

**UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

*In re loanDepot, Inc. Stockholder Derivative  
Litigation*

Case No. 2:21-cv-08173

**NOTICE OF PENDENCY AND PROPOSED  
SETTLEMENT OF DERIVATIVE ACTIONS**

**TO: ALL PERSONS AND ENTITIES THAT CURRENTLY HOLD  
LOANDEPOT, INC. COMMON STOCK AS OF MAY 2, 2025.**

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.** This Notice relates to a proposed settlement (“Settlement”) of the following actions purportedly brought derivatively on behalf of loanDepot, Inc. (“loanDepot” or the “Company”): *In re loanDepot, Inc. Stockholder Derivative Litigation*, No. 2:21-cv-08173 (C.D. Cal.) (“Consolidated California Federal Action”), *In re loanDepot, Inc. Derivative Litigation*, No. 1:22-cv-00320 (D. Del.) (“Consolidated Delaware Federal Action”), *In re loanDepot, Inc. Derivative Litigation*, No. 2023-0613 (Del. Ch.) (“Consolidated Delaware Chancery Action”), and any action(s) involving substantially similar claims (together, the “Actions”). If the Court approves the proposed Settlement, you, loanDepot, and all Current loanDepot Stockholders will be forever barred from contesting the fairness, adequacy, and reasonableness of the proposed Settlement and from pursuing the Released Stockholder Claims.

**Any Current loanDepot Stockholders who object to the Settlement, the Judgment to be entered in the litigation, and/or Plaintiffs’ Counsel’s application for attorneys’ fees and expenses, or who otherwise wishes to be heard at the Final Settlement Hearing must send any objections in writing to Plaintiffs’ Counsel and Counsel for Defendant by September 5, 2025.**

All capitalized terms used in this Notice that are not otherwise defined herein have the meanings provided in the Stipulation and Agreement of Settlement entered into on February 11, 2025 (“Stipulation”), by and among the following: (1) Aaron Taylor, Tanya Harry, Haydon Modglin, Troy Skinner, Linda Johnson, Tuyet Vu, Jocelyn Porter, Jonathan Armstrong, and Hee Do Park (collectively, the “Plaintiffs”); (2) current and former officers of loanDepot and members of the Board of Directors of loanDepot (the “Board”): Anthony Hsieh, Patrick Flanagan, Nicole Carrillo, Andrew C. Dodson, John C. Dorman, Brian P. Golson, and Dawn Lepore (collectively, the “Individual Defendants”); and (3) nominal defendant loanDepot (together with the Individual Defendants, the “Defendants”). Plaintiffs and Defendants are collectively referred to herein as the “Parties.”

**THIS NOTICE PROVIDES ONLY A SUMMARY OF THE MATERIAL TERMS OF THE SETTLEMENT AND RELEASES.** You can obtain more information by reviewing the Stipulation, which is available at [www.loanDepotStockholderDerivative.com](http://www.loanDepotStockholderDerivative.com).

**PLEASE NOTE THAT NO STOCKHOLDER HAS THE RIGHT TO BE COMPENSATED AS A RESULT OF THE SETTLEMENT DESCRIBED BELOW. THERE IS NO CLAIMS PROCESS IN CONNECTION WITH THIS SETTLEMENT. STOCKHOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RESPONSE TO THIS NOTICE.**

**IF YOU HOLD THE STOCK OF LOANDEPOT FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER.**

**A federal court authorized this Notice. This is not a solicitation from a lawyer.**

**PURPOSE OF THIS NOTICE**

1. The purpose of this Notice is to explain the Actions, the terms of the proposed Settlement, and how the proposed Settlement affects current loanDepot stockholders' legal rights. This Notice is issued pursuant to an Order of the United States District Court for the Central District of California (the "Court") dated May 2, 2025 ("Preliminary Approval Order"), and further pursuant to the requirements of the Federal Rules of Civil Procedure, including Rule 23.1.

2. The Court will hold a hearing (the "Settlement Hearing") on September 26, 2025 at 10:30 a.m., at the United States District Court for the Central District of California, 350 West 1st Street, Courtroom 8A, Los Angeles, CA 90012 to consider whether the Judgment, substantially in the form of Exhibit F to the Stipulation, should be entered:

(i) approving the terms of the Settlement as fair, reasonable, adequate, and in the best interests of loanDepot and its stockholders;

(ii) dismissing with prejudice the Released Claims pursuant to the terms of the Stipulation; and

(iii) ruling upon Plaintiffs' Counsel's request for approval of attorneys' fees and expenses to be paid to Plaintiffs' Counsel.

