

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

RYAN HUSEMAN, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

OCWEN FINANCIAL CORPORATION,
RONALD M. FARIS, and MICHAEL R.
BOURQUE, JR.,

Defendants.

Case No.:

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

JURY TRIAL DEMANDED

Plaintiff Ryan Huseman (“Plaintiff”), by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Ocwen Financial Corporation, (“Ocwen” or the “Company”), with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Ocwen; and (c) review of other publicly available information concerning Ocwen.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that acquired Ocwen’s securities between January 13, 2015, and April 20, 2017, inclusive (the “Class Period”), against the Defendants,¹ seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Ocwen is a financial services company that services and originates loans. One of the Company’s purported primary lines of business is Servicing, which includes a residential mortgage servicing business, and currently accounts for the majority of the Company’s total revenues. The other primary line of business is Lending, which includes origination and purchase of conventional and government-insured forward mortgage loans.

3. On April 20, 2017, the Consumer Financial Protection Bureau (“CFPB”) issued a press release announcing that it was suing Ocwen and its subsidiaries for “failing borrowers at every stage of the mortgage servicing process.” Specifically, the CFPB claimed that “Ocwen’s years of widespread errors, shortcuts, and runarounds cost some borrowers money and others their homes” and that Ocwen “botched basic functions like sending accurate monthly statements, properly crediting payments, and handling taxes and insurance.” The CFPB also claimed that Ocwen “foreclosed on struggling borrowers, ignored customer complaints, and sold off the servicing rights to loans without fully disclosing the mistakes it made in borrowers’ records.”

¹ “Defendants” refers to Ocwen Financial Corporation, Ronald M. Faris, and Michael R. Bourque, Jr., collectively.

4. On this news, the Company's stock price declined \$2.91 per share, or 53.8%, to close at \$2.49 per share on April 20, 2017, on unusually heavy trading volume.

5. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose: (1) that the Company loaded inaccurate information into its REALServicing proprietary system; (2) that the REALServicing system generated errors due to deficient programming; (3) that the Company wrongfully initiated foreclosure proceedings on at least 1,000 people, and wrongfully held foreclosure sales; (4) that the Company failed to appropriately credit payments made by numerous borrowers; (5) that the Company failed to send borrowers accurate periodic statements detailing the amount due, how payments were applied, total payments received, and other information, and failed to correct billing and payment errors; (6) that the Company botched basic tasks in managing escrow accounts; (7) that the Company failed to make timely insurance payments for home insurance premiums, causing the lapse of homeowners' insurance coverage for more than 10,000 borrowers; (8) that the Company failed to cancel borrowers' private mortgage insurance in a timely manner, causing consumers to overpay; (9) that the Company enrolled some consumers in add-on products through deceptive solicitations and without their consent; (10) that the Company mishandled accounts for successors-in-interest, or heirs, to a deceased borrower; (11) that the Company routinely failed to properly acknowledge and investigate complaints, or make necessary corrections; (12) that the Company failed to include complete and accurate borrower information when it sold its rights to service thousands of loans to new mortgage servicers; (13) that, as such, the Company engaged in systematic misconduct in violation of applicable consumer and financial laws; and (14) that, as a result of the foregoing, Defendants' statements about Ocwen's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

6. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's principal executive offices are located in this Judicial District.

10. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

11. Plaintiff Ryan Huseman, as set forth in the accompanying certification, incorporated by reference herein, purchased Ocwen securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

12. Defendant Ocwen Financial Corporation is incorporated in Delaware and its headquarters are in West Palm Beach, Florida. Ocwen's common stock trades on the New York Stock Exchange ("NYSE") under the symbol "OCN."

13. Defendant Ronald M. Faris ("Faris") was the Chief Executive Officer ("CEO") of Ocwen at all relevant times.

14. Defendant Michael R. Bourque, Jr. ("Bourque") was the Chief Financial Officer ("CFO") of Ocwen at all relevant times.

15. Defendants Faris and Bourque (collectively the “Individual Defendants”), because of their positions with the Company, possessed the power and authority to control the contents of Ocwen’s reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. The Individual Defendants were provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

16. Ocwen is a financial services company that services and originates loans. One of the Company’s purported primary lines of business is Servicing, which includes a residential mortgage servicing business, and currently accounts for the majority of the Company’s total revenues. The other primary line of business is Lending, which includes origination and purchase of conventional and government-insured forward mortgage loans.

Materially False and Misleading Statements Issued During the Class Period

17. The Class Period begins on January 13, 2015. On that day, the Company issued a press release entitled “Ocwen Cooperating with California Dept. of Business Oversight.” Therein, the Company, in relevant part, stated:

ATLANTA, Jan. 13, 2015 (GLOBE NEWSWIRE) -- Ocwen Financial Corporation (NYSE:OCN), a leading financial services holding company, today commented that it is fully cooperating with the California Department of Business Oversight (DBO) to resolve an administrative action dated October 3, 2014.

Ron Faris, President and CEO of Ocwen commented, “We are cooperating fully with the Department of Business Oversight. Since this notification, we have dedicated substantial resources towards satisfying the DBO’s requests. We

believe we have provided the requested information in the format requested. We expect that we will receive follow up requests or clarifications and that further document and information exchanges may take place. We expect our ongoing cooperation will result in a satisfactory outcome for all parties.”

