

**If you are or were a military customer of Bank of America who received or may have been eligible to receive additional compensation related to military reduced interest rate benefits on your account, You May Be Eligible For Payment from a Class Action Settlement.**

All persons identified in Bank of America's records as obligors or guarantors on an obligation or account that, at any time on or after September 11, 2001, received and/or may have been eligible to receive additional compensation related to military reduced interest rate benefits, may be class members in a proposed class action settlement.

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

- A nearly \$42 million Settlement has been reached in a class action lawsuit alleging, among other things, that, since September 11, 2001, Defendant charged thousands of military servicemember family customers excessive interest on their interest-bearing obligations, including mortgage and credit card accounts, and further tried to conceal the excess interest charges, in violation of the Servicemembers Civil Relief Act ("SCRA"), 50 U.S.C. §§ 3901, et seq., the Truth in Lending Act ("TILA"), 15 U.S.C. §§ 1637(b), 1638(f), and 1639f, North Carolina's Unfair and Deceptive Trade Practices Act ("UDTPA"), and common law, including breach of contract, negligence, and negligent misrepresentation.
- Bank of America denies each and all of the claims and allegations of wrongdoing made by the Plaintiffs.
- The Settlement provides payments to identified military servicemember family customers who allegedly were charged excessive interest on their interest-bearing obligations.
- The Settling Parties have identified and assigned the complete set of class members ("Authorized Recipients") into four non-exclusive groups, explained in further detail in this notice.
- Your legal rights will be affected whether you act or do not act. Please read this notice carefully.

**Summary of Your Legal Rights and Options in this Settlement**

<b>Get a Payment Automatically</b>	The Settling Parties have identified the complete set of Class Members. If you have been identified as a Class Member, you do not need to do anything to receive a payment. Your payment will be automatically sent by mailed check if the Court approves the Settlement and it becomes final.
<b>Exclude Yourself</b>	You will receive no benefits from the Settlement. This option allows you to retain your right to participate in other lawsuits against Bank of America for the claims in this case.
<b>Object</b>	Write to the Court if you do not approve of the Settlement.
<b>Go to a Hearing</b>	You may ask to speak in Court about the fairness of the Settlement.
<b>Do Nothing</b>	You will receive payment if identified by the Settling Parties as a Class Member and give up your right to participate in other litigation against Bank of America about the claims made in this case.

- These options and the deadlines to exercise them are further detailed in this notice.
- The Court and Judge assigned to this case still have to decide whether to give final approval of the Settlement. If the Court grants final approval and any appeals are resolved, payments will be issued to those who qualify.

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## **Basic Information**

### **1. Why am I receiving this notice?**

A Court authorized this notice because you have a right to know about a proposed Settlement of this class action lawsuit and about all of your options before the Court decides whether to give final approval to the Settlement. This notice explains the litigation, the Settlement, and your legal rights.

Judge Terrence W. Boyle of the United States District Court for the Eastern District of North Carolina is overseeing this case. This litigation is known as *Childress v. Bank of America, N.A.* Case No. 5:15-CV-231. The people who initiated the litigation are called the “Plaintiffs.” Bank of America is the “Defendant.”

## **2. What is this litigation about?**

Plaintiffs allege, among other things, that, since September 11, 2001, Defendant charged thousands of military servicemember family customers excessive interest on their interest-bearing obligations, including mortgage and credit card accounts, and further tried to conceal the excess interest charges, in violation of the Servicemembers Civil Relief Act (“SCRA”), 50 U.S.C. §§ 3901, et seq., the Truth in Lending Act (“TILA”), 15 U.S.C. §§ 1637(b), 1638(f), and 1639f, North Carolina’s Unfair and Deceptive Trade Practices Act (“UDTPA”), and common law, including breach of contract, negligence, and negligent misrepresentation, and seek an accounting and to impose a constructive trust based on the same, as alleged in Plaintiffs’ Second Amended Complaint.