3. You have a right to participate in the Settlement Hearing.

4. This Notice describes the rights you may have in the Actions and pursuant to the Stipulation and what steps you may take, but are not required to take, in relation to the Settlement.

**BACKGROUND OF THE SETTLING MATTERS**

**Factual Background**

5. The Settlement resolves the claims asserted in the Actions, which alleged breaches of fiduciary duty, among other claims, against certain current and former officers and directors of loanDepot by, among other things, causing the Company to make allegedly false and misleading statements to the public.

6. The Individual Defendants deny the allegations made by Plaintiffs in each of the Actions.

**The Actions**

7. On September 3, 2021, a federal securities class action was filed against loanDepot in the Central District of California, eventually styled as *LaFrano et al. v. loanDepot, Inc. et al.*, Case No. 8:21-cv-01449 (C.D. Cal.) (the "Securities Action"). On May 24, 2024, the Central District of California entered an Order and Final Judgment resolving the Securities Action.

8. Beginning in late 2021, Plaintiffs filed their respective Actions, alleging, among other things, breaches of fiduciary duty against the Individual Defendants relating to the claims underlying the Securities Action. Several of the Actions were consolidated in their respective courts, and each of the Actions was stayed pending either a final decision on the motion to dismiss

or other developments (or completion of) the related Securities Action, and/or pending ongoing settlement discussions among Plaintiffs and Defendants.

9. ***In re loanDepot, Inc. Stockholder Derivative Litigation, No. 2:21-cv-08173 (C.D. Cal.)***. Between October 2021 and April 2022, four shareholder derivative actions were filed in the Central District of California, captioned *Aaron Taylor et al. v. Anthony Hsieh et al.*, No. 2:21-cv-08173-JLS-JDE, *Haydon Modglin v. Anthony Hsieh, et al.*, No. 2:22-cv-00462, *Skinner v. Hsieh, et al.*, No. 2:22-cv-02087, and *Johnson v. Hsieh, et al.*, No. 8:22-cv-00757. All four actions were consolidated into a single action captioned *In re loanDepot, Inc. Stockholder Derivative Litigation*, No. 2:21-cv-08173.

10. ***In re loanDepot, Inc. Derivative Litigation, No. 1:22-cv-00320 (D. Del.)***. In March 2022, two shareholder derivative actions were filed in the United States District Court for the District of Delaware, captioned *Vu v. Anthony Hsieh et al.*, No. 1:22-cv-00320-CFC, and *Porter v. Hsieh, et al.*, No. 1:22-cv-00388-CFC. On April 5, 2022, those two actions were consolidated into a single action captioned *In re loanDepot, Inc. Derivative Litigation*, No. 1:22-cv-00320.

11. ***In re loanDepot, Inc. Derivative Litigation, No. 2023-0613 (Del. Ch.)***. In June 2023, two shareholder derivative actions were filed in the Delaware Court of Chancery, captioned *Armstrong v. Anthony Hsieh et al.*, No. 1:22-cv-00320, and *Porter v. Hsieh, et al.*, No. 1:22-cv-00388. On July 25, 2023, the court consolidated those actions into a single action captioned *In re loanDepot, Inc. Derivative Litigation*, No. 2023-0613.

### **Settlement Negotiations**

12. Plaintiffs' Counsel engaged in extensive settlement negotiations with Defendants' Counsel, over the course of many months. The Parties exchanged many settlement proposals and counterproposals.

13. The Parties engaged in two mediations through Jed Melnick and Robert Meyer of JAMS ADR, respected and experienced mediators in derivative and other complex litigation. A final resolution of the Actions was reached at the second mediation.

14. After reaching an agreement in principle, Plaintiffs' Counsel and Defendants' Counsel commenced negotiations regarding an appropriate amount of attorneys' fees and expenses commensurate with the value of the Settlement benefits and the contributions of Plaintiffs' Counsel to the Settlement. Despite having a number of exchanges through the Mediator, the Parties were unable to agree on an appropriate Fee and Expense Amount. Accordingly, Plaintiffs shall file a motion to approve an appropriate Fee and Expense Amount with the Reviewing Court. Defendants reserve their right to oppose such a motion.

15. The Parties subsequently reached a definitive agreement to settle the Actions, upon the terms and conditions set forth in the Stipulation, dated February 11, 2025.

