UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 1:12-cv-22700-FAM

CHERYL HALL, MARLA LUGO, DONALD NOVELL, JOAN NOVELL, JAVIER LOPEZ, JOSEPH GALLAGHER, ALFRED HERRICK, SYDELL HERRICK, ALBERTO BARRETO, CAROL LYNN UPSHAW, SALVATORE SACCOCCIO, IRA MARC FLADELL, TERRY FREEMAN, JOHN VIDRINE, CATHERINE SOILEAU, SARAH CROUCH, MATTHEW POPKIN, DORIS RYAN, THELMA STEPHENS, JOHN TOTURA, and JACQUELYN TOTURA, on behalf of themselves and all others similarly situated,

Plaintiffs,

CLASS ACTION
JURY DEMAND

v.

BANK OF AMERICA, N.A, individually and as successor by merger to BAC HOME LOANS SERVICING, LP; BALBOA INSURANCE COMPANY; QBE INSURANCE GROUP, as successor-in-interest to BALBOA INSURANCE COMPANY; HSBC BANK USA; HSBC MORTGAGE CORPORATION; ASSURANT, INC.; AMERICAN SECURITY INSURANCE COMPANY; CHASE INSURANCE AGENCY, INC.; CHASE HOME FINANCE, LLC; JP MORGAN CHASE BANK, N.A., as successor in interest to CHASE HOME FINANCE, LLC; JP MORGAN CHASE BANK, N.A.; VOYAGER INDEMNITY INSURANCE COMPANY; CITIMORTGAGE, INC.; CITIBANK, N.A.; WELLS FARGO BANK, N.A.; and WELLS FARGO INSURANCE, INC.,

Defendants.

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AMENDED CLASS ACTION COMPLAINT

Plaintiffs CHERYL HALL, MARLA LUGO, DONALD NOVELL, JOAN NOVELL, JOSEPH GALLAGHER, JAVIER LOPEZ, ALFRED HERRICK, SYDELL HERRICK, ALBERTO BARRETO, CAROL LYNN UPSHAW, SALVATORE SACCOCCIO, JOHN VIDRINE, CATHERINE SOILEAU, IRA MARC FLADELL, TERRY FREEMAN, SARAH CROUCH, MATTHEW POPKIN, DORIS RYAN, THELMA STEPHENS, JOHN TOTURA, and JACQUELYN TOTURA file this class action complaint on behalf of themselves and all others similarly situated against BAC HOME LOANS SERVICING, LP ("BAC Home Loans" or "BAC"); BANK OF AMERICA, N.A., as successor in interest to BAC HOME LOANS SERVICING, LP ("BofA/BAC"); BANK OF AMERICA, N.A., ("Bank of America"); BALBOA INSURANCE COMPANY ("Balboa"); QBE INSURANCE GROUP, as successor-in-interest to BALBOA INSURANCE COMPANY ("QBE");[1] HSBC BANK USA ("HSBC Bank"); HSBC MORTGAGE CORPORATION ("HSBC Mortgage"); ASSURANT, INC. ("Assurant"); AMERICAN SECURITY INSURANCE COMPANY ("American Security" or "ASIC"); CHASE HOME FINANCE, LLC ("Chase Home Finance"); JP MORGAN CHASE BANK, N.A., as Successor in Interest to CHASE HOME FINANCE, LLC ("Chase/CHF");[2] JP MORGAN CHASE BANK, N.A. ("Chase Bank"); CHASE INSURANCE AGENCY, INC. ("Chase Insurance"); CITIMORTGAGE INC. ("Citimortgage"); CITIBANK, NA ("Citibank"); WELLS FARGO BANK, N.A. ("WFB" or "Wells Fargo Bank"); WELLS FARGO INSURANCE, INC. ("WFI" or "Wells Fargo Insurance") and VOYAGER INDEMNITY INSURANCE COMPANY ("Voyager").

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[1] QBE purchased Balboa from Bank of America in or around July 2011.

[2] Chase Home Finance, LLC merged into JP Morgan Chase Bank, N.A. on May 1, 2011.

INTRODUCTION

1. On November 10, 2010, *American Banker* published an article describing major mortgage lenders' and servicers' questionable and often illegal practices related to force-placed insurance. The article revealed for the first time the exceptionally profitable exclusive relationships, collusive activities, and circular arrangements among the mortgage lenders and servicers, their affiliates, and their cooperating insurers, most of which are Defendants here.

2. Lenders and servicers force place insurance when a borrower fails to obtain or maintain proper hazard or flood insurance coverage on property that secures a loan. Under the typical mortgage agreement, if the insurance policy lapses or provides insufficient coverage, the lender has the right to "force place" a new policy on the property and then charge the premiums to the borrower.

3. The arrangements revealed by *American Banker* comprise an extremely lucrative profit-making scheme in the hundreds of millions of dollars. There are just two insurance companies that control the entire market for forced-placed policies in the country—Assurant and QBE.[3] Assurant works through its subsidiaries Voyager Indemnity Insurance Company and American Security Insurance Company. These companies and their affiliates enter into exclusive relationships with the major mortgage lenders and servicers to provide the policies. The top four servicers that work with Assurant are Wells Fargo Bank, Citi, HSBC, and Chase. The top servicer that works with QBE/Balboa is Bank of America. All are Defendants in this action. To maintain their exclusive relationships with these lenders, the insurers pay unearned "kickbacks" of a percentage of the force-placed premiums ultimately charged to the borrower, offer them subsidized administrative services, and/or enter into lucrative captive reinsurance deals with

[3] QBE purchased Balboa.

them.

4. The money to finance the forced-place insurance schemes comes from unsuspecting borrowers who are charged inflated force-placed insurance premiums by lenders. In many instances borrowers are required to pay for back-dated insurance coverage to cover periods during which no claims were made, or coverage that exceeds the legal requirements, and are charged additional improper fees.

5. The Defendants' force-placed insurance schemes take advantage of the broad discretion afforded the lenders and/or servicers in standard form mortgage agreements. The agreements typically require the borrower to carry hazard insurance sufficient to cover the lender's interest in the property against fire and other perils. Some mortgage agreements also require borrowers to maintain flood insurance on their properties sufficient to cover the lender's risk from flood damage. If a homeowner's hazard or flood policy lapses, the mortgage agreement allows the lender to "force place" a new policy on the property at the borrower's expense.

6. Although force-placed insurance is designed to protect the lender's interest in the property that secures the loan and thus should not exceed that interest, lenders often purchase coverage from their exclusive insurers in excess of that required to cover their own risk. And, as a matter of practice, the major lenders and servicers collude with the two major force-placed insurers to manipulate the force-placed insurance market and artificially inflate the premiums charged consumers, resulting in premiums up to ***ten times*** greater than those available to the consumer in the open market. *American Banker* reported that "[t]hough part of the extra expense can be explained by the higher risks associated with insuring the homes of delinquent borrowers, force-placed policies generate profit margins unheard of elsewhere in the insurance industry—

even after accounting for the generous commissions and other payments that servicers demand." *See* J. Horowitz, *Ties to Insurers Could Land Mortgage Servicers in More Trouble*, AM. BANKER (Nov. 10, 2010), *available at* http://www.americanbanker.com/issues/175_216/ties-to-insurers-servicers-in-trouble-1028474-1.html. Lenders, servicers, and force-placed insurers reap these unconscionable profits entirely at the expense of the unsuspecting borrower.

7. At a recent hearing on force-placed insurance held by the National Association of Insurance Commissioners ("NAIC"), Birny Birnbaum, the foremost expert on the force-placed insurance market, illustrated the staggering growth in profits that Defendants' schemes have reaped in recent years:[4]

LPI Premiums Have Quadrupled Since 2004

Year	*Gross Written Premium ($ Millions)*	*Net Written Premium ($ Millions)*
2004	$1,485	$796
2005	$1,832	$919
2006	$2,163	$1,074
2007	$3,058	$1,647
2008	$4,000	$2,209
2009	$5,181	$3,049
2010	$5,915	$3,223
2011	$5,692	$3,450
2004-2011	$29,326	$16,368

2009-2011 GWP Understated, Reporting Errors by QBE

CEJ LPI Presentation to NAIC 13 August 9, 2012

[4] The following graph is taken from Mr. Birnbaum's presentation to the NAIC on August 9, 2012. The presentation is available at: http://www.naic.org/documents/committees_c_120809_public_hearing_lender_placed_insurance_presentation_birnbaum.pdf

8. The named Defendants in this action include the two major insurance companies that control virtually the entire market for forced-placed insurance and the large mortgage lenders and servicers that sustain the insurers' monopoly by agreeing to purchase all force-placed insurance from the two insurers in exchange for kickbacks disguised as commissions and other benefits.[5]

Assurant and QBE Are the Market for LPI:
Countrywide Market Share

Year	Assurant	QBE/Balboa	Assurant + QBE/Balboa
2004	68.2%	29.8%	98.0%
2005	69.7%	26.4%	96.1%
2006	79.2%	19.5%	98.7%
2007	74.0%	25.4%	99.4%
2008	74.2%	25.5%	99.7%
2009	57.2%	42.4%	99.7%
2010	56.2%	43.5%	99.7%
2011	58.6%	41.1%	99.7%

CEJ LPI Presentation to NAIC 18 August 9, 2012

9. It is no surprise that these Defendants' practices have come under increased scrutiny in recent years by the government and regulators. For example:[6]

[5] This graph is taken from Mr. Birnbaum's presentation to the NAIC on August 9, 2012. The presentation is available at: http://www.naic.org/documents/committees_c_120809_public_hearing_lender_placed_insurance_presentation_birnbaum.pdf

[6] The Defendants' practices have also come under increased scrutiny by the courts. This Court has already certified a Florida class against two of the Defendants here – Wells Fargo Bank and

- The New York Department of Financial Services held hearings on May 17, 2012 related to the force-placed insurance market. In his opening statement, the Superintendent of Financial Services Benjamin Lawsky stated that the Department's initial inquiry uncovered "serious concerns and red flags" which included; 1) exponentially higher premiums, 2) extraordinarily low loss ratios, 3) lack of competition in the market, and 4) tight relationships between the banks, their subsidiaries, and insurers. He went on to state:

  > "In sum when you combine [the] close and intricate web of relationships between the banks and insurance companies on the one hand, with high premiums, low loss ratios, and lack of competition on the other hand, it raises serious questions…"

- After pressure from the California Insurance Commissioner, Assurant's subsidiary, American Security, announced that it will be slashing its force-placed insurance rates by approximately 30%. Dave Jones, the California Insurance Commissioner released a statement saying, "[m]y directive for insurers to submit new rate filings, and subsequent review of those filings, confirmed that rates *were indeed excessive and needed to be lowered*" (emphasis added).[7]

- The Florida Office of Insurance Regulation recently rejected a proposed rate by a QBE subsidiary, Praetorian Insurance. QBE intended to lower its rates by approximately 2%; however the OIR rejected their filing, stating that the rates should be lowered by 35-36% because the rates were already excessive and likely violated state regulations.[8]

- After the August 2012 NAIC hearings, the state regulator from Louisiana, James Donelon, referred to the force-placed insurance market as a "monopoly" and

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Wells Fargo Insurance Inc. (as well as their exclusive FPI carrier QBE) – on the same practices described herein and denied the Defendant's Motion to exclude expert Birny Birnbaum. *See Williams v. Wells Fargo Bank, N.A.*, Case No. 11-cv-21233 (S.D. Fla.) [D.E. 211]. This Court has also already denied various Motions to Dismiss the same claims that are alleged in this Amended Complaint. *Id.* at [D.E. 76, 93, 104], *See also Kunzelmann v. Wells Fargo Bank, et al.*, 11-81373-DMM (S.D. Fla.), [D.E. 64].

7 *See* Bibeka Shrestha, *Assurant to Drastically Cut Force-Placed Rates in Calif. available at* http://www.law360.com/articles/388842/print?section=privacy

8 *See* Brian Bandell, *Florida calls Praetorian's force-placed homeowner insurance rates excessive*, SOUTH FLA. BUS. J., Aug. 10, 2012, *available at*: http://www.bizjournals.com/southflorida/news/2012/08/10/florida-calls-forced-place-homeowner.html

stated that stricter regulations may be needed.[9]

10. Florida has now become the epicenter for these force-placed insurance schemes. In his presentation to the NAIC, Mr. Birnbaum illustrated the astounding rise in force-placed insurance policies in Florida:[10]

LPI Premium by State: Florida Has Become Ground Zero

	2004	2005	2006	2007	2008	2009	2010	2011
FL	10.6%	10.8%	13.3%	17.9%	22.9%	34.3%	36.7%	35.1%
CA	20.8%	19.3%	21.2%	23.5%	24.3%	14.0%	11.1%	10.2%
TX	10.6%	10.7%	8.8%	8.7%	7.0%	5.6%	5.6%	6.1%
NY	3.6%	3.6%	4.5%	4.4%	4.3%	4.7%	5.4%	5.6%
IL	3.0%	3.3%	3.9%	3.7%	3.9%	4.4%	4.1%	4.6%
NJ	2.9%	2.7%	2.9%	2.7%	2.7%	2.9%	3.4%	4.0%
MI	4.2%	4.4%	4.4%	5.8%	3.6%	2.7%	2.2%	2.0%
OH	3.6%	3.8%	3.5%	2.7%	2.4%	2.2%	2.3%	2.9%
GA	3.4%	3.2%	3.2%	2.4%	2.3%	2.3%	2.3%	2.3%
PA	2.6%	2.6%	2.7%	1.8%	1.8%	1.8%	1.7%	1.8%

CEJ LPI Presentation to NAIC 15 August 9, 2012

11. Furthermore, Assurant, the largest force-placed insurance provider with approximately 65% of the market, maintains one of its main offices in Miami, Florida. Assurant's actuary department, including its lead actuary, which sets the force-placed rates for

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9 *See* Zachary Tracer and David Beasley, *U.S. Regulators to Examine Force-Placed Insurance*. BLOOMBERG BUSINESSWEEK, Aug. 10, 2012 *available at*: http://www.businessweek.com/news/2012-08-10/u-dot-s-dot-regulators-to-examine-forced-place-insurance.

[10] This graph is taken from Mr. Birnbaum's presentation to the NAIC on August 9, 2012. The presentation is available at: http://www.naic.org/documents/committees_c_120809_public_hearing_lender_placed_insurance_presentation_birnbaum.pdf

the entire country, is housed in the South Florida Office.

12. Defendants' self-dealing and collusion in the force-placed insurance market has caused substantial harm to the named Plaintiffs and the putative classes they represent. This class action seeks to redress that harm on behalf of these classes of consumers and to recover all improper costs they have incurred related to the forced placement of hazard and flood insurance by the lenders and mortgage servicers, their affiliates, and their cooperating insurers.

PARTIES

Plaintiffs

13. Plaintiff CHERYL HALL is a citizen of the State of Arkansas. She is a natural person over the age of 21 and otherwise *sui juris*.

14. Plaintiff MARLA LUGO is a citizen of the State of New York. She is a natural person over the age of 21 and otherwise *sui juris*.

15. Plaintiff DONALD NOVELL is a citizen of the State of Florida. He is a natural person over the age of 21 and otherwise *sui juris*.

16. Plaintiff JOAN NOVELL is a citizen of the State of Florida. She is a natural person over the age of 21 and otherwise *sui juris*.

17. Plaintiff JOSEPH GALLAGHER is a citizen of the State of Florida. He is a natural person over the age of 21 and otherwise *sui juris*.

18. Plaintiff JAVIER LOPEZ is a citizen of the State of Florida. He is a natural person over the age of 21 and otherwise *sui juris*.

19. Plaintiff ALFRED HERRICK is a citizen of the State of Florida. He is a natural person over the age of 21 and otherwise *sui juris*.

20. Plaintiff SYDELL HERRICK is a citizen of the State of Florida. She is a natural person over the age of 21 and otherwise *sui juris.*

21. Plaintiff ALBERTO BARRETO is a citizen of the State of Florida. He is a natural person over the age of 21 and otherwise *sui juris*.

22. Plaintiff CAROL LYNN UPSHAW is a citizen of the State of Georgia. She is a natural person over the age of 21 and otherwise *sui juris*.

23. Plaintiff SALVATORE SACCOCCIO is a citizen of the State of Florida. He is a natural person over the age of 21 and otherwise *sui juris*.

24. Plaintiff JOHN VIDRINE is a citizen of the State of Louisiana. He is a natural person over the age of 21 and otherwise *sui juris*

25. Plaintiff CATHERINE SOILEAU is a citizen of the State of Louisiana. She is a natural person over the age of 21 and otherwise *sui juris*

26. Plaintiff TERRY FREEMAN is a citizen of the State of Louisiana. He is a natural person over the age of 21 and is otherwise *sui juris*.

27. Plaintiff IRA MARC FLADELL is a citizen of the State of Florida. He is a natural person over the age of 21 and otherwise *sui juris*.

28. Plaintiff JACQUELYN TOTURA is a citizen of the State of Florida. She is a natural person over the age of 21 and otherwise *sui juris*.

29. Plaintiff JOHN TOTURA is a citizen of the State of Florida. He is a natural person over the age of 21 and otherwise *sui juris.*

30. Plaintiff SARAH CROUCH is a citizen of the State of Florida. She is a natural person over the age of 21 and otherwise *sui juris*.

31. Plaintiff MATTHEW POPKIN is a citizen of the State of Florida. He is a natural

person over the age of 21 and otherwise *sui juris*.

32. Plaintiff DORIS RYAN is a citizen of the State of Florida. She is a natural person over the age of 21 and otherwise *sui juris*.

33. Plaintiff THELMA STEPHENS is a citizen of the State of Louisiana. She is a natural person over the age of 21 and is otherwise *sui juris*.

Defendants

34. Defendant BAC HOME LOANS SERVICING, LP (formerly known as Countrywide Home Loans Servicing, LP), a subsidiary of Bank of America Corporation, was a Texas limited partnership that serviced mortgage loans originated or owned by Bank of America, N.A., including residential mortgage loans. BAC Home Loans was registered to do business in Florida and North Carolina. On July 7, 2011, it filed a Notice of Cancellation that stated it was no longer transacting business in the state of Florida. By doing so, it authorized the Florida Department of State as its agent to accept service with respect to any cause of action arising during the time it was authorized to operate in Florida. BAC Home Loans acted as the mortgage servicer for the real property mortgages provided by Bank of America.

35. BAC Home Loans committed violations of the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA") and the common law of Florida and is named as a Defendant because the claims arose prior to its merger with Bank of America, as alleged below.

36. As a result of the merger, pursuant to section 607.1106(1), Florida Statutes, Bank of America is liable for the conduct of BAC Home Loans Servicing, LP at issue in this Complaint. Bank of America is named in its capacity as a "successor in interest" to BAC Home Loans Servicing, LP. The claims made against Bank of America as successor in interest are not claims made against Bank of America individually.

37. Defendant BANK OF AMERICA, N.A. is a Delaware corporation and national banking association insured by the Federal Deposit Insurance Corporation. Bank of America has its principal place of business in Charlotte, North Carolina. Bank of America provides services including but not limited to banking, insurance, investments, property mortgages, and consumer and commercial finance in Florida and across North America.

38. On or about July 1, 2011, BAC merged into Bank of America. Notwithstanding this merger, this suit is brought directly against BAC (through its successor-in-interest, Bank of America) pursuant to subsections 607.1106(1)(c) and (d), Florida Statutes.[11] Bank of America is liable for the conduct of BAC Home Loans Servicing alleged herein as a result of the merger. As such, all but one of the claims alleged herein against these entities are brought against both BAC and Bank of America as successor by merger to BAC, as well as against Bank of America in its individual capacity. The cause of action for a violation of FDUTPA contained herein is not alleged against Bank of America individually.

39. Defendant BALBOA INSURANCE COMPANY is a California corporation with its headquarters in Irvine, California. Balboa was once a subsidiary of Defendant Bank of America. In June 2011, Bank of America sold Balboa to QBE Insurance Group, a publicly traded Australian corporation, and its subsidiary QBE Americas, Inc. The terms of the sale included an agreement that QBE would maintain long-term distribution agreements with Bank of America for force-placed insurance. Balboa provided both insurance tracking services and

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11 Section 607.1106(1) provides, inter alia, that: "When a merger becomes effective:

(c) The surviving corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each corporation party to the merger;

(d) Any claim existing or action or proceeding pending by or against any corporation party to the merger may be continued as if the merger did not occur or the surviving corporation may be substituted in the proceeding for the corporation which ceased existence . . . .". § 607.1106(1), Fla. Stats.

force-placed insurance policies to lenders, including Bank of America, nationwide; QBE now performs these functions.

40. Defendant QBE is an Australian corporation. QBE Americas, Inc., QBE's American subsidiary, is a Delaware corporation with its principal place of business in New York. QBE Americas, Inc. is authorized to conduct business in the State of Florida. Upon information and belief, QBE maintains the prearranged force-placed insurance relationship with Bank of America that once belonged to Balboa. QBE and its subsidiaries are referred to collectively herein as "QBE."

41. Defendant HSBC MORTGAGE CORPORATION operates as a mortgage lender, originator, and servicer in the United States and the District of Columbia. HSBC Mortgage is a Delaware corporation with its principal place of business in Depew, New York. Upon information and belief, HSBC Mortgage operates as a subsidiary and the primary mortgage unit of HSBC Bank USA, N.A.

42. Defendant HSBC BANK USA, N.A. is believed to be a Virginia corporation with its principal place of business in Buffalo, New York. HSBC Bank is the principal subsidiary of HSBC USA, Inc., an indirect, wholly owned subsidiary of HSBC North America Holdings, Inc., one of the nation's largest bank holding companies by assets. HSBC Bank is the named insured on the force-placed insurance policies.

43. Defendant ASSURANT, INC. is a Delaware corporation with its principal office in New York, New York. Assurant participates in the force-placed insurance market through one of its divisions, Assurant Specialty Property, the business strategy of which "is to pursue long term growth in lender placed homeowner's insurance []." Assurant Form 10-K for the fiscal year ending December 31, 2011 at 5. "The largest product line within Assurant Specialty Property is

homeowners insurance consisting principally of fire and dwelling hazard insurance offered through (Assurant Specialty Property's) lender placed program." *Id.*

44. Upon information and belief, "Assurant Specialty Property" is a trade name that Assurant, Inc. owns and allows its subsidiaries (including American Security Insurance and Voyager Indemnity Insurance) to operate their force-placed insurance business under.

45. Defendant AMERICAN SECURITY INSURANCE COMPANY is a Delaware corporation and an indirect subsidiary of Assurant, Inc., writing force-placed insurance policies in all fifty states and the District of Columbia with its principal address in Atlanta, Georgia. American Security often operates under the trade name Assurant Specialty Property. American Security contracts with the lenders whereby it acts as a force-placed insurance vendor. Its duties include, but are not limited to, tracking loans in their mortgage portfolio, handling all customer service duties related to force-placed insurance, and securing force-placed insurance policies on properties when a borrower's insurance has lapsed.

46. Upon information and belief, American Security passes much of its profits from force-placed insurance to its corporate parent Assurant.

47. Defendant VOYAGER INDEMNITY INSURANCE COMPANY is a surplus line insurance company writing force-placed insurance policies in the State of Florida with its principal address in Atlanta, Georgia. It is an indirect affiliate of Assurant, Inc. and often markets its services under the Assurant Specialty Property service mark. Upon information and belief, Voyager passes much of its profits from force-placed insurance to its corporate parent Assurant.

48. Defendant CHASE HOME FINANCE, LLC was a Delaware limited liability company that serviced mortgage loans originated or owned by Chase Bank including residential

mortgage loans. Chase Home Finance was registered to do business in the State of Florida as a foreign corporation. On May 17, 2011, it filed an Application for Withdrawal of Authority to Transact Business in Florida. By doing so, it authorized the Florida Department of State as its agent to accept service with respect to any cause of action arising during the time it was authorized to operate in Florida. On or about May 1, 2011, Chase Home Finance merged into Chase Bank. Notwithstanding this merger, this suit is brought directly against Chase Home Finance, LLC (through its successor in interest – Chase Bank) pursuant to section 607.1106(1)(c) and (d), Florida Statutes.[12]

49. Defendant JP MORGAN CHASE BANK, N.A. is a national banking association insured by the Federal Deposit Insurance Corporation and is a direct, wholly owned subsidiary of JP Morgan Chase & Company, a financial holding company headquartered in New York, New York. The cause of action for a violation of FDUTPA contained herein is not alleged against Chase Bank individually.

50. Chase Home Finance committed violations of the FDUTPA and the common law of Florida and is named as a Defendant because the claims arose prior to its merger with Chase Bank, as alleged below.

51. As a result of the merger, pursuant to section 607.1106(1), Florida Statutes, Chase Bank is liable for the conduct of Chase Home Finance, LLC at issue in this Amended Complaint. Chase Bank is named in its capacity as a "successor in interest" to Chase Home Finance, LLC. The claims made against Chase Bank as successor in interest are not claims made against Chase

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12 Section 607.1106(1) provides, inter alia, that: "When a merger becomes effective:

(c) The surviving corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each corporation party to the merger;

(d) Any claim existing or action or proceeding pending by or against any corporation party to the merger may be continued as if the merger did not occur or the surviving corporation

Bank individually.

52. Defendant CHASE INSURANCE AGENCY, INC. is an affiliate of Chase Bank. Chase Insurance provides broker services only for Chase Bank and its affiliates, and consequently is the captive insurance broker for Chase Bank. Upon information and belief, Chase Insurance performs no functions related to the procurement of force-placed insurance coverage for individual borrowers and yet collects a "commission" tied to a percentage of the cost of each force-placed insurance premium.

53. Defendant WELLS FARGO BANK, N.A. is a national bank registered to do business in the State of Florida with its principal address in San Francisco, California. As a result of a 2004 merger, WFB is the successor to Wells Fargo Home Mortgage, Inc., which is now a division of WFB. WFB sometimes does business under the name Well Fargo Home Mortgage. It is WFB's practice, when it acquires another bank, lender, or mortgage servicer to become the successor in interest or assign of that bank or lender's home mortgages including those mortgages within the acquired entity's servicing portfolio. For example, in 2008, WFB acquired Wachovia Bank, N.A. ("Wachovia") and is the successor in interest and/or assign of Wachovia as to all of Wachovia's home mortgages.

54. Defendant WELLS FARGO INSURANCE, INC. is an affiliate of WFB registered to do business in the State of Florida with its principal address in Minnesota. WFI is an insurance agency that sells a variety of personal insurance products to consumers, including customers of WFB. WFI also provides broker services only for WFB and its affiliates and consequently is the captive insurance broker for WFB. Upon information and belief, WFI performs no functions related to the procurement of force-placed insurance coverage for

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may be substituted in the proceeding for the corporation which ceased existence . . . ."

individual borrowers, and yet collects a "commission" tied to a percentage of the cost of each force-placed insurance premium.

55. Defendant CITIBANK, N.A. is one of the nation's largest banks with its principal place of business in New York, New York. Citibank is engaged in the business of mortgage lending throughout the United States.

56. Defendant CITIMORTGAGE, INC. is an affiliate of Citibank with its principal place of business in O'Fallon, Missouri, and services mortgages on behalf of Citibank throughout the United States.

JURISDICTION AND VENUE

57. This Court has jurisdiction over this action pursuant to the Class Action Fairness Act of 2005 ("CAFA"), Pub. L. No. 109-2, 119 Stat. 4 (codified in various sections of 28 U.S.C.).

58. Plaintiffs are citizens of the states of Arkansas, Florida, Georgia, New York, and Louisiana. Defendants are citizens of various other states but are registered to do business in the aforementioned states. The amount in controversy exceeds $5,000,000 and there are at least one hundred members of the putative class.

