



K&L Gates maintains one of the most prominent global financial services practices—with more than 200 lawyers representing diversified financial services institutions and their affiliated service providers. The U.S. *National Law Journal* identified K&L Gates as a “go-to” law firm for Financial America.

From 2007 to 2013, *Chambers USA* ranked K&L Gates as having one of the leading financial services practices in the country. In recent years, members of the group have earned a national ranking under Financial Services Regulation: Consumer Finance (Litigation), with the firm earning a top tier national ranking in Financial Services Regulation: Consumer Finance (Compliance). In addition, the 2013 *U.S. News-Best Lawyers*® “Best Law Firms” survey recognized K&L Gates with a national first-tier ranking for “Litigation-Banking and Finance.”

Litigation is an integral part of our financial services practice. K&L Gates represents

banks, thrifts, mortgage companies, consumer finance companies, and other financial institutions in class action and individual litigation matters throughout the United States. Our competitive advantage is the scope and depth of our litigation experience combined with our substantive knowledge of consumer credit issues. Our litigators work hand-in-hand with K&L Gates’ premier Consumer Financial Services practice group, which consists of more than 35 lawyers who focus exclusively on consumer finance representations; our lawyers’ collaboration enables us to understand and manage the underlying dynamics and tensions involved in compliance, enforcement and litigation.

Class Action Defense

K&L Gates lawyers regularly defend banking, mortgage lending, and other consumer financial services institutions in federal and state consumer class action litigation throughout the country. These cases have included putative national classes, and state and multi-state classes. They have concerned challenges to financial institutions under various federal consumer protection statutes such as the Fair Housing Act, the Equal Credit Opportunity Act, the Truth in Lending Act, the Real Estate Settlement Procedures Act, the Fair Debt Collection Practices Act, the Fair Credit Reporting Act, the Credit Repair Organizations Act, and the Racketeer Influenced and Corrupt Organizations Act, as well as under state contract law, common laws, and unfair and deceptive practices statutes, including California’s Unfair Competition Law, Business & Professions Code § 17200. Based on interviews with hundreds of corporate counsel, BTI Consulting Group’s 2014 *Litigation Outlook* survey ranked K&L Gates among those at the top of the list and a “Powerhouse” in Class Action Litigation and Securities and Finance Litigation.

“K&L Gates has a standout financial services team with impressive strength in the consumer finance area.”

Chambers USA, 2013

Our representative engagements:

- Defending national mortgage loan servicers in class actions in federal and state courts around the country alleging that the servicers did not live up to alleged contractual obligations arising from the Home Affordable Modification Program (“HAMP”).
- Defending a national loan servicer in connection with all of its putative class action litigation filed in federal and state courts nationwide over the past 10 years. Totalling over 40 putative class actions, we have been responsible for defending the client in connection with various loan servicing claims brought under federal and state law.
- Defending banks in a qui tam action pending in Georgia where realtors allege that the banks submitted false claims to the Veterans Administration (“VA”) by allegedly charging fees at closing that exceeded those allowed by VA guidelines for the types of refinancing loans at issue.
- Defending an auto financing company in a putative class action for the alleged failure to provide statutory notice regarding the refund of unearned credit life and credit disability premiums upon early payoff of retail installment contracts.
- Defending a national financial institution against claims that it unlawfully billed, collected, and retained an additional monthly lease payment from motor vehicle lessees, which payment was not due under the respective motor vehicle leases in violation of RICO and the common law.
- Defending a national real estate settlement service provider in a putative class action in Massachusetts alleging claims for tortious interference with business expectancies and unfair and deceptive trade practices based on the defendants’ alleged unauthorized practice of law with respect to real estate settlement services.
- Defending a national credit card issuer against claims based upon the Truth in Lending Act and the Florida Insurance Code for the purported improper sale of credit insurance in connection with the opening of credit card accounts.

- Defending a national mortgage lender in a putative class action alleging claims for violations of RESPA, RICO, and the Maryland Consumer Protection Act, and for negligent misrepresentation, fraud, civil conspiracy and restitution/unjust enrichment in connection with the provision of services through an affiliated business arrangement.
- Defending mortgage lenders in federal fair lending class actions filed in Boston, Chicago, and Los Angeles alleging disparate impact discrimination under the Equal Credit Opportunity Act and the Fair Housing Act.
- Defending mortgage lenders in putative class actions alleging breach of contract, violation of California’s Section 17200, and violation of the Truth in Lending Act and its state law equivalent arising from the origination and funding of Option ARM loans.