16. On May 2, 2025, the Court entered the Preliminary Approval Order in connection with the Settlement that, among other things, preliminarily approved the Settlement, authorized this Notice to be provided to Current loanDepot Stockholders, and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement and Plaintiffs' Counsel's request for approval of the attorneys' fees and expenses.

## **TERMS OF THE SETTLEMENT**

17. In consideration of the Settlement and the releases provided therein, and subject to the terms and conditions of the Stipulation, the Parties have agreed to the following settlement consideration for loanDepot.

18. The Company will implement or maintain certain management and governance measures, including: (i) certain loan approval policies and procedures; (ii) improvements to the oversight of loanDepot's sales and marketing efforts; (iii) adoption of a Disclosure Committee Charter; (iv) improvements to and public posting of loanDepot's Internal Allegations Policy; (v) the posting of loanDepot's "Insider Trading Policy" on the Company's website; (vi) improvements to the Nominating and Corporate Governance Committee charter; (vii) improvements to the Compensation Committee Charter; (viii) required annual training for Board members on topics relevant to directors of publicly traded companies; (ix) a Chief Risk Officer; (x) a Chief Legal Officer; (xi) the creation of an Enterprise Risk Management Committee; (xii) enhanced Board reporting; (xiii) a Chief Compliance Officer; and (xiv) the publication of loanDepot's corporate governance policies on the Company's website.

19. Such reforms shall be in place within ninety (90) days of the Effective Date of the Settlement and for a period of not less than four (4) years.

20. Plaintiffs' Counsel believe that the claims asserted in the Actions have merit and that their investigation of the evidence supports the claims asserted. Without conceding the merit of any of the Defendants' defenses, and in light of the benefits of the Settlement as well as to avoid the potentially protracted time, expense, and uncertainty associated with continued litigation, including potential trial(s) and appeal(s), Plaintiffs and Plaintiffs' Counsel have concluded that it is desirable that the Actions be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

21. Plaintiffs' Counsel have also taken into account the uncertain outcome and the risk of any litigation, especially complex litigation such as the Actions, the difficulties and delays inherent in such litigation, the cost to loanDepot, on behalf of which Plaintiffs filed the Actions, that would result from extended litigation. Based on their evaluation, and in light of what Plaintiffs' Counsel believe to be significant benefits conferred upon loanDepot as a result of the Settlement, Plaintiffs and Plaintiffs' Counsel have determined the Settlement is in the best interests of loanDepot and its stockholders and have agreed to settle the Actions upon the terms and subject to the conditions set forth in the Stipulation.

22. While the Individual Defendants remain confident that the courts would ultimately hold Plaintiffs' claims in all the Actions to be meritless, Defendants recognize the significant risks, expenses, and duration of continued proceedings to defend against the claims made in the Actions through discovery, trial(s), and possible appeal(s). Those expenses, risks, and distractions to the Company are exacerbated and complicated by Plaintiffs' decisions to file the Actions in multiple forums and jurisdictions across the country. Defendants, therefore, are entering into the Settlement to eliminate the uncertainty, distraction, disruption, burden, risk, and expense of further litigation, and believe that the Settlement is in the best interest of the Company and its stockholders.

23. The Individual Defendants have each denied and continue to deny that he or she has committed or attempted to commit any violations of law, any breaches of fiduciary duty owed to loanDepot or its stockholders, or any wrongdoing whatsoever, and expressly maintain, that at

all relevant times, he or she acted in good faith and in a manner that he or she reasonably believed to be in the best interests of loanDepot and its stockholders. The Individual Defendants further deny that Plaintiffs, loanDepot, or its stockholders suffered any damage or were harmed as a result of any act, omission, or conduct by the Individual Defendants as alleged in the Actions or otherwise. The Individual Defendants further assert, among other things, that the Plaintiffs lack standing to litigate derivatively on behalf of loanDepot because Plaintiffs have not yet pleaded, and cannot properly plead, that a demand on the Board would be futile.

### **RELEASES**

24. Upon the Effective Date, loanDepot, Plaintiffs (acting on their own behalf and/or derivatively on behalf of loanDepot), and any Person acting derivatively on behalf of loanDepot shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, discharged and dismissed with prejudice the Released Stockholder Claims (including Unknown Claims) against the Released Defendant Persons.

25. Upon the Effective Date, loanDepot, Plaintiffs (acting on their own behalf and/or derivatively on behalf of loanDepot), and any Person acting derivatively on behalf of loanDepot, shall be forever barred and enjoined from asserting, commencing, instituting, or prosecuting any of the Released Stockholder Claims against any Released Defendant Person.

