement and as a Settlement Class Member for all
17 purposes.

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20 12. Any Class member who successfully opts out of the Settlement shall be deemed to
21 have waived any rights or benefits under the Settlement, and will have no standing to object to the
22 Settlement.
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24 13. Any Settlement Class Member who does not opt-out and who wishes to object to
25 the Settlement must file a written Objection ("Objection") with the Court, and mail and serve it
26 upon the Claims Administrator, Class Counsel and Counsel for Defendant, by midnight, Pacific
27 Time, on January 31, 2013. To be considered valid, each Objection must be timely filed and
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1 served (as judged by the filing deadline and postmark date and time set forth), and must (i) set
2 forth the Settlement Class Member's full name, current address, and telephone number; (ii)
3 contain the signatures of all living borrowers on the account; (iii) state that the Settlement Class
4 Member objects to the Settlement, in whole or in part; (iv) set forth the legal and factual bases for
5 the objection; and (v) provide copies of all documents or writings that such Settlement Class
6 Member desires the Court to consider in support of his/her position. All living borrowers to a loan
7 must object for such objection to be valid. Any Settlement Class Member who wishes to object
8 and appear at the final approval hearing in person instead of submitting only written objections
9 must include in the written objection a notice of intention to appear at the final approval hearing.
10 Any Settlement Class Member who does not submit a timely written Objection in complete
11 accordance with this Order shall not be treated as having filed a valid Objection to the Settlement,
12 shall be deemed as having waived his or her objections in this Actions and shall forever be barred
13 from making any such objections in this Actions. Class Counsel is to respond to any Objections
14 and file any additional materials in support of final approval by February 22, 2013.

17 14. Subject to final approval of the proposed settlement and Settlement Agreement, and
18 subject to the parties or their attorney given the Notice required by this Order, the Court approves
19 the provisions of the Settlement Agreement making the settlement and its release of claims
20 binding on all member of the Settlement Class, whether or not they actually received notice of the
21 Actions or its settlement or submitted a Claim Form.

22 15. The Parties may file memoranda in support of the Settlement, and Plaintiffs'
23 Counsel may file a motion or application for an award of Attorney's Fees and/or award of an
24 incentive payment to the Class Representatives, consistent with the provisions of the Settlement
25 Agreement. Such Memoranda should be filed and posted to the Settlement Website at least
26 fourteen (14) days prior to the Opt Out/Objection Deadline.
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1 16. The Parties are hereby authorized to establish the means necessary to administer the
2 Settlement in accordance with its terms.

3 17. All proceedings in this Action other than such as may be necessary to carry out the
4 terms and conditions of the Settlement Agreement or the responsibilities related or incidental
5 thereto, are stayed and suspended until further order of this Court.

6 18. If Final Approval of the Settlement is not achieved, or if the Settlement is
7 terminated for any reason, the Settlement and all proceedings had in connection therewith shall be
8 without prejudice to the *status quo ante* rights of the Parties, and all orders issued pursuant to the
9 Settlement shall be vacated. In such an event, the Settlement and all negotiations concerning it
10 shall not be used or referred to in these Actions for any purpose whatsoever. Except for the
11 provisions of paragraph 18, 19 and 20 of this Order, which shall remain in effect notwithstanding,
12 this Order shall otherwise be of no force or effect if Final Approval does not occur for any reason,
13 and nothing in this Order shall be construed or used as an admission, concession, or declaration by
14 or against Defendant, of any fault, wrongdoing, breach, or liability or as a waiver by any Party of
15 any defenses it may have.

16 19. Neither the Settlement nor the Settlement Agreement constitutes an admission,
17 concession, or indication by the Parties of the validity of any claims or defenses in the Actions, or
18 of any wrongdoing, liability, or violation of law by any of the Released Parties or Citibank, which
19 vigorously denies all of the claims and allegations raised in the Actions.

20 20. The Court reserves the right to approve the Settlement with such modifications, if
21 any, as may be agreed to by Class Counsel and Counsel for Citibank and without future notice to
22 the Settlement Class Members.

23 21. All Settlement Class Members who have not timely and validly excluded
24 themselves from the Class and all persons acting on behalf of or in concert with any such
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Settlement Class Members are hereby preliminarily enjoined from, directly or indirectly: (i) commencing, prosecuting, participating in (as a class member or otherwise), and/or assisting in any lawsuit or other proceeding against Citibank or any of the Released Parties that asserts or purports to assert claims that (a) were alleged, asserted, described, set forth or referred to in the Actions, and/or (b) are within the scope of the Released Claims as embodied in Section 4 of the Settlement Agreement; and (ii) organizing or soliciting Settlement Class Members or those who Opt-Out into a separate class for purposes of pursuing, as a purported class action, a lawsuit or other proceeding on behalf of Settlement Class Members or those who Opt-Out, that asserts or purports to assert claims that (a) were alleged, asserted, described, set forth or referred to in the Actions, and/or (b) are within the scope of the Released Claims, as embodied in Section 4 of the Settlement Agreement.

22. Except as set forth in this Order and the Settlement Agreement, no person or entity, including but not limited to Plaintiffs' Counsel, Counsel for the Defendant, the Class Representatives, or Citibank, shall be permitted to initiate communications with Settlement Class Members, whether by written correspondence, notices, advertisements, or other media, concerning the Settlement or its terms without prior approval from the Court upon prior notice to Class Counsel and Counsel for Citibank.

THUS DONE AND SIGNED THIS 6th DAY OF

November , 2012

November _____, 2012

Maxine M. Chesney
JUDGE MAXINE M. CHESNEY