59. This Court has subject-matter jurisdiction over Plaintiffs' claims arising under the Bank Holding Company Act, 12 U.S.C. § 1972, *et seq.*, according to the statute's jurisdictional statement, 12 U.S.C. § 1975.

60. This Court further has subject-matter jurisdiction over those of Plaintiffs' claims that arise under the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(d) according to the statute's jurisdictional statement, 18 U.S.C. § 1964.

61. This Court has jurisdiction over Defendants because they are foreign corporations

authorized to conduct business in Florida, are doing business in Florida and have registered with the Florida Secretary of State, or do sufficient business in Florida, have sufficient minimum contacts with Florida, or otherwise intentionally avail themselves of the Florida consumer market through the promotion, marketing, sale, and service of mortgages or other lending services and insurance policies in Florida. This purposeful availment renders the exercise of jurisdiction by this Court over Defendants and their affiliated or related entities permissible under traditional notions of fair play and substantial justice.

62. In addition, this Court has subject-matter jurisdiction under CAFA because the amount in controversy exceeds $5 million and diversity exists between the Plaintiffs and the Defendants. 28 U.S.C. § 1332(d)(2). Further, in determining whether the $5 million amount in controversy requirement of 28 U.S.C. § 1332(d)(2) is met, the claims of the putative class members are aggregated. 28 U.S.C. § 1332(d)(6).

63. Venue is proper in this forum pursuant to 28 U.S.C. § 1391 because Defendants transact business and may be found in this District. Venue is also proper here because at all times relevant hereto, most Plaintiffs resided in the Southern District of Florida and a substantial portion of the practices complained of herein occurred in the Southern District of Florida.

64. All conditions precedent to this action have occurred, been performed, or have been waived.

FACTUAL ALLEGATIONS

65. Permitting a lender to forcibly place insurance on a mortgaged property and charge the borrower the full cost of the premium is neither a new concept nor a term undisclosed to borrowers in mortgage agreements. The standard form mortgage agreements used by most major lenders include a provision requiring the borrower to maintain hazard insurance

coverage—and flood insurance coverage if the property is located in a Special Flood Hazard Area as determined by the Federal Emergency Management Agency—on the property securing the loan, and in the event the insurance lapses, permit the lender to obtain force-placed coverage and charge the premiums to the borrower rather than declare the borrow in default.

66. What is unknown to borrowers and not disclosed in the mortgage agreements is that lenders and loan servicers have exclusive arrangements with certain insurers to manipulate the force-placed insurance market and artificially inflate premiums. The premiums are inflated to provide lenders and servicers with kickbacks disguised as "commissions" (usually paid to an affiliate), or provide the lender or servicer (through an affiliate) with lucrative reinsurance arrangements as well as include unmerited charges. The borrower is then forced to pay the inflated premiums.

The Force-Placed Insurance Scheme

67. The scheme works as follows. Lenders and mortgage servicers purchase master or "umbrella" insurance policies that cover the entire portfolio of mortgage loans. In exchange, the insurer obtains the exclusive right to force insurance on property securing a loan within the portfolio when the borrower's insurance lapses or the lender determines the borrower's existing insurance is inadequate. The insurer monitors the lender's loan portfolio for lapses in borrowers' insurance coverage. Once a lapse is identified, the insurer, through the force-placed insurance vendor, sends notice to the borrower that insurance will be "purchased" and force-placed if the voluntary coverage is not continued. If a lapse continues, the insurer notifies the borrower that insurance is being force-placed at his or her expense.

68. No individualized underwriting ever takes place for the force-placed coverage. Insurance is automatically placed on the property and the premium charged to the borrower. In

many instances, the insurance lapse is not discovered for months or even years after the fact. Despite the absence of any claim or damage to the property during the period of lapse, retroactive coverage is placed on the property and the past premiums charged to the borrower.

69. Once coverage is forced on the property, the lender charges the borrower for the insurance premiums. The lender, through their exclusive force-placed vendor, automatically deducts the amount from the borrower's mortgage escrow account, or adds it to the balance of the borrower's loan.[13]

70. The lender or servicer then pays the premium to the insurer who then kicks back a set percentage of the premium to the mortgage lender's or servicer's affiliate as a "commission." The affiliate then shares a percentage of that payment with the lender or servicer, sometimes in the form of "soft dollar" credits.

71. The money paid back to the lender or servicer's affiliate is not given in exchange for any services provided by the affiliate; it is simply grease paid to keep the force-placed machine moving. In an attempt to mask the kickback as legitimate, the insurer discloses to the borrower that the affiliate may receive a "commission" or "compensation" for helping the lender to procure a force-placed policy. In reality, however, no work is ever done by the affiliate to procure insurance for that particular borrower because the coverage comes through the master or umbrella policy already in place.

72. Under this highly profitable force-placed insurance scheme, lenders and servicers are incentivized to purchase and force-place the excessively priced force-placed insurance policy on a borrower's property because the higher the cost of the insurance policy, the higher the kickback.

[13] On some occasions when a borrower does not have an escrow account, the lender creates an

73. The companies providing force-placed insurance to lenders and servicers also enter into agreements for the insurer to provide servicing activities on the entire loan portfolio at below cost. The servicing costs are added into the force-placed premiums which are then passed on to the borrower. The insurers are able to provide these services below cost because of the enormous profits they make from the hyper-inflated premiums charged for force-placed insurance. However, because insurance-lapsed mortgaged property comprises only 1-2% of the lenders' total mortgage portfolio, the borrowers who pay these premiums unfairly bear the entire cost to service the entire loan portfolio.

74. In addition, force-placed insurance providers enter into essentially riskless "captive reinsurance arrangements" with lenders and their affiliates to "reinsure" the property insurance force-placed on borrower. A recent *American Banker* article detailed this reinsurance problem with respect to JP Morgan Chase Bank:

> JPMorgan and other mortgage servicers' reinsure the property insurance they buy on behalf of mortgage borrowers who have stopped paying for their own coverage. In JPMorgan's case, 75% of the total force-placed premiums cycle back to the bank through a reinsurance affiliate. This has raised further questions about the force-placed market's arrangements. Over the last five years, Chase has received $660 million in reinsurance payments and commissions on force-placed policies, according to New York's DFS.
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> Of every hundred dollars in premiums that JPMorgan Chase borrowers pay to Assurant, the bank ends up keeping $58 in profit, DFS staff asserted. The agency suggested the bank's stake in force-placed insurance may encourage it to accept unjustifiably high prices by Assurant and to avoid filing claims on behalf of borrowers, since that would lower its reinsurer's returns. The DFS staff also questioned the lack of competition in the industry, noting that Assurant and QBE have undertaken acquisitions that give them long-term control of 90% of the market. Further limiting competition are the companies' tendency to file identical rates in many states, Lawsky and his staff argue.

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escrow account with a negative balance and charges the borrower to bring the balance to zero.

J. Horwitz, *Bank of America Reinsurance Deals Draw New York Regulator's Attacks*, AM. BANKER, (May 22, 2012).

75. Some lenders may also overcharge borrowers by disregarding the Standard Mortgage Clause or the Lender's Loss Payable Endorsement ("LLPE") in the standard form mortgage agreement. Either of these clauses typically protects the lender for a period of at least ten days after the termination of the homeowner's voluntary insurance policy. Force-placed policies, however, take effect on the date of termination, and "double-cover" the property unnecessarily during the period covered by the LLPE or Standard Mortgage Clause. This means the borrower is charged for coverage for which the lender or servicer has no exposure.

76. Ultimately it is the unsuspecting borrower who suffers the consequences of these unconscionable practices.[14]

<u>The Defendants' Exclusive Arrangements</u>

77. Prior to June 2001, Defendant Balboa was a wholly owned subsidiary of Bank of America. Balboa provided Bank of America and other lenders with insurance monitoring services and forced-placed insurance policies. When Defendant QBE Insurance Group purchased Balboa, it agreed to continue to provide Bank of America with these services. QBE is now the exclusive force-placed insurer for Bank of America.

78. Upon information and belief, prior to being sold, Balboa would pass a portion of its force-placed profits up to Bank of America. QBE changed that arrangement when it acquired Balboa and now provides Bank of America with low-cost administrative mortgage services in return for the exclusive right to force-place insurance. A commission or other compensation is

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[14] Furthermore, when the cost of the high-priced premium is added by the Defendants to a homeowner's mortgage balance, it thereby increases the interest paid over the life of the loan by the homeowner to the lender.

then kicked back to Bank of America or its affiliate based upon a set percentage of the insurance premium.

79. Defendant Assurant and its subsidiary, American Security, provide the HSBC Defendants with mortgage portfolio monitoring and force-placed insurance. Upon information and belief, the HSBC Defendants receive money from this arrangement through captive reinsurance arrangements with HSBC affiliates.

80. Defendant Assurant and its subsidiaries, American Security and Voyager, have exclusive arrangements with the Chase Defendants to monitor their mortgage portfolios and provide force-placed insurance. In addition to the subsidized mortgage services they receive from Assurant, the Chase Defendants are kicked back a percentage of the force-placed premium which is paid to Chase Insurance Agency, which in turn compensates Chase Bank in the form of soft-dollar credits. The Chase Defendants receive additional compensation through captive reinsurance arrangements.

81. Defendant Assurant and its subsidiary, American Security, have an exclusive arrangement with the Wells Fargo Defendants to monitor Wells Fargo Bank's mortgage portfolio and provide force-placed insurance.[15] In addition to subsidized mortgage services received from Assurant, the Wells Fargo Defendants are kicked back a percentage of the force-placed premium that is paid to Wells Fargo Insurance, which in turn compensates Wells Fargo Bank in the form of soft-dollar credits.

82. Defendant Assurant and its subsidiary, American Security, have an exclusive arrangement with the Citi Defendants to monitor their mortgage portfolio and provide force-

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15 Until just this year, the Wells Fargo Defendants had used both of the major force-placed insurers – Assurant and QBE – for its portfolio. However, Assurant has recently become the exclusive force-placed insurance provider for Wells Fargo.

placed insurance. In addition to the subsidized mortgage services they receive from Assurant, the Citi Defendants are directly, or through an affiliate, kicked back a percentage of the force-placed premium or compensation through reinsurance arrangements.

The Plaintiffs

83. The actions and practices described above are unconscionable and done in bad faith with the sole objective to maximize profits. Borrowers who for whatever reason have stopped paying for insurance or are under-insured on mortgaged property are charged hyper-inflated and illegitimate non-competitive "premiums" for force-placed insurance that include undisclosed kickbacks to the Defendants or their affiliates (who, as described above, perform little to no functions related to the force-placement of the individual policies), as well as the cost of captive reinsurance arrangements and administrative services.

84. This action is brought to put an end to Defendants' exclusive, collusive, and uncompetitive arrangements, and to recover for Plaintiffs the excess amounts charged to them beyond the true cost of insurance coverage.

A. Plaintiff Cheryl Hall

85. Plaintiff Cheryl Hall is a resident of Garland County, Arkansas and owns a condominium in Hot Springs, Arkansas. Ms. Hall purchased her condominium on January 23, 2007 for $107,000 with a mortgaged loan through Countrywide Home Loans, Inc. ("Countrywide"). Ms. Hall's mortgage is written on a Fannie Mae/Freddie Mac Uniform Instrument. Upon information and belief, after Bank of America acquired Countrywide in 2009. BAC Home Loans and/or Bank of America has serviced Ms. Hall's mortgage.

86. Beginning in 2010, at the request of Bank of America, Ms. Hall obtained flood

insurance in addition to her condominium/association policy. Bank of America sent Ms. Hall a notice on November 23, 2010 that the flood insurance obtained was insufficient to cover her property stating that both federal law and the terms of Ms. Hall's mortgage required "flood insurance coverage in an amount at least equal to the lesser of: (1) the maximum insurance available under the NFIP for participating communities, which is currently $250,000; or (2) the replacement value of the improvements to your property (typically based on the amount of hazard insurance we understand you have purchased for the Property)." The November 23, 2010 letter further stated that Bank of America may force-place a flood insurance policy for $139.03 and that such policy would provide $26,735.00 in coverage if additional voluntary coverage was not obtained.

87. Bank of America's notice misrepresented federal law and was misleading because it represented that Ms. Hall had only two options regarding the amount of flood insurance coverage she needed to acquire when in fact the National Flood Insurance Act provides a third option which is coverage equal to the borrower's outstanding loan balance. The third option makes sense because a lender's financial interest in the property is equal to the outstanding loan balance.

88. Sometime between November 23, 2010 and April 18, 2011, Bank of America force-placed excess flood insurance on Ms. Hall's property for the period October 29, 2010 through October 29, 2011. A percentage of the insurance premium charged to Ms. Hall was then kicked back to Bank of America from Balboa.

89. On April 18, 2011, Bank of America notified Ms. Hall that it had cancelled this policy, stating that it had received information regarding her coverage sufficient to meet Bank of America's requirements.

90. Despite the representation made to Ms. Hall about adequate insurance coverage in its April 18, 2011 letter, Bank of America then sent Ms. Hall a "Notice of Placement" in which it advised her that Bank of America had "purchased additional flood insurance to protect its interest in the property" from October 29, 2010 through October 29, 2011. The coverage period covered a preceding six-month period during which Ms. Hall made no claims on her property. Although Bank of America had no risk during this period, it force-place $14,076.00 in coverage and charged Ms. Hall a monthly premium of $73.20.

91. Bank of America sent Ms. Hall a second "Notice of Placement" on November 2, 2011 practically identical to the April 21, 2011 letter force-placing a second flood policy for the same coverage amount and monthly premium but effective October 29, 2011 through October 29, 2012.

92. Bank of America sent Ms. Hall a third "Notice of Placement" on January 5, 2012 for the same coverage period of October 29, 2011 through October 29, 2012 but increasing the insurance coverage an additional $3,355.00 and raising the premium $17.68.

93. Each letter sent by Bank of America to Ms. Hall included the same material misrepresentation of the flood insurance required by federal law and her mortgage.

94. The insurance force-placed by Bank of America was excessive and unnecessary because Ms. Hall's condominium was covered by a State Farm condominium/association insurance policy. According to the Condominium Rider attached to Ms. Hall's mortgage, a condominium policy is sufficient to meet the flood insurance requirements of federal law and Ms. Hall's mortgage. Moreover, Ms. Hall's condominium association maintains flood insurance coverage equal to the full replacement value of the condominium complex through State Farm. Thus, at the time Bank of American force-placed flood coverage on Ms. Hall's condominium,

the voluntary coverage she had in place exceeded the requirements of both her mortgage and federal law.

95. There is no material difference between these Defendants' actions and practices directed to Ms. Hall and their actions and practices directed to the Class.

B. Plaintiff Marla Lugo

96. Plaintiff Marla Lugo resides in Mount Vernon, New York. Until 2008, the mortgage on Ms. Lugo's primary residence was serviced by Countrywide. BAC Home Loans replaced Countrywide as Ms. Lugo's mortgage servicer following Bank of America's acquisition of Countrywide in July 2009.

97. Ms. Lugo maintained homeowners' insurance on her property through Travelers until the policy lapsed in 2008. Ms. Lugo paid an annual premium of approximately $1,200 for the coverage. When the insurance policy with Travelers lapsed, BAC Home Loans force-placed a property hazard policy on her property through Balboa.

98. Bank of America charged Ms. Lugo an annual premium of $3,239 in May 2009, May 2010, September 2010, and May 2011 for the force-placed coverage. The insurance premiums were added to the balance of Ms. Lugo's loan balance, and was paid first, before any payment was applied to the principal or interest owed on the underlying mortgage loan. A percentage of the premium was kicked back to Bank of America or an affiliate.

99. There is no material difference between these Defendants' actions and practices directed to Ms. Lugo and their actions and practices directed to the Class.

C. Plaintiffs Donald and Joan Novell

100. Plaintiffs Donald and Joan Novell obtained a loan from Amnet Mortgage Inc., d/b/a American Mortgage Network of Florida which was secured by a mortgage on real

property located in West Palm Beach, Florida. The mortgage loan was serviced by BAC Home Loans.[16]

101. In October 2009, the Novells' voluntary insurance policy with Citizens Property Insurance Corporation ("Citizens") lapsed.

102. In July 2010, the Novells received a notice from Bank of America that the lender had force-placed insurance on the mortgaged property effective May 15, 2010 to May 15, 2011. The Novells were charged an annual premium of approximately $12,931 which was added to balance of the Novells' mortgage loan. [17]

103. In May 2011, the Novells received a notice that the force-placed insurance on their property would be renewed for the period May 15, 2011 to May 15, 2012. The Novells were charged an annual premium of approximately $18,310 which was added to the balance of the Novells' mortgage loan.

104. During the time the Novells were charged these premiums, Citizens quoted the Novells an annual premium of $4,015 (approximately 4½ times less than the force-placed insurance premium) to cover the same property.

105. The premiums charged to the Novells included undisclosed amounts kicked back to the lender and its affiliates and other illegitimate costs.

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16. U.S. Bank National Association, as Trustee for SARM 05-19XS, has filed a foreclosure lawsuit in the 15th Circuit Court in and for Palm Beach County, claiming an interest in the Novells' mortgage loan. Thus, it appears that the Novells' mortgage debt has been securitized, and that BAC Home Loans, LP manages that loan pursuant to an agreement with the securitization trustee.

17 It is believed that the Defendants also purchased a force-placed insurance policy for the Novells for the approximate period of October 2009 to May 2010; however, the Novells received no notification or correspondence.

106. There is no material difference between these Defendants' actions and practices directed to the Novells and their actions and practices directed to the Class.

D. <u>Plaintiff Joseph Gallagher</u>

107. In April 2006, Plaintiff Joseph Gallagher obtained a loan from Amnet Mortgage Inc. d/b/a American Mortgage Network of Florida secured by a mortgage on real property located in Florida. The mortgage loan was transferred first to Countrywide Home Loans (Defendant BAC Home Loans, LP's predecessor in interest), and ultimately to the Federal National Mortgage Association (a/k/a/ "Fannie Mae"), and has been serviced by BAC Home Loans, and its predecessor Countrywide Home Loans since shortly after it was originated.

108. Mr. Gallagher obtained insurance on the property through Citizens.

109. On October 1, 2009, Mr. Gallagher received a Notice, purportedly from Bank of America, that it was force-placing windstorm and hail insurance on the property through a surplus line insurance provider, Lexington Insurance.

110. The annual premium for the force-placed policy totaled approximately $4,491.

111. Upon information and belief, Mr. Gallagher's Citizens insurance policy was in effect at the time of the force-placement and contained provisions for wind and hailstorm insurance.

112. The annual cost of Mr. Gallagher's Citizens insurance which included all hazard (not just windstorm and hail) and covered his personal property and liability totaled approximately $2,000 – less than half the cost of the force-placed wind policy that covered only the dwelling.

113. The October 1, 2009 Notice informed Mr. Gallagher that his monthly mortgage payment would be adjusted to collect the force-place insurance premium balance.

114. Shortly thereafter, Mr. Gallagher's mortgage payment increased to the extent that he could no longer pay the full monthly amount. Upon information and belief, Mr. Gallagher initially paid at least a portion of the force-placed insurance premiums through his monthly mortgage payment.

115. The increase in Mr. Gallagher's mortgage payment due to the force-placed insurance premium has led, at least in part, to his home going into foreclosure. Mr. Gallagher is currently a defendant in a contested foreclosure proceeding.

116. The correspondence to Mr. Gallagher never disclosed that the premium included costs for the kickbacks and unearned commissions, the offset of administrative costs performed by the vendor, or a captive reinsurance arrangement.

117. There is no material difference between these Defendants' actions and practices directed to Mr. Gallagher and their actions and practices directed to the Class.

E. Plaintiff Javier Lopez

118. Plaintiff Javier Lopez obtained a loan through HSBC Mortgage which was secured by a mortgage on real property located in Florida. Upon information and belief, Mr. Lopez's mortgage is serviced by the HSBC Defendants.

119. Prior to February 2012, Mr. Lopez maintained hazard insurance on the real property through Security First Insurance, and had the annual $1,500 premium deducted from his escrow account.

120. From the end of 2011 through the beginning of 2012, unknown to Mr. Lopez, correspondence sent from Security First Insurance to Mr. Lopez's residence was being forwarded to a foreign address.[18]

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[18] Mr. Lopez is unclear as to what caused his correspondence to be sent to an address in a foreign

121. Believing that no one was now living at the residence, Security First Insurance canceled Mr. Lopez's insurance policy in February of 2012. Throughout this period, Mr. Lopez Mr. Lopez remained unaware of any issues with his insurance coverage and did not know that his policy had been canceled by Security First.

122. Once Mr. Lopez's policy lapsed, American Security began sending him its form correspondence purporting to be from HSBC Bank's "insurance center" and inquiring about proof of Mr. Lopez's insurance policy. However, the correspondence was sent to the address of Mr. Lopez's former employer and was never forwarded to Mr. Lopez, thus he remained unaware of any issues with his insurance.

123. In May 2012, the HSBC Defendants retroactively force-placed an insurance policy from American Security on Mr. Lopez's property effective February 17, 2012 and naming HSBC Bank as the insured.

124. The annual premium for the American Security force-placed policy was $8,124.67—nearly five and a half times the cost of Mr. Lopez's insurance through Security First, and provided less coverage. The entire cost of the annual premium was deducted from Mr. Lopez's escrow account. A percentage of the premium was kicked back to the HSBC Defendants in the form of a "commission" or reinsurance premiums.

125. Mr. Lopez did not learn of the lapse in his insurance and the escrow charge for the force-placed insurance policy until September of 2012. Immediately after learning of the matter, Mr. Lopez purchased a voluntary insurance policy.

126. On September 13, 2012, after learning that Mr. Lopez had purchased insurance through the voluntary market, the HSBC Defendants refunded a portion of the force-placed

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country.

insurance premium charged to Mr. Lopez. However, Mr. Lopez was charged and paid approximately $4,460 for force-placed coverage from February 2012 to September 2012.

127. There is no material difference between these Defendants' actions and practices directed to Mr. Lopez and their actions and practices directed to the Class.

F. Plaintiffs Alfred and Sydell Herrick

128. On May 23, 2008, Alfred and Sydell Herrick obtained a $372,000.00 loan from Chase Bank, secured by a mortgage on real property located in Golden Beach, Florida.

129. From the inception of the mortgage until in or around October 2011, the Herricks maintained in full force and effect the insurance required by the mortgage contract with Tower Hill Insurance Group.

130. On October 13, 2011, two years after entering the mortgage contract, the Herricks received a notice purportedly from Chase Bank indicating it did not have current proof of the Herricks' windstorm insurance, which was required under their mortgage. The notice stated that Chase would purchase wind insurance for Plaintiffs' property, charge their escrow account for the premiums,[19] and increase their monthly mortgage payments. This notice also indicated that an "affiliate of Chase" would receive an economic benefit as a result of the forced placement of the insurance.

131. Chase Bank forced a policy issued by Voyager that had a one-year policy period beginning on August 8, 2011. The annual cost of the insurance purchased by Chase Bank was $54,142.56, almost eleven times the amount of the Citizens policy that Plaintiffs ultimately obtained. At the time Chase Bank force-placed the policy, Plaintiffs owed approximately

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19 The notice also indicated Chase would unilaterally open an escrow account if the borrower

$352,000 on the mortgage. The wind insurance policy provided coverage in the amount of $1,435,000.00.

132. In November 2011, the Herricks obtained voluntary wind insurance with Citizens and provided proof thereof to Chase Bank. The annual premium for the Citizens wind insurance policy was $5,007.00.

133. On December 12, 2011, the Herricks received a notice from Chase Bank charging $15,106.00 for the approximate three-month "lapse" in wind insurance. The charges for the force-placed insurance were added to Plaintiffs' principal mortgage balance as an "Escrow Advanced Balance" and increased the monthly mortgage payment. The Chase Defendants maintain that the Herricks currently owe these charges.

134. Chase Bank never disclosed that the premium's excessive price included costs for the kickbacks and unearned commissions, the offset of administrative costs performed by the vendor, and a captive reinsurance arrangement.

135. There are no material differences between these Defendants' actions and practices directed to the Herricks and their actions and practices directed to the Class.

G. Plaintiff Alberto Barreto

136. In 2004, Plaintiff Alberto Barreto obtained a loan from Chase Manhattan Mortgage Corporation secured by a mortgage on real property in Florida. Chase Manhattan Mortgage Corporation merged with Chase Home Finance LLC in 2005, and all loans and assets in the name of Chase Manhattan Mortgage Corporation were transferred to Chase Home Finance LLC at that time. The mortgage loan was serviced by Chase Home Finance.

137. From the inception of the mortgage until in or around September 2010, Mr.

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did not have one.

Barreto maintained in full force and effect the insurance required by the mortgage contract. In August 2010, Mr. Barreto's insurance company at that time, Citizens, inspected Mr. Barreto's home and noted that the roof had a "rusty valley." Citizens requested that Mr. Barreto have the valley fixed and provide them documentation upon completion. Mr. Barreto immediately began looking for a contractor to fix his roof.

138. In September 2010, Mr. Barreto's insurance policy with Citizens expired and Citizens chose not to renew the policy because the valley had not yet been fixed.

139. Mr. Barreto continued his attempts at having his roof fixed and the project was ultimately completed in December 2010.

140. On October 8, 2010, Mr. Barreto received a notice purportedly from Chase Home Finance indicating that it did not have current proof of Mr. Barreto's insurance.

141. On November 7, 2010, Mr. Barreto received a second notice informing him that if he did not provide proof of his insurance, Chase Home Finance would purchase insurance for his home and charge the premium to his escrow account or increase his monthly mortgage payments. This notice also indicated that an "affiliate of Chase" would receive an economic benefit as a result of the force-placement of the insurance.

142. On December 7, 2010, Mr. Barreto's roof repairs were completed and he signed a new insurance policy with Citizens. The total annual premium for that policy was approximately $2,400. Mr. Barreto's insurance had lapsed for approximately three months.

143. On December 17, 2010, Mr. Barreto received a third notice purportedly from Chase Home Finance that informed him that insurance had been purchased for him and retroactively placed. Accompanying this letter was an insurance policy from Voyager. The force-placed policy covered a one-year period from September 20, 2010 to September 20, 2011.

144. The annual cost of the insurance purchased by Chase Home Finance was approximately $11,100, nearly five times the amount of the Citizens policy that Mr. Barreto had just acquired. Moreover, at the time Mr. Barreto's mortgage balance was approximately $81,000 – the cost of the force-placed insurance policy added to his mortgage equaled nearly 14% of his remaining principal balance.[20]

145. Chase Home Finance represented to Mr. Barreto that the force-placed insurance's high cost was due to it being issued automatically without evaluating the risk of his property despite knowing at that time that there had been no claims made by Mr. Barreto for damage to the property within that three-month time period.

146. Chase Home Finance never disclosed that the premium's excessive price included costs for the kickbacks and unearned "commissions," the offset of administrative costs performed by the vendor, and/or a captive reinsurance arrangement.

147. Mr. Barreto provided proof to Chase Home Finance of his Citizens insurance policy and was ultimately charged almost $2,800 for the approximate three-month lapse.

148. The charges for the force-placed insurance were added to Mr. Barreto's monthly mortgage statement and increased his payment. Mr. Barreto paid these charges.

149. There are no material differences between these Defendants' actions and practices directed to Mr. Barreto and their actions and practices directed to the Class.

H. <u>Plaintiff Carol Lynn Upshaw</u>

150. In 2006, Plaintiff Carol Lynn Upshaw obtained a loan secured by a mortgage on real property in Seacrest, Florida from Primary Capital Advisors LC.

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20 In addition, the coverage amount that was purchased for Mr. Barreto was for over $350,000 despite Mr. Barreto only owing the approximate $81,000 on his mortgage balance.