The filed Complaints in the lawsuit can be viewed at [www.BankofAmericaMilitarySettlement.com](http://www.BankofAmericaMilitarySettlement.com). The complaints include all allegations and claims asserted against Bank of America. Bank of America denies each and all of the claims and allegations of wrongdoing made by the Plaintiffs and denies that it has violated any law or other duty.

## **3. Why is this a class action?**

A class action lawsuit allows a large number of people, with a common complaint in a matter, to sue collectively while being represented by a few members of the group called “Named Plaintiffs” or “Class Representatives.”

In this case, a group of servicemember family customers of Bank of America has brought the suit on behalf of themselves and any other people with similar claims. Together, all the individuals with similar claims (with the exception of those who request exclusion) are referred to as members of the “Settlement Class.”

## **4. Why is there a Settlement?**

The Court has not decided in favor of the Plaintiffs or Bank of America. The parties have agreed to a Settlement. By agreeing to the Settlement, the Parties avoid the costs and uncertainty of a trial, and Settlement Class Members receive the benefits described in this notice. The proposed Settlement does not mean that any law was broken or that Bank of America did anything wrong. Bank of America denies all legal claims in this case.

Class Representatives and their lawyers think the proposed Settlement is best for everyone who may be affected by the alleged excessive interest charges.

### The Settlement

## **5. Who is included in the Settlement?**

The “Settlement Class” is defined as:

All persons identified in Bank of America’s records as obligors or guarantors on an obligation or account that, at any time on or after September 11, 2001, received and/or may have been eligible to receive additional compensation related to military reduced interest rate benefits from Defendant, but excluding persons who have executed a release of the rights claimed in this action.

## **6. How do I determine whether I am part of the Settlement?**

If you are not sure whether you are in the Settlement Class, or have any other questions about the Settlement, visit the Settlement website at [www.BankofAmericaMilitarySettlement.com](http://www.BankofAmericaMilitarySettlement.com) or call the toll-free number, 1-877-468-0425. You may also send questions to the Settlement Administrator at [info@BankofAmericaMilitarySettlement.com](mailto:info@BankofAmericaMilitarySettlement.com) or by writing to *Bank of America Military Settlement*, Settlement Administrator, P.O. Box 404036, Louisville, KY 40233-4036.

## The Settlement Benefits

### 7. What does the Settlement provide?

The Gross Settlement Fund of forty-one million, nine hundred twenty thousand, three hundred seventy-four dollars and six cents (\$41,920,374.06) shall be used to pay court-awarded attorneys' fees and costs, incentive awards, all settlement administration costs (including notice costs, escrow and settlement administration services, distribution costs, etc.), and certain taxes and tax-related expenses. Two hundred fifty thousand dollars (\$250,000), an amount deemed reasonably likely to sufficiently pay settlement administration costs, shall be available from the Gross Settlement Fund to be held in escrow to pay settlement administration costs. The remainder of the Gross Settlement Fund, less the payments and debits set forth in this paragraph, shall constitute the Net Settlement Fund.

For distribution of the Net Settlement Fund, the Settling Parties have identified and assigned the complete set of Class Members ("Authorized Recipients") into four non-exclusive groups, based upon (a) the years that the Authorized Recipients' account(s) were opened and/or reviewed to determine whether the accountholder was eligible for a refund related to the provision of military reduced interest rate benefits; (b) the type(s) of accounts; (c) whether the accountholder received a prior refund payment from the Defendant related to military reduced interest rate benefits; (d) whether the accountholder also received an additional payment of the greater of three times the refund or five hundred dollars (\$500) (i.e., whether the account was "Adjusted"); and (e) for mortgage accounts, the method by which the Defendant applied military reduced interest rate benefits to the account.

The majority of Authorized Recipients who belong to Groups 1-3 have previously received payments from Defendant. For Groups 2 and 3, these prior payments also included an additional payment of the greater of three times the refund or five hundred dollars (\$500). However, certain members of these groups did not receive or successfully deposit their previous payments. Payments to credit card and mortgage account holders who did not receive or successfully deposit previous payments will be made as part of this Settlement as described below.

