

**UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF NEW YORK**

YONG JUN CHOI, individually and
on behalf of all others similarly-
situated,

Plaintiff,

v.

NATIONSTAR MORTGAGE LLC,
d/b/a MR. COOPER,

Defendant.

Case No. _____

**CLASS ACTION
COMPLAINT**

Jury Trial Demanded

Plaintiff Yong Jun Choi (“Plaintiff” or “Ms. Choi”), on behalf of herself and all others similarly situated, by and through her counsel, brings this Class Action Complaint (“Complaint”) against Defendant Nationstar Mortgage LLC, doing business as Mr. Cooper (“Defendant” or “Nationstar”), and in support thereof alleges as follows:

STATEMENT OF THE CASE

1. Mortgage lenders and mortgage loan servicers, including Nationstar, often require homeowners to maintain escrow accounts as part of their mortgage agreements in order to ensure funds are available for the payment of property tax, insurance, and other assessments on the mortgaged property. These deposited funds remain in escrow until their respective payments become due and payable.

2. Nationstar routinely and willfully violates the laws of New York and thirteen other states by not paying interest on putative class members’ funds held in escrow. The applicable New York statute (N.Y. Gen. Oblig. Law § 5-601), mandates that interest be paid to homeowners on all

funds deposited into escrow accounts for loans secured by real property located in the State of New York at a rate of at least 2% per annum on all funds deposited into escrow accounts.

3. Homeowners, own the escrowed funds. Therefore, New York law requires lenders to pay interest earned on escrowed funds:

Any mortgage investing institution which maintains an escrow account pursuant to any agreement executed in connection with a mortgage on any one to six family residence occupied by the owner or on any property owned by a cooperative apartment corporation . . . located in this state shall, for each quarterly period in which such escrow account is established, ***credit the same with dividends or interest at a rate of not less than two per centum per year*** based on the average of the sums so paid for the average length of time on deposit ***or a rate prescribed by the superintendent of financial services*** pursuant to section fourteen-b of the banking law and pursuant to the terms and conditions set forth in that section ***whichever is higher***. . . . No mortgage investing institution shall impose a service charge in connection with the maintenance of an escrow account unless provision therefor was expressly made in a loan contract executed prior to the effective date of this section.

N.Y. Gen. Oblig. Law § 5-601 (emphasis added).

4. Similarly, California law requires lenders to pay interest earned on escrowed funds:

Every financial institution that makes loans upon the security of real property containing only a one- to four-family residence and located in this state or purchases obligations secured by such property and that receives money in advance for payment of taxes and assessments on the property, for insurance, or for other purposes relating to the property, ***shall pay interest on the amount so held to the borrower. The interest on such amounts shall be at the rate of at least 2 percent simple interest per annum.*** Such interest shall be credited to the borrower's account annually or upon termination of such account, whichever is earlier.

* * *

No financial institution subject to the provisions of this section shall impose any fee or charge in connection with the maintenance or disbursement of money received in advance for the payment of taxes and assessments on real property securing loans made by such financial institution, or for the payment of insurance,

or for other purposes relating to such real property, *that will result in an interest rate of less than 2 percent per annum being paid on the moneys so received.*

Cal. Civ. Code §2954.8(a) (Emphasis added).

5. Iowa law requires lenders to pay interest earned on escrowed funds pursuant to Iowa Code § 524.905(2) which provides:

A bank may include in the loan documents signed by the borrower a provision requiring the borrower to pay the bank each month in addition to interest and principal under the note an amount equal to one-twelfth of the estimated annual real estate taxes, special assessments, hazard insurance premium, mortgage insurance premium, or any other payment agreed to by the borrower and the bank in order to better secure the loan. The bank shall be deemed to be acting in a fiduciary capacity with respect to these funds. ***A bank receiving funds in escrow pursuant to an escrow agreement executed on or after July 1, 1982 in connection with a loan as defined in section 535.8, subsection 1, shall pay interest to the borrower on those funds,*** calculated on a daily basis, at the rate the bank pays to depositors of funds in ordinary savings accounts. A bank which maintains an escrow account in connection with any loan authorized by this section, whether or not the mortgage has been assigned to a third person

(Emphasis added).