“Ocwen has a strong track record in California in helping struggling homeowners, and we are committed to working cooperatively with the DBO to further our common goal of assisting struggling families. In 2014, Ocwen completed more than 13,000 loan modifications and over 3,500 short sales in California. Over 35 percent of these loan modifications in California included some form of principal reduction relief for homeowners, totaling more than \$460 million,” added Mr. Faris.

“Ocwen has been a strong partner in helping California families save their homes from foreclosure. Ocwen’s Shared Appreciation Modification and principal reduction products have and continue to provide sustainable resolutions for struggling families in California,” stated Todd Emerson, CEO of Springboard, a non-profit, HUD-approved housing counseling agency formed in 1974 and dedicated to helping homeowners find the best solutions when facing difficulty with their mortgages.

Ocwen believes it has effective controls in place to ensure compliance with the California Homeowners Bill of Rights and all single point of contact requirements under federal and state laws.

“As an industry leader in mortgage loan modifications, both under government programs and in our proprietary program, Ocwen remains committed to assisting distressed homeowners. Since the outset of the mortgage crisis, Ocwen has provided more than 500,000 loan modifications nationwide and more principal reduction relief than any other mortgage servicer. In 2014 alone, Ocwen wrote down over \$1.8 billion in principal on underwater mortgages nationwide,” said Mr. Faris. “We did not originate the loans we service, but we have taken a leading role in helping to stabilize communities most affected by the financial crisis. We intend to continue to play a leading role in helping homeowners.”

As part of its mission to assist homeowners, Ocwen has long-standing partnerships with leading non-profit consumer advocacy groups across the country. Ocwen works with non-profit groups to expand its reach and improve the quality of the assistance it provides to its customers.

“Since the outset of the mortgage crisis, Ocwen has been the best mortgage servicer in assisting homeowners throughout the country, particularly in hard hit areas in California,” said Faith Bautista, President and CEO of the National Asian American Coalition, a HUD-approved nonprofit organization with a focus on homeownership, diversity and consumer protection for underserved minority communities. “No other bank or servicer has been as responsive as Ocwen in providing loan modifications, principal write downs and helping struggling families keep their homes.”

Ricardo Byrd, Executive Director of the National Association of Neighborhoods (NAN), one of America's largest and oldest grassroots organizations in the United States, said, "NAN applauds Ocwen's leadership in homeownership preservation, especially in communities of color. They are unsurpassed in finding sustainable loan modifications for distressed borrowers and providing principal reductions for families stuck with underwater mortgages."

"We are committed to resolving the DBO's concerns, and we expect that we will be able to do so. In addition to working with leading non-profit organizations to further improve our ability to help homeowners, we continue to build a world class risk and compliance management system at Ocwen," stated Marcelo Cruz, Chief Risk Officer of Ocwen.

18. On April 14, 2015, the Company issued a press release entitled "Ocwen Financial Announces Preliminary Operating Results For Fiscal Year 2014." Therein, the Company, in relevant part, stated:

ATLANTA, April 14, 2015 (GLOBE NEWSWIRE) -- Ocwen Financial Corporation, (NYSE:OCN) ("Ocwen" or the "Company"), a leading financial services holding company, today reported a preliminary net loss of \$(546.0) million, or \$(4.18) per share, for the year ended December 31, 2014 compared to net income of \$310.4 million, or \$2.13 per share, for the year ended December 31, 2013. Ocwen generated preliminary revenue of \$2.1 billion, up 4% compared to \$2.0 billion in the prior year. Preliminary income from operations was \$76.1 million for the year ended December 31, 2014.

Preliminary pre-tax loss for 2014 was \$(443.2) million, compared to \$352.5 million pre-tax income in 2013. Preliminary pre-tax income on a normalized basis for 2014 was \$284.9 million, compared to the \$550.4 million normalized pre-tax income in 2013. During 2014, Ocwen incurred a total of \$728.1 million in preliminary normalized expenses. Normalization items in 2014 include \$420.2 million of goodwill impairment, \$186.1 million of legal and settlement expenses primarily related to the settlement with the New York Department of Financial Services, \$72.3 million for MSR-related fair value changes and \$49.5 million of transition and other items. The preliminary normalized results for 2014 were impacted by and include \$127.3 million of servicer expenses and uncollectible advances along with \$39.4 million in regulatory monitoring costs. In addition, our preliminary net loss results include a charge to record an approximately \$77 million valuation allowance against our remaining deferred tax asset.

"I am encouraged by the progress Ocwen has made so far in 2015. We currently expect to be profitable in 2015 and meet all of our ongoing financial and servicing obligations. In addition to generating substantial cash flow from pending asset sales that have already been announced so far this year, we expect our historical track record of generating substantial cash flow from operations to continue in 2015 and beyond. To accomplish our objectives we must, among other things,

extend our \$1.8 billion advance receivable facility that begins amortizing in October 2015, continue meeting our regulatory requirements, execute on our plan to reduce our GSE servicing exposure, continue to comply with our debt covenants and maintain our current servicer ratings. We have already significantly advanced our Agency MSR sale strategy at attractive prices, entered into an amendment with Home Loan Servicing Solutions that provides more stability for the Company and reduced our 2015 refinancing risk,” commented Ron Faris, President and C.E.O. of Ocwen. “We have also continued to make progress and improvements in our risk and compliance management systems, a critical focus of our management team and employees. We are optimistic that the investments we have made and are making in these areas reduce significantly the substantial risks associated with non-compliance with laws and regulations and improves our service to homeowners which will ultimately result in better overall returns to our shareholders.”