The groups are defined as follows:

- **Group 1. 2006-2013 Non-Adjusted Accounts:** Borrowers on all accounts, primarily credit card accounts, that were reviewed for the period 2006 to 2013 and who received or were owed a refund payment but did not receive an additional payment of the greater of three times the refund or five hundred dollars (\$500).
- **Group 2. 2006-2013 Adjusted Non-Mortgage Accounts:** Borrowers on non-mortgage accounts that were reviewed for the period 2006 to 2013 and who received or were owed a refund payment that included an additional payment of the greater of three times the refund or five hundred dollars (\$500).
- **Group 3. 2006-2014 Adjusted Mortgages:** (A) Borrowers on mortgage accounts that were reviewed for the period 2006 to 2014 and who received or were owed a refund payment that included an additional payment of the greater of three times the refund or five hundred dollars (\$500); and/or (B) Borrowers who received military reduced interest rate benefits on their mortgage accounts via the interest subsidy method for some period of time between September 11, 2001 and the date of the Settlement.
- **Group 4. 2001-2005 Credit Cards and Mortgages:** Borrowers on credit card and mortgage accounts identified by Defendant at the time of the Settlement as having received military reduced interest rate benefits for some period of time between September 11, 2001 and December 31, 2005. These accounts did not receive refund payments related to military reduced interest rate benefits from Defendant as part of a previous remediation effort.

**Injunctive Relief.** Releasees agree that they will not utilize the Interest Subsidy Method to provide military reduced interest rate benefits to mortgage customers for at least five years from the Effective Date, except Releasees may use the Interest Subsidy Method to provide military reduced interest rate benefits to mortgage customers at any point during the five years from the Effective Date (1) if required by law; (2) if required by Releasees' regulators; and/or (3) if required by Releasees' investors and Releasees have not encouraged or requested that or negotiated in favor of the investor requiring the use of the Interest Subsidy Method.

## **8. How can I determine what my payment will be?**

If you are eligible to receive payment from the Settlement, the amount will be based upon the criteria described for each group defined in Section 7 above.

At this time, it is not possible to accurately calculate a Settlement Class Member's payment from the Net Settlement Fund. More detailed information regarding how the payments for each group will be calculated can be found in the distribution section of the Settlement Agreement posted at the case website [www.BankofAmericaMilitarySettlement.com](http://www.BankofAmericaMilitarySettlement.com).

## **9. How can I determine when I will receive payment?**

The Settling Parties shall use a mailing protocol that maximizes the likelihood that Settlement payments are received and successfully deposited.

Settlement Class Members who are entitled to payments will receive their payments by mailed check. Payments will be issued only after the Court grants final approval to the Settlement and after any appeals are resolved. If there are appeals, resolving them can take time. It is prudent to check with the case website often for updates regarding the status of the Settlement.

## **10. What rights am I giving up to remain a class member and receive payment?**

Unless a Class Member submits a request to be excluded from the Settlement, they are bound by the terms of the Settlement Agreement and cannot be part of any other lawsuit brought against the defendant for the same issues in this case. The Settlement Agreement is available at [www.BankofAmericaMilitarySettlement.com](http://www.BankofAmericaMilitarySettlement.com) and describes what rights you will give up if you remain a participant in the Settlement.

### How To Receive a Payment

## **11. What do I have to do to receive payment?**

If you have been identified by the Settling Parties as a Class Member entitled to payment, you do not have to take any action to receive the payment. Payments will be issued automatically as described in Section 9 above.

### Excluding Yourself From The Settlement

## **12. What do I do if I do not want to participate in the Settlement?**

If you do not want to receive payment from the Settlement and retain your right to participate in other lawsuits against Bank of America for the same legal issues in this case, then you must take steps to request exclusion from the Settlement. Sometimes this action is referred to as "opting-out" of the Settlement Class.

To request exclusion from the Settlement, you must send a letter or other written document by mail to the Settlement Administrator. Your request must include the following information:

1. Your name, address, telephone number, and claim identification number;
2. A statement that you wish to be excluded from the Settlement, including the case name and number; and
3. Your signature.

