

REED SMITH LLP
A limited liability partnership formed in the State of Delaware

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14 **UNITED STATES DISTRICT COURT**
15 **DISTRICT OF ARIZONA**

16 PHH MORTGAGE CORPORATION,

17 Plaintiff,

18 vs.

19 ARCH U.S. MI SERVICE, INC.,

20 Defendant.
21
22

Case No. 2:21 CV 01516

**STIPULATION FOR DISMISSAL
WITH PREJUDICE OF CASE NO.
2:21-CV-01516; AND PROPOSED
ORDER**

23 Plaintiff PHH Mortgage Corporation (“PHH”), by and through its counsel undersigned,
24 and Defendant Arch U.S. MI Services, Inc. (“Arch”), by and through its counsel undersigned,
25 hereby stipulate, in accordance with the settlement agreement discussed below, that this action shall
26 be dismissed with prejudice, each party to bear its own attorneys’ fees and costs:
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1. This lawsuit involves 2,733 individual mortgage loans, each one of which was covered by a policy of mortgage insurance issued by PMI Mortgage Insurance Company (“PMI”). PHH (or its predecessor) submitted claims under each of those insurance policies, which PMI then either denied or curtailed (paid a reduced amount).

2. On July 14, 2022, the Parties filed a Notice of Conditional Settlement and Request for Stay (“Notice”). (ECF. No. 34.) On July 19, 2022, this Court stayed this action for 90 days until October 14, 2022, and directed the Clerk to terminate this case thereafter “unless a stipulation to dismiss or request to reinstate matter” is on the Court’s active docket prior to that date. (ECF No. 35.)

3. As explained in the Notice, on July 13, 2022, the parties reached a complete settlement of this case. This settlement is contingent upon (1) appropriate documentation of the settlement between the parties and (2) state court approval of a settlement in the related state court case.

4. The related state court case is PHH Mortgage Corporation v. Evan G. Daniels, Director of the Arizona Department of Insurance and Financial Institutions, and as Receiver of PMI Mortgage Insurance Co., which, until recently, was pending as Petition 80 (“Petition 80”) in the Arizona insurance receivership case of In re the Matter of the Rehabilitation of PMI Mortgage Insurance Co., Maricopa County Superior Court Case No. CV2011-018944 (“PMI Receivership Case”). The Petition 80 case and this case are related in that PMI is the defendant in the Petition 80 case and PMI’s claims processing vendor, Arch, is the defendant in this case. PHH is the plaintiff in both cases.

5. On May 10, 2022, the judge in the PMI Receivership Case (Hon. Scott McCoy) entered an order severing the Petition 80 case from the general PMI Receivership Case and assigning it a new case number: Case No. CV2011-019982. On May 15, 2022, PHH (known in that case as Ocwen) filed a Notice of Appeal from a Judgment entered on January 21, 2022, in the Petition 80 matter. That appeal was pending before the Arizona Court of Appeals as

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1 Case No. 1 CA-CV 22-0363. On July 13, 2022, PMI and PHH reached a settlement of the
2 Petition 80 case.

3 6. On September 19, 2022, PMI filed a Petition for Order Approving Settlement
4 Agreement between PMI and PHH (“PMI Petition”) in the PMI Receivership Case.

5 7. On October 12, 2022, this Court extended the stay in this action until November
6 14, 2022 to ensure the parties have approval of the settlement in the Petition 80 case before
7 this case terminates. (ECF No. 37.)

8 8. On October 12, 2022, the judge in the PMI Receivership Case entered an order
9 approving the PMI Petition.

10 9. Following the approval of the PMI Petition, on November 1, 2022, the Parties
11 fully executed the settlement agreement in this action. The settlement agreement has an
12 effective date of July 13, 2022.

13 Based on the foregoing, the parties request that the Court enter an Order dismissing
14 this action with prejudice, with each party to bear its own attorneys’ fees and costs. A
15 proposed form of Order is being lodged with the Court.

16 **DATED** this 2nd day of November, 2022.

17 **REED SMITH LLP**

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19 By: /s/ David M. Halbreich

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