The financial results and other financial data presented in this press release are preliminary, based upon the Company’s estimates and subject to completion of the Company’s final financial closing procedures. Moreover, this data has been prepared on the basis of currently available information. The Company’s independent auditor has not audited or reviewed, and does not express an opinion with respect to, this data. This data does not constitute a comprehensive statement of the Company’s financial results for the year ended December 31, 2014, and the Company’s final results could differ materially from these preliminary results. In particular, the preliminary financial results presented in this press release incorporate the impact of the Company fully reserving for its deferred tax asset in order to present a conservative view of Ocwen’s results and financial position as the Company continues to prepare and evaluate information related to its ability to operate as a going concern and to provide such information to its auditor for the purposes of its audit of the Company’s financial statements for the year ended December 31, 2014. The Company currently does not have an estimate of when its 2014 financial statements will be finalized.

19. On May 11, 2015 the Company filed its annual report on Form 10-K for the 2014 fiscal year. The Form 10-K was signed by Defendant Faris, and reaffirmed the financial results announced in the press release issued on April 14, 2015.

20. On February 29, 2016, the Company issued a press release entitled “Ocwen Financial Announces Operating Results For Fourth Quarter And Full Year 2015.” Therein, the Company, in relevant part, stated:

WEST PALM BEACH, Fla., Feb. 29, 2016 (GLOBE NEWSWIRE) -- Ocwen Financial Corporation, (NYSE:OCN) (“Ocwen” or the “Company”), a leading financial services holding company, today reported a net loss of \$(224.3) million, inclusive of a non-cash charge of \$(101.9) million to establish a valuation allowance against its deferred tax assets, or \$(1.79) per share, for the three months ended December 31, 2015 compared to a net loss of \$(521.8) million, or \$(4.16)

per share, for the three months ended December 31, 2014. Ocwen generated revenue of \$362.5 million, down (26.5)% compared to the fourth quarter of the prior year, primarily driven by the impact of sales of agency mortgage servicing rights (MSRs) and portfolio run-off during 2015. Cash Flows used by Operating Activities were \$(192.4) million for the three months ended December 31, 2015, compared to \$(206.5) million during the same period last year.

The full year net loss for 2015 was \$(246.7) million, inclusive of a fourth quarter non-cash charge of \$(101.9) million to establish a valuation allowance against its deferred tax assets, or \$(1.97) per share, as compared to \$(469.6) million, or \$(3.60) per share for 2014. Revenue for 2015 declined by (17.5)% to \$1.7 billion. The Company generated \$582 million of Cash from Operating Activities in 2015 and ended the year with \$331 million of available liquidity which was \$202 million higher than the prior year-end.

“We continue to make progress in resolving legacy issues. We also continue to lower our corporate debt, ending the year with a corporate debt to equity ratio of under 0.9 to 1,” commented Ron Faris, President and CEO of Ocwen. “We are also focused on continuous improvement in operational and service excellence, employee engagement, diversity and inclusion. We have made good progress on our cost improvement initiative announced last year, and we are committed to making further progress in this area, while continuing to focus on the borrower experience.”

Mr. Faris continued, “Moving forward, our vision for Ocwen is to be a world-class asset origination and servicing company. We are very excited about the formal launch of our Automotive Capital Services commercial lending business, and we continue to invest in our other lending businesses, all of which we believe will drive earnings growth in the future. We believe the successful implementation of our strategy and its initiatives can, over time, restore the Company to profitability and earnings growth.”

Fourth Quarter 2015 Results

Pre-tax loss for the fourth quarter of 2015 was \$(129.3) million. Pre-tax results were impacted by a number of significant items including but not limited to: \$(22.1) million of monitor costs, \$(14.0) million of net losses from sales of non-performing agency MSRs, \$(13.9) million in legal and other settlement costs, \$9.7 million of benefit from fair value changes related to GNMA and GSE MSRs (excluding runoff) and \$(8.2) million in restructuring costs. Servicing recorded a \$(62.6) million pre-tax loss inclusive of the loss on sales of MSRs and MSR fair value changes. The Lending segment incurred a \$(5.1) million pre-tax loss for the fourth quarter of 2015 driven by a 35% decline in lock volumes versus the prior quarter due to lower volumes from a network partner as well as lower portfolio refinance activity. For the full year 2015, the Lending business earned \$34 million of pre-tax income, an improvement of \$60.8 million over 2014. The Company also recorded a non-cash charge of \$(101.9) million to establish a valuation allowance against its deferred tax assets in the United States and the United States

Virgin Islands.