151. The mortgage loan was serviced by Chase Home Finance and the mortgage has been assigned to Chase Bank.

152. In May 2011, the Chase Defendants forced insurance upon Ms. Upshaw's property. The force-placed policy was retroactive for a one-year period from February 15, 2010 to February 16, 2011. The cost for said policy was $24,493.88.

153. In June 2011, the Chase Defendants forced another insurance policy upon Ms. Upshaw's property. The force-placed policy was retroactive for a one-year period from February 16, 2011 to February 16, 2012. The cost for said policy was $24,562.24.

154. Ms. Upshaw did not receive any of the notices associated with the force-placed insurance until June 2011 at which time she immediately procured a policy from Citizens at an annual premium of approximately $1,800.

155. The annual cost of the insurance purchased by the Chase Defendants was approximately ten times the amount of the Citizens policy that Ms. Upshaw acquired.

156. To date, the Chase Defendants never disclosed that the premium's excessive price included costs for the kickbacks and unearned "commissions," the offset of administrative costs performed by the vendor, and the captive reinsurance arrangement.

157. The charges for the force-placed insurance were added to Ms. Upshaw's monthly mortgage statement and resulted in an escrow deficiency. The Chase Defendants maintain that Ms. Upshaw currently still owes these charges and is currently requiring her to repay them.

158. There are no material differences between these Defendants' actions and practices directed to Ms. Upshaw and their actions and practices directed to the Class.

I. <u>Plaintiff Salvatore Saccoccio</u>

159. In 1997, Plaintiff Salvatore Saccoccio obtained a loan from Great Western Bank

secured by a mortgage on real property in Florida. Great Western Bank was purchased by Washington Mutual Bank, which, in turn, was purchased by Chase Bank.

160. In July 2011, Mr. Saccoccio received a notice purportedly from Chase Bank that informed him that insurance had been purchased and retroactively placed on his property. The force-placed policy issued by American Security had a one-year policy period from May 5, 2011 to May 5, 2012.

161. The annual cost of the insurance purchased by Chase Bank was $7,011.55, approximately five times the amount of the Citizens' policy that Mr. Saccoccio ultimately obtained. Moreover, at the time Mr. Saccoccio's mortgage balance was approximately $27,000 – the cost of the annual force-placed insurance policy equaled over 25% of his remaining principal balance.

162. Chase Bank never disclosed that the premium's excessive price included costs for the kickbacks and unearned commissions, the offset of administrative costs performed by the vendor, and a captive reinsurance arrangement.

163. Mr. Saccoccio obtained insurance from Citizens and provided proof thereof to Chase Bank and was ultimately charged $1,339.04 for the approximate two-month "lapse."

164. The charges for the force-placed insurance were added to Mr. Saccoccio's monthly mortgage statement and increased his payment. Mr. Saccoccio has paid and continues to pay these charges or would otherwise be in default.

165. There are no material differences between these Defendants' actions and practices directed to Mr. Saccoccio and their actions and practices directed to the Class.

J. <u>Plaintiff Ira Marc Fladell</u>

166. On January 8, 2007, Plaintiff Ira Marc Fladell obtained a loan in the amount of

$191,000 from World Savings Bank, FSB, secured by a mortgage on real property in Pompano Beach, Florida. World Savings Bank, FSB later became known as Wachovia Mortgage, FSB, and Wachovia Mortgage, FSB later became Wells Fargo Bank.

167. From the inception of the mortgage, Mr. Fladell maintained in full force and effect the hazard insurance required by the mortgage contract. He also maintained the flood insurance required by the mortgage through a policy with Fidelity National Indemnity Insurance Company.

168. October 4, 2007, Mr. Fladell began receiving form notices, purportedly from WFB, indicating that it did not have current proof of the Mr. Fladell's insurance, which was required under his mortgage. The notices stated that the lender would purchase insurance for Mr. Fladell's property, charge his mortgage account for the premiums, and increase his monthly mortgage payments. Finally, WFB threatened to charge a premium of $2,561.29 for force-placed insurance. When Mr. Fladell submitted proof that he had maintained the proper insurance, the force-placed policy was cancelled and the notices ceased.

169. In late 2008, Mr. Fladell began receiving similar notices, purportedly from WFB, despite the fact that he had continued to maintain the insurance required by the mortgage.

170. One year later, beginning on September 10, 2009, Mr. Fladell received yet another series of notices threatening to force insurance on his home. On or around December 31, 2009, WFB force-placed a hazard insurance policy through ASIC with a $2,542.59 premium on Mr. Fladell's home. This force-placed policy was backdated to August 24, 2009 and covered a one-year period, through August 24, 2010.

171. In addition, despite the fact that Mr. Fladell had continued to maintain the necessary flood insurance through a condominium policy with Fidelity National Indemnity

Insurance Company, in April 2009, he began receiving notices, purportedly from WFB, that he did not have sufficient flood insurance as required by his mortgage. On March 23, 2012, Mr. Fladell received a notice, purportedly from Wells Fargo Bank, indicating that a sixty-day flood insurance binder had been force-placed on his home. This force-placed policy was backdated to February 11, 2012 and covered the sixty-day period ending on April 11, 2012. The indicated premium for this policy was $2,301.75.

172. Wells Fargo Bank never disclosed that the premium's excessive price included costs for kickbacks and unearned commissions, or administrative costs performed by the vendor.

173. There are no material differences between these Defendants' actions and practices directed to Mr. Fladell and their actions and practices directed to the Class.

K. Plaintiff John Vidrine

174. John Vidrine purchased his home in Ville Platte, Louisiana on June 2, 2007, with a mortgage from Countrywide Home Loans, Inc. Countrywide Home Loans is now Bank of America. Thus, Bank of America now owns and/or services Mr. Vidrine's mortgage.

175. Mr. Vidrine's home is located in a Special Flood Hazard Area ("SFHA") and he must maintain flood insurance on his property. According to his mortgage, he must carry flood insurance "in the amount that Lender requires." His mortgage further states that "if Borrower fails to maintain any of the coverages "that Lender requires," that "Lender may obtain insurance coverage, at Lender's option and Borrower's expense."

176. Mr. Vidrine maintained over $80,000 in flood insurance coverage through his private insurer until at least 2011. However, Bank of America determined that Mr. Vidrine did not have adequate flood insurance coverage and force-placed flood insurance on his property.

177. On September 25, 2011, Bank of America force-placed flood insurance on Mr.

Vidrine's property. The force-placed insurance policy was effective from August 5, 2011 through August 5, 2012. The premium was $831.08.

178. Bank of America has threatened to force-place additional flood insurance on Mr. Vidrine's property in 2012. On June 21, 2012, Bank of America sent Mr. Vidrine a letter notifying him that his force-placed flood insurance policy would expire on August 5, 2012, but would automatically renew for another year. This letter stated further that Mr. Vidrine was required to maintain flood insurance equal to the lesser of: (1) the replacement cost value of his property; or (2) the maximum flood insurance allowed under the NFIP, which is $250,000. The Bank of America notice states that coverage equal to unpaid loan balance is only an available option for flood insurance if replacement cost coverage is not available. This is a misstatement of federal law and Mr. Vidrine's mortgage.

179. Bank of America charged $831.08 to Mr. Vidrine's mortgage escrow account in September 2012. Bank of America, Balboa, or one or more of their affiliates retained a portion of this premium as a "commission." The rest was paid to QBE.

180. There is no material difference between these Defendants' actions and practices directed to Mr. Vidrine and their actions and practices directed to the Class.

L. <u>Plaintiff Catherine Soileau</u>

181. Catherine Soileau purchased her home in Rayne, Louisiana on February 28, 2005. She financed her purchase with a $66,800 first mortgage from Net Bank. Ms. Soileau took out a second mortgage with Net Bank for $16,700. Bank of America currently owns and/or services both of Ms. Soileau's mortgages.

182. Because Ms. Soileau's home is located in an SFHA, her mortgage and federal law require that she must maintain flood insurance.

183. Ms. Soileau's first mortgage is a Louisiana Fannie Mae/Freddie Mac uniform mortgage. It provides that she must carry flood insurance "in the amount that Lender requires." The mortgage further states that "if Borrower fails to maintain any of the coverages "that Lender requires," that "Lender may obtain insurance coverage, at Lender's option and Borrower's expense." Her second mortgage contains nearly identical language.

184. Catherine Soileau maintains flood insurance through Louisiana Farm Bureau. Despite this coverage, Bank of America twice force placed additional flood insurance on Ms. Soileau's property. Throughout 2011 and 2012, Ms. Soileau voluntarily maintained approximately $117,000 in flood insurance through Louisiana Farm Bureau.

185. On April 14, 2011, Bank of America sent Ms. Soileau a Notice of Placement of Lender-Placed Flood Insurance. The policy provided $7,000 in flood insurance coverage and Bank of America charged $36.75 to Ms. Soileau's mortgage escrow account. The policy, though purchased on April 14, 2011, was effective from February 23, 2011 through February 23, 2012.

186. On February 29, 2012, Bank of America sent Ms. Soileau another notice that it had force placed flood insurance on her property, renewing and slightly augmenting the prior year's force-placed insurance policy. This new policy provided $8,000 in flood insurance coverage and Bank of America charged $42.00 to Ms. Soileau's escrow account.

187. Each time Bank of America charged Ms. Soileau's escrow account, Bank of America or one of its affiliates, such as Balboa Insurance Services, Inc., received a percentage of the charge as a kickback. The rest was retained by the force-placed insurance provider.

188. The force-placed flood insurance that Bank of America charged to Ms. Soileau's escrow account is unnecessary and excessive. As of April 14, 2011, Ms. Soileau's total mortgage balance was $76,630. Bank of America force-placed $7,000 in flood insurance

coverage in addition to her voluntary coverage of $117,000, resulting in a total requirement of $124,000. As of February 29, 2012, Ms. Soileau's total mortgage balance was $59,786. Bank of America force-placed $8,000 in flood insurance coverage in addition to her voluntary coverage of $117,000, resulting in a total requirement of $125,000.

189. Ms. Soileau mailed notice of her objections to Bank of America's practices and her intent to file suit against Bank of America prior to joining this lawsuit.

190. There is no material difference between these Defendants' actions and practices directed to Ms. Soileau and their actions and practices directed to the Class.

M. <u>Plaintiffs John and Jacquelyn Totura</u>

191. Plaintiffs John and Jacquelyn Totura ("the Toturas"), husband and wife, are residents of Bradford County, Florida. The Toturas own their home in Starke, Florida. The Toturas purchased their home on August 10, 1998 with a mortgage through America's Wholesale Lender. America's Wholesale Lender was a fictitious name for Countrywide Home Loans, Inc. ("Countrywide"), which was purchased by Bank of America in 2009. Plaintiffs' mortgage has always been serviced by BAC Home Loans and Bank of America.

192. The Toturas' mortgage is a Florida Fannie Mae/Freddie Mac Uniform Instrument. Paragraph 5 of the Toturas' mortgage requires that they maintain hazard insurance "in the amounts and for the periods that Lender requires" and states that "[i]f Borrower fails to maintain coverage . . . Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property."

193. Prior to Bank of America's purchase of Countrywide in 2008, the Toturas and Countrywide had an agreement that the Toturas would self-insure their property.

194. When Bank of America purchased Countrywide and became the servicer of the

Toturas' mortgage, BAC Home Loans began force-placing hazard insurance on their property. The Toturas were notified via letter dated August 12, 2009 that BAC Home Loans would force hazard insurance on the property if they did not obtain the coverage that BAC Home Loans required. BAC Home Loans sent a second notice on August 27, 2009. On October 4, 2009, BAC Home Loans sent a final letter, stating that it had, in fact, force-placed a hazard insurance policy on their property. The cost of this policy was $715.73, and BAC Home Loans created an escrow account for payment of this premium. Although the Toturas' outstanding loan balance was only $59,511.00 at the time, Defendants force-placed an $83,000.00 insurance policy. This force-placed policy was through Defendant Balboa.

195. The insurance policy that BAC Home Loans forced in October 2009 covered a time period spanning from July 2009 to July 2010. Thus, the 2009 force-placed policy covered at least three months which had already passed. The Toturas' property suffered no losses during this time.

196. Beginning in October 2009, BAC Home Loans increased the Toturas' monthly mortgage payments to include payments on the newly created escrow account. When the Toturas continued paying their regular monthly payments, BAC Home Loans stopped crediting their mortgage account with the payment amounts, instead placing the Toturas' monthly mortgage payments in a non-interest-bearing suspense account. BAC Home Loans then considered the Toturas' mortgage account past due and sent them a letter entitled "Notice of Intent to Accelerate."

197. BAC Home Loans forced two more insurance policies on the Toturas' property, in October 2010 and October 2011. These policies also covered the annual period from July to July, and were thus backdated by at least three months each time. The cost of the 2010 and 2011

force-placed policies were $503.76 and $716.02 respectively.

198. Plaintiffs contacted Bank of America in writing several times in attempts to obtain documents and other information related to their mortgage account, including letters dated March 25, 2010, August 15, 2011, and September 9, 2011.

199. Because of their troubles with BAC Home Loans, the Toturas retained an attorney who sent a Qualified Written Request on March 25, 2010, requesting certain information pursuant to the Real Estate Settlement Procedures Act ("RESPA"), 12 U.S.C. § 2605(e). Among other things, the Toturas' March 25, 2010 letter expressed concern about BAC Home Loans' application of their mortgage payments and BAC Home Loans' force placement of hazard insurance. The March 25, 2010 letter requested, among other things, copies of the Toturas' Note and Mortgage and any letters, statements or documents sent to them by BAC Home Loans.

200. BAC Home Loans responded to the Toturas' March 25, 2010 letter on April 30, 2010. BAC Home Loans declined to provide much of the information that the Toturas had requested, including copies of their mortgage and note. BAC Home Loans' stated reason was that "Countrywide/Bank of America did not originate the subject loan" and thus "Countrywide/Bank of America is not responsible" for any communications that occurred at origination of the loan. BAC claimed that "the owner of this loan is U.S. Bank" and that "Bank of America services the loan on behalf of the owner." This statement turned out to be incorrect.

201. The Toturas contacted U.S. Bank concerning their mortgage loan. On July 23, 2010, U.S. Bank responded that "[w]e have no records or loan number ending 9793, nor do we have a record of the property address you provided. Based on this information it does not appear US Bank is a legal owner."

202. On February 23, 2012, the Toturas received another letter from Bank of America

in response to requests about their mortgage account. This letter was in response to the Toturas' letters dated August 15, 2011 and September 9, 2011. According to this letter, the Toturas had expressed several additional concerns, including, but not limited to:

a. Bank of America had provided the Toturas an incorrect customer service number; they therefore had difficulty contacting Bank of America concerning their loan;

b. The copy of the recorded mortgage that the Toturas received from differed from the mortgage on record. Therefore the Toturas requested copies of the original documents from Bank of America;

c. The Toturas did not receive accurate year-end mortgage statements or escrow analyses;

d. The Toturas' cashier's checks, which were addressed to America's Wholesale Lender, the name of the lender on their mortgage, were altered by BAC Home Loans;

e. The Toturas' concern that BAC Home Loans was sending past-due notices when their account was not past due; and

f. The Toturas' concern that Plaintiff Jacquelyn Totura's name had been forged on the mortgage documents.

203. BAC Home Loans' 2012 letter confirms that BAC Home Loans forced hazard insurance on the Toturas' property and that this coverage was backdated. This letter also confirms that BAC Home Loans did not apply the Toturas' mortgage payments to the mortgage account, but rather held their payments in a non-interest-bearing account and considered their account past due. Additionally, this letter confirms that BAC Home Loans provided the Toturas with an incorrect customer service number and incorrectly told them that US Bank owned their mortgage.

204. According to BAC Home Loans' 2012 letter, Bank of America had always owned and/or serviced the Toturas' mortgage. Based on BAC Home Loans' own admission, "America's Wholesale Lender and Bank of America are one in the same." Bank of America

never fully responded to the Toturas' request for their mortgage documents, stating that "[w]e are unable to send you the original Mortgage and Note, as these are not available for forwarding." BAC Home Loans did, however, provide them with the correct customer service phone number several months after the Toturas had closed their mortgage account.

205. To get free from BAC Home Loans and their practices, the Toturas paid off their mortgage and a "Satisfaction of Mortgage" was filed in the county recorder's office on October 4, 2011.

206. Upon information and belief, Bank of America received kickbacks as a result of the force-placed insurance policy imposed on the Toturas.

207. There is no material difference between these Defendants' actions and practices directed to the Toturas and their actions and practices directed to the Class.

N. <u>Plaintiff Sarah Crouch</u>

208. WFB holds a mortgage on a parcel of real property in Florida owned by Ms. Crouch. The mortgage secures the repayment of a loan by WFB to Ms. Crouch.

209. In compliance with the terms of her mortgage, Ms. Crouch purchased property insurance through Frontline Homeowners Insurance ("Frontline"). The term of the policy commenced in April of one year and expired in April of the following year. The cost of her property insurance policy averaged approximately $1,500 for that annual period. Prior to 2011, Ms. Crouch's property insurance premium had always been timely paid in April of every year by WFB, as Ms. Crouch's mortgage servicer, from her insurance escrow reserve mandated by the terms of WFB's mortgage.

210. In or about February 2011, Ms. Crouch refinanced her mortgage loan with WFB. During the course of the refinance, WFB represented to Ms. Crouch that her new loan would

continue to include an insurance escrow reserve for the payment of her property insurance premium.

211. On February 15, 2011, after the closing of the refinancing, WFB sent Ms. Crouch an "Initial Escrow Account Disclosure and Notice of New Mortgage Payment." This document indicated that a payment of $1,646.00 would be paid out of her insurance escrow reserve for property insurance to cover the period of April 2011 to April 2012.

212. Despite Ms. Crouch's timely payments of all amounts due under her mortgage with WFB, including a portion of her payment deposited into her insurance escrow account, WFB, upon information and belief, failed to pay Ms. Crouch's property insurance for the annual period commencing on April 18, 2011 and ending April 18, 2012.

213. Ms. Crouch subsequently began to receive renewal reminders from Frontline to pay her property insurance premium (with an annual premium cost of $1,321) for that period of April 2011 to April 2012. After receiving the reminders, Ms. Crouch spoke to a Frontline representative who informed her that she did not have a current property insurance policy in effect.

214. Ms. Crouch then called a representative at WFB about the status of her property insurance policy and was informed by WFB that Frontline was incorrect and that she did have a current property insurance policy in effect.

215. On several more occasions throughout the year, Ms. Crouch spoke with WFB representatives who continually reassured her that she had a current property insurance policy in place.

216. However, in or around April of 2012, after Ms. Crouch was again advised by Frontline that she did not have a current property insurance policy in effect, a representative from

WFB finally admitted to her that there had never been a homeowner's insurance policy in place for the April 2011 to April 2012 period and that WFB had allowed the preexisting Frontline policy to lapse.

217. No one at WFB or its affiliate, WFI, explained to Ms. Crouch why WFB had failed to pay her insurance premium to Frontline, as WFB represented and agreed that it would do.

218. Immediately thereafter, Ms. Crouch purchased a new homeowner's insurance policy through Federated National Insurance Company with an annual premium of $2,310.00. This premium included a surcharge of approximately $115.00 for failing to have a valid insurance policy in effect for the prior year because of WFB's failure to make timely insurance payments.

219. On May 18, 2012, approximately one month after WFB admitted that it had not paid her insurance premium for the April 2011 to April 2012 policy period, WFB sent a letter informing Ms. Crouch that it had purchased a force-placed insurance policy issued by American Security for the period April 18, 2011 to April 18, 2012—the twelve-month period that had just passed. WFB, therefore, had purchased a force-placed insurance policy through its exclusive arrangement with American Security for a period that already passed. The premium for this worthless insurance policy was $4,671.61 and the amount was charged to Ms. Crouch.

220. Moreover, WFB's May 18, 2012 letter states that American Security would refund to Ms. Crouch all or a portion of the cost of the force-placed insurance premium that she was charged if she was able to purchase a property insurance policy for the previous twelve-month period, even though Plaintiff no longer needed insurance for the previous twelve-month period and WFB was aware that it would be impossible for Plaintiff to purchase

property insurance on a retroactive basis.

221. Neither WFB's May 18, 2012 letter nor the force-placed insurance policy issued by American Security disclosed that the excessive policy premium charged to Ms. Crouch included costs for kickbacks and unearned commissions payable to WFI and or that the premium offset American Security's administrative expenses to monitor WFB's loan portfolio for insurance lapses.

222. There is no material difference between these Defendants' actions and practices directed to Ms. Crouch and their actions and practices directed to the Class

O. Plaintiff Matthew Popkin

223. Plaintiff Matthew Popkin is the owner of a residential property located in Broward County, Florida.

224. In October 2007, Mr. Popkin secured his original mortgage with ABN AMRO Mortgage Group, Inc. Upon information and belief, Citibank became the Successor by Merger to ABN AMRO Mortgage Group, Inc. Pursuant to the merger, Citimortgage subsequently became the mortgage servicer for Mr. Popkin's mortgage.

225. On or around the time that Mr. Popkin executed his mortgage, he obtained a homeowner's policy with Citizens. Said policy was comprehensive and covered not only the property, but also the personal property within the home. The premium for Mr. Popkin's policy was approximately $4,600 a year.

226. At all times during 2007 and 2008, the Citizens policy was in place. Mr. Popkin provided Citimortgage with proof of coverage of his policy with Citizens.

227. Unbeknownst to Mr. Popkin, at some point in 2008, the Citi Defendants forced an insurance policy on his property with Assurant's subsidiary, American Security. The policy had

a premium of $11,524.10 per year and only covered the dwelling.

228. Mr. Popkin received no notice whatsoever of the force-placed policy and continued making his monthly mortgage payments like he had done since the mortgage was executed.

229. Had Mr. Popkin known that such a policy was placed on his property, he would have certainly advised the Citi Defendants of their error and would have re-sent proof of his coverage with Citizens.

230. Accordingly, Mr. Popkin was unknowingly paying for two insurance policies on his property.

231. In September 2009, and unbeknownst to Mr. Popkin, his policy with Citizens lapsed.

232. On or around late December 2009, Citimortgage forced a property insurance policy, again underwritten by American Security, without first advising Mr. Popkin of same. This force-placed policy was not only inferior in coverage to his previous policy with Citizens in that it only covered the structure, but was also considerably more expensive than his premium with Citizens or those premiums offered on the open market.

233. The premium of the force-placed policy was $16,480.80 and was backdated to September of 2009 when the Citizens policy lapsed.

234. Not only did the Citi Defendants fail to advise Mr. Popkin that they were going to force an insurance policy on his residence, on March 15, 2011, they debited $5,585.20 from his checking account to cover not only his regular mortgage payment (of $2,041.56), but also to cover a portion of the six months of retroactive premiums without his knowledge or permission.

235. Mr. Popkin first noticed that something was amiss when he received notice from

his bank that his account had been overdrawn. He immediately contacted Citimortgage and was advised that it had obtained a "force-placed" insurance policy on his property with a yearly premium of $16,480.80. When Plaintiff asked 1) why he was not given notice and 2) why the premium was so high, he was told that "they could charge whatever they wanted."

236. Three days later, Mr. Popkin obtained a new policy with Tower Hill Insurance. He immediately provided notice to the Citi Defendants and was told that the policy with American Security would be canceled. However, Mr. Popkin's monthly payments were increased by $177.00 to cover the remaining costs associated with the force-placed policy.

237. Notwithstanding that Mr. Popkin had obtained a policy with Tower Hill and was advised that the force-placed policy was cancelled, on March 19, 2011, the Citi Defendants again debited $5,585.20 from his bank account without his knowledge or permission. Citimortgage advised that it apparently made a mistake and reversed the charge.

238. On April 27, 2010, Mr. Popkin received notice that Tower Hill had cancelled his policy due to issues with his screen fence. He immediately began looking for a new carrier, but was unsuccessful for several months.

239. On or about August 2010, Citimortgage sent Mr. Popkin a notice wherein it stated that it had force-placed another policy on his property with American Security. The cost of the force-placed policy was $22,319.10.

240. In December 2011, Mr. Popkin purchased an insurance policy with American Platinum Property and Casualty Insurance Company. The annual premium for the policy was $9,000.00. Not only is said policy reflective of the prices available on the open market, but it also includes coverage for, *inter alia*, the structure, personal property, personal liability, loss of use, and medical payments. Upon information and belief, the Citi Defendants have to date failed

to cancel the force-placed policy with American Security despite Mr. Popkin's acquisition of a voluntary policy.

241. In addition to the force-placed hazard insurance on Mr. Popkin's property, the Citi Defendants have retroactively placed flood insurance, also through American Security, multiple times notwithstanding that there has never been a lapse in his flood insurance. Upon information and belief, the Citi Defendants have failed to cancel the flood insurance on Mr. Popkin's property even after being provided with proof of coverage.

242. There is no material difference between these Defendants' actions and practices directed to the Mr. Popkin and Defendants' actions and practices directed to the Class Members.

P. Plaintiff Doris Ryan

243. Plaintiff Doris Ryan is a retiree residing in the city of St. Cloud in Osceola County, Florida.

244. Ms. Ryan had a home equity line of credit with a maximum line of credit of $75,000 serviced by Citibank, FSB until it merged with Citibank, N.A.

245. Ms. Ryan's HELOC mortgage contains the following language regarding insurance requirements:

> 4. **Hazard Insurance.** You shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and such other hazards as We may require (including flood insurance coverage, if required by Us) and in such amounts and for such periods as We may require. Unless We require in writing otherwise, the policy shall provide insurance on a replacement cost basis in an amount not less than necessary to comply with any coinsurance percentage stipulated in the hazard insurance policy. All insurance policies and renewals thereof shall be in form and substance and with carriers acceptable to Us and shall include a standard mortgage clause in favor of and in form and substance satisfactory to us
>
> 6. **Protection of Our Security.** If You fail to perform Your obligations under this Mortgage, or if any action or proceedings adversely affects our interest in the Property, We may, at Our option, take any action reasonably necessary

> (including, without limitation, paying expenses and attorney fees and to have entry upon the Property to make repairs) to perform Your obligations or to protect Our interests. Any amounts disbursed by Us pursuant to this Paragraph 6 with interest thereon at the variable rate described in the Agreement, shall become indebtedness secured by this Mortgage (except as expressly provided herein). Nothing contained in this Paragraph 6 shall require Us to incur any expense or take any action hereunder.

246. Nowhere does Ms. Ryan's HELOC explicitly authorize Citibank to force-place insurance for Ms. Ryan's home, or provide any guidance on how Citibank could be authorized to act with respect to purchasing insurance on Ms. Ryan's behalf. Instead, Section 6, quoted above, reserves to Citibank the right to "take any action reasonably necessary . . . to perform [Ms. Ryan's] obligations or to protect [Citibank's] interests."

247. Because the contract is silent with respect to force-placed insurance, Ms. Ryan brings numerous tort and statutory claims against Citibank based on Citibank's receipt of kickbacks in the purchase of force-placed insurance for her home, as outlined below. The gravamen of Ms. Ryan's contractual claims is that it was not "reasonably necessary," as quoted from her HELOC above, for Citibank to receive a kickback for purchasing force-placed insurance for Ms. Ryan's home from ASIC.

248. As of February 10, 2010, Ms. Ryan's balance on her HELOC was $14,536.44 and she voluntarily maintained $144,100 in flood insurance coverage.

249. Beginning in 2009 and early 2010, Citibank began requesting proof of Ms. Ryan's flood insurance coverage.

250. On November 26, 2009, Citibank purchased a $75,000 force-placed flood insurance policy for Ms. Ryan's Home from ASIC. It charged $691.20 to her HELOC, adding this amount to her HELOC principal balance.