You must mail your request, postmarked no later than **December 12, 2017**, to *Bank of America Military Settlement*, Settlement Administrator, P.O. Box 404036, Louisville, KY 40233-4036. You cannot request exclusion by phone, by email, or through the case website.

**13. If I do not request exclusion, can I sue Bank of America for the same claims later?**

No, you cannot. Unless you request exclusion from the Settlement, you give up the right to sue Bank of America for the claims that this Settlement resolves. You must exclude yourself from the Settlement Class in order to try to maintain your own lawsuit.

**14. If I request exclusion, can I still receive payment?**

No, you will not receive a payment if you request exclusion from the Settlement.

**The Lawyers Representing You**

**15. Do I have a lawyer in this case?**

The Court has appointed a number of lawyers to represent all Settlement Class Members as “Lawyers for the Plaintiffs” or “Settlement Class Counsel” They include:

Steve W. Berman, Esq. WSBA# 12536 Shayne C. Stevenson, Esq. WSBA# 30843 HAGENS BERMAN SOBOL SHAPIRO LLP 1918 Eighth Avenue, Suite 3300 Seattle, WA 98101	Knoll D. Lowney, Esq. WSBA# 23457 SMITH & LOWNEY, PLLC 2317 E. John Street Seattle, Washington 98112	Kieran J. Shanahan, Esq. NCSB# 13329 Brandon S. Neuman, Esq. NCSB# 33590 Christopher S. Battles, Esq. NCSB# 42682 SHANAHAN LAW GROUP, PLLC 128 E. Hargett Street, Third Floor Raleigh, North Carolina 27601
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You will not be charged for contacting these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

**16. How will the lawyers receive payment for their services?**

Class Counsel may submit an application or applications (the “Fee and Expense Application”) for distributions from the Gross Settlement Fund for: (a) an award of attorneys’ fees; plus (b) reimbursement of expenses incurred in connection with prosecuting the Action; plus (c) any interest on such expenses (until paid) at the same rate and for the same periods as earned by the Settlement Fund, as appropriate, and as may be awarded by the Court; and (d) Incentive Awards to Class Representatives.

Class Counsel agree that an application for attorneys’ fees will not seek an amount in excess of thirty percent (30%) of the Settlement Amount. In the event the Court awards less than the attorneys’ fees sought, up to thirty percent (30%) of the Settlement Amount, the difference between the amount of fees awarded by the Court and those sought shall remain as part of the Gross Settlement Fund and shall be subject to distribution as provided in the Agreement.

Class Counsel and Representative Plaintiffs agree that an application for an Incentive Award shall not exceed fifteen thousand dollars (\$15,000.00) per Representative Plaintiff for Gary and Anne Childress, Thomas and Adrienne Bolton, Steven and Morgan Lumbley (forty-five thousand dollars (\$45,000.00) total), and shall not exceed ten thousand dollars (\$10,000.00) per Representative Plaintiff for Raymond and Jackie Love, Harry and Marianne Champaign, and Russell and Mary Beth Christe (thirty thousand dollars (\$30,000.00) total).



## Objecting To The Settlement

### 17. How do I inform the Court if I do not approve of the Settlement?

If you are a member of the Settlement Class, you can object to any part of the Settlement, the Settlement as a whole, Class Counsel's requests for fees and expenses, and/or the payments to the twelve Class Representatives. To object, you must submit a letter that includes the following:

- Your name, address, and telephone number;
- A statement saying that you object to the Settlement in *Childress v. Bank of America, N.A.* Case No. 5:15-CV-231;
- The reasons you are objecting to the Settlement with supporting documentation if applicable; and
- Your signature.

Class Members who wish to object to any aspect of the Settlement must file with the Court a written statement containing their objections prior to the Exclusion/Objection Deadline. Any award or payment of attorneys' fees made to the counsel of an objector to the Settlement shall be made only by Court order and upon a showing of the benefit conferred to the Class. In determining any such award of attorneys' fees to an objector's counsel, the Court will consider the incremental value to the Class caused by any such objection. Any award of attorneys' fees by the Court will be conditioned on the objector and his or her attorney stating under penalty of perjury that no payments shall be made to the objector based on the objector's participation in the matter other than as ordered by the Court. Any such award shall be payable from the Gross Settlement Fund. Defendant shall have no responsibility for any such payments.

