



Dear Loan Originators,

I am writing to you at the direction of Hon. George C. Pratt, who is the Arbitrator in a collective action proceeding brought against Waterstone Mortgage Corporation by Pamela Herrington on behalf of herself and all similarly situated mortgage loan originators who have worked for Waterstone since November 28, 2008 in a non-supervisory capacity. Ms. Herrington, a former mortgage loan originator, contends that Waterstone failed to pay its mortgage loan originators time and one half overtime premium pay and minimum wages as required by the Fair Labor Standards Act (FLSA) and in violation of Waterstone's standard Loan Originator Employment Agreement. Waterstone has denied Ms. Herrington's allegations and is defending the arbitration.

The purpose of this letter is to correct any misapprehension or misinformation I may have caused by the letter I sent to you in March 2014 in which I tendered to you the choice of either Option A or Option B as an amendment to your employment agreement. That letter had specifically been prohibited by the Arbitrator in the *Herrington v. Waterstone* arbitration and Waterstone was held in contempt for having sent it. In that letter I stated that executing the amendment might "jeopardize any right you may have to join" in the arbitration and will "impact your right to potentially join that arbitration against Waterstone." Contrary to what I said, the Arbitrator has determined that while Option A and Option B may or may not affect how any future disputes between us might be resolved, neither option can have any impact on the *Herrington v. Waterstone* arbitration or on your rights as a mortgage loan officer to participate in the arbitration.

Because the Arbitrator prohibited me from sending the March 2014 letter and because the letter incorrectly stated that signing the employment agreement would prevent you from participating, the Arbitrator has ordered that those loan officers that received the March 2014 letter and did not then choose to join the arbitration should be given another opportunity to join. Under separate cover, those loan officers will receive a notice from the Claimants' lawyers, Getman & Sweeney, PLLC, a notice that has been authorized by the Arbitrator and provides the information and instructions you need in order to make an informed choice.

Because the decision you may be called upon to make is an important one, it is necessary that you understand the following:

- You should disregard anything said in my March 2014 letter to you about the arbitration, about your relationship to it, and about the effect that Option A or Option B might have on your participation in the arbitration.
- Whatever decision you may make is protected by law from any retaliation by Waterstone. The company may not and will not discipline, punish, or discriminate against an employee in any way for participating in the arbitration.
- If you join the arbitration now, the Arbitrator has ordered that Waterstone waives any discovery from you. This means that if you join the arbitration now Waterstone is prohibited from asking you to appear for deposition and you will not have to produce any documents.
- If you have any questions about the arbitration, I and other Waterstone managers or HR personnel are prohibited from communicating with you in any way about the case. Any questions about the arbitration should be directed to the attorneys for the class:

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Sincerely yours,



Eric J. Egenhoefer – President