

SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF SAN DIEGO

Williams v. Esurance Property and Casualty Insurance Company,

Case No. 37-2021-00039100-CU-BC-CTL

IMPORTANT NOTICE OF CLASS ACTION SETTLEMENT

The Court authorized this Notice.
This is not a solicitation from a lawyer.
You are not being sued.

PLEASE READ THIS NOTICE CAREFULLY

**This settlement concerns only leased vehicles.
If you owned the vehicle that was a Total Loss, you do not have a claim.**

If you had a Total Loss claim **FOR A LEASED VEHICLE**, you may be a class member in a class action against Esurance Property and Casualty Insurance Company. A settlement has been reached in the case *Williams v. Esurance Property and Casualty Insurance Company*, No. 37- 2021-00039100-CU-BC-CTL, San Diego County (the “Action”), entitling eligible Settlement Class Members who make a claim to receive a payment for up to 8% sales tax based on the actual cash value as previously adjusted of the Total Loss vehicle at the time of loss, as well as up to \$150.00 for any unpaid title transfer fees and/or license plate registration transfer fees. This Notice explains 1) the terms of the Settlement; 2) who is a member of the Class; 3) how to submit a claim for payment; 4) how to request exclusion from the Settlement; 5) how to object to the Settlement, and 6) how to get more information about the Settlement.

The insurance company included in the Proposed Settlement is Esurance Property and Casualty Insurance Company, (“Esurance” or “Defendant”).

You have been identified as someone who may be a “Settlement Class Member” from Esurance’s claims data because you may be a California Policyholder insured by Esurance and submitted a covered physical damage claim with respect to a covered leased (i.e., not owned) vehicle during the period of September 17, 2015, through September 22, 2022 that resulted in a Total Loss Claim Payment. This settlement concerns only leased vehicles. If you owned the vehicle that was a Total Loss, this lawsuit does not apply to you, and you do not have a claim and can ignore this notice.

IF YOU ARE A CLASS MEMBER, THIS LEGAL PROCEEDING MAY AFFECT YOUR RIGHTS.

HELP IS AVAILABLE TO ASSIST YOUR UNDERSTANDING OF THIS NOTICE.

Call **1-866-329-9910** Toll-Free for more information.

WHAT IS A CLASS ACTION?

A class action is a lawsuit in which one or more individuals bring claims on behalf of other persons or entities. These persons or entities are referred to as “Class” or “Class Members.” In a certified class action, the Court resolves certain issues, legal claims, and/or defenses for all Class Members in a single action, except for those persons or entities who ask in writing to be excluded from the Class.

WHAT IS THIS CLASS ACTION ABOUT?

Plaintiff alleges that Esurance breached its contracts (insurance policies) by failing to pay sales tax purportedly owed on first-party Total Loss vehicle claims to Plaintiff and Class Members who are California insureds who submitted physical damage claims for their leased vehicles during the Class Period. Specifically, Plaintiff alleges that Esurance owed statewide sales tax on the actual cash value as previously adjusted of the Total Loss vehicle at the time of loss, as well as title transfer fees and/or license plate registration transfer fees (“Fees”). Esurance maintains that it complied with the terms of the insurance policies and applicable law, denies that it acted wrongfully or unlawfully, and continues to deny all material allegations.

You are receiving this Notice because a Settlement of the case has been reached between Plaintiff, acting on behalf of the Class, and Esurance. The Court has preliminarily approved the Settlement, including the preliminary approval of a Settlement Class.

The Court is conducting a SETTLEMENT FINAL HEARING on February 10, 2023, at 10:30 a.m. PST to decide whether to grant Final approval of the Proposed Settlement.