You must mail your objection to each of the following three addresses, and must be postmarked by **December 12, 2017**:

Clerk of the Court U.S. District Court for the Eastern District of North Carolina 310 New Bern Avenue Raleigh, NC 27601	Steve W. Berman, Esq. WSBA# 12536 Shayne C. Stevenson, Esq. WSBA# 30843 HAGENS BERMAN SOBOL SHAPIRO LLP 1918 Eighth Avenue, Suite 3300 Seattle, WA 98101	Bryan A. Fratkin, Esq. McGuire Woods LLP Gateway Plaza 800 East Canal Street Richmond, VA 23219
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### 18. What is the difference between objecting to the Settlement and requesting exclusion?

Objecting is notifying the Court that you do not like something about the Settlement. You can only object to the Settlement if you are a Class Member. Requesting exclusion from the Settlement is notifying the Court that you do not want to remain a Class Member. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

## The Final Approval Hearing

The Court will hold a hearing to make a decision about whether to grant final approval of the Settlement and any requests for fees and expenses related to the Settlement. You may attend and you may ask to speak, but it is not a requirement.

## 19. When and where will the Court decide whether to grant final approval of the Settlement?

The Court has scheduled a Final Approval Hearing on February 5, 2018 at 9:00 a.m. in Courtroom 2 of the United States Courthouse located at 310 New Bern Avenue, Raleigh, NC, 27601. The hearing date and time is subject to change. Updates to the date and time will be posted to the case website at [www.BankofAmericaMilitarySettlement.com](http://www.BankofAmericaMilitarySettlement.com).

At the hearing, the Court will consider granting final approval of the Settlement based on whether it is fair, reasonable, and adequate. The Court may also consider requests by Class Counsel for attorneys' fees and expenses related to the litigation and administration of the Settlement. If there are objections, the Court will consider them at the hearing as well.

After the hearing, a decision will be made whether to grant final approval of the Settlement, but it is not known at this time how long it will take for the Court to decide. Class Members should visit the case website at [www.BankofAmericaMilitarySettlement.com](http://www.BankofAmericaMilitarySettlement.com) to stay updated about the current case status.

## 20. Do I have to attend the hearing?

Attending the hearing is not required, but you are welcome to attend at your own expense.

If you filed an objection, you do not need to attend the hearing to discuss its validity. As long as the objection was filed in accordance with the guidelines described within this notice and on the case website at [www.BankofAmericaMilitarySettlement.com](http://www.BankofAmericaMilitarySettlement.com), the Court will give it consideration.

You may also pay your own lawyer to attend the hearing, but it is not required.

## 21. How do I request to speak at the hearing?

You have the option to request to speak at the Final Approval Hearing, but you must send a letter informing the Court of your intention to appear and speak. The letter for your Notice of Intention to Appear must include the following:

- Your name, address, and telephone number;
- A statement identifying the letter as your "Notice of Intention to Appear" at the Final Approval Hearing for *Childress v. Bank of America, N.A.* Case No. 5:15-CV-231;
- The reasons you intend to appear along with any supporting documentation or evidence; and
- Your signature.

You must send copies of your Notice of Intention to Appear, postmarked no later than **December 12, 2017**, to all three addresses listed in question 17 above. **Please note, you may not speak at the hearing if you file a valid request for exclusion from the Settlement.**

## Getting More Information

## 22. How and where can I get more detailed information?

This notice is a summary of the proposed Settlement. More detail regarding the terms of the Settlement can be found in the Settlement Agreement posted at the case website at [www.BankofAmericaMilitarySettlement.com](http://www.BankofAmericaMilitarySettlement.com). **You may also contact the Settlement Administrator with questions via toll-free number at 1-877-468-0425 or by mail at *Bank of America Military Settlement*, Settlement Administrator, P.O. Box 404036, Louisville, KY 40233-4036.**