

**IN THE UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF NORTH CAROLINA**

GEORGE CUSTER, individually and
on behalf of all others similarly situated,

Plaintiff,

v.

**DOVENMUEHLE MORTGAGE,
INC.,**

Defendant.

Case No. 1:24-cv-00306-CCE-LPA

Chief District Judge Catherine C. Eagles
Magistrate Judge L. Patrick Auld

**ORDER PRELIMINARILY APPROVING SETTLEMENT, APPOINTING
SETTLEMENT ADMINISTRATOR, AND ENTERING SCHEDULE**

Plaintiff George Custer filed a motion for preliminary approval of settlement, appointment of a settlement administrator, and entry of a scheduling order. Defendant Dovenmuehle Mortgage, Inc. does not oppose this motion. The parties also jointly filed a supplemental brief agreeing to certain modifications to the long-form notice and settlement agreement. Upon consideration of the entire record, the Court hereby **FINDS** and **ORDERS** as follows:

1. **Jurisdiction:** This Court has jurisdiction over the subject matter of the class action against Defendant Dovenmuehle Mortgage, Inc. (“Defendant”) and over all Parties to the lawsuit, including all members of the Settlement Class.¹

¹ All capitalized terms herein shall have the meanings assigned to them in the Parties’ Class Settlement and Release Agreement (the “Settlement Agreement”).

2. **Settlement Class:** The Settlement Class shall be the class the Court previously certified for litigation purposes:

All persons (1) with a residential mortgage loan securing a property in North Carolina, (2) serviced or subserved by DMI, (3) and who paid a pay-to-pay fee to DMI when making a payment on their mortgage by telephone or an Interactive Voice Response system between April 10, 2020, and the date class notice was approved, January 13, 2026.

See Custer v. Dovenmuehle Mortg., 813 F. Supp. 3d 530 (M.D.N.C. 2025) (certifying class, appointing Plaintiff as Class Representative, and appointing his attorneys as Class Counsel).

3. **Class Representative:** The Class Representative shall be George Custer.

See id.

4. **Class Counsel:** Class Counsel shall be John W. Barrett, James L. Kauffman, Bart D. Cohen, and Bailey & Glasser LLP, Benjamin M. Sheridan, Jed R. Nolan, and Klein & Sheridan, LC PC, and Katherine M. Aizpuru, Robin P. Bleiweis, and Tycko & Zavareei LLP. *See id.*

5. **Settlement Administrator:** Pursuant to the Settlement Agreement, ILYM Group, Inc., shall serve as the Settlement Administrator.

6. **Preliminary Approval of Settlement:** The proposed Settlement Agreement entered into by the Plaintiff and Defendant (the “Parties”) establishes the method of calculation of settlement payments to be made to class members and allows class members to opt out or object.

In accordance with the terms of the Settlement Agreement, Defendant will create a Total Settlement Fund of nine million dollars (\$9,000,000.00), which shall be used to pay

the Settlement Class Members, Attorney's Fees and Expenses, Service Award, and Administrative Costs.

Any excess funds after payment of the above will be paid as a *cy pres* award pursuant to the terms of the Settlement Agreement.

Subject to final consideration after hearing any objections and considering the extent of any opt-outs and any other additional evidence, the Court preliminarily finds that:

- Class Counsel and counsel for Defendant are experienced in complex litigation, including class action litigation. The Settlement Agreement was reached after arm's-length negotiations between counsel.
- The amount of the settlement, \$9,000,000, is fair, reasonable, and adequate. This amount represents approximately \$670 per fee paid. Additionally, Defendant has agreed to cease charging Pay-to-Pay Fees in North Carolina for at least five years after the Effective Date of the Settlement, absent a change in the law following the Effective Date that authorizes such charges.
- If the settlement had not been reached, all Parties faced the expense, risk, and uncertainty of additional litigation.

Therefore, upon consideration of the terms of the proposed Settlement Agreement, the Court preliminarily finds the Settlement Agreement to be sufficiently fair, reasonable, and adequate to warrant providing Notice to the class members and proceeding with a final approval hearing. In making this preliminary determination, the Court has

considered the current posture of this litigation and the risks and benefits to the Parties involved in both settlement of these claims and continuation of the litigation.