6. Utah law requires lenders to pay interest earned on escrowed funds pursuant to Utah Code Ann. § 7-17-1 *et seq.*, including § 7-17-3(1) and 7-17-3(1)(a) which provides:

Each lender requiring the establishment or continuance of a reserve account in connection with an existing or future real estate loan shall, on a yearly basis as of December 31, calculate and credit to the account interest on the average daily balance of funds deposited in the account at a rate equal to: (a) 5-1/2%.

(Emphasis added).

7. Ten other states have similar statutes requiring financial institutions to pay borrowers interest on their escrow accounts. Conn. Gen. Stat. § 49-2a (Connecticut); ME. Rev. Stat. Ann. tit. 33, § 504 (Maine); MD. Comm. Law Code Ann. § 12-109 (Maryland); Mass.

Gen. L. ch. 183, § 61 (Massachusetts); Minn. Stat. Ann. § 47.20, subd. 9 (Minnesota); N.H. Rev. Stat. Ann. § 384:16-a *et seq.* (New Hampshire); OR. Rev. Stat. §§ 86.205, 86.245 (Oregon); R.I. Gen. Laws § 19-9-2 (Rhode Island); Vt. Stat. Ann. tit. 8, § 10404 (Vermont); and Wis. Stat. § 138.052 (Wisconsin).

8. With the passage of the Dodd Frank Wall Street Reform and Consumer Protection Act (“Dodd Frank”), Congress further made clear that state laws like NYGOB § 5-601, Cal. Civ. Code §2954.8(a), Iowa Code § 524.905(2), and Utah Code Ann. § 7-17-3(1)(a), among others, are to be given full force and effect, enacting 15 U.S.C. § 1639d(g)(3) in 2010, which states: “If proscribed by applicable State or Federal law, each creditor shall pay interest to the consumer on the amount held in any impound, trust, or escrow account that is subject to this section in the manner as proscribed by that State or Federal law.”

9. In plain contravention of state and federal laws, Nationstar has failed to pay mandated interest to putative class members, thereby enriching itself on the free use of mortgagors’ escrow funds to generate income that Nationstar unjustly keeps for itself. This class action lawsuit is brought on behalf of all of those homeowners who held loans originated by or serviced by Nationstar in the fourteen states with escrow interest laws to recover their unpaid interest and to compel Nationstar to comply with the law going forward.

PARTIES

10. Plaintiff Yong Jun Choi is, and at all times mentioned herein was, a New York resident. On May 12, 2016, Ms. Choi purchased a single-family home located in Glenn Cove, New York, and simultaneously entered into a mortgage loan agreement with Nationstar’s predecessor-in-interest Guaranteed Rate, Inc.

11. Nationstar is a Texas Corporation with its corporate headquarters located at 8950 Cypress Waters Blvd, Coppell, Texas 75019. In or about June 2016, Nationstar purchased Plaintiff's mortgage loan from Guaranteed Rate, Inc.

JURISDICTION AND VENUE

12. This Court has subject matter jurisdiction pursuant to the Class Action Fairness Act of 2005, codified as 28 U.S.C. § 1332(d)(2) because: there are 100 or more class members; at least one class member is a citizen of a state that is diverse from Defendant's citizenship; and the matter in controversy exceeds \$5 million, exclusive of interest and costs.

13. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 because Plaintiff asserts a claim arising under the Constitution, laws, or treaties of the United States.

14. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1337(a) because Plaintiff asserts a claim arising under an Act of Congress regulating commerce or protecting trade and commerce against restraints and monopolies.

15. This Court has subject matter jurisdiction pursuant to 15 U.S.C. § 1640(e) because Plaintiff asserts a claim arising under 15 U.S.C. § 1640 and the Truth in Lending Act ("TILA").

16. This Court has supplemental jurisdiction pursuant to 28 U.S.C. § 1367 over Plaintiff's other claims because they are so related to claims in the action that fall within the Court's original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution.

17. Venue is appropriate in this District pursuant to 28 U.S.C. § 1391(b)(2) because this is a judicial district in which a substantial part of the events or omissions giving rise to the claim occurred, or a substantial part of property that is the subject of the action is situated.

18. This Court has personal jurisdiction over Nationstar because Nationstar's actions and omissions committed in or aimed at this District gave rise to the claims alleged in this Complaint.