251. Ms. Ryan sent Citibank proof of her existing voluntary flood insurance policy, and Citibank cancelled the charge for the November 26, 2009 force-placed flood insurance policy.

252. In early 2010, Citibank sent letters to Ms. Ryan stating that her existing flood insurance coverage was insufficient and that she needed to increase her flood insurance coverage by an additional $16,900 to $160,000 in total coverage.

253. On or about March 28, 2010, Citibank purchased a $16,900 force-placed flood insurance policy for Ms. Ryan's home from ASIC. It charged $157 to her HELOC and added this amount to her HELOC balance.

254. Citibank retained a portion of this $157 and ASIC received the remainder.

255. Ms. Ryan continued to make her monthly HELOC payments. A portion of her monthly payment was used to pay these force-placed insurance charges.

256. In 2011, Citibank purchased another $75,000 force-placed flood insurance policy for Ms. Ryan's property and charged her HELOC $691.20. Ms. Ryan again sent proof of her $144,100 voluntary flood insurance policy and Citibank cancelled this charge.

257. On or about May 7, 2011, however, Citibank purchased a $16,900 force-placed flood insurance policy for Ms. Ryan's home from ASIC. It charged $157 to her HELOC.

258. Citibank retained a portion of this $157 and ASIC received the remainder.

259. Ms. Ryan withdrew money from her 401(k) retirement plan and paid off her HELOC in full, including all unpaid charges for force-placed insurance.

260. There is no material difference between the Defendants' actions and practices directed to the Ms. Ryan and Defendants' actions and practices directed to the Class Members.

Q. Plaintiff Terry Freeman

261. Plaintiff Terry Freeman owns his home in Franklin, Louisiana.

262. Citimortgage services Mr. Freeman's mortgage.

263. Mr. Freeman's mortgage is a standard, uniform Federal Housing Administration (FHA) mortgage. It contains the following language relevant to Mr. Freeman's claims:

> **4. Fire, Flood and Other Hazard Insurance**. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.
>
> **7. Charges to Borrower and Protection of Lender's Rights in the Property.** . . . . If Borrower fails to . . . perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the property, including payment of taxes, hazard insurance and other items mentioned in paragraph 2.
>
> Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the Note rate, and at the option of Lender shall be immediately due and payable.
>
> **8. Fees.** Lender may collect fees and charges authorized by the Secretary [of Housing and Urban Development].

264. Nowhere does Mr. Freeman's mortgage explicitly authorize Citimortgage to force-place insurance for Mr. Freeman's home, or provide any guidance on how Citimortgage could be authorized to act with respect to purchasing insurance on Mr. Freeman's behalf.

Instead, Section 7, quoted above, reserves to Citimortgage the right to "do and pay whatever is necessary to protect the value of the Property and Lender's rights in the property, including payment of taxes, hazard insurance and other items . . ." and to "collect fees and charges authorized by the Secretary" of Housing and Urban Development.

265. Because the contract is silent with respect to force-placed insurance, Mr. Freeman brings numerous tort and statutory claims against Citimortgage based on Citimortgage's receipt of kickbacks in the purchase of force-placed insurance for his home, as outlined below. The gravamen of Mr. Freeman's contractual claims is that it is not "necessary," as quoted from his mortgage above, for Citimortgage to receive a kickback for purchasing force-placed insurance for Mr. Freeman's home from ASIC, nor are Citimortgage's kickbacks "fees or charges authorized by the Secretary" of Housing and Urban Development.

266. Citimortgage force-placed Mr. Freeman into both hazard insurance and flood insurance from 2009 through the present.

267. Citimortgage force-placed Mr. Freeman into hazard insurance for the first time on February 24, 2009. It purchased this policy from ASIC, and the policy provided $72,800 in hazard insurance coverage. It renewed this force-placed insurance policy in 2010, 2011, and 2012. Each year, it charged approximately $1,220.83 to Mr. Freeman's escrow account.

268. Citimortgage force-placed Mr. Freeman into flood insurance for the first time on February 3, 2010. It purchased this policy from ASIC, and the policy provided $70,555 in flood insurance coverage. It renewed this force-placed insurance policy in 2011 and 2012. Each year, it charged approximately $1094 to Mr. Freeman's escrow account.

269. Mr. Freeman paid these force-placed insurance charges each month when he made his monthly mortgage payment. These force-placed insurance charges increased Mr.

Freeman's monthly mortgage payment to compensate for the deficiency in Mr. Freeman's escrow account caused when Citimortgage withdrew force-placed insurance charges from Mr. Freeman's escrow account.

270. Citimortgage or one of its affiliates retained a portion of each force-placed insurance charge as a "commission." The rest was paid to ASIC.

271. Citimortgage or one of its affiliates received an additional portion of these force-placed insurance charges in premiums for "reinsurance" paid by ASIC to Citimortgage or its affiliate.

272. There is no material difference between Defendants' actions and practices directed to Mr. Freeman and their actions and practices directed to the Class.

R. Plaintiff Thelma Stephens

273. Plaintiff Thelma Stephens owned a home in Springhill, Louisiana.

274. On August 29, 2007, Ms. Stephens obtained a $60,412 loan from Iberiabank, secured by a standard Federal Housing Administration (FHA) mortgage. Wells Fargo Bank services this loan.

275. Ms. Stephens' mortgage is a standard, uniform FHA mortgage. It contains the following language relevant to Ms. Stephens' claims.

> **4. Fire, Flood and Other Hazard Insurance**. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

> **7. Charges to Borrower and Protection of Lender's Rights in the Property.** . . . . If Borrower fails to . . . perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the property, including payment of taxes, hazard insurance and other items mentioned in paragraph 2.
>
> Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the Note rate, and at the option of Lender shall be immediately due and payable.
>
> **8. Fees.** Lender may collect fees and charges authorized by the Secretary [of Housing and Urban Development].

276. Nowhere does Ms. Stephens' mortgage explicitly authorize Wells Fargo Bank to force-place insurance for Ms. Stephens' home, or provide any guidance on how Wells Fargo Bank could be authorized to act with respect to purchasing insurance on Ms. Stephens's behalf. Instead, Section 7, quoted above, reserves to Wells Fargo Bank the right to "do and pay whatever is necessary to protect the value of the Property and Lender's rights in the property, including payment of taxes, hazard insurance and other items . . ." and to "collect fees and charges authorized by the Secretary" of Housing and Urban Development.

277. Because the contract is silent with respect to force-placed insurance, Ms. Stephens brings numerous tort and statutory claims against Wells Fargo Bank based on Wells Fargo Bank's receipt of kickbacks in the purchase of force-placed insurance for her home, as outlined below. The gravamen of Ms. Stephens' contractual claims is that it is not "necessary," as quoted from her mortgage above, for Wells Fargo to receive a kickback for purchasing force-placed insurance for Ms. Stephens' home from ASIC, nor are Wells Fargo Bank's kickbacks "fees or charges authorized by the Secretary" of Housing and Urban Development.

278. Wells Fargo Bank force-placed both hazard and flood insurance on Ms. Stephens' home in at least March of 2011 and July of 2010. Wells Fargo Bank also force-placed hazard and flood insurance on Ms. Stephens' property in 2008 and 2009, but, absent discovery, Plaintiff is unable to state additional specific facts relating to these force-placed insurance policies.

279. In July of 2010, Wells Fargo Bank charged $567 to Ms. Stephens' escrow account to pay for force-placed hazard insurance procured from ASIC or QBE.

280. In July of 2010, Wells Fargo Bank charged $2,640 to Ms. Stephens' escrow account to pay for force-placed flood insurance procured from ASIC or QBE.

281. In March of 2011, Wells Fargo Bank charged $1056 to Ms. Stephens' escrow account to pay for force-placed hazard insurance procured from ASIC or QBE.

282. In March of 2011, Wells Fargo Bank charged $747 to Ms. Stephens' escrow account to pay for force-placed hazard insurance procured from ASIC or QBE.

283. Wells Fargo Bank or one of its affiliates retained a portion of these force-placed insurance premiums as a "commission." The rest was paid to either ASIC or QBE.

284. A portion of these force-placed insurance premiums was returned to Wells Fargo Bank or one of its affiliates as a premium for reinsurance.

285. Ms. Stephens paid these force-placed insurance premiums with her monthly mortgage payments. However, the increase in her monthly mortgage payments was so substantial that she was not able to continue making her payments. Wells Fargo Bank foreclosed on her home in late 2010 or the first half of 2011. Through the foreclosure process, Wells Fargo Bank recouped any previously unpaid kickbacks and reinsurance premiums it deemed owed to it and its affiliates.

286. There is no material difference between Defendants' actions and practices

directed to Ms. Stephens and their actions and practices directed to the Class.

CLASS ALLEGATIONS

A. Class Definitions

287. Plaintiffs bring this action against Defendants pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of themselves and all other persons similarly situated. Plaintiffs seek to represent the following classes:

Bank of America Classes:

1) Plaintiffs Donald and Joan Novell, Joseph Gallagher, John Vidrine, Catherine Soileau, John and Jacquelyn Totura, Marla Lugo, and Cheryl Hall represent:

All borrowers who, within the applicable statutes of limitations, were charged for a force-placed hazard and/or flood insurance policy placed on property through Bank of America and/or BAC Home Loans and/or these companies' affiliates, entities, or subsidiaries. Excluded from this class are Defendants, their affiliates, subsidiaries, agents, board members, directors, officers, and/or employees

a. Florida Subclass as to Count XVI - Florida Deceptive and Unfair Trade Practices Act:
Plaintiffs Donald and Joan Novell, Joseph Gallagher, John Totura, and Jacquelyn Totura, represent:

All borrowers who, within the applicable statutes of limitations, were charged for a force-placed hazard and/or flood insurance policy placed on property located within the State of Florida, through Bank of America and/or BAC Home Loans and/or these companies' affiliates, entities, or subsidiaries. Excluded from this class are Defendants, their affiliates, subsidiaries, agents, board members, directors, officers, and/or employees.

b. New York Subclass as to Count XXXIII – New York General Business Law § 349 – Plaintiff Marla Lugo represents:

All borrowers who, within the applicable statutes of limitations, were charged for a force-placed hazard and/or flood insurance

policy placed on property located within the State of New York, through Bank of America and/or BAC Home Loans and/or these companies' affiliates, entities, or subsidiaries. Excluded from this class are Defendants, their affiliates, subsidiaries, agents, board members, directors, officers, and/or employees.

Chase Class:

1) Plaintiffs Alberto Barreto, Carol Lynn Upshaw, Salvatore Saccoccio, and Alfred and Sydell Herrick represent:

All borrowers who, within the applicable statutes of limitations, were charged for a force-placed hazard and/or flood insurance policy placed on property through the Chase Defendants and/or these companies' affiliates, entities, or subsidiaries. Excluded from this class are Defendants, their affiliates, subsidiaries, agents, board members, directors, officers, and/or employees

a. <u>Florida Subclass as to Count XVII</u> – <u>Florida Deceptive and Unfair Practices Act</u>:
Plaintiffs Alberto Barreto, Carol Lynn Upshaw, Salvatore Saccoccio, and Alfred and Sydell Herrick represent:

All borrowers who, within the applicable statutes of limitations, were charged for a force-placed hazard and/or flood insurance policy placed on property located within the State of Florida, through the Chase Defendants and/or these companies' affiliates, entities, or subsidiaries. Excluded from this class are Defendants, their affiliates, subsidiaries, agents, board members, directors, officers, and/or employees.

HSBC Class:

1) Plaintiff Javier Lopez represents:

All borrowers who, within the applicable statutes of limitations, were charged for a force-placed insurance policy placed on property through the HSBC Defendants and/or these companies' affiliates, entities, or subsidiaries. Excluded from this class are Defendants, their affiliates, subsidiaries, agents, board members, directors, officers, and/or employees.

Wells Fargo Class:

1) Plaintiffs Sarah Crouch, Thelma Stephens, and Ira Marc Fladell represent:

All borrowers who, within the applicable statutes of limitations, were charged for a force-placed insurance policy placed on property through the Wells Fargo Defendants and/or these companies' affiliates, entities, or subsidiaries. Excluded from this class are Defendants, their affiliates, subsidiaries, agents, board members, directors, officers, and/or employees.

Citibank/Citimortgage Class:

1) Plaintiffs Matthew Popkin, Terry Freeman, and Doris Ryan represent:

All borrowers who, within the applicable statutes of limitations, were charged for a force-placed insurance policy hazard or flood placed on property, through the Citi Defendants and/or these companies' affiliates, entities, or subsidiaries. Excluded from this class are Defendants, their affiliates, subsidiaries, agents, board members, directors, officers, and/or employees.

a. Florida Subclass as to Count XVIII – Florida Deceptive and Unfair Practices Act against Citimortgage: Plaintiffs Matthew Popkin, Terry Freeman, and Doris Ryan represent:

All borrowers who, within the applicable statutes of limitations, were charged for a force-placed insurance policy hazard or flood placed on property within the State of Florida, through Citimortgage and/or these companies' affiliates, entities, or subsidiaries. Excluded from this class are Defendants, their affiliates, subsidiaries, agents, board members, directors, officers, and/or employees

288. Plaintiffs reserve the right to modify or amend the definitions of the proposed classes before the Court determines whether certification is appropriate.

289. Defendants subjected Plaintiffs and the respective Class members to the same unfair, unlawful, and deceptive practices and harmed them in the same manner.

B. Numerosity

290. The proposed classes are so numerous that joinder of all members would be impracticable. Defendants sell and service millions of mortgage loans and insurance policies in the states of Florida, Louisiana, Georgia, New York, and Arkansas, as well as nationwide. The individual class members are ascertainable, as the names and addresses of all class members can be identified in the business records maintained by Defendants. The precise number of class members for each class numbers at least in the thousands and can only be obtained through discovery, but the numbers are clearly more than can be consolidated in one complaint such that it would be impractical for each member to bring suit individually. Plaintiffs do not anticipate any difficulties in the management of the action as a class action.

C. Commonality

291. There are questions of law and fact that are common to all Plaintiffs' and class members' claims. These common questions predominate over any questions that go particularly to any individual member of the Classes. Among such common questions of law and fact are the following:

a. Whether Defendants charged borrowers for unnecessary insurance coverage including, but not limited to, insurance coverage that exceeded the amount required by law or the borrowers' mortgages and/or backdated coverage that covered periods of time for which Defendants had no risk of loss;

b. Whether Defendants breached the mortgage contracts with Plaintiffs and the Classes by charging them for force-placed insurance that included illegal kickbacks (including unwarranted commissions and reinsurance payments) and by charging Plaintiffs and the Class for servicing their loans;

c. Whether Defendants have been unjustly enriched at the expense of the Plaintiffs and the Classes;

d. Whether the lender- and mortgage-servicer Defendants breached the implied covenant of good faith and fair dealing by entering into exclusive arrangements with selected insurers and/or their affiliates, which resulted in

inflated insurance premiums being charged to Plaintiffs and the Classes;

e. Whether the Defendants manipulated forced-placed mortgage purchases in order to maximize their profits to the detriment to Plaintiffs and the Classes;

f. Whether affiliates of the lenders or servicers perform any work or services in exchange for the "commissions" or other "compensation" they collect;

g. Whether the premiums charged are inflated to include kickbacks and unwarranted "commissions;"

h. Whether the premiums charged are inflated to include charges for bundled administrative services that the vendors provide to the lenders or mortgage servicers, and which are not chargeable to Plaintiffs and the Classes under the terms of their mortgages;

i. Whether the premiums charged are inflated to include the cost of a captive reinsurance arrangement;

j. Whether the lenders violated TILA by conditioning their extensions of credit on the purchase of insurance through an affiliate, in direct contravention of the anti-coercion disclosures included in borrowers' mortgages;

k. Whether the lenders/mortgage servicers violated TILA by failing to disclose kickbacks charged to class members in their mortgages;

l. Whether the lenders/mortgage servicers violated the anti-tying provisions of the Bank Company Holding Act by tying their agreement to purchase insurance on behalf of class members, and their continuing extensions of credit, on class members agreeing that they could purchase insurance through their affiliate;

m. Whether an objective consumer would be deceived by BAC Home Loans' arrangement, which incentivizes Defendants to charge excessive fees for force-placed insurance, and therefore violates Florida's Deceptive and Unfair Trade practices law;

n. Whether an objective consumer would be deceived by Chase Home Finance's arrangement, which incentivizes Defendants to charge excessive fees for force-placed insurance, and therefore violates Florida's Deceptive and Unfair Trade Practices law;

o. Whether an objective consumer would be deceived by Citimortgage's arrangement, which incentivizes Defendants to charge excessive fees for force-placed insurance, and therefore violates Florida's Deceptive and Unfair Trade Practices law;

p. Whether the force-placed insurers intentionally and unjustifiably interfered with the Plaintiffs' and the Classes' rights under the mortgage contracts by paying kickbacks to the lenders/mortgage servicers or their affiliates and by charging for administering the loan portfolio; and

q. Whether Plaintiffs and the Class Members are entitled to damages and/or injunctive relief as a result of Defendants' conduct.

D. Typicality

292. Each Plaintiff is a member the Class he or she seeks to represent. Plaintiffs' claims are typical of the respective classes' claims because of the similarity, uniformity, and common purpose of the Defendants' unlawful conduct. Each class member has sustained, and will continue to sustain, damages in the same manner as Plaintiffs as a result of Defendants' wrongful conduct.

E. Adequacy of Representation

293. Each Plaintiff is an adequate representative of the class he or she seeks to represent and will fairly and adequately protect the interests of that class. Plaintiffs are committed to the vigorous prosecution of this action and have retained competent counsel, experienced in litigation of this nature, to represent them. There is no hostility between Plaintiffs and the unnamed class members. Plaintiffs anticipate no difficulty in the management of this litigation as a class action.

294. To prosecute this case, Plaintiffs have chosen the undersigned law firms, which are very experienced in class action litigation and have the financial and legal resources to meet the substantial costs and legal issues associated with this type of litigation.

F. Requirements of Fed. R. Civ. P. 23(b)(3)

295. The questions of law or fact common to Plaintiffs' and each Class Member's claims predominate over any questions of law or fact affecting only individual members of the

class. All claims by Plaintiffs and the unnamed class members are based on the force-placed insurance policies that Defendants unlawfully secured and their deceptive and egregious actions involved in securing the force-placed policy.

296. Common issues predominate when, as here, liability can be determined on a class-wide basis, even when there will be some individualized damages determinations.

297. As a result, when determining whether common questions predominate, courts focus on the liability issue, and if the liability issue is common to the class as is the case at bar, common questions will be held to predominate over individual questions.

G. Superiority

298. A class action is superior to individual actions in part because of the non-exhaustive factors listed below:

> (a) Joinder of all class members would create extreme hardship and inconvenience for the affected customers as they reside all across the states;
>
> (b) Individual claims by class members are impractical because the costs to pursue individual claims exceed the value of what any one class member has at stake. As a result, individual class members have no interest in prosecuting and controlling separate actions;
>
> (c) There are no known individual class members who are interested in individually controlling the prosecution of separate actions;
>
> (d) The interests of justice will be well served by resolving the common disputes of potential class members in one forum;
>
> (e) Individual suits would not be cost effective or economically maintainable as individual actions; and
>
> (f) The action is manageable as a class action.

H. Requirements of Fed. R. Civ. P. 23(b)(1) & (2)

299. Prosecuting separate actions by or against individual class members would create

a risk of inconsistent or varying adjudications with respect to individual class members that would establish incompatible standards of conduct for the party opposing the class.

300. Defendants have acted or failed to act in a manner generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Class as a whole.

COUNT I

BREACH OF CONTRACT
(Plaintiffs Cheryl Hall, John Vidrine, Catherine Soileau, Donald and Joan Novell, John and Jacquelyn Totura, Joseph Gallagher, and Marla Lugo, against Bank of America and BAC Home Loans)

301. Plaintiffs Hall, Gallagher, Vidrine, Soileau, Lugo, the Novells, and the Toturas re-allege and incorporate paragraphs 1-12, 34-38, 65-78, 83-117, 174-207, 287, and 289 above as if fully set forth herein and further alleges as follows.

302. Plaintiffs and all Class Members similarly situated have mortgages that are owned and/or serviced by Bank of America and/or BofA/BAC (together, the "Bank of America Defendants").

303. Plaintiffs and these Class Members' mortgages are written on uniform mortgage forms and contain substantially similar provisions regarding force-placed insurance and its placement by the Bank of America Defendants.

304. Plaintiffs' mortgages require that they maintain homeowner's insurance on their properties and provide that if they fail to do so, then the Lender may obtain insurance coverage to protect its interest, "force place" it on the property, and charge the borrower the cost of the insurance.

305. Kickbacks are not "costs" of insurance. The Bank of America Defendants breached Plaintiffs' mortgage contracts by, among other things, charging Plaintiffs amounts

beyond the actual "cost" of force-placed insurance—amounts that were returned to the Bank of America Defendants or their affiliate pursuant to undisclosed agreements among the Bank of America Defendants, their affiliates, and their exclusive force-placed insurance provider.

306. Specifically, the Bank of America Defendants breached the mortgage agreements by providing for its affiliate to obtain a "commission" when its affiliate provided no services to Plaintiffs and played no role in the purchase of force-placed insurance for them.

307. The Bank of America Defendants have violated the mortgage contracts by charging Plaintiffs and the Class members for excessive and unnecessary force-placed insurance at prices well in excess of the actual "cost" of coverage, and further by charging borrowers for force-placed insurance premiums that are not reasonable or appropriate to protect the note-holder's interest in the property and rights under the security instrument.

308. Plaintiffs and the Class members have suffered damages as a result of the Bank of America Defendants' breaches of contract.

WHEREFORE, Plaintiffs Hall, Vidrine, Soileau, Gallagher, Lugo, the Novells, and the Toturas, on behalf of themselves and all similarly situated Class members, seek compensatory damages resulting from the Bank of America Defendants' breaches of contract, as well as injunctive relief preventing it from further violating the terms of the mortgages. Plaintiffs further seek all relief deemed appropriate by this Court, including attorneys' fees and costs.

COUNT II

BREACH OF CONTRACT
(Plaintiffs Sarah Crouch, Thelma Stephens, and Ira Marc Fladell against Wells Fargo Bank)

309. Plaintiffs Sarah Crouch, Thelma Stephens, and Ira Marc Fladell re-allege and incorporate paragraphs 1-12, 53, 65-76, 81, 83-84, 166-173, 208-222, 273-287, and 289 above as

if fully set forth herein and further allege as follows.

310. Plaintiffs and all Class Members similarly situated have mortgages that are owned and/or serviced by Wells Fargo Bank.

311. Plaintiffs and these Class Members' mortgages are written on uniform mortgage forms and contain substantially similar provisions regarding force-placed insurance requirements and its placement by Wells Fargo Bank.

312. Plaintiffs' mortgages require that they maintain homeowner's insurance on their properties and provide that if they fail to do so, then the Lender may obtain insurance coverage to protect its interest, "force place" it, and charge the borrower the cost of the insurance.

313. Kickbacks are not "costs" of insurance. Wells Fargo Bank breached the mortgage contract by, among other things, charging Plaintiffs amounts beyond the actual "cost" of force-placed insurance—amounts that were returned to Wells Fargo Bank or its affiliate pursuant to undisclosed agreements among WFB, its affiliates, and its exclusive force-placed insurance provider.

314. Specifically, WFB breached the mortgage agreement by providing for its affiliate to collect a "commission" when its affiliate provided no services to Plaintiffs and played no role in the purchase of force-placed insurance for them.

315. WFB has violated the mortgage contract by charging Plaintiffs and the Class members for excessive and unnecessary force-placed insurance at prices well in excess of the actual "cost" of coverage, and further by charging borrowers for force-placed insurance premiums that are not reasonable or appropriate to protect the noteholder's interest in the property and rights under the security instrument.

316. Plaintiffs and the Class members have suffered damages as a result of WFB's

breaches of contract.

WHEREFORE, Plaintiffs Fladell, Stephens, and Crouch on behalf of themselves and all similarly situated Class members, seek compensatory damages resulting from Wells Fargo Bank's breach of contract, as well as injunctive relief preventing it from further violating the terms of the mortgages. Plaintiffs further seek all relief deemed appropriate by this Court, including attorneys' fees and costs.

COUNT III

BREACH OF CONTRACT
(Plaintiffs Alberto Barreto, Carol Lynn Upshaw, Salvatore Saccoccio, and Alfred and Sydell Herrick against Chase Home Finance, JP Morgan Chase Bank, individually and as successor in interest to Chase Home Finance (the "Chase Defendants")

317. Plaintiffs Alberto Barreto, Carol Lynn Upshaw, Salvatore Saccoccio, Alfred Herrick, and Sydell Herrick, re-allege and incorporate paragraphs 1-12, 48-51, 65-76, 80, 287, and 289 above as if fully set forth herein and further allege as follows.

318. Plaintiffs and Class Members similarly situated have mortgages that are owned and/or serviced by the Chase Defendants.

319. Plaintiffs and these Class Members' mortgages are written on uniform mortgage forms and contain substantially similar provisions regarding force-placed insurance requirements and its placement by the Chase Defendants.

320. Plaintiffs' mortgages require that they maintain homeowner's insurance on their properties, and provide that if they fail to do so, then the Lender may obtain insurance coverage to protect its interest, "force place" it, and charge the borrower the cost of the insurance.

321. Kickbacks are not "costs" of insurance. The Chase Defendants breached the mortgage contract by, among other things, charging Plaintiffs amounts beyond the actual "cost" of force-placed insurance—amounts that were returned to the Chase Defendants or their affiliate

pursuant to undisclosed agreements among the Chase Defendants, their affiliates, and their exclusive force-placed insurance provider.

322. Specifically, the Chase Defendants breached the mortgage agreements by providing for their affiliate to obtain "compensation," either through a kickback or reinsurance premiums, when its affiliate provided no services to Plaintiffs and played no role in the purchase of force-placed insurance for them.

323. The Chase Defendants violated the mortgage contract by charging Plaintiffs and the Class members for excessive and unnecessary force-placed insurance at prices well in excess of the actual "cost" of coverage, and further by charging borrowers for force-placed insurance premiums that are not reasonable or appropriate to protect the noteholder's interest in the property and rights under the security instrument.

324. Plaintiffs and the Class members have suffered damages as a result of the Chase Defendants' breaches of contract.

WHEREFORE, Plaintiffs Barreto, Upshaw, Saccoccio, and the Herricks, on behalf of themselves and all similarly situated Class members, seek compensatory damages resulting from the Chase Defendants' breach of contract, as well as injunctive relief preventing it from further violating the terms of the mortgages. Plaintiffs further seek all relief deemed appropriate by this Court, including attorneys' fees and costs.

COUNT IV

BREACH OF CONTRACT
(Plaintiff Javier Lopez against HSBC Mortgage Corp. and HSBC Bank USA (the "HSBC Defendants")

325. Plaintiff Javier Lopez re-alleges and incorporates paragraphs 1-12, 41, 42, 65-76, 79, 118-127, 287, and 289 above as if fully set forth herein and further allege as follows.

326. Plaintiff and all Class Members similarly situated have mortgages that are owned and/or serviced by the HSBC Defendants.

327. Plaintiff's and these Class Members' mortgages are written on uniform mortgage forms and contain substantially similar provisions regarding force-placed insurance requirements and its placement by the HSBC Defendants.

328. Plaintiff's and the Class Members' mortgages require that they maintain homeowner's insurance on their properties and provide that if they fail to do so, then the Lender may obtain insurance coverage to protect its interest, "force place" it, and charge the borrower the cost of the insurance.