26. Upon the Effective Date, each of the Individual Defendants and loanDepot shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Released Defendant Claims (including Unknown Claims) against the Released Stockholder Persons.

27. Upon the Effective Date, each of the Individual Defendants and loanDepot shall be forever barred and enjoined from asserting, commencing, instituting, or prosecuting any of the Released Defendant Claims (including Unknown Claims) against the Released Stockholder Persons.

28. Pending final determination of whether the Settlement should be approved, no Plaintiff, directly or derivatively on behalf of loanDepot, or other loanDepot stockholder, derivatively on behalf of loanDepot, may commence or prosecute against any of the Released Persons any action or proceeding in any court, tribunal, or jurisdiction asserting any of the Released Claims.

29. **THE ABOVE DESCRIPTION OF THE PROPOSED TERMS OF SETTLEMENT AND RELEASES IS A SUMMARY.** The complete terms, including the definitions of the Effective Date, Released Defendant Claims, Released Defendant Persons, Released Stockholder Claims, Released Stockholder Persons, and Unknown Claims, are set forth in the Stipulation, which is available at [www.loanDepotStockholderDerivative.com](http://www.loanDepotStockholderDerivative.com).

### **FEE AND EXPENSE AMOUNT**

30. After reaching an agreement in principle to settle the Actions, Plaintiffs' Counsel and Defendants' counsel commenced good faith negotiations regarding the maximum amount of attorneys' fees and expenses that Defendants will agree, subject to approval of the Reviewing Court, to pay to Plaintiffs' Counsel based upon the benefits conferred upon loanDepot and its stockholders through the settlement of the Actions (the "Fee and Expense Amount"). There was no negotiation pertaining to Plaintiffs' Counsel's claimed fees or expenses prior to the Parties' agreement on the corporate governance reforms outlined above, and any potential court order(s)

relating to Plaintiffs' Counsel's claimed fees or expenses will not affect the binding nature of the substantive terms of the Settlement.

31. However, Plaintiffs' Counsel and Defendants' counsel were unable to reach an agreement on the Fee and Expense Amount. Therefore, Plaintiffs shall file a motion to approve an appropriate Fee and Expense Amount with the Reviewing Court. If the Fee and Expense Amount (or a reduced amount) is approved by the Reviewing Court, Plaintiffs' Counsel will resolve amongst themselves how to allocate the Fee and Expense Amount amongst Plaintiffs' Counsel in the various Actions. As part of this agreement, the Plaintiffs and their counsel agree not to seek any fees or expenses related to any of the Actions through any other proceeding.

32. The Fee and Expense Amount is subject to approval by the Reviewing Court. Any changes by any court to the Fee and Expense Amount will not otherwise affect the Finality of the Settlement.

### **SETTLEMENT HEARING AND RIGHT TO APPEAR AND OBJECT**

33. The Court has scheduled a Settlement Hearing, to be held on September 26, 2025 at 10:30 a.m., before the Honorable Judge Josephine L. Staton at the United States District Court for the Central District of California, 350 West 1st Street, Courtroom 8A, Los Angeles, CA 90012 to consider and determine whether the Judgment should be entered: (i) approving the terms of the Settlement as fair, reasonable, adequate, and in the best interests of loanDepot and its stockholders; (ii) dismissing with prejudice the Released Claims and the Consolidated Action as defined in the Stipulation; and (iii) ruling upon Plaintiffs' Counsel's request for approval of the Fee and Expense Amount.

34. **Please Note:** The date and time of the Settlement Hearing may change without further written notice to Current loanDepot Stockholders. **To determine whether the date and time of the Settlement Hearing have changed, it is important that you monitor the Court's docket before making any plans to attend the Settlement Hearing. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing, will be posted to that docket. All papers filed in the Actions and the Court's docket are available for review via the Public Access to Court Electronic Resources System ("PACER"), available online at <http://www.pacer.gov>.**

35. Any person who objects to the Settlement, the Judgment to be entered in the litigation, and/or Plaintiffs' Counsel's application for attorneys' fees and expenses, or who otherwise wishes to be heard, may appear in person or by counsel at the Settlement Hearing and request leave of the Court to present evidence or argument that may be proper and relevant; provided, however, that, except by order of the Court for good cause shown, no person shall be heard and no papers, briefs, pleadings or other documents submitted by any person shall be considered by the Court unless not later than twenty-one (21) calendar days prior to the Settlement Hearing such person mails to counsel listed below: (a) a written notice of intention to appear; (b) proof of current ownership of loanDepot stock, as well as documentary evidence of when such stock ownership was acquired; (c) a statement of such person's objections to any matters before the Court, including the Settlement, the Proposed Judgment, or Plaintiffs' Counsel's application for attorneys' fees and expenses; (d) the grounds for such objections and the reasons that such person desires to appear and be heard, as well as all documents or writings such person desires the Court to consider; and (e) a description of any case, providing the name, court, and docket number,

in which the objector or his or her attorney, if any, has objected to a settlement in the last three years.