STATEMENT OF FACTS

19. On April 12, 2016, Ms. Choi entered into a mortgage agreement with Defendant's predecessor-in-interest Guaranteed Rate, Inc. ("Predecessor-in-Interest") wherein based on the express terms of the contract, Ms. Choi was required to deposit funds into an escrow account to pay for certain property taxes and homeowner's insurance.

20. The mortgage agreement required compliance with all applicable state and federal laws.

21. In or about June 2016, while Ms. Choi was still living in the home she purchased, Defendant purchased Plaintiff's mortgage loan from Nationstar's Predecessor-in-Interest. Ms. Choi's mortgage was thus assigned to Nationstar.

22. From the time Ms. Choi entered into her mortgage agreement to the time she sold her home on August 30, 2017, she has been required to, and did, make substantial escrow payments totaling thousands of dollars in addition to her regular monthly principal and interest mortgage payments as a form of pre-payment of property tax and insurance.

23. Ms. Choi did not receive any accrued interest on her escrow account from either Nationstar's Predecessor-in-Interest or from Nationstar itself. Rather, Nationstar and its Predecessor-in-Interest kept for themselves the interest earned on the escrow accounts of Ms. Choi and the other members of the Class.

24. Upon information and belief, Nationstar profiting off the funds held in escrow by generating float income, which Nationstar retained for itself. Float income is revenue from the investment of funds held by Nationstar.

25. Therefore, Plaintiff, on behalf of herself and all others similarly-situated, brings this action to stop Nationstar's unlawful conduct and to obtain monetary and equitable relief for homeowners who did not receive the interest to which they were entitled.

CLASS ACTION ALLEGATIONS

26. Plaintiff brings this action pursuant to Federal Rules of Civil Procedure 23(a), (b)(2), and (b)(3) on behalf of herself and the members of a Class comprised of:

All mortgagors of Nationstar Mortgage LLC, d/b/a Mr. Cooper (and/or its subsidiaries, related entities, successors, and predecessors) who hold a mortgage loan for an owner-occupied residence located in New York, California, Connecticut, Iowa, Maine, Maryland, Massachusetts, Minnesota, New Hampshire, Oregon, Rhode Island, Utah, Vermont, or Wisconsin and paid money into an escrow account that was maintained or serviced by Nationstar Mortgage LLC, dba Mr. Cooper (or its subsidiaries, related entities, predecessors-in-interest, successors, agents, servicers, or sub-servicers) for advance payment of taxes, assessments, insurance, or for other purposes relating to the property, but did not receive interest on funds held in the escrow account.

27. Specifically excluded from the Class is any entity in which Defendant has a controlling interest or which has a controlling interest in Defendant, Defendant's legal representatives, assigns, and successors, and any Judge to whom this action is assigned and any member of such Judge's staff and immediate family.

28. **Numerosity of the Class:** Members of the Class are so numerous that joinder is impracticable. The Class is believed to be comprised of thousands of members geographically dispersed persons throughout 14 states. Nationstar is the third largest residential mortgage servicer in the United States, with over three million customers. The Class is readily identifiable from information and records in Defendant's possession.

29. **Common Questions Predominate:** Common questions of law and fact exist as to all members of the Class. These questions predominate over questions that may affect only

individual Class members because Defendant has acted on grounds generally applicable to the Class. Such common legal or factual questions include:

- a. Whether Nationstar has systematically engaged in conduct that violates the laws of 14 states by not paying legally required interest on homeowners' escrow accounts;
- b. Whether Nationstar engaged in unlawful, unfair, deceptive, or unconscionable trade practices by failing to comply with the laws of 14 states that mandate payment of escrow interest;
- c. Whether Nationstar must provide damages or restitution in the amount of interest accrued on escrow accounts to its customers based on the causes of action asserted herein; and
- d. Whether declaratory and/or injunctive relief is appropriate to prohibit Nationstar from engaging in this conduct in the future.

30. **Typicality:** Plaintiff's claims are typical of the members of the Class as all members of the Class are similarly affected by Nationstar's policy of not paying interest on homeowners' escrow accounts in violation of the laws of the 14 states and the Truth in Lending Act. Plaintiff, like all members of the Class, has sustained damages arising from Nationstar's violation of applicable state law, as alleged herein. Plaintiff and members of the Class were and are similarly or identically harmed by the same violations of state escrow interest laws, and unlawful, deceptive, and systematic pattern of misconduct engaged in by Defendant.