329. Kickbacks are not "costs" of insurance. The HSBC Defendants breached the mortgage contract by, among other things, charging Plaintiffs amounts beyond the actual "cost" of force-placed insurance, amounts that were returned to the HSBC Defendants or its affiliate pursuant to undisclosed agreements among the HSBC Defendants, their affiliates, and their exclusive force-placed insurance provider.

330. Specifically, the HSBC Defendants breached the mortgage agreement by providing for its affiliate to obtain "compensation," either through a kickback or reinsurance premiums, when their affiliate provided no services to Plaintiffs and played no role in the purchase of force-placed insurance for them.

331. The HSBC Defendants have violated the mortgage contracts by charging Plaintiff and the Class members for excessive and unnecessary force-placed insurance at prices well in excess of the actual "cost" of coverage, and further by charging borrowers for force-placed insurance premiums that are not reasonable or appropriate to protect the note-holder's interest in the property and rights under the security instrument.

332. Plaintiff and the Class members have suffered damages as a result of the HSBC Defendants' breaches of contract.

WHEREFORE, Plaintiff Javier Lopez, on behalf of himself and all similarly situated Class members, seeks compensatory damages resulting from the HSBC Defendants' breach of contract, as well as injunctive relief preventing it from further violating the terms of the mortgages. Plaintiff Lopez further seeks all relief deemed appropriate by this Court, including attorneys' fees and costs.

COUNT V

BREACH OF CONTRACT
(Plaintiffs Matthew Popkin, Doris Ryan, and Terry Freeman against Citibank and Citimortgage (the "Citi Defendants")

333. Plaintiffs Matthew Popkin, Doris Ryan, and Terry Freeman re-allege and incorporate paragraphs 1-12, 55-56, 65-76, 82, 223-272, 287, and 289 above as if fully set forth herein and further allege as follows.

334. Plaintiffs and all Class Members similarly situated have mortgages that are owned and/or serviced by the Citi Defendants.

335. Plaintiffs and these Class Members' mortgages are written on uniform mortgage forms and contain substantially similar provisions regarding force-placed insurance requirements and its placement by the Citi Defendants.

336. Plaintiffs' mortgages require that they maintain insurance on their properties and provide that if they fail to do so, then the lender may obtain insurance coverage to protect its interest, "force place" it, and charge the borrower the cost of the force-placed insurance.

337. Kickbacks are not "costs" of insurance. The Citi Defendants breached the mortgage contract by among other things, charging Plaintiffs amounts beyond the actual "cost"

of force-placed insurance—amounts that were returned to the Citi Defendants or its affiliate pursuant to undisclosed agreements among the Citi Defendants, their affiliates, and their exclusive force-placed insurance provider.

338. Specifically, the Citi Defendants breached the mortgage agreement by providing for its affiliate to obtain "compensation," either through a kickback or reinsurance premiums, when their affiliate provided no services to Plaintiffs and played no role in the purchase of force-placed insurance for them.

339. The Citi Defendants have violated the mortgage contract by charging Plaintiffs and the Class members for excessive and unnecessary force-placed insurance at prices well in excess of the actual "cost" of coverage, and further by charging borrowers for force-placed insurance premiums that are not reasonable or appropriate to protect the note-holders interest in the property and rights under the security instrument.

340. Plaintiffs and the Class members have suffered damages as a result of the Citi Defendants' breaches of contract.

WHEREFORE, Plaintiffs Popkin, Ryan, and Freeman, on behalf of themselves and all similarly situated Class members, seek compensatory damages resulting from the Citi Defendants' breach of contract, as well as injunctive relief preventing it from further violating the terms of the mortgages. Plaintiffs further seek all relief deemed appropriate by this Court, including attorneys' fees and costs.

COUNT VI

BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING – (Plaintiffs Cheryl Hall, Joseph Gallagher, John Vidrine, Catherine Soileau, Donald and Joan Novell, John and Jacquelyn Totura, and Marla Lugo against the Bank of America Defendants)

341. Plaintiffs Hall, Gallagher, Vidrine, Soileau, Lugo, the Novells, and the Toturas re-

allege and incorporate paragraphs 1-12, 34-38, 65-78, 83-117, 174-207, 287, and 289 above as if fully set forth herein and further alleges as follows.

342. A covenant of good faith and fair dealing is implied in every contract and imposes upon each party a duty of good faith and fair dealing in its performance. Common law calls for substantial compliance with the spirit, not just the letter, of a contract in its performance.

343. Where an agreement affords one party the power to make a discretionary decision without defined standards, the duty to act in good faith limits that party's ability to act capriciously to contravene the reasonable contractual expectations of the other party.

344. Plaintiffs and the Class Members' mortgage contracts allow the mortgage servicer to force place an insurance policy on the borrower's property in the event of a lapse in coverage, but do not define standards for selecting an insurer or procuring an insurance policy.

345. The mortgage contracts afford the Bank of America Defendants absolute discretion in force placing insurance coverage. They are permitted to unilaterally choose the company from which they purchase insurance and negotiate a price for the coverage they procure. The servicers have an obligation to exercise the discretion afforded them in good faith, and not capriciously or in bad faith. Plaintiffs do not seek to vary the express terms of the mortgage contract, but only to insure that the Defendants exercise their discretion in good faith.

346. The Bank of America Defendants breached the implied covenant of good faith and fair dealing by, among other things:

(a) Using their discretion to choose an insurance policy in bad faith and in contravention of the parties' reasonable expectations, by purposefully selecting high-priced force-placed insurance policies to maximize their own profits;

(b) Failing to seek competitive bids on the open market and instead contracting to create "back room" deals whereby the insurance policies are continually purchased through the same companies without seeking a competitive price;

(c) Assessing inflated and unnecessary insurance policy premiums against Plaintiffs and the Class and misrepresenting the reason for the cost of the policies;

(d) Collecting a percentage or allowing its affiliates to collect a percentage of whatever premiums are charged to Plaintiffs and the Class and not passing that percentage on to the borrower, thereby creating the incentive to seek the highest-priced premiums possible;

(e) Charging Plaintiffs and the Class for commissions when the insurance is prearranged and no commission is due;

(f) Charging Plaintiffs and the Class an inflated premium due to the captive reinsurance arrangement;

(g) Charging Plaintiffs and the Class for having the vendor perform their obligation of administering its mortgage portfolio which is not chargeable to Plaintiffs or the Class;

(h) Force placing insurance coverage in excess of what is required by law or borrowers' mortgage agreements; and

(i) Force placing insurance coverage in excess of that required to cover the lender's interest in the property, or the balance owed on the loan.

347. As a direct, proximate, and legal result of the aforementioned breaches of the covenant of good faith and fair dealing, Plaintiffs and the Class have suffered damages.

WHEREFORE, Plaintiffs Hall, Gallagher, Vidrine, Soileau, Lugo, the Novells, and the Toturas, on behalf of themselves and similarly situated Class members, seek a judicial declaration determining that the premiums charged and the terms of the force-placed insurance policies violate the duties of good faith and fair dealing. Plaintiffs also seek compensatory damages resulting from the Bank of America Defendants' breaches of their duties. Plaintiffs further seek all relief deemed appropriate by this Court, including attorneys' fees and costs.

COUNT VII

BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING - (Plaintiffs Sarah Crouch, Thelma Stephens, and Ira Marc Fladell against Wells Fargo Bank)

348. Plaintiffs Crouch, Stephens, and Fladell re-allege and incorporate paragraphs 1-12, 53, 65-76, 81, 83-84, 166-173, 208-222, 273-287, and 289 above as if fully set forth herein and further alleges as follows.

349. A covenant of good faith and fair dealing is implied in every contract and imposes upon each party a duty of good faith and fair dealing in its performance. Common law calls for substantial compliance with the spirit, not just the letter, of a contract in its performance.

350. Where an agreement affords one party the power to make a discretionary decision without defined standards, the duty to act in good faith limits that party's ability to act capriciously to contravene the reasonable contractual expectations of the other party.

351. Plaintiffs and the Class Members' mortgage contracts allow the mortgage servicer to force-place an insurance policy on the borrower's property in the event of a lapse in coverage, but do not define standards for selecting an insurer or procuring an insurance policy.

352. Wells Fargo Bank has absolute discretion in force placing insurance coverage. It is permitted to unilaterally choose the company from which it purchases force-placed insurance and negotiate a price for the coverage it procures. Wells Fargo Bank has an obligation to exercise the discretion afforded it in good faith, and not capriciously or in bad faith. Plaintiffs do not seek to vary the express terms of the mortgage contract, but only to insure that the WFB exercises its discretion in good faith.

353. Wells Fargo Bank breached the implied covenant of good faith and fair dealing by, among other things:

(a) Using its discretion to choose an insurance policy in bad faith and in contravention of the parties' reasonable expectations, by purposefully selecting high-priced force-placed insurance policies to maximize their own profits;

(b) Failing to seek competitive bids on the open market and instead contracting to create "back room" deals whereby the insurance policies are continually purchased through the same companies without seeking a competitive price;

(c) Assessing inflated and unnecessary insurance policy premiums against Plaintiffs and the Class and misrepresenting the reason for the cost of the policies;

(d) Collecting a percentage or allowing its affiliates to collect a percentage of whatever premiums are charged to Plaintiffs and the Class and not passing that percentage on to the borrower, thereby creating the incentive to seek the highest-priced premiums possible;

(e) Charging Plaintiffs and the Class for commissions when the insurance is prearranged and no commission is due;

(f) Charging Plaintiffs and the Class an inflated premium due to the captive reinsurance arrangement;

(g) Charging Plaintiffs and the Class for having the vendor perform their obligation of administering its mortgage portfolio which is not chargeable to Plaintiffs or the Class;

(h) Force placing insurance coverage in excess of what is required by law or borrowers' mortgage agreements; and

(i) Force placing insurance coverage in excess of that required to cover the lender's interest in the property, or the balance owed on the loan.

354. As a direct, proximate, and legal result of the aforementioned breaches of the covenant of good faith and fair dealing, Plaintiffs and the Class have suffered damages.

WHEREFORE, Plaintiffs Crouch, Stephens, and Fladell on behalf of themselves and similarly situated Class members, seek a judicial declaration determining that the premiums charged and the terms of the force-placed insurance policies violate the duties of good faith and fair dealing. Plaintiffs also seek compensatory damages resulting from Wells Fargo Bank's breaches of its duties. Plaintiffs further seek all relief deemed appropriate by this Court,

including attorneys' fees and costs.

COUNT VIII

BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING - (Plaintiffs Alberto Barreto, Carol Lynn Upshaw, Salvatore Saccoccio, and Alfred and Sydell Herrick against the Chase Defendants)

355. Plaintiffs Barreto, Upshaw, Saccoccio, and the Herricks re-allege and incorporate paragraphs 1-12, 48-51, 65-76, 80, 287, and 289 above as if fully set forth herein and further alleges as follows.

356. A covenant of good faith and fair dealing is implied in every contract and imposes upon each party a duty of good faith and fair dealing in its performance. Common law calls for substantial compliance with the spirit, not just the letter, of a contract in its performance.

357. Where an agreement affords one party the power to make a discretionary decision without defined standards, the duty to act in good faith limits that party's ability to act capriciously to contravene the reasonable contractual expectations of the other party.

358. Plaintiffs and the Class Members' mortgage contracts allow the mortgage servicer to force-place an insurance policy on the borrower in the event of a lapse in coverage, but do not define standards for selecting an insurer or procuring an insurance policy.

359. The Chase Defendants have absolute discretion in force placing insurance coverage. They are permitted to unilaterally choose the company from which they purchase force-placed insurance and negotiate a price for the coverage they procure. The servicers have an obligation to exercise the discretion afforded them in good faith, and not capriciously or in bad faith. Plaintiffs do not seek to vary the express terms of the mortgage contract, but only to insure that the Defendants exercise their discretion in good faith.

360. The Chase Defendants breached the implied covenant of good faith and fair

dealing by, among other things:

(a) Using their discretion to choose an insurance policy in bad faith and in contravention of the parties' reasonable expectations, by purposefully selecting high-priced force-placed insurance policies to maximize their own profits;

(b) Failing to seek competitive bids on the open market and instead contracting to create "back room" deals whereby the insurance policies are continually purchased through the same companies without seeking a competitive price;

(c) Assessing inflated and unnecessary insurance policy premiums against Plaintiffs and the Class and misrepresenting the reason for the cost of the policies;

(d) Collecting a percentage or allowing their affiliates to collect a percentage of whatever premiums are charged to Plaintiffs and the Class and not passing that percentage on to the borrower, thereby creating the incentive to seek the highest-priced premiums possible;

(e) Charging Plaintiffs and the Class for commissions when the insurance is prearranged and no commission is due;

(f) Charging Plaintiffs and the Class an inflated premium due to the captive reinsurance arrangement;

(g) Charging Plaintiffs and the Class for having the vendor perform their obligation of administering its mortgage portfolio which is not chargeable to Plaintiffs or the Class;

(h) Force placing insurance coverage in excess of what is required by law or borrowers' mortgage agreements; and

(i) Force placing insurance coverage in excess of that required to cover the lender's interest in the property, or the balance owed on the loan.

361. As a direct, proximate, and legal result of the aforementioned breaches of the covenant of good faith and fair dealing, Plaintiffs and the Class have suffered damages.

WHEREFORE, Plaintiffs Barreto, Upshaw, Saccoccio, and the Herricks, on behalf of themselves and similarly situated Class members, seek a judicial declaration determining that the premiums charged and the terms of the force-placed insurance policies violate the duties of good faith and fair dealing. Plaintiffs also seek compensatory damages resulting from the Chase

Defendants' breaches of their duties. Plaintiffs further seek all relief deemed appropriate by this Court, including attorneys' fees and costs.

COUNT IX

BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING – (Plaintiff Javier Lopez against the HSBC Defendants)

362. Plaintiff Javier Lopez re-alleges and incorporates paragraphs 1-12, 41, 42, 65-76, 79, 118-127, 287, and 289 above as if fully set forth herein and further alleges as follows.

363. A covenant of good faith and fair dealing is implied in every contract and imposes upon each party a duty of good faith and fair dealing in its performance. Common law calls for substantial compliance with the spirit, not just the letter, of a contract in its performance.

364. Where an agreement affords one party the power to make a discretionary decision without defined standards, the duty to act in good faith limits that party's ability to act capriciously to contravene the reasonable contractual expectations of the other party.

365. Plaintiff and the Class Members' mortgage contracts allow the mortgage servicer to force-place an insurance policy on the borrower's property in the event of a lapse in coverage, but do not define standards for selecting an insurer or procuring an insurance policy.

366. The HSBC Defendants have absolute discretion in force placing insurance coverage. They are permitted to unilaterally choose the company from which they purchase force-placed insurance and negotiate a price for the coverage they procure. The servicers have an obligation to exercise the discretion afforded them in good faith, and not capriciously or in bad faith. Plaintiff does not seek to vary the express terms of the mortgage contract, but only to insure that the Defendants exercise their discretion in good faith.

367. The HSBC Defendants breached the implied covenant of good faith and fair dealing by, among other things:

(a) Using their discretion to choose an insurance policy in bad faith and in contravention of the parties' reasonable expectations, by purposefully selecting high-priced force-placed insurance policies to maximize their own profits;

(b) Failing to seek competitive bids on the open market and instead contracting to create "back room" deals whereby the insurance policies are continually purchased through the same companies without seeking a competitive price;

(c) Assessing inflated and unnecessary insurance policy premiums against Plaintiff and the Class and misrepresenting the reason for the cost of the policies;

(d) Collecting a percentage or allowing their affiliates to collect a percentage of whatever premiums are charged to Plaintiff and the Class and not passing that percentage on to the borrower, thereby creating the incentive to seek the highest-priced premiums possible;

(e) Charging Plaintiff and the Class for commissions when the insurance is prearranged and no commission is due;

(f) Charging Plaintiff and the Class an inflated premium due to the captive reinsurance arrangement;

(g) Charging Plaintiff and the Class for having the vendor perform their obligation of administering its mortgage portfolio which is not chargeable to Plaintiff or the Class;

(h) Force placing insurance coverage in excess of what is required by law or borrowers' mortgage agreements; and

(i) Force placing insurance coverage in excess of that required to cover the lender's interest in the property, or the balance owed on the loan.

368. As a direct, proximate, and legal result of the aforementioned breaches of the covenant of good faith and fair dealing, Plaintiff and the Class have suffered damages.

WHEREFORE, Plaintiff Javier Lopez, on behalf of himself and all similarly situated Class members, seeks a judicial declaration determining that the premiums charged and the terms of the force-placed insurance policies violate the duties of good faith and fair dealing. Plaintiff also seeks compensatory damages resulting from the HSBC Defendants' breaches of their duties. Plaintiff further seeks all relief deemed appropriate by this Court, including attorneys' fees and

costs.

COUNT X

BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING (Plaintiffs Matthew Popkin, Terry Freeman, and Doris Ryan against the Citi Defendants)

369. Plaintiffs Popkin, Freeman, and Ryan re-allege and incorporate paragraphs 1-12, 55-56, 65-76, 82, 223-272, 287, and 289 above as if fully set forth herein and further alleges as follows.

370. A covenant of good faith and fair dealing is implied in every contract and imposes upon each party a duty of good faith and fair dealing in its performance. Common law calls for substantial compliance with the spirit, not just the letter, of a contract in its performance.

371. Where an agreement affords one party the power to make a discretionary decision without defined standards, the duty to act in good faith limits that party's ability to act capriciously to contravene the reasonable contractual expectations of the other party.

372. Plaintiffs and the Class Members' mortgage contracts allow the mortgage servicer to force-place an insurance policy on the borrower's property in the event of a lapse in coverage, but do not define standards for selecting an insurer or procuring an insurance policy.

373. The Citi Defendants have absolute discretion in force placing insurance coverage. They are permitted to unilaterally choose the company from which they purchase force-placed insurance and negotiate a price for the coverage they procure. The servicers have an obligation to exercise the discretion afforded them in good faith, and not capriciously or in bad faith. Plaintiffs do not seek to vary the express terms of the mortgage contract, but only to insure that the Defendants exercise their discretion in good faith.

374. The Citi Defendants breached the implied covenant of good faith and fair dealing by, among other things:

(a) Using their discretion to choose an insurance policy in bad faith and in contravention of the parties' reasonable expectations, by purposefully selecting high-priced force-placed insurance policies to maximize their own profits;

(b) Failing to seek competitive bids on the open market and instead contracting to create "back room" deals whereby the insurance policies are continually purchased through the same companies without seeking a competitive price;

(c) Assessing inflated and unnecessary insurance policy premiums against Plaintiffs and the Class and misrepresenting the reason for the cost of the policies;

(d) Collecting a percentage or allowing their affiliates to collect a percentage of whatever premiums are charged to Plaintiffs and the Class and not passing that percentage on to the borrower, thereby creating the incentive to seek the highest-priced premiums possible;

(e) Charging Plaintiffs and the Class for commissions when the insurance is prearranged and no commission is due;

(f) Charging Plaintiffs and the Class an inflated premium due to the captive reinsurance arrangement;

(g) Charging Plaintiffs and the Class for having the vendor perform their obligation of administering its mortgage portfolio which is not chargeable to Plaintiffs or the Class;

(h) Force placing flood insurance coverage in excess of what is required by law or borrowers' mortgage agreements; and

(i) Force placing insurance coverage in excess of that required to cover the lender's interest in the property, or the balance owed on the loan.

375. As a direct, proximate, and legal result of the aforementioned breaches of the covenant of good faith and fair dealing, Plaintiffs and the Class have suffered damages.

WHEREFORE, Plaintiffs Popkin, Freeman, and Ryan, on behalf of themselves and similarly situated Class members, seek a judicial declaration determining that the premiums charged and the terms of the force-placed insurance policies violate the duties of good faith and fair dealing. Plaintiffs also seek compensatory damages resulting from the Citi Defendants' breaches of their duties. Plaintiffs further seek all relief deemed appropriate by this Court,

including attorneys' fees and costs.

COUNT XI

UNJUST ENRICHMENT
(Plaintiffs Cheryl Hall, Joseph Gallagher, John Vidrine, Catherine Soileau, Donald and Joan Novell, John and Jacquelyn Totura, and Marla Lugo against the Bank of America Defendants, Balboa, and QBE)

376. Plaintiffs Hall, Gallagher, Vidrine, Soileau, Lugo, the Novells, and the Toturas re-allege and incorporate paragraphs 1-12, 34-40, 65-78, 83-117, 174-207, 287, and 289 above as if fully set forth herein and further alleges as follows.

377. Defendants received from Plaintiffs and Class Members benefits in the form of inflated insurance premiums related to force-placed insurance policies, unwarranted kickbacks and commissions, captive reinsurance arrangements, and subsidized loan servicing costs.

378. Defendants entered into an agreement whereby the insurance vendor, at first Balboa and now QBE, would provide force-placed insurance policies to the Bank of America Defendants through its preferred insurance carriers, most often also Balboa, for the portfolio of loans it monitored on behalf of the Bank of America Defendants. The Bank of America Defendants would then charge Plaintiffs and the Class premiums that were far more expensive than those available to borrowers for voluntary policies that provide even more coverage.

379. The Bank of America Defendants also collected premiums on force-placed policies that provided coverage in excess of that required by law or the borrowers' mortgage agreement, and in excess of that required to protect the lender's interest in its collateral.

380. Balboa paid and collected significant monies in premiums, kickbacks, commissions, and reinsurance tied directly to the cost of the force-placed insurance premium (as a percentage). Commissions or kickbacks were paid directly to the Bank of America Defendants and/or its affiliates in order to be able to exclusively provide force-placed insurance policies.

381. The kickbacks and commissions, reinsurance arrangements, and subsidized costs were subsumed into the price of the insurance premium and ultimately paid by the borrower. Therefore, all Defendants had the incentive to charge and collect unreasonably inflated prices for the force-placed policies.

382. Further, the Bank of America Defendants received financial benefits in the form of increased interest income, duplicative insurance based upon the Lender Loss Payable Endorsement or the Standard Mortgage Clause, and/or "soft-dollar" credits.

383. As a result, Plaintiffs and the Class have conferred a benefit on Defendants.

384. Defendants had knowledge of this benefit and voluntarily accepted and retained the benefit conferred on them.

385. Defendants will be unjustly enriched if they are allowed to retain the aforementioned benefits, and each class member is entitled to recover the amount by which the Defendants were unjustly enriched at his or her expense.

WHEREFORE, Plaintiffs Hall, Gallagher, Vidrine, Soileau, Lugo, the Novells, and the Toturas, on behalf of themselves and all similarly situated Class Members, demand an award against the Bank of America Defendants, Balboa, and QBE in the amounts by which these Defendants have been unjustly enriched at Plaintiffs' and the Class Members' expense, and such other relief as this Court deems just and proper.

COUNT XII

UNJUST ENRICHMENT
(Plaintiffs Sarah Crouch, Thelma Stephens, and Ira Marc Fladell against Wells Fargo Bank, Wells Fargo Insurance (together, the "Wells Fargo Defendants"), Assurant, American Security, Voyager)

386. Plaintiffs Crouch, Stephens, and Fladell re-allege and incorporate Paragraphs 1-12, 43-47, 53, 54, 65-76, 81, 83-84, 166-173, 208-222, 273-287, and 289 above as if fully set

forth herein and further alleges as follows.

387. The Wells Fargo Defendants, Assurant, American Security, and Voyager received from the above-named Plaintiffs and Class Members benefits in the form of inflated insurance premiums related to force-placed insurance policies, unwarranted kickbacks and commissions, captive reinsurance arrangements, and subsidized loan servicing costs.

388. These Defendants entered into an agreement whereby the insurance vendor, Assurant's subsidiaries – American Security and/or Voyager Indemnity - would provide force-placed insurance policies to the Wells Fargo Defendants through their preferred insurance carriers for the portfolio of loans monitored on behalf of the Wells Fargo Defendants. The Wells Fargo Defendants would then charge Plaintiffs and the Class premiums that were far more expensive than those available to borrowers for voluntary policies that provide even more coverage.

389. The Wells Fargo Defendants also collected premiums on force-placed policies that provided coverage in excess of that required by law or the borrowers' mortgage agreement, and in excess of that required to protect the lender's interest in its collateral.

390. Assurant and its aforementioned subsidiaries paid and collected significant monies in premiums, kickbacks, commissions, and reinsurance tied directly to the cost of the force-placed insurance premium (as a percentage). Commissions or kickbacks were paid directly to the Wells Fargo Defendants in order to be able to exclusively provide force-placed insurance policies.

391. The kickbacks and commissions, reinsurance arrangements, and subsidized costs were subsumed into the price of the insurance premium and ultimately paid by the borrower. Therefore, all Defendants had the incentive to charge and collect unreasonably inflated prices for

the force-placed policies.

392. Further, Wells Fargo Bank received financial benefits in the form of increased interest income, duplicative insurance based upon the Lender Loss Payable Endorsement or the Standard Mortgage Clause, and/or "soft-dollar" credits.

393. As a result, the above-named Plaintiffs and the Class have conferred a benefit on these Defendants.

394. These Defendants had knowledge of this benefit and voluntarily accepted and retained the benefit conferred on them.

395. These Defendants will be unjustly enriched if they are allowed to retain the aforementioned benefits, and each class member is entitled to recover the amount by which Defendants were unjustly enriched at his or her expense.

WHEREFORE, Plaintiffs Crouch, Stephens, and Fladell on behalf of themselves and all similarly situated Class Members, demand an award against the Wells Fargo Defendants, Assurant, American Security, and Voyager in the amounts by which these Defendants have been unjustly enriched at Plaintiffs' and the Class Members' expense, and such other relief as this Court deems just and proper.

COUNT XIII

UNJUST ENRICHMENT
(Plaintiffs Alberto Barreto, Carol Lynn Upshaw, Salvatore Saccoccio, and Alfred and Sydell Herrick against the Chase Defendants, Chase Insurance Agency, Assurant, and Voyager Indemnity Insurance)

396. Plaintiffs Barreto, Upshaw, Saccoccio, and the Herricks re-allege and incorporate paragraphs 1-12, 43, 44, 47, 48-51, 52, 65-76, 80, 287, and 289 above as if fully set forth herein and further alleges as follows.

397. The Chase Defendants, Chase Insurance Agency, Assurant, and Voyager received

from the above-named Plaintiffs and Class Members benefits in the form of inflated insurance premiums related to force-placed insurance policies, unwarranted kickbacks and commissions, captive reinsurance arrangements, and subsidized loan servicing costs.

398. These Defendants entered into an agreement whereby the insurance vendor—here, Assurant's subsidiaries, American Security and/or Voyager Indemnity—provide force-placed insurance policies to the Chase Defendants through their preferred insurance carriers for the portfolio of loans monitored on behalf of the Chase Defendants. The Chase Defendants would then charge Plaintiffs and the Class premiums that were far more expensive than those available to borrowers for voluntary policies that provide even more coverage.

399. The Chase Defendants also collected premiums on force-placed policies that provided coverage in excess of that required by law or the borrowers' mortgage agreement, and in excess of that required to protect the lender's interest in its collateral.

400. Assurant and its aforementioned subsidiaries paid and collected significant monies in premiums, kickbacks, commissions, and reinsurance tied directly to the cost of the force-placed insurance premium (as a percentage). Commissions or kickbacks were paid directly to the Chase Defendants in order to be able to exclusively provide force-placed insurance policies.

401. The kickbacks and commissions, reinsurance arrangements, and subsidized costs were subsumed into the price of the insurance premium and ultimately paid by the borrower. Therefore, all Defendants had the incentive to charge and collect unreasonably inflated prices for the force-placed policies.

402. Further, JP Morgan Chase Bank received financial benefits in the form of increased interest income, duplicative insurance based upon the Lender Loss Payable

Endorsement or the Standard Mortgage Clause, and/or "soft-dollar" credits.