Additional Business Highlights

- In 2015, Ocwen completed 84,488 loan modifications with HAMP modifications accounting for 48.2% of the total. Modifications that included some principal reduction accounted for 46.9% of total modifications.
- In the fourth quarter Ocwen partnered with New Residential to execute on our first call rights transaction on MSR for loans with a UPB of \$528 million. Ocwen recorded a \$3.2 million gain and retained servicing on the performing loans, roughly 90% of the loans in the transaction.
- The constant pre-payment rate (CPR) decreased from 14.7% in the third quarter of 2015 to 13.3% in the fourth quarter of 2015. In the fourth quarter of 2015, prime CPR was 16.2%, and non-prime CPR was 11.1%.
- Delinquencies increased slightly from 13.1% at September 30, 2015 to 13.7% at December 31, 2015, primarily driven by sales and transfers of performing agency loans.
- In the fourth quarter Ocwen originated forward and reverse mortgage loans with UPB of \$813.8 million and \$173.3 million, respectively.
- The reverse mortgage portfolio ended the year with an estimated \$97.7 million in undiscounted future gains from future draws on existing loans. Neither the anticipated future gains nor future funding liability are included in the Company's financial statements.
- Achieved a Corporate Debt to Equity ratio, of 0.9 to 1. For purposes of this calculation, 'Corporate Debt' represents our senior secured term loan and our senior unsecured notes, but does not include OASIS notes, while 'Equity' means reported stockholders' equity.
- Announced the re-initiation of our share repurchase program and repurchased 1.62 million shares between December 1, 2015 and February 5, 2016 for \$10 million, with the last trade settling on February 10, 2016.

21. On February 29, 2016 the Company filed its annual report on Form 10-K for the 2015 fiscal year. The Form 10-K was signed by Defendant Faris, and reaffirmed the financial results announced in the press release issued on the same day.

22. On February 22, 2017, the Company issued a press release entitled "Ocwen Financial Announces Operating Results For Fourth Quarter And Full Year 2016." Therein, the Company, in relevant part, stated:

WEST PALM BEACH, Fla., Feb. 22, 2017 (GLOBE NEWSWIRE) -- Ocwen Financial Corporation, (NYSE:OCN) (“Ocwen” or the “Company”), a leading financial services holding company, today reported a net loss of \$(10.4) million, or \$(0.08) per share, for the three months ended December 31, 2016 compared to a net loss of \$(224.3) million, or \$(1.79) per share, for the three months ended December 31, 2015. Ocwen generated revenue of \$323.9 million, down 10.6% compared to the fourth quarter of the prior year, primarily driven by the impact of portfolio run-off. Cash Flows from Operating Activities were \$124.2 million for the three months ended December 31, 2016, compared to \$(192.4) million during the same period last year.

The full year net loss for 2016 was \$(199.4) million, or \$(1.61) per share, as compared to a loss of \$(246.7) million, or \$(1.97) per share for 2015. Revenue for 2016 was \$1.4 billion, a decline of \$354 million, or 20.3%. The Company generated \$475 million of Cash Flows from Operating Activities in 2016 and ended the year with \$257 million of cash. At December 31, 2016, the Company had not yet paid various potential legal and regulatory settlement amounts expensed in 2016 totaling approximately \$68 million.

“We are pleased with the progress the Company made in the second half of the year. Not only did we deliver significantly improved financial performance versus the first half of the year, we continued our industry leadership in helping struggling families remain in their homes through responsible loan modifications. We also refinanced our corporate debt, improved our cost structure and raised our servicer ratings and rankings. In addition, we continued to make progress towards resolving our major legacy legal and regulatory issues; but more progress is needed for us to complete our stabilization process,” commented Ron Faris, President and CEO of Ocwen.

Fourth Quarter and Full Year 2016 Results

Pre-tax loss for the fourth quarter of 2016 was \$(10.2) million. Pre-tax results for the quarter were impacted by a number of significant items including but not limited to: \$31.6 million of benefit from fair value changes related to GNMA and GSE MSR (excluding runoff), \$(16.3) million of corporate debt refinance-related expenses, \$(12.5) million in potential regulatory settlement-related reserves, \$(8.5) million of regulatory monitor costs and \$0.6 million of other items. Excluding these significant items, the Company had an adjusted pre-tax loss of \$(5.1) million.

The Servicing segment recorded \$43.3 million of pre-tax income, inclusive of the MSR fair value changes, which was favorable compared to the prior quarter by \$10.1 million. For the full year 2016, the Servicing business recorded a \$(6.5) million pre-tax loss, a decrease of only \$22.4 million over 2015 as the business was successful in offsetting most of the impact of lower revenue from UPB run-off and \$(75.4) million lower agency MSR sales-related gains versus 2015 by improving its cost structure in 2016 and successfully executing on the streamline HAMP modification program.

The Lending segment incurred a \$(3.1) million pre-tax loss for the fourth quarter of 2016, \$(6.7) million unfavorable to the prior quarter, driven by a 10% decline in volumes and lower margins. For the full year 2016, the Lending business earned \$10 million of pre-tax income, a decrease of \$24 million versus 2015 driven by lower margins due to significantly lower HARP opportunities and increased expenses from investments in the business.

The Automotive Capital Services business continued to grow, increasing inventory finance gross receivables outstanding by \$12 million or 45% over the third quarter of 2016. Overall, the business increased the receivables outstanding at year-end by \$37 million or 14x in 2016. As of February 17, 2017, the business is operating in 35 markets with 68 active auto dealerships and has approved credit facilities of \$91 million with these dealerships.