31. **Adequacy:** Plaintiff will fairly and adequately protect the interests of the Class because Plaintiff has no interests antagonistic to, or in conflict with, the Class that Plaintiff seeks to represent. Furthermore, Plaintiff has retained competent counsel with experience prosecuting complex class actions, including class actions against mortgage lenders.

32. **Superiority:** Class action treatment is a superior method for the fair and efficient adjudication of this controversy in that, among other things, such treatment will permit a large number of similarly situated persons to prosecute their common claims in a single forum simultaneously, efficiently and without the unnecessary duplication of evidence, effort, expense or

the possibility of inconsistent or contradictory judgments that numerous individual actions would engender. The class mechanism provides injured persons or entities with a method for obtaining redress on claims that might not be practicable to pursue individually and its benefits substantially outweigh any difficulties that may arise in the management of this class action.

33. Plaintiff knows of no difficulty to be encountered in the maintenance of this action that would preclude its maintenance as a class action.

34. Nationstar has acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Class as a whole.

CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

(Violation of Materially Identical State Escrow Interest Statutes)

35. Plaintiff realleges and incorporates by reference all the foregoing allegations as if they were fully set forth herein.

36. Nationstar is a “mortgage investing institution” within the meaning of GBL § 5-601.

32. Plaintiff and Nationstar’s Predecessor-in-Interest executed an agreement in connection with a mortgage on real property within New York State. Defendant maintained an escrow account pursuant to this agreement.

33. Plaintiff deposited funds into the escrow account.

34. Defendant did not credit Plaintiff with interest on the funds in the escrow account.

35. Defendant has violated GBL § 5-601.

36. Plaintiff also bring these statutory claims pursuant to the substantially and materially similar escrow interest laws identified below, all of which were enacted and designed to mandate the payment of interest on escrow funds (“State Escrow Interest Statutes”):

- a. Cal. Civ. Code § 2954.8 (California);
- b. Conn. Gen. Stat. § 49-2a (Connecticut);
- c. Iowa Code § 524.905(2) (Iowa);
- d. ME. Rev. Stat. Ann. tit. 33, § 504 (Maine);
- e. MD. Comm. Law Code Ann. § 12-109 (Maryland);
- f. Mass. Gen. L. ch. 183, § 61 (Massachusetts);
- g. Minn. Stat. Ann. § 47.20, subd. 9 (Minnesota);
- h. N.H. Rev. Stat. Ann. § 384:16-a *et seq.* (New Hampshire);
- i. NY Gen. Oblig. Law § 5-601 (New York);
- j. OR. Rev. Stat. §§ 86.205, 86.245 (Oregon);
- k. R.I. Gen. Laws § 19-9-2 (Rhode Island);
- l. Utah Code Ann. § 7-17-1 *et seq.* (Utah);
- m. Vt. Stat. Ann. tit. 8, § 10404 (Vermont); and
- n. Wis. Stat. § 138.052 (Wisconsin).

37. As a direct and proximate result of Defendant’s unlawful conduct, Plaintiff and the members of the Class have been damaged in an amount to be determined at trial.

38. As a direct and proximate result of such actions, Plaintiff and the members of the Class are entitled to their actual damages, together with interest thereon; and reasonable attorney’s fees and costs.

SECOND CLAIM FOR RELIEF

(Violation of Materially Identical State Consumer Protection Acts)

39. Plaintiff realleges and incorporates by reference all the foregoing allegations as if they were fully set forth herein.

40. Plaintiff is an affected person within the meaning of § 349(h) of The New York Deceptive Practices Act (the “Act”) and was injured by reason of Nationstar’s knowing and willful policy of refusing to pay interest on homeowners’ escrow accounts.

41. The Act provides that any “[d]eceptive acts or practices in the conduct of any business, trade or commerce or in the furnishing of any service in this state are hereby declared unlawful.” § 349(a).

42. Defendant’s knowing and willful failure to pay interest on homeowners’ funds held in escrow, as required by New York law, which Nationstar did in order to enrich itself at the expense of homeowners, constitutes unlawful, unfair, and deceptive business acts and practices.

43. As alleged herein, Defendant’s conduct constitutes a violation of N.Y. Gen. Bus. Law § 5-601 and 15 U.S.C. §1639d(g).