403. As a result, the above-named Plaintiffs and the Class have conferred a benefit on these Defendants.

404. These Defendants had knowledge of this benefit and voluntarily accepted and retained the benefit conferred on them.

405. These Defendants will be unjustly enriched if they are allowed to retain the aforementioned benefits, and each class member is entitled to recover the amount by which these Defendants were unjustly enriched at his or her expense.

WHEREFORE, Plaintiffs Barreto, Upshaw, Saccoccio, and the Herricks, on behalf of themselves and all similarly situated Class Members, demand an award against the Chase Defendants, Assurant, and Voyager in the amounts by which these Defendants have been unjustly enriched at Plaintiffs' and the Class Members' expense, and such other relief as this Court deems just and proper.

COUNT XIV

UNJUST ENRICHMENT
(Plaintiff Javier Lopez against the HSBC Defendants, Assurant, and American Security)

406. Plaintiff Javier Lopez re-alleges and incorporates paragraphs 1-12, 41, 42-46, 65-76, 79, 118-127, 287, and 289 above as if fully set forth herein and further alleges as follows.

407. The HSBC Defendants, Assurant, and American Security received from Plaintiff Lopez and Class Members benefits in the form of inflated insurance premiums related to force-placed insurance policies, unwarranted kickbacks and commissions, captive reinsurance arrangements, and subsidized loan servicing costs.

408. These Defendants entered into an agreement whereby the insurance vendor—here, Assurant's subsidiary, American Security—provides force-placed insurance policies to the

HSBC Defendants through its preferred insurance carriers for the portfolio of loans monitored on behalf of the HSBC Defendants. The HSBC Defendants would then charge Plaintiff Lopez and the Class premiums that were far more expensive than those available to borrowers for voluntary policies that provide even more coverage.

409. These Defendants also collected premiums on force-placed policies that provided coverage in excess of that required by law or the borrowers' mortgage agreement, and in excess of that required to protect the lender's interest in its collateral.

410. Assurant and its aforementioned subsidiary paid and collected significant monies in premiums, kickbacks, commissions, and reinsurance tied directly to the cost of the force-placed insurance premium (as a percentage). Commissions or kickbacks were paid directly to the HSBC Defendants in order to be able to exclusively provide force-placed insurance policies.

411. The kickbacks and commissions, reinsurance arrangements, and subsidized costs were subsumed into the price of the insurance premium and ultimately paid by the borrower. Therefore, these Defendants had the incentive to charge and collect unreasonably inflated prices for the force-placed policies.

412. Further, the HSBC Defendants received financial benefits in the form of increased interest income, duplicative insurance based upon the Lender Loss Payable Endorsement or the Standard Mortgage Clause, and/or "soft-dollar" credits.

413. As a result, Plaintiff Lopez and the Class have conferred a benefit on Defendants.

414. These Defendants had knowledge of this benefit and voluntarily accepted and retained the benefit conferred on them.

415. These Defendants will be unjustly enriched if they are allowed to retain the aforementioned benefits, and each class member is entitled to recover the amount by which these

Defendants were unjustly enriched at his or her expense.

WHEREFORE, Plaintiff Javier Lopez, on behalf of himself and all similarly situated Class Members, demands an award against the HSBC Defendants, Assurant, and American Security in the amounts by which these Defendants have been unjustly enriched at Plaintiff's and the Class Members' expense, and such other relief as this Court deems just and proper.

COUNT XV

UNJUST ENRICHMENT (Plaintiffs Matthew Popkin, Terry Freeman, and Doris Ryan against the Citi Defendants, Assurant, and American Security)

416. Plaintiffs Popkin, Freeman, and Ryan re-allege and incorporate paragraphs 1-12, 43-46, 55-56, 65-76, 82, 223-272, 287, and 289 above as if fully set forth herein and further alleges as follows.

417. The Citi Defendants, Assurant, and American Security received from the above-named Plaintiffs and Class Members benefits in the form of inflated insurance premiums related to force-placed insurance policies, unwarranted kickbacks and commissions, captive reinsurance arrangements, and subsidized loan servicing costs.

418. Upon information and belief, these Defendants entered into an agreement whereby the insurance vendor—here, Assurant's subsidiary, American Security—provides force-placed insurance policies to the Citi Defendants through their preferred insurance carriers for the portfolio of loans monitored on behalf of the Citi Defendants. The Citi Defendants would then charge the above-named Plaintiffs and the Class premiums that were far more expensive than those available to borrowers for voluntary policies that provide even more coverage.

419. These Defendants also collected premiums on force-placed policies that provided coverage in excess of that required by law or the borrowers' mortgage agreement, and in excess

of that required to protect the lender's interest in its collateral.

420. Assurant and its aforementioned subsidiary paid and collected significant monies in premiums, kickbacks, commissions, and reinsurance tied directly to the cost of the force-placed insurance premium (as a percentage). Commissions or kickbacks were paid directly to the Citi Defendants in order to be able to exclusively provide force-placed insurance policies.

421. The kickbacks and commissions, reinsurance arrangements, and subsidized costs were subsumed into the price of the insurance premium and ultimately paid by the borrower. Therefore, these Defendants had the incentive to charge and collect unreasonably inflated prices for the force-placed policies.

422. Further, the Citi Defendants received financial benefits in the form of increased interest income, duplicative insurance based upon the Lender Loss Payable Endorsement or the Standard Mortgage Clause, and/or "soft-dollar" credits.

423. As a result, the above-named Plaintiffs and the Class have conferred a benefit on these Defendants.

424. These Defendants had knowledge of this benefit and voluntarily accepted and retained the benefit conferred on them.

425. These Defendants will be unjustly enriched if they are allowed to retain the aforementioned benefits, and each class member is entitled to recover the amount by which these Defendants were unjustly enriched at his or her expense.

WHEREFORE, Plaintiffs Popkin, Freeman, and Ryan, on behalf of themselves and similarly situated Class Members, demand an award against the Citi Defendants, Assurant, and American Security in the amounts by which these Defendants have been unjustly enriched at Plaintiffs' and the Class Members' expense, and such other relief as this Court deems just and

proper.

COUNT XVI

VIOLATION OF THE FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT (Plaintiffs Joseph Gallagher, the Novells, and the Toturas against BAC Home Loans and BofA/BAC)

426. Plaintiffs Gallagher, the Novells, and the Toturas re-allege and incorporate Paragraphs 1-12, 34-38, 65-78, 83-85, 100-117, 191-207, 287, 289 above as if fully set forth herein and further alleges as follows.

427. FDUTPA, section 501.201, *et seq*., Florida Statutes, prohibits "unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce." § 501.204, Fla. Stat.

428. The above-named Plaintiffs and the Florida Subclass are "consumers" as that term is defined in section 501.203(7) of FDUTPA.

429. These Defendants have engaged in, and continue to engage in, unconscionable acts or practices and engaged in unfair or deceptive acts in the conduct of their trade and/or commerce in the State of Florida.

430. The policies, acts and practices alleged herein were intended to result and did result in the payment of inflated premiums for force-placed insurance by the Plaintiffs and the Florida Subclass, which in turn were intended to generate unlawful or unfair compensation for BAC Home Loans and/or BofA/BAC.

431. Specifically, these Defendants had an exclusive relationship with its vendor and preferred insurance carrier, whereby it would pay unreasonable and inflated premiums for force-placed insurance policies, charge that amount to Plaintiffs and the Florida Subclass, and would then receive compensation through either kickback or captive reinsurance arrangements based on

a percentage of the insurance policy's premium.

432. These Defendants' conduct of charging inflated and excessive premiums for force-placed insurance to Plaintiffs and class members violates FDUTPA and was conceived, devised, planned, implemented, approved, and executed within the State of Florida, which has an interest in prohibiting violations of FDUTPA.

433. These Defendants are not banks or savings and loan associations regulated by the Florida Office of Financial Regulation of the Financial Services Commission. Further, neither entity is a bank or savings and loan association regulated by federal agencies.

434. The above-named Plaintiffs and the Florida Subclass sustained damages as a direct and proximate result of BAC Home Loans' and BofA/BAC's unfair and unconscionable practices. Section 501.211(2), Florida Statutes provides Plaintiffs and the Florida Subclass a private right of action against these Defendants and entitles them to recover their actual damages, plus attorneys' fees and costs.

435. The above-named Plaintiffs and the Florida Subclass have suffered and will continue to suffer irreparable harm if these Defendants continue to engage in such deceptive, unfair, and unreasonable practices.

WHEREFORE, Plaintiffs Gallagher, the Novells, and the Toturas, on behalf of themselves and the Florida Subclass, demand judgment against BAC Home Loans and/or BofA/BAC for compensatory damages, pre- and post-judgment interest, attorneys' fees, injunctive and declaratory relief, costs incurred in bringing this action, and any other relief as this Court deems just and proper.

COUNT XVII

VIOLATION OF THE FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT (Plaintiffs Alberto Barreto, Carol Lynn Upshaw, Salvatore Saccoccio, and Alfred and Sydell Herrick against Chase Home Finance and Chase/CHF)

436. Plaintiffs Barreto, Upshaw, Saccoccio, and the Herricks re-allege and incorporate Paragraphs 1-12, 48-51, 65-76, 80, 287, and 289 above as if fully set forth herein and further alleges as follows.

437. FDUTPA, section 501.201, *et seq*., Florida Statutes, prohibits "unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce." § 501.204, Fla. Stat.

438. The above-named Plaintiffs and the Florida Subclass are "consumers" as that term is defined in section 501.203(7) of FDUTPA.

439. Chase Home Finance and/or Chase/CHF have engaged in, and continue to engage in, unconscionable acts or practices and have engaged in unfair or deceptive acts in the conduct of their trade and/or commerce in the State of Florida.

440. The policies, acts, and practices alleged herein were intended to result and did result in the payment of inflated premiums for force-placed insurance by the above-named Plaintiffs and the Florida Subclass, which in turn were intended to generate unlawful or unfair compensation for Chase Home Finance and/or Chase/CHF.

441. Specifically, Chase Home Finance and/or Chase/CHF had an exclusive relationship with its vendor and preferred insurance carrier, whereby it would pay unreasonable and inflated premiums for force-placed insurance policies, charge that amount to the above-named Plaintiffs and the Florida Subclass, and then receive compensation through either kickback or captive reinsurance arrangements based on a percentage of the insurance policy's

premium.

442. These Defendants' conduct of charging an inflated and excessive premium for their force-placed insurance to Plaintiffs and class members violates FDUTPA and was conceived, devised, planned, implemented, approved, and executed within the State of Florida, which has an interest in prohibiting violations of FDUTPA.

443. These Defendants are not banks or savings and loan associations regulated by the Florida Office of Financial Regulation of the Financial Services Commission. Further, neither entity is a bank or savings and loan association regulated by federal agencies.

444. The above-named Plaintiffs and the Florida Subclass have sustained damages as a direct and proximate result of Chase Home Finance's and/or Chase/CHF's unfair and unconscionable practices. Section 501.211(2), Florida Statutes, provides the above-named Plaintiffs and the Florida Subclass a private right of action against these Defendants and entitles them to recover their actual damages, plus attorneys' fees and costs.

445. The above-named Plaintiffs and the Florida Subclass have suffered and will continue to suffer irreparable harm if these Defendants continue to engage in such deceptive, unfair, and unreasonable practices.

WHEREFORE, Plaintiffs Barreto, Upshaw, and Saccoccio, on behalf of themselves and the Florida Subclass, demand judgment against Chase Home Finance and/or Chase/CHF for compensatory damages, pre and post judgment interest, attorneys' fees, injunctive and declaratory relief, costs incurred in bringing this action, and any other relief as this Court deems just and proper.

COUNT XVIII

VIOLATION OF THE FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT (Plaintiffs Matthew Popkin and Doris Ryan against Citimortgage)

446. Plaintiffs Popkin and Ryan re-allege and incorporate Paragraphs 1-12, 55-56, 65-76, 82, 261-272, 287, and 289 above as if fully set forth herein and further alleges as follows.

447. FDUTPA, section 501.201, *et seq*., Florida Statutes, prohibits "unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce." § 501.204, Fla. Stat.

448. Plaintiffs Popkin and Ryan and the Florida Subclass are "consumers" as that term is defined in section 501.203(7) of FDUTPA.

449. Citimortgage has engaged in, and continues to engage in, unconscionable acts or practices and used unfair or deceptive acts in the conduct of its trade and/or commerce in the State of Florida.

450. The policies, acts, and practices alleged herein were intended to result and did result in the payment of inflated premiums for force-placed insurance by Plaintiffs and the Florida Subclass, which in turn were intended to generate unlawful or unfair compensation for Citimortgage.

451. Specifically, Citimortgage had an exclusive relationship with its vendor and preferred insurance carrier, whereby it would pay unreasonable and inflated premiums for force-placed insurance policies, charge those amounts to the above-named Plaintiffs and the Florida Subclass, and then receive compensation through either kickback or captive reinsurance arrangements based on a percentage of the insurance policy's premium.

452. Citimortgage's conduct of charging an inflated and excessive premium for their

force-placed insurance to Plaintiffs Popkin and Ryan and class members violates FDUTPA and was conceived, devised, planned, implemented, approved, and executed within the State of Florida, which has an interest in prohibiting violations of FDUTPA.

453. Citimortgage is a mortgage servicer and not a bank or savings and loan association regulated by the Florida Office of Financial Regulation of the Financial Services Commission. Further, Citimortgage is not a bank or savings and loan association regulated by federal agencies.

454. The above-named Plaintiffs and the Florida Subclass sustained damages as a direct and proximate result of Citimortgage's unfair and unconscionable practices. Section 501.211(2), Florida Statutes provides these Plaintiffs and the Florida Subclass a private right of action against Citimortgage and entitles them to recover their actual damages, plus attorneys' fees and costs.

455. These Plaintiffs and the Florida Subclass have suffered and will continue to suffer irreparable harm if Citimortgage continues to engage in such deceptive, unfair, and unreasonable practices.

WHEREFORE, Plaintiffs Popkin and Ryan, on behalf of themselves and the Florida Subclass, demands judgment against Citimortgage for compensatory damages, pre- and post-judgment interest, attorneys' fees, injunctive and declaratory relief, costs incurred in bringing this action, and any other relief as this Court deems just and proper.

COUNT XIX
VIOLATIONS OF THE TRUTH IN LENDING ACT 15 U.S.C. § 1601 *et seq.* (Plaintiffs Cheryl Hall, John Vidrine, Joseph Gallagher, Marla Lugo, the Toturas, the Novells, and Catherine Soileau against the Bank of America Defendants)

456. Plaintiffs Hall, Lugo, the Novells, Gallagher, Vidrine, Soileau, and the Toturas re-allege and incorporate paragraphs 1-12, 34-38, 65-78, 83-117, 174-207, 287, and 289 above as if

fully set forth herein and further allege as follows.

457. The above-named Plaintiffs' and the Class Members' mortgages were consumer credit plans secured by their principal dwellings, and were subject to the disclosure requirements of the Truth in Lending Act, 15 U.S.C. § 1601, *et seq.*, ("TILA") and all related regulations, commentary, and interpretive guidance promulgated by the Federal Reserve Board.

458. The Bank of America Defendants are "creditors" as defined by TILA because they owned Plaintiffs' mortgages and changed the terms of the mortgages so as to create a new mortgage obligation, of which the Bank of America Defendants were the creditors.

459. Pursuant to TILA, Bank of America was required to accurately and fully disclose the terms of the legal obligations between the parties. 12 C.F.R. § 226.17(c).

460. The Bank of America Defendants violated TILA, specifically 12 C.F.R. § 226.17(c), when it (i) added force-placed insurance to Plaintiffs' mortgage obligations and failed to provide new disclosures; and (ii) failed at all times to disclose the amount and nature of the kickback, reinsurance, discount loan monitoring and/or other profiteering involving Bank of America and/or its affiliates as a result of the purchase of force-placed insurance.

461. When the Bank of America Defendants changed the terms of Plaintiffs' mortgages to allow previously unauthorized kickbacks and insurance amounts in excess of the Bank of America Defendants' interests in the property, they changed the finance charge and the total amount of indebtedness, extended new and additional credit through force-placed insurance premiums, and thus created a new debt obligation. Under TILA, the Bank of America Defendants were then required to provide a new set of disclosures showing the amount of the insurance premiums (i.e. finance charges) and all components thereof. On information and belief, the Bank of America Defendants increased the principal amount under Plaintiffs'

mortgages when it force-placed the insurance, which was a new debt obligation for which new disclosures were required.

462. The Bank of America Defendants adversely changed the terms of Plaintiffs' loans after origination in order to allow a Bank of America affiliate to receive a kickback on force-placed flood insurance premiums. These kickbacks are not authorized in the mortgage in any clear and unambiguous way. The Bank of America Defendants never disclosed to their borrowers the amount of the "commissions" or other unearned profits paid to its affiliate.

463. The Bank of America Defendants also violated TILA by adversely changing the terms of Plaintiffs' loans after origination by requiring and threatening to force-place more insurance than necessary to protect its interest in the property securing the mortgages.

464. With respect to Plaintiffs Hall and Vidrine and force-placed flood insurance Class members, the Bank of America Defendants also violated TILA when they (i) misrepresented in its insurance notices that Plaintiffs were obligated by federal law to maintain flood insurance in amounts greater than required by federal law, and/or greater than necessary to protect its interest in the property securing the mortgages; and (ii) failed to correct the original disclosures when the prior disclosures clearly differ from the Bank of America Defendants' current insurance requirements.

465. Acts constituting violations of TILA occurred within one year prior to the filing of this Complaint, or are subject to equitable tolling because the Bank of America Defendants' kickback, reinsurance, and other unearned revenue-generating scheme was the subject of secret agreements among Bank of America and its affiliates and was concealed from borrowers.

466. Plaintiffs and Class Members have been injured and have suffered a monetary loss arising the Bank of America Defendants' violations of TILA.

467. As a result of the Bank of America Defendants' TILA violations, Plaintiffs and Class Members are entitled to recover actual damages and a penalty of $500,000.00 or 1% of Defendants' net worth, as provided by 15 U.S.C. § 1640(a)(1)-(2).

468. Plaintiffs and Class Members are also entitled to recovery of attorneys' fees and costs to be paid by the Bank of America Defendants, as provided by 15 U.S.C. § 1640(a)(3).

COUNT XX
VIOLATIONS OF THE TRUTH IN LENDING ACT 15 U.S.C. § 1601 *et seq.*
(Plaintiffs Alfred and Sydell Herrick, Alberto Barreto, Carol Lynn Upshaw, and Salvatore Saccoccio against JP Morgan Chase Bank, N.A. and Chase Home Finance, LLC)

469. Plaintiffs Barreto, Upshaw, Saccoccio, and the Herricks re-allege and incorporate paragraphs 1-12, 48-51, 65-76, 80, 287, and 289 above as if fully set forth herein and further allege as follows.

470. The above-named Plaintiffs' and the Class Members' mortgages were consumer credit plans secured by their principal dwellings, and were subject to the disclosure requirements of the Truth in Lending Act, 15 U.S.C. § 1601, *et seq.*, ("TILA") and all related regulations, commentary, and interpretive guidance promulgated by the Federal Reserve Board.

471. The Chase Defendants are "creditors" as defined by TILA because they owned Plaintiffs' mortgages and changed the terms of the mortgages so as to create a new mortgage obligation, of which the Chase Defendants were the creditors.

472. Pursuant to TILA, the Chase Defendants were required to accurately and fully disclose the terms of the legal obligations between the parties. 12 C.F.R. § 226.17(c).

473. The Chase Defendants violated TILA, specifically 12 C.F.R. § 226.17(c), when they (i) added force-placed insurance to Plaintiffs' mortgage obligations and failed to provide new disclosures; and (ii) failed at all times to disclose the amount and nature of the kickback, reinsurance, discount loan monitoring and/or other profiteering involving the Chase Defendants

and/or their affiliates as a result of the purchase of force-placed insurance.

474. When the Chase Defendants changed the terms of Plaintiffs' mortgages to allow previously unauthorized kickbacks and insurance amounts in excess of the Chase Defendants' interests in the property, it changed the finance charge and the total amount of indebtedness, extended new and additional credit through force-placed insurance premiums, and thus created a new debt obligation. Under TILA, the Chase Defendants were then required to provide a new set of disclosures showing the amount of the insurance premiums (i.e. finance charges) and all components thereof. On information and belief, the Chase Defendants increased the principal amount under Plaintiffs' mortgages when it force-placed the insurance, which was a new debt obligation for which new disclosures were required.

475. The Chase Defendants adversely changed the terms of Plaintiffs' loans after origination in order to allow a Chase affiliate to receive a kickback on force-placed flood insurance premiums. These kickbacks are not authorized in the mortgage in any clear and unambiguous way. The Chase Defendants have never disclosed to borrowers the amount of the "commissions" or other unearned profits paid to its affiliate.

476. The Chase Defendants also violated TILA by adversely changing the terms of Plaintiffs' loans after origination by requiring and threatening to force-place more insurance than necessary to protect its interest in the property securing the mortgages.

477. Acts constituting violations of TILA occurred within one year prior to the filing of this Complaint, or are subject to equitable tolling because the Chase Defendants' kickback, reinsurance, and other unearned revenue-generating scheme was the subject of secret agreements among the Chase Defendants and their affiliates and was concealed from borrowers.

478. Plaintiffs and Class Members have been injured and have suffered a monetary

loss arising from the Chase Defendants' violations of TILA.

479. As a result of the Chase Defendants' TILA violations, Plaintiffs and Class Members are entitled to recover actual damages and a penalty of $500,000.00 or 1% of these Defendants' net worth, as provided by 15 U.S.C. § 1640(a)(1)-(2).

480. Plaintiffs and Class Members are also entitled to recovery of attorneys' fees and costs to be paid by the Chase Defendants, as provided by 15 U.S.C. § 1640(a)(3).

COUNT XXI
VIOLATIONS OF THE TRUTH IN LENDING ACT 15 U.S.C. § 1601 *et seq.*
(Plaintiff Javier Lopez against the HSBC Defendants)

481. Plaintiff Javier Lopez re-alleges and incorporates paragraphs 1-12, 41, 42, 65-76, 79, 118-127, 287, and 289 above as if fully set forth herein and further allege as follows.

482. Plaintiff's and the Class Members' mortgages were consumer credit plans secured by their principal dwellings, and were subject to the disclosure requirements of the Truth in Lending Act, 15 U.S.C. § 1601, *et seq.*, ("TILA") and all related regulations, commentary, and interpretive guidance promulgated by the Federal Reserve Board.

483. The HSBC Defendants are "creditors" as defined by TILA because they owned Plaintiffs' mortgages and changed the terms of the mortgages so as to create a new mortgage obligation, of which the HSBC Defendants were creditors.

484. Pursuant to TILA, the HSBC Defendants were required to accurately and fully disclose the terms of the legal obligations between the parties. 12 C.F.R. § 226.17(c).

485. The HSBC Defendants violated TILA, specifically 12 C.F.R. § 226.17(c), when they (i) added force-placed insurance to Plaintiff's mortgage obligations and failed to provide new disclosures; and (ii) failed at all times to disclose the amount and nature of the kickback, reinsurance, discount loan monitoring and/or other profiteering involving the HSBC Defendants

and/or their affiliates as a result of the purchase of force-placed insurance.

486. When the HSBC Defendants changed the terms of Plaintiff's mortgages to allow previously unauthorized kickbacks and insurance amounts in excess of the HSBC Defendants' interests in the property, they changed the finance charge and the total amount of indebtedness, extended new and additional credit through force-placed insurance premiums, and thus created a new debt obligation. Under TILA, the HSBC Defendants were then required to provide a new set of disclosures showing the amount of the insurance premiums (i.e. finance charges) and all components thereof. On information and belief, the HSBC Defendants increased the principal amount under Plaintiff's mortgages when it force-placed the insurance, which was a new debt obligation for which new disclosures were required.

487. The HSBC Defendants adversely changed the terms of Plaintiff's loans after origination in order to allow an HSBC affiliate to receive a kickback on force-placed flood insurance premiums. These kickbacks are not authorized in the mortgage in any clear and unambiguous way. The HSBC Defendants have never disclosed to its borrowers the amount of the "commissions" or other unearned profits paid to its affiliate.

488. The HSBC Defendants also violated TILA by adversely changing the terms of Plaintiff's loans after origination by requiring and threatening to force-place more insurance than necessary to protect its interest in the property securing the mortgages.

489. Acts constituting violations of TILA occurred within one year prior to the filing of this Complaint, or are subject to equitable tolling because the HSBC Defendants' kickback, reinsurance, and other unearned revenue-generating scheme was the subject of secret agreements among HSBC and its affiliates and was concealed from borrowers.

490. Plaintiff and Class Members have been injured and have suffered a monetary loss

arising from the HSBC Defendants' violations of TILA.

491. As a result of the HSBC Defendants' TILA violations, Plaintiff and Class Members are entitled to recover actual damages and a penalty of $500,000.00 or 1% of the HSBC Defendants' net worth, as provided by 15 U.S.C. § 1640(a)(1)-(2).

492. Plaintiff and Class Members are also entitled to recovery of attorneys' fees and costs to be paid by the HSBC Defendants, as provided by 15 U.S.C. § 1640(a)(3).

COUNT XXII
VIOLATIONS OF THE TRUTH IN LENDING ACT 15 U.S.C. § 1601 *et seq.*
(Plaintiffs Ira Marc Fladell, Sarah Crouch, and Thelma Stephens against Wells Fargo Bank)

493. Plaintiffs Fladell, Crouch, and Stephens re-allege and incorporate paragraphs 1-12, 53, 65-76, 81, 83-84, 166-173, 208-222, 273-287, and 289 above as if fully set forth herein and further allege as follows.

494. Plaintiffs' and the Class Members' mortgages were consumer credit plans secured by their principal dwellings, and were subject to the disclosure requirements of the Truth in Lending Act, 15 U.S.C. § 1601, *et seq.*, ("TILA") and all related regulations, commentary, and interpretive guidance promulgated by the Federal Reserve Board.

495. Wells Fargo Bank is a "creditor" as defined by TILA because it owned Plaintiffs' mortgages and changed the terms of the mortgages so as to create a new mortgage obligation, of which Wells Fargo Bank was the creditor.

496. Pursuant to TILA, Wells Fargo Bank was required to accurately and fully disclose the terms of the legal obligations between the parties. 12 C.F.R. § 226.17(c).

497. Wells Fargo Bank violated TILA, specifically 12 C.F.R. § 226.17(c), when it (i) added force-placed insurance to Plaintiffs' mortgage obligations and failed to provide new disclosures; and (ii) failed at all times to disclose the amount and nature of the kickback,

reinsurance, discount loan monitoring and/or other profiteering involving Wells Fargo and/or its affiliates as a result of the purchase of force-placed insurance.

498. When Wells Fargo Bank changed the terms of Plaintiffs' mortgages to allow previously unauthorized kickbacks and insurance amounts in excess of Wells Fargo Bank's interests in the property, it changed the finance charge and the total amount of indebtedness, extended new and additional credit through force-placed insurance premiums, and thus created a new debt obligation. Under TILA, Wells Fargo Bank was then required to provide a new set of disclosures showing the amount of the insurance premiums (i.e. finance charges) and all components thereof. On information and belief, Wells Fargo Bank increased the principal amount under Plaintiffs' mortgages when it force-placed the insurance, which was a new debt obligation for which new disclosures were required.

499. Wells Fargo Bank adversely changed the terms of Plaintiffs' loans after origination in order to allow a Wells Fargo Bank affiliate to receive a kickback on force-placed flood insurance premiums. These kickbacks are not authorized in the mortgage in any clear and unambiguous way. Wells Fargo Bank has never disclosed to its borrowers the amount of the "commissions" or other unearned profits paid to its affiliate.