Additional Business Highlights

- On February 17, 2017, Ocwen entered into a settlement agreement with the California Department of Business Oversight that, among other things, terminated the engagement of their independent auditor and removed restrictions on our ability to acquire new MSRs.
- In 2016, Ocwen completed 74,920 loan modifications with HAMP modifications accounting for 56.1% of the total.
- Delinquencies decreased from 11.4% at September 30, 2016 to 11.2% at December 31, 2016, primarily driven by ongoing consumer assistance efforts.
- The constant pre-payment rate (“CPR”) marginally increased from 15.0% in the third quarter of 2016 to 15.1% in the fourth quarter of 2016. In the fourth quarter of 2016, prime CPR was 19.9%, and non-prime CPR was 12.1%.
- For the full year 2016, Ocwen originated forward and reverse mortgage loans with UPB of \$4.2 billion and \$825.5 million, respectively.
- Our reverse mortgage portfolio ended the year with an estimated \$101.1 million in undiscounted future gains from anticipated future draws by borrowers on existing loans. Future draws on existing loans are estimated based on historical experience and industry benchmarks. We do not incur any substantive underwriting, marketing or compensation costs in connection with future draws, although we must maintain sufficient capital resources and available borrowing capacity to ensure that we are able to fund them. Neither the anticipated future gains nor future funding liability are included in the Company’s financial statements.
- Our CFPB consumer complaint levels continued to improve, declining by

34% for the three month period from August to October of 2016 as compared to the same three month period in 2015.

- We launched a targeted California consumer assistance campaign with NeighborWorks® Sacramento to help our customers in California who are struggling with their mortgage debt.

23. On February 23, 2017 the Company filed its annual report on Form 10-K for the 2016 fiscal year. The Form 10-K was signed by Defendant Faris, and reaffirmed the financial results announced in the press release issued on February 22, 2017.

24. The above statements identified in ¶¶17-23 were materially false and/or misleading, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose: (1) that the Company loaded inaccurate information into its REALServicing proprietary system; (2) that the REALServicing system generated errors due to deficient programming; (3) that the Company wrongfully initiated foreclosure proceedings on at least 1,000 people, and wrongfully held foreclosure sales; (4) that the Company failed to appropriately credit payments made by numerous borrowers; (5) that the Company failed to send borrowers accurate periodic statements detailing the amount due, how payments were applied, total payments received, and other information, and failed to correct billing and payment errors; (6) that the Company botched basic tasks in managing escrow accounts; (7) that the Company failed to make timely insurance payments for home insurance premiums, causing the lapse of homeowners' insurance coverage for more than 10,000 borrowers; (8) that the Company failed to cancel borrowers' private mortgage insurance in a timely manner, causing consumers to overpay; (9) that the Company enrolled some consumers in add-on products through deceptive solicitations and without their consent; (10) that the Company mishandled accounts for successors-in-interest, or heirs, to a deceased borrower; (11) that the Company routinely failed to properly acknowledge and investigate complaints, or make necessary corrections; (12) that the Company failed to include complete and accurate borrower information when it sold its rights to service thousands of loans to new mortgage servicers; (13) that, as such, the Company engaged in systematic misconduct in violation of applicable consumer and financial laws; and (14) that, as a result of the foregoing,

Defendants' statements about Ocwen's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

25. On April 20, 2017, the CFPB issued a press release announcing that it was suing Ocwen and its subsidiaries for "failing borrowers at every stage of the mortgage servicing process." Specifically, the CFPB claimed that "Ocwen's years of widespread errors, shortcuts, and runarounds cost some borrowers money and others their homes" and that Ocwen "botched basic functions like sending accurate monthly statements, properly crediting payments, and handling taxes and insurance." The CFPB also claimed that Ocwen "foreclosed on struggling borrowers, ignored customer complaints, and sold off the servicing rights to loans without fully disclosing the mistakes it made in borrowers' records." In greater part, the CFPB stated:

WASHINGTON, D.C. — The Consumer Financial Protection Bureau (CFPB) today sued one of the country's largest nonbank mortgage loan servicers, Ocwen Financial Corporation, and its subsidiaries for failing borrowers at every stage of the mortgage servicing process. The Bureau alleges that Ocwen's years of widespread errors, shortcuts, and runarounds cost some borrowers money and others their homes. Ocwen allegedly botched basic functions like sending accurate monthly statements, properly crediting payments, and handling taxes and insurance. Allegedly, Ocwen also illegally foreclosed on struggling borrowers, ignored customer complaints, and sold off the servicing rights to loans without fully disclosing the mistakes it made in borrowers' records. The Florida Attorney General took a similar action against Ocwen today in a separate lawsuit. Many state financial regulators are also independently issuing cease-and-desist and license revocation orders against Ocwen for escrow management and licensing issues today.

"Ocwen has repeatedly made mistakes and taken shortcuts at every stage of the mortgage servicing process, costing some consumers money and others their homes," said CFPB Director Richard Cordray. "Borrowers have no say over who services their mortgage, so the Bureau will remain vigilant to ensure they get fair treatment."

Ocwen, headquartered in West Palm Beach, Fla., is one of the nation's largest nonbank mortgage servicers. As of Dec. 31, 2016, Ocwen serviced almost 1.4 million loans with an aggregate unpaid principal balance of \$209 billion. It services loans for borrowers in all 50 states and the District of Columbia. A mortgage servicer collects payments from the mortgage borrower and forwards those payments to the owner of the loan. It handles customer service, collections, loan modifications, and foreclosures. Ocwen specializes in servicing subprime or delinquent loans.