44. Nationstar’s periodic “Escrow Account Disclosure” statements and mortgage statements that Ms. Choi and other members of the Class receive do not accurately disclose the amount of money they are due in connection with the escrow accounts because they do not include interest Nationstar is required to pay on homeowners’ funds held in escrow.

45. Instead, these statements are knowingly and intentionally designed to assure unsuspecting homeowners like Ms. Choi and other member of the Class that Nationstar is properly managing their escrow accounts and ensuring any excess escrow amounts are returned to homeowners, when in fact Nationstar is intentionally withholding interest that it owes homeowners on their escrow funds.

46. Indeed, the form statements and accompanying literature that Nationstar sends or makes available to homeowners is replete with misleading information, whereby Nationstar accounts for escrow funds and claims to complete periodic analyses of homeowners' escrow accounts to ensure they are funded correctly so that any surpluses are returned to homeowners. However, in practice, Nationstar intentionally excludes from its yearly analysis the interest it owes on homeowners' escrow accounts as mandated by New York, which Nationstar never sends to New York homeowners.

47. A typical homeowner in receipt of Nationstar's escrow account statements and mortgage statements and accompanying information would naturally and reasonably assume that the accounting therein was accurate and in compliance with New York and federal law. Such homeowners are thus deceived by Nationstar, which nowhere corrects the misleading impression it gives them that they are receiving the full escrow amounts they are due, when in fact Nationstar is intentionally and knowingly withholding interest owed.

48. By failing to apply interest to amounts owed under the mortgage agreement, Nationstar's escrow account statements and mortgage statements also do not set forth accurate amounts owed under the mortgage agreement.

49. A reasonable consumer would think that the figures in these statements are accurate.

50. For these reasons, Plaintiff and the Class Members also overpaid on their mortgage obligations.

51. Nationstar's actions, which were willful and knowingly done, constitute intentional violations of New York and federal law.

52. Plaintiff, on behalf of members of the Class, and those similarly situated, also brings these statutory consumer protection claims pursuant to the substantially and materially

similar “Consumer Protection Acts” identified below, all of which were enacted and designed to protect consumers against unlawful, fraudulent, and/or unfair business acts and practices.

- a. Cal. Bus. & Prof. Code § 17200 et seq. and Cal. Civ. Code § 1750 et seq. (California);
- b. Conn. Gen. Stat. Ann. § 42-110a et seq. (Connecticut);
- c. Iowa Code § 714.16 et seq. (Iowa);
- d. ME Rev. Stat. tit. 5, § 205-A et seq. (Maine);
- e. MD. Code Ann., Com. Law § 13-101 et seq. (Maryland);
- f. Mass. Gen. Laws Ann. ch. 93A, § 1 et seq. (Massachusetts);
- g. Minn. Stat. Ann. § 325F.68 et seq., Minn. Stat. Ann. § 325D.09 et seq., Minn. Stat. Ann. § 325D.43 et seq., and Minn. Stat. Ann. § 325F.67 (Minnesota);
- h. N.H. Rev. State. Ann. § 358-A:1 et seq. (New Hampshire);
- i. N.Y. Gen. Bus. Law § 349 (New York);
- j. OR. Rev. Stat. Ann. § 646.605 et seq. (Oregon);
- k. 6 R.I. Gen. Laws Ann. § 6-13.1-1 et seq. (Rhode Island);
- l. Utah Code Ann. § 13-11-1 et seq. (Utah);
- m. VT. Stat. Ann. tit. 9, § 2451 et seq. (Vermont); and
- n. Wis. Stat. Ann. § 100.20 (Wisconsin).

53. Plaintiff seeks, on behalf of members of the Class, and those similarly situated, the maximum amount of damages to which they are entitled by law as a result of the unlawful, unfair and deceptive trade practices complained of herein, plus interest.

54. Plaintiff also seeks to recover attorneys’ fees, costs, and expenses to be assessed against Defendant, within the limits set forth by applicable law.

55. As a direct and proximate result of such actions and violations of the laws described herein, Plaintiff and the other members of the Class have suffered and continue to suffer injury in fact and have lost money and/or property as a result of such deceptive, unfair and/or unlawful trade practices in an amount which will be proven at trial.