500. Wells Fargo Bank also violated TILA by adversely changing the terms of Plaintiffs' loans after origination by requiring and threatening to force-place more insurance than necessary to protect its interest in the property securing the mortgages.

501. With respect to Plaintiffs Fladell and Stephens, and all force-placed flood insurance Class members, Wells Fargo Bank also violated TILA when it (i) misrepresented in its insurance notices that Plaintiffs were obligated by federal law to maintain flood insurance in amounts greater than required by federal law, and/or greater than necessary to protect its interest

in the property securing the mortgages; and (ii) failed to correct the original disclosures when the prior disclosures clearly differ from Wells Fargo Bank's current insurance requirements.

502. Acts constituting violations of TILA occurred within one year prior to the filing of this Complaint, or are subject to equitable tolling because Wells Fargo Bank's kickback, reinsurance, and other unearned revenue-generating scheme was the subject of secret agreements among Wells Fargo Bank and its affiliates and was concealed from borrowers.

503. Plaintiffs and Class Members have been injured and have suffered a monetary loss arising from Wells Fargo Bank's violations of TILA.

504. As a result of Wells Fargo's TILA violations, Plaintiffs and Class Members are entitled to recover actual damages and a penalty of $500,000.00 or 1% of Wells Fargo Bank's net worth, as provided by 15 U.S.C. § 1640(a)(1)-(2).

505. Plaintiffs and Class Members are also entitled to recovery of attorneys' fees and costs to be paid by Wells Fargo Bank, as provided by 15 U.S.C. § 1640(a)(3).

COUNT XXIII
VIOLATIONS OF THE TRUTH IN LENDING ACT 15 U.S.C. § 1601 *et seq.*
(Plaintiffs Matthew Popkin, Doris Ryan, and Terry Freeman against the Citi Defendants)

506. Plaintiffs Popkin, Ryan, and Freeman re-allege and incorporate paragraphs 1-12, 55-56, 65-76, 82, 223-272, 287, and 289 above as if fully set forth herein and further allege as follows.

507. Plaintiffs' and the Class Members' mortgages were consumer credit plans secured by their principal dwellings, and were subject to the disclosure requirements of the Truth in Lending Act, 15 U.S.C. § 1601, *et seq.*, ("TILA") and all related regulations, commentary, and interpretive guidance promulgated by the Federal Reserve Board.

508. The Citi Defendants are "creditors" as defined by TILA because they owned

Plaintiffs' mortgages and changed the terms of the mortgages so as to create a new mortgage obligation, of which the Citi Defendants were creditors.

509. Pursuant to TILA, the Citi Defendants were required to accurately and fully disclose the terms of the legal obligations between the parties. 12 C.F.R. § 226.17(c).

510. The Citi Defendants violated TILA, specifically 12 C.F.R. § 226.17(c), when it (i) added force-placed insurance to Plaintiffs' mortgage obligations and failed to provide new disclosures; and (ii) failed at all times to disclose the amount and nature of the kickback, reinsurance, discount loan monitoring and/or other profiteering involving the Citi Defendants and/or their affiliates as a result of the purchase of force-placed insurance.

511. When the Citi Defendants changed the terms of Plaintiffs' mortgages to allow previously unauthorized kickbacks and insurance amounts in excess of the Citi Defendants' interests in the property, it changed the finance charge and the total amount of indebtedness, extended new and additional credit through force-placed insurance premiums, and thus created a new debt obligation. Under TILA, the Citi Defendants were then required to provide a new set of disclosures showing the amount of the insurance premiums (i.e. finance charges) and all components thereof. On information and belief, the Citi Defendants increased the principal amount under Plaintiffs' mortgages when they force-placed the insurance, which was a new debt obligation for which new disclosures were required.

512. The Citi Defendants adversely changed the terms of Plaintiffs' loans after origination in order to allow an affiliate to receive a kickback on force-placed flood insurance premiums. These kickbacks are not authorized in the mortgage in any clear and unambiguous way. The Citi Defendants have never disclosed to its borrowers the amount of the "commissions" or other unearned profits paid to its affiliate.

513. The Citi Defendants also violated TILA by adversely changing the terms of Plaintiffs' loans after origination by requiring and threatening to force-place more insurance than necessary to protect its interest in the property securing the mortgages.

514. With respect to Plaintiffs Ryan, Freeman, and all force-placed flood insurance Class members, the Citi Defendants also violated TILA when it (i) misrepresented in its insurance notices that Plaintiffs were obligated by federal law to maintain flood insurance in amounts greater than required by federal law, and/or greater than necessary to protect its interest in the property securing the mortgages; and (ii) failed to correct the original disclosures when the prior disclosures clearly differ from the Citi Defendants' current insurance requirements.

515. Acts constituting violations of TILA occurred within one year prior to the filing of this Complaint, or are subject to equitable tolling because the Citi Defendants' kickback, reinsurance, and other unearned revenue-generating scheme was the subject of secret agreements among the Citi Defendants and their affiliates and was concealed from borrowers.

516. Plaintiffs and Class Members have been injured and have suffered a monetary loss arising from the Citi Defendants' violations of TILA.

517. As a result of the Citi Defendants' TILA violations, Plaintiffs and Class Members are entitled to recover actual damages and a penalty of $500,000.00 or 1% of the Citi Defendants' net worth, as provided by 15 U.S.C. § 1640(a)(1)-(2).

518. Plaintiffs and Class Members are also entitled to recovery of attorneys' fees and costs to be paid by Citi Defendants, as provided by 15 U.S.C. § 1640(a)(3).

COUNT XXIV

TORTIOUS INTERFERENCE WITH A BUSINESS RELATIONSHIP (Plaintiffs Cheryl Hall, Joseph Gallagher, John Vidrine, Catherine Soileau, Donald and Joan Novell, John and Jacquelyn Totura, and Marla Lugo against Balboa/QBE only)

519. Plaintiffs Hall, Gallagher, Vidrine, Soileau, Lugo, the Novells, and the Toturas re-allege and incorporate paragraphs 1-12, 39, 40, 65-78, 83-117, 174-207, 287, and 289 above as if fully set forth herein and further allege as follows.

520. The above-named Plaintiffs and the Class Members have an advantageous business and contractual relationship with the Bank of America Defendants pursuant to their mortgage contracts. These Plaintiffs and the Class have legal rights under these mortgage contracts. For example, these Plaintiffs and the Class have a right not to be charged exorbitant premiums in bad faith for forced-place insurance.

521. Balboa/QBE has knowledge of the mortgage contracts and the advantageous business and contractual relationships between these Plaintiffs and the Class members and the Bank of America Defendants. Balboa/QBE is not party to the mortgage contracts and is not a third-party beneficiary of the mortgage contracts. Further, Balboa/QBE does not have any beneficial or economic interest in the mortgage contracts.

522. Balboa intentionally and unjustifiably interfered with these Plaintiffs' and the Class's rights under their mortgage contracts, as described above by, *inter alia*, paying kickbacks to the Bank of America Defendants and by purposefully and knowingly charging Plaintiffs and the Class for administering the Bank of America Defendants' loan portfolios.

523. The above-named Plaintiffs and the Class have been damaged as a result of Balboa/QBE's interference with their mortgage contracts by being charged bad faith, exorbitant, and illegal charges for force-placed insurance in contravention of their rights under the

mortgages.

WHEREFORE, Plaintiffs Hall, Gallagher, Vidrine, Soileau, Lugo, the Novells, the Toturas and all Class members similarly situated seek a judgment in their favor against Balboa for the actual damages suffered by them as a result of Balboa's tortious interference. Plaintiffs also seek all costs of litigating this action including attorney's fees.

COUNT XXV

TORTIOUS INTERFERENCE WITH A BUSINESS RELATIONSHIP (Plaintiffs Sarah Crouch, Thelma Stephens, and Ira Marc Fladell against Assurant and American Security)

524. Plaintiffs Crouch, Stephens, and Fladell re-allege and incorporate Paragraphs 1-12, 43-47, 53, 65-76, 81, 83-84, 166-173, 208-222, 273-287, and 289 above as if fully set forth herein and further allege as follows.

525. The above-named Plaintiffs and the Class Members have advantageous business and contractual relationships with Wells Fargo Bank pursuant to the mortgage contracts. Plaintiffs and the Class have legal rights under these mortgage contracts. For example, these Plaintiffs and the Class have a right not to be charged exorbitant premiums in bad faith for forced-place insurance.

526. Assurant and its subsidiary American Security have knowledge of the mortgage contracts and the advantageous business and contractual relationship between Plaintiffs and the Wells Fargo Bank. Assurant and American Security are not parties to the mortgage contracts and are not third-party beneficiaries of the mortgage contracts. Further, Assurant and American Security do not have any beneficial or economic interest in the mortgage contracts.

527. Assurant and American Security intentionally and unjustifiably interfered with the Plaintiffs' and the Class's rights under the mortgage contracts, as described above by, *inter alia*,

entering into an exclusive relationship with Wells Fargo Bank and their affiliate whereby they provide compensation (kickbacks, reinsurance, and low cost services) to Wells Fargo Bank in exchange for the exclusive right to force-place excessive and unnecessary premiums which are purposefully and knowingly charged to Plaintiffs and the Class.

528. Plaintiffs and the Class have been damaged as a result of Assurant's and American Security's interference with their mortgage contracts by being charged bad faith, exorbitant and illegal charges for force-placed insurance in contravention of their rights under the mortgages.

WHEREFORE, Plaintiffs Fladell, Stephens, Crouch and all Class members similarly situated seek a judgment in their favor against Assurant and American Security for the actual damages suffered by them as a result of their tortious interference. Plaintiffs also seek all costs of litigating this action including attorney's fees.

COUNT XXVI

TORTIOUS INTERFERENCE WITH A BUSINESS RELATIONSHIP (Plaintiffs Alberto Barreto, Carol Lynn Upshaw, Salvatore Saccoccio, and Alfred and Sydell Herrick against Assurant and Voyager)

529. Plaintiffs Barreto, Upshaw, Saccoccio, and the Herricks re-allege and incorporate paragraphs 1-12, 43, 44, 47-51, 65-76, 80, 287, and 289 above as if fully set forth herein and further allege as follows.

530. The above-named Plaintiffs and the Class Members have advantageous business and contractual relationships with the Chase Defendants pursuant to the mortgage contracts. These Plaintiffs and the Class have legal rights under these mortgage contracts. For example, Plaintiffs and the Class have a right not to be charged exorbitant premiums in bad faith for forced-place insurance.

531. Assurant and its subsidiary, Voyager, have knowledge of the mortgage contracts and the advantageous business and contractual relationships between these Plaintiffs and the Chase Defendants. Assurant and Voyager are not parties to the mortgage contracts and are not third-party beneficiaries of the mortgage contracts. Further, Assurant and Voyager do not have any beneficial or economic interest in the mortgage contracts.

532. Assurant and Voyager intentionally and unjustifiably interfered with these Plaintiffs' and the Class's rights under the mortgage contracts, as described above, by, *inter alia*, entering into an exclusive relationship with the Chase Defendants and their affiliate whereby they provide compensation (kickbacks, reinsurance, and low cost services) to the Chase Defendants in exchange for the exclusive right to force-place excessive and unnecessary premiums which are purposefully and knowingly charged to Plaintiffs and the Class.

533. Plaintiffs and the Class have been damaged as a result of the Assurant's and Voyager's interference with their mortgage contracts by being charged bad faith, exorbitant, and illegal charges for force-placed insurance in contravention of their rights under the mortgages.

WHEREFORE, Plaintiffs Barreto, Upshaw, Saccoccio, the Herricks, and all Class members similarly situated seek a judgment in their favor against the Assurant and Voyager for the actual damages suffered by them as a result of their tortious interference. Plaintiffs also seek all costs of litigating this action including attorney's fees.

COUNT XXVII

TORTIOUS INTERFERENCE WITH A BUSINESS RELATIONSHIP
(Plaintiff Javier Lopez against Assurant and American Security)

534. Plaintiff Javier Lopez re-alleges and incorporates paragraphs 1-12, 41-46, 65-76, 79, 118-127, 287, and 289 above as if fully set forth herein and further allege as follows.

535. Plaintiff Lopez and the Class members have advantageous business and

contractual relationships with the HSBC Defendants pursuant to the mortgage contracts. Plaintiff and the Class have legal rights under these mortgage contracts. For example, Plaintiff Lopez and the Class have a right not to be charged exorbitant premiums in bad faith for forced-place insurance.

536. Assurant and its subsidiary, American Security, have knowledge of the mortgage contracts and the advantageous business and contractual relationship between Plaintiff and the HSBC Defendants. Assurant and American Security are not parties to the mortgage contracts and are not third-party beneficiaries of the mortgage contracts. Further, these Defendants do not have any beneficial or economic interest in the mortgage contracts.

537. Assurant and American Security intentionally and unjustifiably interfered with Plaintiff's and the Class's rights under the mortgage contracts, as described above by, *inter alia*, entering into an exclusive relationship with the HSBC Defendants and their affiliate whereby they provide compensation (kickbacks, reinsurance, and low cost services) to the HSBC Defendants in exchange for the exclusive right to force-place excessive and unnecessary premiums which are purposefully and knowingly charged to Plaintiff Lopez and the Class.

538. Plaintiff and the Class have been damaged as a result of the Assurant's and American Security's interference with their mortgage contracts by being charged bad faith, exorbitant, and illegal charges for force-placed insurance in contravention of their rights under the mortgages.

WHEREFORE, Plaintiff Lopez and all Class members similarly situated seek a judgment in their favor against Assurant and American Security for the actual damages suffered by them as a result of their tortious interference. Plaintiff also seeks all costs of litigating this action including attorney's fees.

COUNT XXVIII

TORTIOUS INTERFERENCE WITH A BUSINESS RELATIONSHIP (Plaintiffs Matthew Popkin, Terry Freeman, and Doris Ryan against Assurant and American Security)

539. Plaintiffs Popkin, Freeman, and Ryan re-allege and incorporate paragraphs 1-12, 43-46, 55-56, 65-76, 82, 223-272, 287, and 289 above as if fully set forth herein and further allege as follows.

540. The above-named Plaintiffs and the Class members have advantageous business and contractual relationships with the Citi Defendants pursuant to the mortgage contracts. These Plaintiffs and the Class have legal rights under these mortgage contracts. For example, these Plaintiffs and the Class have a right not to be charged exorbitant premiums in bad faith for forced-place insurance.

541. Assurant and American Security have knowledge of the mortgage contracts and the advantageous business and contractual relationships between these Plaintiffs and the Citi Defendants. Assurant and American Security are not parties to the mortgage contracts and are not third-party beneficiaries of the mortgage contracts. Further, Assurant and American Security do not have any beneficial or economic interest in the mortgage contracts.

542. Assurant and American Security intentionally and unjustifiably interfered with these Plaintiffs' and the Class's rights under the mortgage contracts, as described above by, *inter alia*, entering into an exclusive relationship with the Citi Defendants and their affiliate whereby they provide compensation (kickbacks, reinsurance, and low cost services) to the Citi Defendants in exchange for the exclusive right to force-place excessive and unnecessary premiums which are purposefully and knowingly charged to these Plaintiffs and the Class.

543. The above-named Plaintiffs and the Class have been damaged as a result of

Assurant 's and American Security's interference with their mortgage contracts by being charged bad faith, exorbitant, and illegal charges for force-placed insurance in contravention of their rights under the mortgages.

WHEREFORE, Plaintiffs Popkin, Freeman, Ryan and all Class members similarly situated seek a judgment in their favor against Assurant and American Security for the actual damages suffered by them as a result of their tortious interference. Plaintiffs also seek all costs of litigating this action including attorney's fees.

COUNT XXIX

BREACH OF FIDUCIARY DUTY
(Plaintiffs Cheryl Hall, Joseph Gallagher, Donald and Joan Novell, John and Jacquelyn Totura, and Marla Lugo against the Bank of America Defendants)

544. Plaintiffs Hall, Gallagher, Lugo, the Novells, and the Toturas re-allege and incorporate paragraphs 1-12, 34-38, 65-78, 83-117, 191-207, 287, and 289 above as if fully set forth herein and further allege as follows.

545. The Bank of America Defendants hold funds in escrow on behalf of borrowers whose mortgages it services. These funds are designated for the purpose of paying insurance premiums when due, and any excess funds are to be returned to the above-named Plaintiffs and members of the Class under the terms of the mortgage agreements.

546. Fiduciary relationships exist between the above-named Plaintiffs and the Bank of America Defendants because the Bank of America Defendants have received a greater economic benefit than that taken from a typical escrow transaction. Specifically, the debtor-creditor relationship transformed into a fiduciary relationship when the Bank of America Defendants took it upon themselves to manage borrowers' escrow accounts and withdrew money from them to pay force-placed insurance premiums. These Defendants violated their fiduciary duties to

Plaintiffs and class members when they began receiving unlawful kickbacks or other compensation under the kickback scheme, which is clearly a greater economic benefit than what was contemplated under the mortgage.

547. The Bank of America Defendants breached their fiduciary duties to Plaintiffs and other members of the proposed class by (1) not acting in their best interest when they profited from force-placed insurance policies that were purchased using escrow funds it held for the benefit of Plaintiffs and Class members at the expense of Plaintiffs and Class members, and (2) not disclosing the kickback scheme to Plaintiffs and Class Members.

548. These actions were undertaken by the Bank of America Defendants in bad faith for their own benefit and were not intended to benefit the above-named Plaintiffs or other proposed class members.

549. As a direct result of the Bank of America Defendants' actions and subversion of these Plaintiffs' interest to its own interests in reaping extravagant and outrageous fees, Plaintiffs and all others similarly situated have suffered injury in the form of unnecessary and excessive escrow charges and a loss of funds from their escrow accounts.

WHEREFORE, the above-named Plaintiffs and the proposed class are entitled to damages for the Bank of America Defendants' breaches of their fiduciary obligations and misappropriation of escrow funds. In addition, these Plaintiffs and the Class are entitled to punitive damages because the Bank of America Defendants acted in bad faith in deliberate or reckless disregard of their rights and its obligation to hold their escrow funds in trust.

COUNT XXX

BREACH OF FIDUCIARY DUTY
(Plaintiffs Sarah Crouch and Ira Marc Fladell against Wells Fargo Bank)

550. Plaintiffs Crouch and Fladell re-allege and incorporate Paragraphs 1-12, 53, 65-76, 81, 83-84, 166-173, 208-222, 287, and 289 above as if fully set forth herein and further allege as follows.

551. Wells Fargo Bank holds funds in escrow on behalf of borrowers whose mortgages it services. These funds are designated for the purpose of paying insurance premiums when due, and any excess funds are to be returned to the above-named Plaintiffs and members of the Class under the terms of the mortgage agreements.

552. Fiduciary relationships exist between these Plaintiffs and Wells Fargo Bank because Wells Fargo Bank has received a greater economic benefit than from a typical escrow transaction. Specifically, the debtor-creditor relationship transformed into a fiduciary relationship when Wells Fargo Bank took it upon itself to manage borrowers' escrow accounts and withdrew money from borrowers' escrow accounts to pay force-placed insurance premiums. Wells Fargo Bank violated its fiduciary duty when it began receiving unlawful kickbacks or other compensation under the kickback scheme, which is clearly a greater economic benefit than what was contemplated under the mortgage.

553. Wells Fargo Bank breached its fiduciary duties to these Plaintiffs and other members of the proposed class by (1) not acting in their best interest when it profited from force-placed insurance policies that were purchased using escrow funds it held for the benefit of these Plaintiffs and Class members at the expense of these Plaintiffs and Class members, and (2) not disclosing the kickback scheme to these Plaintiffs and Class Members.

554. These actions were undertaken by Wells Fargo Bank in bad faith for its own

benefit and were not intended to benefit these Plaintiffs or other proposed class members.

555. As a direct result of Wells Fargo Bank's actions and subversion of these Plaintiffs' interest to its own interests in reaping extravagant and outrageous fees, Plaintiffs and all others similarly situated have suffered injury in the form of unnecessary and excessive escrow charges and a loss of funds from their escrow accounts.

WHEREFORE, Plaintiffs Crouch and Fladell and the proposed class are entitled to damages for Wells Fargo Bank's breach of its fiduciary obligations and misappropriation of escrow funds. In addition, Plaintiffs and the proposed class are entitled to punitive damages because Wells Fargo Bank acted in bad faith in deliberate or reckless disregard of their rights and its obligation to hold their escrow funds in trust.

COUNT XXXI

BREACH OF FIDUCIARY DUTY
(Plaintiffs Alberto Barreto, Carol Lynn Upshaw, Salvatore Saccoccio, and Alfred and Sydell Herrick against the Chase Defendants)

556. Plaintiffs Barreto, Upshaw, Saccoccio, and the Herricks re-allege and incorporate paragraphs 1-12, 48-51, 65-76, 80, 287, and 289 above as if fully set forth herein and further allege as follows.

557. The Chase Defendants holds funds in escrow on behalf of borrowers whose mortgages it services. These funds are designated for the purpose of paying insurance premiums when due, and any excess funds are to be returned to Plaintiffs and members of the Class under the terms of the mortgage agreements.

558. Fiduciary relationships exist between these Plaintiffs and the Chase Defendants because the Chase Defendants have received a greater economic benefit than from a typical escrow transaction. Specifically, the debtor-creditor relationship transformed into a fiduciary

relationship when the Chase Defendants took it upon itself to manage borrowers' escrow accounts and withdrew money from borrowers' escrow accounts to pay force-placed flood insurance premiums. The Chase Defendants violated their fiduciary duties when they began receiving unlawful kickbacks or other compensation under the kickback scheme, which is clearly a greater economic benefit than what was contemplated under the mortgage.

559. The Chase Defendants breached their fiduciary duties to Plaintiffs and other members of the proposed class by (1) not acting in their best interest when it profited from force-placed insurance policies that were purchased using escrow funds it held for the benefit of these Plaintiffs and Class members at the expense of Plaintiffs and Class members, and (2) not disclosing the kickback scheme to Plaintiffs and Class Members.

560. These actions were undertaken by the Chase Defendants in bad faith for its own benefit and were not intended to benefit these Plaintiffs or other proposed class members.

561. As a direct result of the Chase Defendants' actions and subversion of Plaintiffs' interest to their own in reaping extravagant and outrageous fees, Plaintiffs and all others similarly situated have suffered injury in the form of unnecessary and excessive escrow charges and a loss of funds from their escrow accounts.

WHEREFORE, Plaintiffs and the proposed class are entitled to damages for the Chase Defendants' breach of its fiduciary obligations and misappropriation of escrow funds. In addition, Plaintiffs and the proposed class are entitled to punitive damages because the Chase Defendants acted in bad faith in deliberate or reckless disregard of their rights and its obligation to hold their escrow funds in trust.

COUNT XXXII

BREACH OF FIDUCIARY DUTY
(Plaintiff Javier Lopez against the HSBC Defendants)

562. Plaintiff Javier Lopez re-alleges and incorporates paragraphs 1-12, 41, 42, 65-76, 79, 118-127, 287, and 289 above as if fully set forth herein and further allege as follows.

563. The HSBC Defendants hold funds in escrow on behalf of borrowers whose mortgages they own/service. These funds are designated for the purpose of paying insurance premiums when due, and any excess funds are to be returned to Plaintiff Lopez and members of the Class under the terms of the mortgage agreements.

564. A fiduciary relationship exists between Plaintiff Lopez and the HSBC Defendants because the HSBC Defendants have received a greater economic benefit than from a typical escrow transaction. Specifically, the debtor-creditor relationship transformed into a fiduciary relationship when the HSBC Defendants took it upon themselves to manage borrowers' escrow accounts and withdraw money from borrowers' escrow accounts to pay force-placed flood insurance premiums. The HSBC Defendants violated their fiduciary duties when they began receiving unlawful kickbacks or other compensation under the kickback scheme, which is clearly a greater economic benefit than what was contemplated under the mortgage.

565. The HSBC Defendants breached their fiduciary duties to Plaintiff and other members of the proposed class by (1) not acting in their best interest when it profited from force-placed insurance policies that were purchased using escrow funds it held for the benefit of Plaintiff and class members at the expense of Plaintiff and class members, and (2) not disclosing the kickback scheme to Plaintiff and class members.

566. These actions were undertaken by the HSBC Defendants in bad faith for its own benefit and were not intended to benefit Plaintiff or other proposed class members.

567. As a direct result of the HSBC Defendants' actions and subversion of Plaintiff's interest to their own interests in reaping extravagant and outrageous fees, Plaintiff and all others similarly situated have suffered injury in the form of unnecessary and excessive escrow charges and a loss of funds from their escrow accounts.

WHEREFORE, Plaintiff and the proposed class are entitled to damages for the HSBC Defendants' breaches of their fiduciary obligations and misappropriation of escrow funds. In addition, Plaintiff and the class are entitled to punitive damages because the HSBC Defendants acted in bad faith in deliberate or reckless disregard of their rights and their obligation to hold their escrow funds in trust.

COUNT XXXIII

VIOLATION OF THE NEW YORK GENERAL BUSINESS LAW § 349 (Plaintiff Marla Lugo against Bank of America)

568. Plaintiff Marla Lugo re-alleges and incorporates paragraphs 1-12, 34-38, 65-78, 83, 84, 96-99, 287, and 289 above as if set forth fully herein, and further alleges as follows.

569. Plaintiff Lugo, a New York resident whose property in New York is subject to the force-placed insurance policy placed by Bank of America, asserts this claim on behalf of a subclass of persons with properties in New York subject to the force-placed insurance practices at issue in this litigation.

570. Bank of America's acts and practices alleged herein constitute acts, uses, or employment by Bank of America and its agents of deception, fraud, unconscionable and unfair commercial practices, false pretenses, false promises, misrepresentations, or the knowing concealment, suppression, or omission of material facts with the intent that others rely upon such concealment, suppression, or omission, in violation of § 349 of the New York General Business Law, making deceptive and unfair acts and practices illegal.

571. Bank of America engaged in deceptive and unfair practices in violation of §349 of the New York General Business law by, among other things, failing to inform Plaintiff Lugo and other homeowners that the premium price for the force-placed insurance included costs for the kickbacks, unearned commissions, the offset of administrative costs performed by vendors or the captive reinsurance arrangement.

572. The unfair and deceptive trade acts and practices of Bank of America have directly, foreseeably, and proximately caused damages and injury to Plaintiff Lugo and the other members of the New York subclass.

573. Plaintiff Lugo and the other members of the New York subclass have no adequate remedy of law.

COUNT XXXIV

VIOLATION OF THE ANTI-TYING PROVISIONS OF THE BANK HOLDING COMPANY ACT, 12 U.S.C. §1972 *et seq.* (Plaintiffs Cheryl Hall, Joseph Gallagher, John Vidrine, Catherine Soileau, Donald and Joan Novell, John and Jacquelyn Totura, and Marla Lugo against Bank of America)

574. Plaintiffs Hall, Gallagher, Soileau, Vidrine, Lugo, the Novells, and the Toturas re-allege and incorporate paragraphs 1-12, 34-40, 65-78, 83-117, 174-207, 287, and 289 above as if fully set forth herein and further allege as follows.

575. Bank of America's kickback scheme violates the anti-tying provisions of the Bank Holding Company Act, 12 U.S.C. § 1972, *et seq.*

576. The Bank Holding Company Act, 12 U.S.C. § 1972(b)("BHCA"), states that "a bank shall not in any manner extend credit, lease, or sell property of any kind, or furnish any service, or fix or vary the consideration for any of the foregoing, on the condition or requirement . . . (B) that the customer shall obtain some additional credit, property, or service from a bank holding company of such bank, or from any other subsidiary of such bank holding company."