The CFPB uncovered substantial evidence that Ocwen has engaged in significant and systemic misconduct at nearly every stage of the mortgage servicing process. The CFPB is charged with enforcing the Dodd-Frank Wall Street Reform and Consumer Protection Act, which protects consumers from unfair, deceptive, or abusive acts or practices, and other federal consumer financial laws. In addition, the Bureau adopted common-sense rules for the mortgage servicing market that first took effect in January 2014. The CFPB's mortgage servicing rules require that servicers promptly credit payments and correct errors on request. The rules also include strong protections for struggling homeowners, including those facing foreclosure. In its lawsuit, the CFPB alleges that Ocwen:

- **Serviced loans using error-riddled information:** Ocwen uses a proprietary system called REALServicing to process and apply borrower payments, communicate payment information to borrowers, and maintain loan balance information. Ocwen allegedly loaded inaccurate and incomplete information into its REALServicing system. And even when data was accurate, REALServicing generated errors because of system failures and deficient programming. To manage this risk, Ocwen tried manual workarounds, but they often failed to correct inaccuracies and produced still more errors. Ocwen then used this faulty information to service borrowers' loans. In 2014, Ocwen's head of servicing described its system as "ridiculous" and a "train wreck."
- **Illegally foreclosed on homeowners:** Ocwen has long touted its ability to service and modify loans for troubled borrowers. But allegedly, Ocwen has failed to deliver required foreclosure protections. As a result, the Bureau alleges that Ocwen has wrongfully initiated foreclosure proceedings on at least 1,000 people, and has wrongfully held foreclosure sales. Among other illegal practices, Ocwen has initiated the foreclosure process before completing a review of borrowers' loss mitigation applications. In other instances, Ocwen has asked borrowers to submit additional information within 30 days, but foreclosed on the borrowers before the deadline. Ocwen has also foreclosed on borrowers who were fulfilling their obligations under a loss mitigation agreement.
- **Failed to credit borrowers' payments:** Ocwen has allegedly failed to appropriately credit payments made by numerous borrowers. Ocwen has also failed to send borrowers accurate periodic statements detailing the amount due, how payments were applied, total payments received, and other information. Ocwen has also failed to correct billing and payment errors.
- **Botched escrow accounts:** Ocwen manages escrow accounts for over 75 percent of the loans it services. Ocwen has allegedly botched basic tasks in managing these borrower accounts. Because of system breakdowns and an over-reliance on manually entering information, Ocwen has allegedly failed to conduct escrow analyses and sent some borrowers' escrow

statements late or not at all. Ocwen also allegedly failed to properly account for and apply payments by borrowers to address escrow shortages, such as changes in the account when property taxes go up. One result of this failure has been that some borrowers have paid inaccurate amounts.

- **Mishandled hazard insurance:** If a servicer administers an escrow account for a borrower, a servicer must make timely insurance and/or tax payments on behalf of the borrower. Ocwen, however, has allegedly failed to make timely insurance payments to pay for borrowers' home insurance premiums. Ocwen's failures led to the lapse of homeowners' insurance coverage for more than 10,000 borrowers. Some borrowers were pushed into force-placed insurance.
- **Bungled borrowers' private mortgage insurance:** Ocwen allegedly failed to cancel borrowers' private mortgage insurance, or PMI, in a timely way, causing consumers to overpay. Generally, borrowers must purchase PMI when they obtain a mortgage with a down payment of less than 20 percent, or when they refinance their mortgage with less than 20 percent equity in their property. Servicers must end a borrower's requirement to pay PMI when the principal balance of the mortgage reaches 78 percent of the property's original value. Since 2014, Ocwen has failed to end borrowers' PMI on time after learning information in its REALServicing system was unreliable or missing altogether. Ocwen ultimately overcharged borrowers about \$1.2 million for PMI premiums, and refunded this money only after the fact.
- **Deceptively signed up and charged borrowers for add-on products:** When servicing borrowers' mortgage loans, Ocwen allegedly enrolled some consumers in add-on products through deceptive solicitations and without their consent. Ocwen then billed and collected payments from these consumers.
- **Failed to assist heirs seeking foreclosure alternatives:** Ocwen allegedly mishandled accounts for successors-in-interest, or heirs, to a deceased borrower. These consumers included widows, children, and other relatives. As a result, Ocwen failed to properly recognize individuals as heirs, and thereby denied assistance to help avoid foreclosure. In some instances, Ocwen foreclosed on individuals who may have been eligible to save these homes through a loan modification or other loss mitigation option.
- **Failed to adequately investigate and respond to borrower complaints:** If an error is made in the servicing of a mortgage loan, a servicer must generally either correct the error identified by the borrower, called a notice of error, or investigate the alleged error. Since 2014, Ocwen has allegedly routinely failed to properly acknowledge and investigate complaints, or make necessary corrections. Ocwen changed its policy in April 2015 to address the difficulty its call center had in

recognizing and escalating complaints, but these changes fell short. Under its new policy, borrowers still have to complain at least five times in nine days before Ocwen automatically escalates their complaint to be resolved. Since April 2015, Ocwen has received more than 580,000 notices of error and complaints from more than 300,000 different borrowers.

- **Failed to provide complete and accurate loan information to new servicers:** Ocwen has allegedly failed to include complete and accurate borrower information when it sold its rights to service thousands of loans to new mortgage servicers. This has hampered the new servicers' efforts to comply with laws and investor guidelines.

The Bureau also alleges that Ocwen has failed to remediate borrowers for the harm it has caused, including the problems it has created for struggling borrowers who were in default on their loans or who had filed for bankruptcy. For these groups of borrowers, Ocwen's servicing errors have been particularly costly.