THIRD CLAIM FOR RELIEF
(Breach of Contract)

56. Plaintiff realleges and incorporates by reference all the foregoing allegations as if they were fully set forth herein.

57. Plaintiff and the Class members entered into binding mortgage agreements with Nationstar, or Nationstar's predecessors in interest prior to acquiring ownership of or servicing rights for the mortgage loans.

58. Plaintiff's mortgage agreement provides that the agreement is subject to both Federal and New York law.

59. Members of the Class entered into substantially similar mortgage agreements with Nationstar, or Nationstar's predecessors in interest prior to acquiring ownership of or servicing rights for the mortgage loans which subject those agreements to both Federal and the applicable State law.

60. Pursuant to the State Escrow Interest Statutes and the Truth in Lending Act, which are incorporated by reference into the mortgage agreement, Nationstar was and is obligated to pay interest on the escrow funds to the Plaintiff and other members of the Class.

61. Nationstar did not pay interest on these funds held in escrow for Plaintiff and members of the Class.

62. Nationstar therefore breached its agreements with Plaintiff and members of the Class.

63. As a result of these breaches, Plaintiff and other members of the Class have been damaged in an amount to be determined at trial, together with pre-judgment and post-judgment interest thereon.

FOURTH CLAIM FOR RELIEF

(Unjust Enrichment)

64. Plaintiff realleges and incorporates by reference all the foregoing allegations as if they were fully set forth herein.

65. Plaintiff and other members of the Class conferred a benefit on Nationstar by paying money in the amounts designated by Nationstar to be deposited in escrow for taxes, assessments, insurance, or for other purposes relating to the property that is the collateral for the mortgage.

66. The payments made by Plaintiff and members of the Class that were deposited into the escrow accounts earned interest.

67. Pursuant to the State Escrow Interest Statutes and the Truth in Lending Act, state laws impose on Nationstar an obligation to pay interest on the escrow funds of Plaintiff and other members of the Class.

68. Nationstar breached this legal obligation, thereby retaining the interest that accrued on the escrow balances conferred by the payments from Plaintiff and members of the Class.

69. As a result of that breach, Nationstar was able to benefit by investing or otherwise using the escrow funds of Plaintiff and other members of the Class to earn float income for itself for free, without paying Plaintiff or other members of the Class for use of their escrow funds, as required by the State Escrow Interest Statutes and the Truth in Lending Act

70. This float income is distinct from the interest owed to borrowers.

71. Defendant was enriched through this float income.

72. Defendant, in good conscience, should not be permitted to retain this income.

73. Defendant further knowingly received and retained its wrongful benefits and funds from Plaintiff and members of the Class. Nationstar was thus enriched at the expense of Plaintiff and other members of the Class such that it is against equity and good conscience to permit Nationstar to retain the interest due Plaintiff and other members of the Class on their escrow funds.

74. As a result of Defendant's wrongful conduct alleged herein, Defendant has been unjustly enriched at the expense of, and to the detriment of, the Plaintiff and members of the Class.

75. Defendant's unjust enrichment is traceable to, and resulted directly and proximately from, the conduct alleged herein.

76. Under the common law doctrine of unjust enrichment, it is inequitable for Defendant to be permitted to retain the benefits it received, without justification, by failing to pay mandated interest to Plaintiff and members of the Class in an unlawful, deceptive, and unfair manner.

77. The financial benefits derived by Defendant rightfully belong to Plaintiff and members of the Class. Defendant should be compelled to return in a common fund for the benefit of Plaintiff and members of the Class all wrongful or inequitable proceeds received by them.

FIFTH CLAIM FOR RELIEF
(Violation of the Truth In Lending Act, 15 U.S.C. §§ 1639d(g)(3) and 1640)

78. Plaintiff repeats and realleges all the foregoing allegations as if they were fully set forth herein.

79. Plaintiff is a "person," as defined in 15 U.S.C. § 1602(e).

80. Plaintiff is a "consumer," as defined in 15 U.S.C. § 1602(i).

81. Defendant is a "creditor" as defined in 15 U.S.C. § 1602(g).

82. Plaintiff maintains an account with Defendant that is an "impound, trust, or escrow account" within the meaning of 15 U.S.C. §§ 1639d(g)(3).