National Coordinating Counsel and Multi-District Litigation

Our litigators have been engaged as national coordinating counsel on behalf of our clients in various types of actions:

- Over the past two years, we have defended a large mortgage servicer in connection with over 16 class actions regarding the federal Home Affordable Modification Program (“HAMP”). As national counsel for the servicer’s HAMP class actions, we have developed a consistent strategy and coordinated the defense against a variety of federal and state law claims surrounding borrowers’ efforts to obtain mortgage loan modifications through HAMP.
- We have defended a large mortgage servicer in connection with a Department of Justice investigation into the client’s business practices. We were responsible for all aspects of the defense of 200+ cases nationwide. Among other things, we coordinated the defense to discovery (depositions and requests for production of tens of thousands of pages of documents), responded to opposition briefs and letters of inquiry filed in federal courts across the country, and communicated regularly with the Department of



Justice and the customers at issue. We closely worked with the client regarding policies and procedures and regulatory compliance in order to formulate strategy and defense.

- We are national coordinating counsel for a large bank in connection with litigation arising from residential home mortgage foreclosure practices. As part of this engagement, we oversee, manage, and coordinate civil litigation matters pending in state and federal court throughout the country. The litigation matters are both class actions as well as individual lawsuits. We coordinate discovery responses, briefing, and enable communications among counsel both outside and inside the company to facilitate efficient defense practices and ensure consistent defense approaches.
- We act as coordinating counsel for a national credit card issuer and servicer to manage and defend actions brought across a multi-state region asserting claims under the Fair Credit Reporting Act, the Fair Credit Billing Act and state laws, including defamation, unfair debt collection practices, and infliction of emotional distress.
- We have defended a national loan servicer in the Mortgage Electronic Registrations Systems, Inc. multidistrict litigation proceeding (“MERS MDL”). In connection with these proceedings, we were responsible for defending the servicer client in approximately 15 cases (including two putative class actions), in both the MDL and in the original transferor courts across the western United States where certain non-transferred claims were pending.

Government Investigations and Enforcement Actions

Our litigators also represent financial services companies including lending institutions, investors, and mortgage loan servicers in a broad array of federal and state government investigations and enforcement actions on issues ranging from fair lending to sub-prime mortgage loan servicing. Our representative engagements include:

- Representing a national lender in state attorneys general investigations alleging unfair and deceptive trade practices in the making of residential mortgage loans.
- Representing a national lender in a settlement with the Office of Civil Rights of the New York Attorney General involving pricing and product selection practices, and defending other lenders in loan pricing investigations by the Department of Justice, the Department of Housing and Urban Development (HUD), the Federal Reserve Board, the Office of Thrift Supervision, and the Federal Trade Commission.
- Representing five homebuilders in a RESPA enforcement action involving captive reinsurance matters before HUD.
- Representing mortgage loan servicers in connection with enforcement actions brought by state mortgage banking officials (e.g., Colorado, Florida, Illinois, Kansas, Maryland, Massachusetts, Michigan, South Carolina, Texas, and Wisconsin).

Bankruptcy Litigation

Our litigators have extensive experience in bankruptcy courts throughout the United States. Our representative engagements include:

- Acting as special counsel to creditors and mortgage loan servicers in devising a strategic response to bankruptcy court orders to show cause challenging the standing of creditors and loan servicers to seek relief from the automatic stay in bankruptcy proceedings.
- Defending a national credit card collection company from claims by debtors in Chapter 13 arising from the Fair Debt Collection Practices Act, Fair Credit Reporting Act, violations of the automatic stay in bankruptcy, and state laws regarding similar issues.
- Defending a national mortgage loan servicer against allegations that it violated the automatic stay provisions of the Bankruptcy Code by sending informational statements to Chapter 13 debtors and obtained dismissal of all claims prior to class certification.
- Pursuing claims in bankruptcy court on behalf of a national financial institution as a holder in due course of consumer loans.

Individual Consumer Finance Litigation

Our litigators have extensive experience defending individual consumer finance litigation matters pending in federal and state courts, including bankruptcy court. For example:

- We have been engaged to defend mortgage lenders and servicers in numerous individual actions, adversary proceedings, and contested foreclosures brought by borrowers in default, in bankruptcy, or facing post-foreclosure eviction against, among other assertions, claims of wrongful lending, disputes about amounts owed in bankruptcy, identification of the true owners of mortgage notes, alleged violations of the automatic stay provisions of the Bankruptcy Code, and borrowers seeking monetary damages and rescission of their mortgage loans under the Truth in Lending Act.

For more information on our Consumer Finance Litigation and Class Action Defense practice, please contact:

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