Accordingly, the Court grants preliminary approval of the Settlement Agreement, Doc. 93-2, with the minor amendments later agreed upon by the parties as to notice. Doc. 95.² The Settlement Agreement's terms will be submitted to the class members for their consideration and for a hearing pursuant to Federal Rule of Civil Procedure 23(e).

7. **Notice to Settlement Class Members:** The Court has reviewed the proposed Class Notice to class members as amended. Doc. 95-1. The amended Class Notice, among other things, describes in plain English the terms and operation of the settlement, the considerations that led Class Counsel to conclude that the settlement is fair and adequate, the procedure for objecting to or opting out of the settlement, and the date of the final approval hearing.

The Court finds that the proposed amended long-form and short-form Class Notice, Doc. 93-2 at 52; Doc. 95-1 at 9–15, fully complies with the requirements of Federal Rule of Civil Procedure 23(c)(2)(B), and the amended Class Notice is approved.

8. **Relevant Dates:**

a. **Class Notice:** The Settlement Administrator **SHALL** promptly and no later than June 25, 2026, email (or, if no email address is provided, mail) each potential Settlement Class Member at his or her last known address (provided on the

² Specifically, the settlement agreement is amended so that objections need not be sent to the administrator or to counsel, as they will be filed with the Clerk of Court, and notices to appear and speak need not be served on counsel. *See* Doc. 95 at 2.

Class List) a Class Notice. Class counsel or the Settlement Administrator **SHALL** file a notice of compliance within five business days of completing initial notice and a final report as to the efficacy of notice five days after the end of the opt-out period.

b. **Exclusion Requests:** Any Class Member who desires to be excluded from the Settlement must sign a written request to be excluded containing the information required by the Class Notice. This exclusion (“opt out”) request must be sent to the Settlement Administrator by mail to the address provided in the Class Notice and postmarked no later than September 23, 2026.

c. **Objections:** Any class member who seeks to object to any aspect of the Settlement Agreement must do so in writing. Class members submitting objections are not required to obtain counsel or make a formal appearance. All objections to any aspect of the Settlement must be filed with the Clerk of Court at the address below and postmarked no later than September 23, 2026.

Court mailing address:

Clerk of Court
Attn: Settlement, 24-CV-306
United States District Court, Middle District of North Carolina
L. Richardson Preyer Courthouse
324 W. Market Street
Greensboro, NC 27401-2544

d. **Final Approval Submissions:** The deadline for all final approval documents shall be October 15, 2026.

e. **Final Approval Hearing:** A final approval hearing shall be held on November 5, 2026, at 2 p.m., before the Court in Greensboro, North Carolina to consider

whether the settlement should be given final approval. The date or time of this hearing may be changed without further notice to the Settlement Class. Any change will be posted on the Court website.

Claims: Settlement disbursements shall be made to class members within a reasonable time period after final approval of the class settlement by the Court, as described in the Settlement Agreement. These dates may be amended upon written motion by either Party and for good cause shown. The Court preliminarily finds that the process for distributing payments to Settlement Class Members outlined in the Settlement Agreement is appropriate under the circumstances.

9. **Class Counsel Fees and Expenses, Service Award:** The Court will separately consider a request for a reasonable fee award, plus costs, for Class Counsel, and a Service Award to the named Plaintiff. Class Counsel will file a motion requesting the Court to award reasonable attorneys' fees plus costs, and a payment of a Service Award subject to the Settlement Agreement no later than August 3, 2026.

10. **Effect of Termination of Settlement:** If the Class Settlement is not finalized or is terminated pursuant to the terms of the Settlement Agreement, this Order shall be rendered null and void and shall be vacated *nunc pro tunc*, and this action shall proceed as provided in the Settlement Agreement.

This the 4th day of June, 2026.



CHIEF/SENIOR UNITED STATES DISTRICT JUDGE