83. The Truth in Lending Act requires that Defendant pay interest on funds held in escrow accounts as required under state law.

84. Defendant failed to pay interest on funds held in escrow accounts as required under state law and the Truth in Lending Act.

85. As a result of Defendant's violation of the Truth in Lending Act, Plaintiff and the members of the TILA Class have been damaged in an amount to be determined at trial.

86. By reason of the foregoing, Plaintiff and the members of the TILA Class are entitled to: their actual damages, together with interest thereon; statutory damages in an amount of not more than the lesser of \$1,000,000 or 1 per centum of the net worth of Defendant; and their reasonable attorney's fees and legal costs.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of the members of the Class, respectfully request the Court enter an Order:

A. Certifying the proposed class pursuant to Federal Rule of Civil Procedure 23, finding Plaintiff is a proper representative of the Class, and appointing the lawyers and law firms representing Plaintiff as counsel for the Class;

B. Declaring that Defendant is financially responsible for notifying the Class members of the pendency of this suit;

C. Declaring that the payment of interest pursuant to the State Escrow Interest Statutes are compulsory and that failure to pay constitutes a per se violation of those States' laws and the Truth in Lending Act.

D. Enjoining Defendant from committing the violations of law alleged herein in the future, or such other declaratory or injunctive relief as the Court or jury determines is

appropriate;

E. Awarding monetary damages to Plaintiff and the Class, including but not limited to any compensatory, incidental, or consequential damages in an amount that the Court or jury will determine, in accordance with applicable law;

F. Awarding any and all equitable monetary relief that the Court or jury deems appropriate, in accordance with applicable law;

G. Awarding punitive or exemplary damages in accordance with proof and in an amount consistent with applicable precedent;

H. Awarding Plaintiff and the Class their reasonable costs and expenses of suit, including attorneys' fees;

I. Awarding pre-and post-judgment interest to the extent the law allows; and

J. Such further relief as this Court may deem just and proper.

JURY DEMAND

Plaintiff hereby demands a trial by jury on all issues so triable.

Dated: July 31, 2018

Respectfully submitted,

By: 

TODD S. GARBER

**FINKELSTEIN, BLANKINSHIP,
FREI-PEARSON & GARBER, LLP**

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JS 44 (Rev. 01/29/2018)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

YONG JUN CHOI, individually and on behalf of all other similarly-situated individuals

(b) County of Residence of First Listed Plaintiff Nassau County
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)
TODD S. GARBER, FINKELSTEIN, BLANKINSHIP, FREI-PEARSON & GARBER, LLP, 455 Hamilton Avenue, Suite 605, White Plains, New York 10601

DEFENDANTS

NATIONSTAR MORTGAGE LLC, dba MR. COOPER

County of Residence of First Listed Defendant Dallas County
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
- 2 U.S. Government Defendant
- 3 Federal Question (U.S. Government Not a Party)
- 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|---------------------------------------|----------------------------|---|----------------------------|---------------------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input checked="" type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

CONTRACTS	TORTS	ROBBERY/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY - PRODUCT LIABILITY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPER RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) OTHER STATUTES <input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	TAXES	OTHER STATUTES
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement	<input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from Another District (specify)
- 6 Multidistrict Litigation - Transfer
- 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
28 U.S.C. § 1332(d)
 Brief description of cause:
Defendant failed to pay interest on amounts paid into escrow accounts.

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. **DEMAND \$** 5,000,000.00 **CHECK YES only if demanded in complaint:**
JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE _____ DOCKET NUMBER _____

DATE 07/31/2018 SIGNATURE OF ATTORNEY OF RECORD _____

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

CERTIFICATION OF ARBITRATION ELIGIBILITY

Local Arbitration Rule 83.10 provides that with certain exceptions, actions seeking money damages only in an amount not in excess of \$150,000, exclusive of interest and costs, are eligible for compulsory arbitration. The amount of damages is presumed to be below the threshold amount unless a certification to the contrary is filed.