Through its complaint, filed in federal district court for the Southern District of Florida, the CFPB seeks a court order requiring Ocwen to follow mortgage servicing law, provide relief for consumers, and pay penalties. The complaint is not a finding or ruling that the defendants have actually violated the law.

26. On this news, the Company's stock price declined \$2.91 per share, or 53.8%, to close at \$2.49 per share on April 20, 2017, on unusually heavy trading volume.

CLASS ACTION ALLEGATIONS

27. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that acquired Ocwen's securities between January 13, 2015, and April 20, 2017, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

28. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Ocwen's common stock actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Ocwen shares were traded

publicly during the Class Period on the NYSE. As of February 17, 2017, Ocwen had 123,988,160 shares of common stock outstanding. Record owners and other members of the Class may be identified from records maintained by Ocwen or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

29. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

30. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

31. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Ocwen; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

32. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

33. The market for Ocwen's securities was open, well-developed and efficient at all

relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Ocwen's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Ocwen's securities relying upon the integrity of the market price of the Company's securities and market information relating to Ocwen, and have been damaged thereby.

34. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Ocwen's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Ocwen's business, operations, and prospects as alleged herein.

35. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Ocwen's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

LOSS CAUSATION

36. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

37. During the Class Period, Plaintiff and the Class purchased Ocwen's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities

significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

38. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Ocwen, their control over, and/or receipt and/or modification of Ocwen's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Ocwen, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD-ON-THE-MARKET DOCTRINE)

39. The market for Ocwen's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Ocwen's securities traded at artificially inflated prices during the Class Period. On July 30, 2015, the Company's stock price closed at a Class Period adjusted high of \$11.76 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Ocwen's securities and market information relating to Ocwen, and have been damaged thereby.

40. During the Class Period, the artificial inflation of Ocwen's stock was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Ocwen's business, prospects, and operations. These material

misstatements and/or omissions created an unrealistically positive assessment of Ocwen and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company stock. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

41. At all relevant times, the market for Ocwen's securities was an efficient market for the following reasons, among others:

(a) Ocwen stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;

(b) As a regulated issuer, Ocwen filed periodic public reports with the SEC and/or the NYSE;

(c) Ocwen regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Ocwen was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

42. As a result of the foregoing, the market for Ocwen's securities promptly digested current information regarding Ocwen from all publicly available sources and reflected such information in Ocwen's stock price. Under these circumstances, all purchasers of Ocwen's securities during the Class Period suffered similar injury through their purchase of Ocwen's securities at artificially inflated prices and a presumption of reliance applies.

43. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material

misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

NO SAFE HARBOR

44. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Ocwen who knew that the statement was false when made.

FIRST CLAIM **Violation of Section 10(b) of The Exchange Act and** **Rule 10b-5 Promulgated Thereunder** **Against All Defendants**

45. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

46. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing

public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Ocwen's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

47. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Ocwen's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

48. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Ocwen's financial well-being and prospects, as specified herein.

49. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Ocwen's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Ocwen and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

50. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's

management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

51. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Ocwen's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

52. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Ocwen's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class

acquired Ocwen's securities during the Class Period at artificially high prices and were damaged thereby.

53. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Ocwen was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Ocwen securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

54. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

55. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM
Violation of Section 20(a) of The Exchange Act
Against the Individual Defendants

56. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

57. Individual Defendants acted as controlling persons of Ocwen within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued

and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

58. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

59. As set forth above, Ocwen and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: June 13, 2017

/s/ Leo W. Desmond

Leo W. Desmond, Esq.

Florida Bar No. 0041920

DESMOND LAW FIRM, P.C.

5070 Highway A1A, Suite D

Vero Beach, Florida 32963

Telephone: (772) 231-9600

Facsimile: (772) 231-0300

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GLANCY PRONGAY & MURRAY LLP

Lionel Z. Glancy (*Pro Hac Vice* to be filed)

Robert V. Prongay (*Pro Hac Vice* to be filed)

Lesley F. Portnoy (*Pro Hac Vice* to be filed)

Charles H. Linehan (*Pro Hac Vice* to be filed)

1925 Century Park East, Suite 2100

Los Angeles, CA 90067

Telephone: (310) 201-9150

Facsimile: (310) 201-9160

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.) NOTICE: Attorneys MUST Indicate All Re-filed Cases Below.

I. (a) PLAINTIFFS RYAN HUSEMAN DEFENDANTS OCWEN FINANCIAL CORPORATION, RONALD M. FARIS, and MICHAEL R.

(b) County of Residence of First Listed Plaintiff Potter County, Texas (EXCEPT IN U.S. PLAINTIFF CASES) County of Residence of First Listed Defendant Palm Beach, Florida (IN U.S. PLAINTIFF CASES ONLY)

(c) Attorneys (Firm Name, Address, and Telephone Number) Leo W. Desmond, Desmond Law Firm, P.C. 5070 Highway A1A, Suite D, Vero Beach, FL 32963 772-231-9600

(d) Check County Where Action Arose: MIAMI-DADE MONROE BROWARD PALM BEACH MARTIN ST. LUCIE INDIAN RIVER OKEECHOBEE HIGHLANDS

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

Form with checkboxes for jurisdiction and citizenship options. Includes categories like U.S. Government Plaintiff/Defendant, Federal Question, Diversity, Citizen of This/Another State, and Foreign Nation.