577. Banc of America Insurance Services ("BAISI") is subsidiary of Defendant Bank of America or its holding company.

578. Bank of America's purchase of insurance on borrowers' behalf is a service that Bank of America offers to its borrowers. To accept this service, borrowers must agree to pay commissions to Bank of America or its subsidiary BAISI for unidentified services.

579. Upon information and belief, Bank of America, BAC Home Loans, BAISI, and Balboa (now QBE) entered into contractual arrangements under which BAISI would act as the "broker" or "agent" for 100% of force-placed insurance policies purchased on behalf of Bank of America's borrowers. Under these agreements BAISI received a guaranteed commission for every force-placed insurance policy procured on behalf of Bank of America's borrowers equal to a set percentage of the premium for each policy.

580. BAISI does not engage in any insurance broker or agent services. For example, it does not seek out competitive insurance policies from different insurance providers, but refers all force-placed insurance business to Balboa (now QBE).

581. This is an unusual banking practice. Bank of America's exclusive agreement with Balboa obviates any opportunity for BAISI to earn a commission.

582. These practices are anti-competitive:

a. Bank of America and BAC refer all force-placed insurance business to BAISI and guaranty BAISI's commissions. The commissions paid are based on contracts between Bank of America and Balboa, not on any services actually provided to Plaintiffs by BAISI. BAISI has no competitive incentive to provide any services for borrowers.

b. Bank of America sets the commission amount that BAISI will receive. The substantial revenue that Balboa, which was once also a subsidiary of Bank of America, receives in premiums from Bank of America borrowers gives it an incentive to agree to any commission rate that Bank of America demands

c. Bank of America's tying arrangement results in unreasonably high commissions. The commissions are a percentage of Balboa's premiums. Balboa provides more limited insurance policies than borrowers can obtain on the market but cost significantly more than other policies the borrowers would obtain on the open market. Bank of America's agreements allow BAISI to receive more than twice the commission any other insurance agent could receive for procuring more limited insurance than any other insurance agent would procure.

d. Unlike regular insurance agency arrangements, Bank of America utilizes its power as borrowers' mortgage lender and/or servicer to guarantee payment of commissions. Bank of America withdraws insurance premiums and commissions directly from borrowers' escrow accounts to pay commissions to its subsidiary, BAISI. If borrowers refuse to make increased payments to their escrow account, Bank of America coerces them into doing so with negative credit reporting and, potentially, foreclosing on their homes. Thus, Bank of America uses its power as borrowers' bank to steer commissions to itself through BAISI.

e. Bank of America's force-placed insurance arrangement usurps market share from other insurance agencies in favor of its own subsidiary BAISI. Force-placed insurance may be a more costly option than purchasing insurance on the open market, but it is a significantly easier and less demanding option. Hundreds of thousands of homeowners in the United States have allowed Bank of America to purchase force-placed flood insurance on their property since 2008 alone, resulting in tens of millions of dollars in commissions being paid to BAISI.

f. Bank of America's exclusive purchase arrangement and kickback scheme artificially inflates the price of force-placed insurance and artificially increases commissions paid to Bank of America's captive insurance agent. The artificially inflated price of Balboa's force-placed insurance is only possible because Bank of America refers 100% of its force-placed insurance business to Balboa. As one of the nation's largest mortgagees and mortgage servicers, Bank of America's exclusive force-placed insurance referrals can and do substantially affect competitive incentives to reduce prices. This guarantees distorted commissions to BAISI, whose commissions are a percentage of Balboa's inflated premiums.

583. The "tied product" in this arrangement is BAISI's "service" of acting as an insurance agent for force-placed insurance.

584. The "tying product" is Bank of America's purchase of force-placed insurance for borrowers. Bank of America also ties its continued extension of credit to Plaintiffs' agreement to

pay BAISI's commissions. Bank of America would foreclose on Plaintiffs' homes if they refused to pay BAISI's commissions after Bank of America charged them to Plaintiffs' escrow accounts.

585. Bank of America ties the procurement of insurance on borrowers' behalf to BAISI's "service" as alleged above.

586. Bank of America benefits directly and indirectly from this tying arrangement. Bank of America's own subsidiary, BAISI, receives commissions on all force-placed insurance. BAISI remits its profits to Bank of America, whether through direct money transfers, indirect money transfers through Bank of America's holding company, or "soft dollar" transfers.

587. Plaintiffs and all others similarly situated have been damaged by Bank of America's anti-competitive tying arrangement in that they have paid excessive commissions to Bank of America through its subsidiary BAISI.

WHEREFORE, Plaintiffs and the proposed class are entitled to three times the amount of damages sustained, and the cost of suit, including a reasonable attorney's fee pursuant to 12 U.S.C. § 1975. Plaintiffs and the proposed class are further entitled to an injunction barring Bank of America from continuing their unlawful conduct, including their exclusive purchasing arrangement with Balboa and the kickback scheme with Balboa.

COUNT XXXV
VIOLATION OF THE ANTI-TYING PROVISIONS OF THE BANK HOLDING COMPANY ACT, 12 U.S.C. §1972 *et seq.* (Plaintiffs Sarah Crouch, Ira Marc Fladell, and Thelma Stephens against Wells Fargo Bank)

588. Plaintiffs Crouch, Fladell, and Stephens re-allege and incorporate Paragraphs 1-12, 43-47, 53, 54, 65-76, 81, 83-84, 166-173, 208-222, 273-287, and 289 above as if fully set forth herein and further allege as follows.

589. WFB's kickback scheme violates the anti-tying provisions of the Bank Holding Company Act, 12 U.S.C. § 1972, *et seq.*

590. The Bank Holding Company Act, 12 U.S.C. § 1972(b) ("BHCA"), states that "a bank shall not in any manner extend credit, lease, or sell property of any kind, or furnish any service, or fix or vary the consideration for any of the foregoing, on the condition or requirement . . . (B) that the customer shall obtain some additional credit, property, or service from a bank holding company of such bank, or from any other subsidiary of such bank holding company."

591. WFI is an affiliate of Defendant WFB.

592. WFB's purchase of insurance on borrowers' behalf is a service that WFB offers to its borrowers. To accept this service, borrowers must agree to pay commissions to WFI for unidentified services.

593. Upon information and belief, WFB, WFI, and Assurant entered into contractual arrangements under which WFI would act as the "broker" or "agent" for 100% of force-placed insurance policies purchased on behalf of WFB's borrowers. Under these agreements WFI received a guaranteed commission for every force-placed insurance policy procured on behalf of WFB's borrowers equal to a set percentage of the premium for each policy.

594. WFI does not engage in any insurance broker or agent services. For example, it does not seek out competitive insurance policies from different insurance providers, but refers all force-placed insurance business to Assurant.

595. This is an unusual banking practice. WFB's exclusive agreement with Assurant obviates any opportunity for WFI to earn a commission.

596. These practices are anti-competitive:

a. WFB refers all force-placed insurance business to WFI and guaranty WFI's commissions. The commissions paid are based on contracts

between WFB and Assurant, not on any services actually provided by WFI. WFI has no competitive incentive to provide any services for borrowers.

b. WFB sets the commission amount that WFI will receive. The substantial revenue that Assurant also receives in premiums from WFB borrowers gives it an incentive to agree to any commission rate that WFB demands.

c. WFB's tying arrangement results in unreasonably high commissions. The commissions are a percentage of Assurant's premiums. Assurant provides more limited insurance policies than borrowers can obtain on the market but cost significantly more than other policies the borrowers would obtain on the open market. WFB's agreements allow WFI to receive more than twice the commission any other insurance agent could receive for procuring more limited insurance than any other insurance agent would procure.

d. Unlike regular insurance agency arrangements, WFB utilizes its power as borrowers' mortgage lender and/or servicer to guarantee payment of commissions. WFB withdraws insurance premiums and commissions directly from borrowers' escrow accounts to pay commissions to its subsidiary, WFI. If borrowers refuse to make increased payments to their escrow account, WFB coerces them into doing so with negative credit reporting and, potentially, foreclosing on their homes. Thus, WFB uses its power as borrowers' bank to steer commissions to itself through WFI.

e. WFB's force-placed insurance arrangement usurps market share from other insurance agencies in favor of its own subsidiary WFI. Force-placed insurance may be a more costly option than purchasing insurance on the open market, but it is a significantly easier and less demanding option. Hundreds of thousands of homeowners in the United States have allowed WFB to purchase force-placed flood insurance on their property since 2008 alone, resulting in tens of millions of dollars in commissions being paid to WFI.

f. WFB's exclusive purchase arrangement and kickback scheme artificially inflates the price of force-placed insurance and artificially increases commissions paid to WFB's captive insurance agent. The artificially inflated price of Assurant's force-placed insurance is only possible because WFB refers 100% of its force-placed insurance business to Assurant. As one of the nation's largest mortgagees and mortgage servicers, WFB's exclusive force-placed insurance referrals can and do substantially affect competitive incentives to reduce prices. This guarantees distorted commissions to WFI, whose commissions are a percentage of Assurant's inflated premiums.

597. The "tied product" in this arrangement is WFI's "service" of acting as an insurance agent for force-placed insurance.

598. The "tying product" is WFB's purchase of force-placed insurance for borrowers. WFB also ties its continued extension of credit to Plaintiffs' agreement to pay WFI's commissions. WFB would foreclose on Plaintiffs' homes if they refused to pay WFI's commissions after WFB charged them to Plaintiffs' escrow accounts.

599. WFB ties the procurement of insurance on borrowers' behalf to WFI's "service" as alleged above.

600. WFB benefits directly and indirectly from this tying arrangement. WFB's own subsidiary, WFI, receives commissions on all force-placed insurance. WFI remits its profits to WFB, whether through direct money transfers, indirect money transfers through WFB's holding company, or "soft dollar" transfers

601. Plaintiffs and all others similarly situated have been damaged by WFB's anti-competitive tying arrangement in that they have paid excessive commissions to WFB through its subsidiary WFI.

WHEREFORE, Plaintiffs and the proposed class are entitled to three times the amount of damages sustained, and the cost of suit, including a reasonable attorney's fee pursuant to 12 U.S.C. § 1975. Plaintiffs and the proposed class are further entitled to an injunction barring WFB from continuing their unlawful conduct, including their exclusive purchasing arrangement with Assurant and the kickback scheme with Assurant.

COUNT XXXVI
VIOLATION OF THE ANTI-TYING PROVISIONS OF THE BANK HOLDING COMPANY ACT, 12 U.S.C. §1972 *et seq.* (Plaintiffs Alberto Barreto, Salvatore Saccoccio, Carol Lynn Upshaw, and Alfred and Sydell Herrick against Chase Bank)

602. Plaintiffs Barreto, Saccoccio, Upshaw, and the Herricks re-allege and incorporate paragraphs 1-12, 48-51, 65-76, 80, 287, and 289 above as if fully set forth herein and further allege as follows.

603. Chase Bank's kickback scheme violates the anti-tying provisions of the Bank Holding Company Act, 12 U.S.C. § 1972, *et seq.*

604. The Bank Holding Company Act, 12 U.S.C. § 1972(b)("BHCA"), states that "a bank shall not in any manner extend credit, lease, or sell property of any kind, or furnish any service, or fix or vary the consideration for any of the foregoing, on the condition or requirement . . . (B) that the customer shall obtain some additional credit, property, or service from a bank holding company of such bank, or from any other subsidiary of such bank holding company."

605. Chase Insurance is affiliated with Chase Bank.

606. Chase Bank's purchase of insurance on borrowers' behalf is a service that Chase Bank offers to its borrowers. To accept this service, borrowers must agree to pay commissions to Chase Insurance for unidentified services.

607. Upon information and belief, Chase Bank, Chase Insurance, and Assurant and its subsidiaries entered into contractual arrangements under which Chase Insurance would act as the "broker" or "agent" for 100% of force-placed insurance policies purchased on behalf of Chase Bank's borrowers. Under these agreements Chase Insurance received a guaranteed commission for every force-placed insurance policy procured on behalf of Chase Bank's borrowers equal to a set percentage of the premium for each policy.

608. Chase Insurance does not engage in any insurance broker or agent services. For example, it does not seek out competitive insurance policies from different insurance providers, but refers all force-placed insurance business to Assurant and its subsidiaries.

609. This is an unusual banking practice. Chase Bank's exclusive agreement with Assurant and its subsidiaries obviates any opportunity for Chase Insurance to earn a commission.

610. These practices are anti-competitive:

a. Chase Bank refers all force-placed insurance business to Chase Insurance and guaranty Chase Insurance's commissions. The commissions paid are based on contracts between Chase Bank and Assurant and its subsidiaries, not on any services actually provided to Plaintiffs by Chase Insurance. Chase Insurance has no competitive incentive to provide any services for borrowers.

b. Chase Bank sets the commission amount that Chase Insurance will receive. The substantial revenue that Assurant and its subsidiaries also receive in premiums from Chase Bank borrowers gives it an incentive to agree to any commission rate that Chase Bank demands.

c. Chase Bank's tying arrangement results in unreasonably high commissions. The commissions are a percentage of Assurant's and its subsidiaries' premiums. Assurant and its subsidiaries provide more limited insurance policies than borrowers can obtain on the market but cost significantly more than other policies the borrowers would obtain on the open market. Chase Bank's agreements allow Chase Insurance to receive more than twice the commission any other insurance agent could receive for procuring more limited insurance than any other insurance agent would procure.

d. Unlike regular insurance agency arrangements, Chase Bank utilizes its power as borrowers' mortgage lender and/or servicer to guarantee payment of commissions. Chase Bank withdraws insurance premiums and commissions directly from borrowers' escrow accounts to pay commissions to Chase Insurance. If borrowers refuse to make increased payments to their escrow account, Chase Bank coerces them into doing so with negative credit reporting and, potentially, foreclosing on their homes. Thus, Chase Bank uses its power as borrowers' bank to steer commissions to itself through Chase Insurance.

e. Chase Bank's force-placed insurance arrangement usurps market share from other insurance agencies in favor of its own subsidiary Chase

Insurance. Force-placed insurance may be a more costly option than purchasing insurance on the open market, but it is a significantly easier and less demanding option. Hundreds of thousands of homeowners in the United States have allowed Chase Bank to purchase force-placed flood insurance on their property since 2008 alone, resulting in tens of millions of dollars in commissions being paid to Chase Insurance.

f. Chase Bank's exclusive purchase arrangement and kickback scheme artificially inflates the price of force-placed insurance and artificially increases commissions paid to Chase Bank's captive insurance agent. The artificially inflated price of Assurant's and its subsidiaries' force-placed insurance is only possible because Chase Bank refers 100% of its force-placed insurance business to them. As one of the nation's largest mortgagees and mortgage servicers, Chase Bank's exclusive force-placed insurance referrals can and do substantially affect competitive incentives to reduce prices. This guarantees distorted commissions to Chase Insurance, whose commissions are a percentage of Assurant's and its subsidiaries' inflated premiums.

611. The "tied product" in this arrangement is Chase Insurance's "service" of acting as an insurance agent for force-placed insurance.

612. The "tying product" is Chase Bank's purchase of force-placed insurance for borrowers. Chase Bank also ties its continued extension of credit to Plaintiffs' agreement to pay Chase Insurance's commissions. Chase Bank would foreclose on Plaintiffs' homes if they refused to pay Chase Insurance's commissions after Chase Bank charged them to Plaintiffs' escrow accounts.

613. Chase Bank ties the procurement of insurance on borrowers' behalf to Chase Insurance's "service" as alleged above.

614. Chase Bank benefits directly and indirectly from this tying arrangement. Chase Bank's own subsidiary, Chase Insurance, receives commissions on all force-placed insurance. Chase Insurance remits its profits to Chase Bank, whether through direct money transfers, indirect money transfers through Chase Bank's holding company, or "soft dollar" transfers

615. Plaintiffs and all others similarly situated have been damaged by Chase Bank's anti-competitive tying arrangement in that they have paid excessive commissions to Chase Bank through Chase Insurance.

WHEREFORE, Plaintiffs and the proposed class are entitled to three times the amount of damages sustained, and the cost of suit, including a reasonable attorney's fee pursuant to 12 U.S.C. § 1975. Plaintiffs and the proposed class are further entitled to an injunction barring Chase Bank from continuing their unlawful conduct, including their exclusive purchasing arrangement with Assurant and its subsidiaries and the kickback scheme with them.

COUNT XXXVII

Violation of Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c) (Plaintiffs Sarah Crouch and Ira Marc Fladell against Wells Fargo Bank and American Security)

616. Plaintiffs Crouch and Fladell re-allege and incorporate Paragraphs 1-12, 43-46, 53, 54, 65-76, 81, 83-84, 166-173, 208-222, 287, and 289 above.

617. At all relevant times, Wells Fargo Bank and American Security were employed by and associated with an illegal enterprise, and conducted and participated in that enterprise's affairs, through a pattern of racketeering activity consisting of numerous and repeated uses of the interstate mails and wire communications to execute a scheme to defraud, all in violation of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. § 1962(c).

618. The RICO enterprise, which engaged in, and the activities of which affected, interstate and foreign commerce, was comprised of an association in fact of entities and individuals that included Wells Fargo Bank, Assurant, Wells Fargo Insurance, and American Security.

619. The members of the RICO enterprise all had a common purpose: to increase and maximize the revenues of Wells Fargo and American Security by forcing Plaintiffs Crouch and Fladell and members of the class to pay unreasonably high premiums for hazard insurance through a scheme that inflated premiums to cover kickbacks and expenses associated with monitoring Wells Fargo's entire loan portfolio. Wells Fargo Bank and American Security shared the bounty of their enterprise, i.e., by sharing the premiums generated by the joint scheme.

620. The RICO enterprise functioned over a period of years as a continuing unit and had and maintained an ascertainable structure separate and distinct from the pattern of racketeering activity.

621. Wells Fargo Bank and American Security conducted and participated in the affairs of this RICO enterprise through a pattern of racketeering activity that lasted more than one year, at a minimum, and that consisted of numerous and repeated violations of the federal mail and wire fraud statutes, which prohibit the use of any interstate or foreign mail or wire facility for the purpose of executing a scheme to defraud, in violation of 18 U.S.C. §§ 1341 and 1343.

622. As part and in furtherance of the scheme to defraud, Wells Fargo Bank and American Security made numerous material omissions and misrepresentations to the above-named Plaintiffs and members of the class with the intent to defraud and deceive these Plaintiffs and members of the class. These omissions and misrepresentations included but were not limited to the following:

a. On December 31, 2009, American Security, with the approval of Wells Fargo Bank, drafted and sent Plaintiff Fladell a letter on Wells Fargo letterhead, fostering the mistaken impression that the letter had been sent by Wells Fargo. The letter stated

that Wells Fargo had purchased a fire insurance policy to protect its interest in Mr. Fladell's property, that the annual premium for the coverage was $2,542.59, and that the premium had been advanced on Plaintiff Fladell's half "as provided in your loan documents." The letter also stated that the cost of the insurance policy may have included compensation to the insurer and Wells Fargo for tracking loan customers' compliance with Wells Fargo's insurance requirements. In making these statements, Wells Fargo and American Security knowingly and intentionally fostered the mistaken impression that the premium Plaintiff Fladell was to be charged for the insurance policy was for the cost of the policy and possibly the cost of tracking customers' insurance coverage, when in fact the premium also included a kickback to Wells Fargo Bank or Wells Fargo Insurance. Wells Fargo Bank had a duty to correct this mistaken impression. This omission was material, as it gave Wells Fargo Bank and American Security a colorable reason to charge Plaintiff Fladell unreasonably high premiums and would have influenced Plaintiff Fladell's decision whether to pay the premiums or contest them.

b. In stating that its actions were "as provided in your insurance contract," the December 31, 2009 letter to Plaintiff Fladell also misrepresented that the loan documents gave Wells Fargo Bank the right to charge Plaintiff for the cost of insurance tracking and for kickbacks to the Wells Fargo Defendants. Wells Fargo Bank and American Security knew that the loan documents did not give Wells Fargo Bank that authority. This misrepresentation was material, as it gave Wells Fargo Bank and American Security a colorable reason to charge Plaintiff Fladell unreasonably high premiums

and would have influenced Plaintiff Fladell's decision whether to pay the premiums or contest them.

c. On May 18, 2012, American Security, with the approval of Wells Fargo Bank, drafted and sent Plaintiff Crouch a letter on Wells Fargo letterhead, fostering the mistaken impression that the letter had been sent by Wells Fargo. The letter stated that Wells Fargo Bank had obtained a hazard insurance policy on behalf of Plaintiff Crouch "in accordance with the terms of your mortgage," and enclosed a copy of the policy. The policy stated that the premium for the coverage was $4,518. In making these statements, Wells Fargo Bank and American Security knowingly and intentionally fostered the mistaken impression that the premium was for the cost of the policy, when in fact the premium also included kickbacks to Wells Fargo Bank or Wells Fargo Insurance and compensation for the cost of insurance tracking. Wells Fargo Bank had a duty to correct this mistaken impression. This omission was material, as it gave Wells Fargo Bank and American Security a colorable reason to charge Plaintiff Crouch unreasonably high premiums and would have influenced Plaintiff Crouch's decision whether to pay the premiums or contest them.

d. In stating that its actions were "in accordance with the terms of your mortgage," the May 18, 2012 letter to Plaintiff Crouch also misrepresented that the loan documents gave Wells Fargo Bank the right to charge Plaintiff for the cost of insurance tracking and for kickbacks to Wells Fargo Bank. Wells Fargo Bank and American Security knew that the loan documents did not give Wells Fargo Bank that authority. This misrepresentation was material, as it gave Wells Fargo Bank and American Security a colorable reason to charge Plaintiff Crouch unreasonably high premiums and would

have influenced Plaintiff Crouch's decision whether to pay the premiums or contest them.

e. Wells Fargo Bank also sent Plaintiffs Fladell and Crouch monthly statements showing that the premiums for the force-placed insurance were being deducted from their escrow accounts. In labeling the deductions "premiums," these statements fostered the mistaken impression that that the deductions were for the cost of the policy, when in fact the deductions also included kickbacks to Wells Fargo Bank or Wells Fargo Insurance and compensation for the cost of insurance tracking. Wells Fargo Bank had a duty to correct this mistaken impression. This omission was material, as it gave Wells Fargo Bank and American Security a colorable reason to charge Plaintiffs Crouch and Fladell unreasonably high premiums and would have influenced Plaintiff Crouch's and Fladell's decision whether to pay the premiums or contest them.

623. For the purpose of executing the scheme to defraud, Wells Fargo Bank and American Security sent, mailed and transmitted, or caused to be sent, mailed or transmitted, in interstate or foreign commerce numerous materials, including but not limited to the notices and letters described above informing Plaintiffs and class members that they would charge Plaintiffs and class members unreasonably high premiums for force-placed insurance. Wells Fargo and American Security also transferred sums among themselves, including but not limited to kickbacks, in furtherance of their scheme to defraud Plaintiffs and class members, in violation of the wire fraud statutes.

624. By reason, and as a result, of the Wells Fargo Bank's and American Security's conduct and participation in the racketeering activity described herein, Wells Fargo Bank and

American Security have caused damages to Plaintiffs and members of the class in the form of unreasonably high force-placed insurance premiums.

WHEREFORE, pursuant to 18 U.S.C. § 1964(c), Plaintiffs and members of the class are seeking to recover compensatory and treble damages, and attorneys' fees and costs.

COUNT XXXVIII
Violation of Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(d)
(Plaintiffs Sarah Crouch and Ira Marc Fladell against Wells Fargo Bank, Wells Fargo Insurance, American Security, and Assurant)

625. Plaintiffs Crouch and Fladell re-allege and incorporate paragraphs 1-12, 43-46, 53, 54, 65-76, 81, 83-84, 166-173, 208-222, 273-287, and 289 above.

626. At all relevant times, Wells Fargo Bank, Wells Fargo Insurance, American Security, and Assurant were associated with the enterprise and agreed and conspired to violate 18 U.S.C. § 1962(c), that is, agreed to conduct and participate, directly and indirectly, in the conduct of the affairs of the enterprise through a pattern of racketeering activity, in violation of 18 U.S.C. § 1962(d).

627. Wells Fargo Bank, Wells Fargo Insurance, American Security, and Assurant agreed that Assurant's subsidiary, American Security, would be Wells Fargo Bank's exclusive provider of force-placed insurance and would extract unreasonably high premiums from Wells Fargo Bank's customers. Wells Fargo Bank, Wells Fargo Insurance, American Security, and Assurant also agreed that American Security would pay Wells Fargo Bank's affiliate, Wells Fargo Insurance, kickbacks.

628. Upon information and belief, Wells Fargo Insurance passes much of its profits from the scheme to defraud to Wells Fargo Bank, and American Security passes much of its profits from the scheme to defraud to Assurant.

629. Wells Fargo Bank, Wells Fargo Insurance, Assurant, and American Security committed and caused to be committed a series of overt acts in furtherance of the conspiracy and to affect the objects thereof, including but not limited to acts set forth above.

630. As a result of Wells Fargo Bank's, Wells Fargo Insurance's, Assurant's, and American Security Insurance Company's violations of 18 U.S.C. § 1962(d), Plaintiffs and members of the class suffered damages in the form of unreasonably high force-placed insurance premiums.

WHEREFORE, pursuant to 18 U.S.C. § 1964(c), Plaintiffs and members of the class are seeking to recover compensatory damages and treble damages, and attorneys' fees and costs.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs on behalf of themselves and all similarly situated individuals demand judgment against Defendants as follows:

(1) Declaring this action to be a proper class action maintainable pursuant to Rule 23(a) and Rule 23(b)(1) and (2) or Rule 23(b)(3) of the Federal Rules of Civil Procedure and declaring Plaintiffs and their counsel to be representatives of the Classes;

(2) Enjoining Defendants from continuing the acts and practices described above;

(3) Awarding damages sustained by Plaintiffs and the Classes as a result of Defendants' breaches of the subject mortgage contracts and the implied covenant of good faith and fair dealing, together with pre-judgment interest;

(4) Finding that Defendants have been unjustly enriched and requiring Defendants to refund all unjust benefits to Plaintiffs and the Classes, together with pre-judgment interest;

(5) Awarding Plaintiffs and the Classes costs and disbursements and reasonable allowances for the fees of Plaintiffs' and the Classes' counsel and experts, and reimbursement of

expenses;

(6) Awarding the Florida Plaintiffs and subclasses damages, injunctive relief, declaratory relief, attorneys' fees, and costs under FDUTPA;

(7) Awarding Plaintiff Marla Lugo and the New York Subclass damages, injunctive relief, declaratory relief, attorney's fees, and costs under New York General Business Law § 349.

(8) Awarding damages sustained by Plaintiffs and the Classes as a result of Balboa's, Assurant's, American Security's, Voyager's, and QBE's tortious interference;

(9) Awarding compensatory and treble damages, and attorneys' fees and costs under the federal RICO statute;

(10) Awarding three times the amount of damages sustained, and the cost of suit, including a reasonable attorney's fee pursuant to the Bank Holding Company Act, 12 U.S.C. § 1975;

(11) Awarding actual damages and a penalty of $500,000.00 or 1% of Defendants' net worth, as provided by 15 U.S.C. § 1640(a)(1)-(2), and attorneys' fees and costs, as provided by 15 U.S.C. § 1640(a)(3); and

(12) Awarding such other and further relief the Court deems just and equitable.

DEMAND FOR JURY TRIAL

Plaintiffs and the Classes request a jury trial for any and all Counts for which a trial by jury is permitted by law.

Respectfully submitted this 12th day of November 2012.

By: /s/ Adam M. Moskowitz

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed on November 12, 2012 with the Clerk by using the CM/ECF system, which will send notification of such filing to all attorneys of record, including those on the service list below.

/s/ Adam M. Moskowitz

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