Case is Eligible for Arbitration

I, Todd S. Garber, counsel for YONG JUN CHOI, do hereby certify that the above captioned civil action is ineligible for compulsory arbitration for the following reason(s):

- monetary damages sought are in excess of \$150,000, exclusive of interest and costs,
- the complaint seeks injunctive relief,
- the matter is otherwise ineligible for the following reason

DISCLOSURE STATEMENT - FEDERAL RULES CIVIL PROCEDURE 7.1

Identify any parent corporation and any publicly held corporation that owns 10% or more of its stocks:

N/A

RELATED CASE STATEMENT (Section VIII on the Front of this Form)

Please list all cases that are arguably related pursuant to Division of Business Rule 50.3.1 in Section VIII on the front of this form. Rule 50.3.1 (a) provides that "A civil case is "related" to another civil case for purposes of this guideline when, because of the similarity of facts and legal issues or because the cases arise from the same transactions or events, a substantial saving of judicial resources is likely to result from assigning both cases to the same judge and magistrate judge." Rule 50.3.1 (b) provides that " A civil case shall not be deemed "related" to another civil case merely because the civil case: (A) involves identical legal issues, or (B) involves the same parties." Rule 50.3.1 (c) further provides that "Presumptively, and subject to the power of a judge to determine otherwise pursuant to paragraph (d), civil cases shall not be deemed to be "related" unless both cases are still pending before the court."

NY-E DIVISION OF BUSINESS RULE 50.1(d)(2)

- 1.) Is the civil action being filed in the Eastern District removed from a New York State Court located in Nassau or Suffolk County? Yes No
- 2.) If you answered "no" above:
 - a) Did the events or omissions giving rise to the claim or claims, or a substantial part thereof, occur in Nassau or Suffolk County? Yes No
 - b) Did the events or omissions giving rise to the claim or claims, or a substantial part thereof, occur in the Eastern District? Yes No
 - c) If this is a Fair Debt Collection Practice Act case, specify the County in which the offending communication was received:

If your answer to question 2 (b) is "No," does the defendant (or a majority of the defendants, if there is more than one) reside in Nassau or Suffolk County, or, in an interpleader action, does the claimant (or a majority of the claimants, if there is more than one) reside in Nassau or Suffolk County? Yes No

(Note: A corporation shall be considered a resident of the County in which it has the most significant contacts).

BAR ADMISSION

I am currently admitted in the Eastern District of New York and currently a member in good standing of the bar of this court.

Yes No

Are you currently the subject of any disciplinary action (s) in this or any other state or federal court?

Yes (If yes, please explain) No

I certify the accuracy of all information provided above.

Signature: [Handwritten Signature]

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Eastern District of New York

YONG JUN CHOI, individually and on behalf of all other similarly-situated individuals

Plaintiff(s)

v.

NATIONSTAR MORTGAGE LLC, dba MR. COOPER

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) NATIONSTAR MORTGAGE LLC, dba MR. COOPER
8950 Cypress Waters Blvd
Coppell, Texas 75019

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Todd S. Garber
Finkelstein, Blankinship
Frei-Pearson & Gareber, LLP
455 Hamilton Avenue, Suite 605
White Plains, New York 10601

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

DOUGLAS C. PALMER
CLERK OF COURT

Date:

Signature of Clerk or Deputy Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 _____ .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

MISCELLANEOUS CASE INFORMATION SHEET

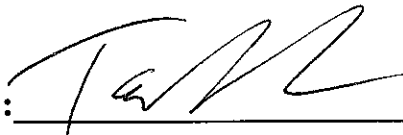
<u>PLAINTIFF:</u> YONG JUN CHOI	<u>DEFENDANT:</u> NATIONSTAR MORTGAGE LLC, dba MR. COOPER,
<u>IN THE MATTER OF:</u> Yong Jun Choi v. Nationstar Mortgage LLC, dba Mr. Cooper	
<u>CAUSE OF ACTION:</u> Breach of Contract, Violation of General Business Law 349 and 5-601, and Unjust Enrichment.	
<u>RELIEF SOUGHT:</u> Monetary Damages, Injunctive Relief	
<u>ATTORNEY FOR PLAINTIFF:</u> Todd S. Garber Finkelstein, Blankinship, Frei-Pearson & Garber, LLP 445 Hamilton Avenue, White Plains, NY 10601	<u>ATTORNEY FOR DEFENDANT:</u>

I am currently a member in good standing of the bar of this Court:

YES

NO

Signature of Attorney of Record:



Date:

7/31/18

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Nationstar Broke State Laws With Failure to Pay Interest on Mortgage Escrow Accounts, Lawsuit Alleges](#)