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

Large grid of checkboxes for nature of suit categories: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, TORTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only) 1 Original Proceeding 2 Removed from State Court 3 Re-filed (See VI below) 4 Reinstated or Reopened 5 Transferred from another district (specify) 6 Multidistrict Litigation Transfer 7 Appeal to District Judge from Magistrate Judgment 8 Multidistrict Litigation - Direct File 9 Remanded from Appellate Court

VI. RELATED/ RE-FILED CASE(S) (See instructions): a) Re-filed Case YES NO b) Related Cases YES NO DOCKET NUMBER: 9:17-cv-80500-RLR

VII. CAUSE OF ACTION Cite the U.S. Civil Statute under which you are filing and Write a Brief Statement of Cause (Do not cite jurisdictional statutes unless diversity): 15 U.S.C Sections 78j(b) and 78t(a) and 17 C.F.R. Section 240.10b-5 LENGTH OF TRIAL via 10 days estimated (for both sides to try entire case)

VIII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

ABOVE INFORMATION IS TRUE & CORRECT TO THE BEST OF MY KNOWLEDGE DATE June 13, 2017 SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY RECEIPT # AMOUNT IFP JUDGE MAG JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading 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. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

I. (a) Plaintiffs-Defendants. Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

III. Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

IV. Nature of Suit. Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

V. Origin. Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Refiled (3) Attach copy of Order for Dismissal of Previous case. Also complete VI.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

Remanded from Appellate Court. (8) Check this box if remanded from Appellate Court.

VI. Related/Refiled Cases. This section of the JS 44 is used to reference related pending cases or re-filed cases. Insert the docket numbers and the corresponding judges name for such cases.

VII. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.**

Example: U.S. Civil Statute: 47 USC 553

Brief Description: Unauthorized reception of cable service

VIII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

Date and Attorney Signature. Date and sign the civil cover sheet.

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

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

RYAN HUSEMAN

Plaintiff(s)

v.

OCWEN FINANCIAL CORPORATION, RONALD M. FARIS, and MICHAEL R. BOURQUE, JR.

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address)

OCWEN FINANCIAL CORPORATION
Corporation Service Company (Registered Agent)
1201 Hays Street
Tallahassee, Florida 32301

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:

Leo W. Desmond, Esq.
Desmond Law Firm, P.C.
5070 Highway A1A
Suite D
Vero Beach, FL 32963

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.

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:

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

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

RYAN HUSEMAN

Plaintiff(s)

v.

OCWEN FINANCIAL CORPORATION, RONALD M. FARIS, and MICHAEL R. BOURQUE, JR.

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address)

RONALD M. FARIS
c/o OCWEN FINANCIAL CORPORATION
Corporation Service Company (Registered Agent)
1201 Hays Street
Tallahassee, Florida 32301

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:

Leo W. Desmond, Esq.
Desmond Law Firm, P.C.
5070 Highway A1A
Suite D
Vero Beach, FL 32963

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.

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:

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

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

RYAN HUSEMAN

Plaintiff(s)

v.

OCWEN FINANCIAL CORPORATION, RONALD M. FARIS, and MICHAEL R. BOURQUE, JR.

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address)

MICHAEL R. BOURQUE, JR.
c/o OCWEN FINANCIAL CORPORATION
Corporation Service Company (Registered Agent)
1201 Hays Street
Tallahassee, Florida 32301

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:

Leo W. Desmond, Esq.
Desmond Law Firm, P.C.
5070 Highway A1A
Suite D
Vero Beach, FL 32963

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.

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))

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was received by me on *(date)* _____ .

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

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_____, 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:

SWORN CERTIFICATION OF PLAINTIFF

OCWEN FINANCIAL CORPORATION SECURITIES LITIGATION

I, Ryan Huseman, individually, and/or in my capacity as trustee and/or principal for accounts listed on Schedule A, certify that:

1. I have reviewed the Complaint and authorize its filing and/or the filing of a Lead Plaintiff motion on my behalf.
2. I did not purchase **OCWEN FINANCIAL CORPORATION** the security that is the subject of this action, at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in **OCWEN FINANCIAL CORPORATION** during the Class Period set forth in the Complaint are as follows:

(See attached transactions)
5. I have not served as a representative party on behalf of a class under this title during the last three years, except for the following:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court, including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I declare under penalty of perjury that the foregoing are true and correct statements.

5/30/2017

Date

DocuSigned by:

Ryan Huseman

0A04E75FC1964B4...

Ryan Huseman

**Ryan Huseman's Transactions in
Ocwen Financial Corporation (OCN)**

Date	Transaction Type	Quantity	Unit Price
01/13/2015	Bought	570	\$8.7910
01/13/2015	Bought	250	\$9.0379
01/23/2015	Bought	250	\$6.2869
02/09/2015	Bought	880	\$8.5380
02/12/2015	Bought	1,200	\$8.9450
02/13/2015	Bought	250	\$9.0780
02/23/2015	Bought	875	\$9.0170
07/31/2015	Bought	1,300	\$8.1105
08/05/2015	Bought	200	\$7.3286
10/29/2015	Bought	437	\$6.8759
01/25/2016	Bought	1,000	\$5.1560

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Stockholder Sues After CFPB Hits Ocwen with Lawsuit](#)