***Plaintiffs' Counsel:***

Thomas J. McKenna  
GAINY MCKENNA & EGLESTON  
260 Madison Ave, 22nd Floor  
New York, NY 10016

Timothy Brown  
THE BROWN LAW FIRM, P.C.  
767 Third Avenue, Suite 2501  
New York, NY 10017

Benjamin I. Sachs-Michaels  
GLANCY PRONGAY & MURRAY LLP  
745 Fifth Avenue, 5th Floor  
New York, NY 10151

***Defendants' Counsel:***

Craig Varnen  
Gibson, Dunn & Crutcher LLP  
333 South Grand Avenue  
Los Angeles, CA 90071

36. Unless the Court otherwise directs, no person shall be entitled to object to the approval of the Settlement, any judgment entered thereon, any award of attorneys' fees and expenses, or otherwise be heard, except by serving and filing a written objection and supporting papers and documents as prescribed above. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding. If the Court approves the Settlement provided for in the stipulation following the Settlement Hearing, Judgment shall be entered substantially in the form attached as Exhibit F to the Stipulation.

**NOTICE TO PERSONS OR ENTITIES HOLDING  
OWNERSHIP ON BEHALF OF OTHERS**

37. Brokerage firms, banks and/or other persons or entities who currently hold shares of common stock of loanDepot are directed promptly to send this Notice to all their respective beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, they may be obtained by downloading this information at [www.loanDepotStockholderDerivative.com](http://www.loanDepotStockholderDerivative.com), or by requesting the information from Epiq Class Action & Claims Solutions, Inc. at the below address:

loanDepot Stockholder Derivative Litigation  
c/o Epiq Systems, Inc.  
PO Box 5356  
Portland, OR 97228-5356

### **ORDER AND FINAL JUDGMENT OF THE COURT**

38. The Parties will jointly request at the Settlement Hearing that the Court determine and enter the Judgment concluding that the Settlement is fair, reasonable, adequate, and in the best interests of loanDepot and its stockholders. The requested Judgment shall, among other things:

- a. Determine whether the requirements of Rule 23.1 of the Federal Rules of Civil Procedure and due process have been satisfied in connection with this Notice;
- b. Determine whether the Settlement is fair, reasonable, adequate, and in the best interests of loanDepot and its stockholders;
- c. Determine whether the Actions should be Dismissed with prejudice against all Defendants without costs except as provided in the Stipulation, and whether the Released Claims should be released; and
- d. Determine whether the Fee and Expense Amount should be approved.

### **SCOPE OF THIS NOTICE**

39. This Notice does not purport to be a comprehensive description of the Actions, the terms of the Settlement, or the Settlement Hearing. For the full details of the Actions, the claims and defenses which have been asserted by the Parties, and the terms and conditions of the Settlement, including complete copies of the Stipulation, loanDepot's stockholders are referred to the documents filed with the Court. You or your attorney may examine the court files during regular business hours each business day at the office of the Clerk of the Court, United States District Court, 350 West 1st Street, Courtroom 8A, Los Angeles, CA 90012.

40. If you have questions regarding the Settlement, you may contact Plaintiffs' Counsel:

Thomas J. McKenna  
GAINEY MCKENNA & EGLESTON  
260 Madison Ave, 22nd Floor  
New York, NY 10016  
Tel. 212.983.1300  
TJMcKenna@gme-law.com

Timothy Brown  
THE BROWN LAW FIRM, P.C.  
767 Third Avenue, Suite 2501  
New York, NY 10017  
Tel. 516.922.5427  
tbrown@thebrownlawfirm.net

Benjamin I. Sachs-Michaels  
GLANCY PRONGAY & MURRAY LLP  
745 Fifth Avenue, 5th Floor  
New York, NY 10151  
Tel. 212.935.7400  
bsachsmichaels@glancylaw.com

**PLEASE DO NOT CALL OR WRITE THE COURT**

DATE: May 30, 2025