SETTLEMENT TERMS

As a part of the settlement, Esurance has agreed to pay each eligible Settlement Class Member who makes a claim:

1. Where Sales Tax was unpaid, Defendant will pay Sales Tax at 100% using the average California tax rate of 8%;
2. If Sales Tax was paid in an amount less than the amounts set forth above to any Class Member, Defendant will pay the difference between what was already paid and the amounts set forth above;
3. Where Fees were not paid, Defendant will pay the average California Fees amount of \$150.00;
4. If Fees were not paid in full, Defendant will pay the difference between what was already paid, and average California Fees amount of \$150.00.

This settlement concerns only leased vehicles. If you owned the vehicle that was a Total Loss, you do not have a claim.

The payment is the full amount sought in the case. In addition, Esurance changed its practice and currently pays sales tax and fees on all private passenger auto first-party Total Loss claims on leased vehicles. As part of the settlement, Esurance will pay attorneys' fees, costs, and expenses of up to \$125,000.00, and up to \$5,000.00 as a Service Award to the Class Representative if approved by the Court. These payments will not reduce the amount of money available to Settlement Class Members.

In exchange, the Plaintiff and Class Members who do not exclude themselves from the Settlement agree to give up any claim they have for payment of sales tax and fees. If you are a member of the Class, you can submit a claim to be paid sales tax and fees. Alternatively, you may, if you wish, request to be excluded from the Settlement, which means you are not eligible for payment, and you maintain your right to sue Esurance individually and separately for payment of sales tax and fees. You may also object to the terms of the Settlement if you comply with the requirements set forth below.

HOW DO I KNOW IF I AM A MEMBER OF THE CLASS?

You may be a member of the class action (a "Class Member") against Esurance if you were a California Policyholder and insured by Esurance and submitted a physical damage claim with respect to a covered leased vehicle during the period September 17, 2015, through September 22, 2022 that resulted in a Total Loss Claim Payment. You received this Notice because Esurance's records indicate you may be a member of the Class. If you owned the vehicle that was a Total Loss, this lawsuit does not apply to you, you do not have a claim, and you can ignore this notice.

IF I AM A CLASS MEMBER, WHAT ARE MY OPTIONS?

If you are a Class Member, you have four options.

Option 1: Submit a Claim Form for Payment.

You may submit a Claim Form for payment of sales tax and fees. If you received a Notice in the mail, the Notice included a pre-filled Claim Form. You can submit a claim by signing the Claim Form, carefully tearing at the perforation, and putting the Claim Form in the mail (the Claim Form is addressed and has necessary postage prepaid). If you do not have your Claim Form, you can call 1-866-329-9910 or visit www.WilliamsTotalLossInsuranceSettlement.com and request that the Settlement Administrator send you a Claim Form as described above (or a blank form that you will need to fill out).

You also can submit an Electronic Claim Form by visiting www.WilliamsTotalLossInsuranceSettlement.com, clicking the MAKE A CLAIM button, and following the steps outlined for you. An Email Notice of the Settlement also has been sent to Settlement Class Members for whom Esurance has email addresses. The email has a link to permit you to access the website to make a claim using a Claimant ID contained in the email and the Mailed Notice.

You can make a claim on www.WilliamsTotalLossInsuranceSettlement.com by clicking the MAKE A CLAIM button. You will need a Claimant ID (which was included in the Mailed Notice and Email Notices) or your last name and Policy number or claim number. If you do not know your Claimant ID, you can call 1-866-329-9910 and provide your last name and seek assistance in determining your Claimant ID. You can also fill out the information in an Electronic Blank Claim Form.

If you submit a Claim Form in the mail, it must be postmarked no later than February 20, 2023. If you submit an Electronic Claim, you must do so by 11:59 p.m. on February 20, 2023.

Option 2: Exclude yourself from the Case.

You have the right to not be part of the Settlement by excluding yourself or “opting out” of the Class. If you wish to exclude yourself, you must do so on or before January 20, 2023 as described below. You do not need to hire your own lawyer to request exclusion from the Class. If you exclude yourself from the Class, you give up your right to receive sales tax and fees, or any other benefit as part of this settlement, and you will not be bound by any judgments or orders of the Court, whether favorable or unfavorable. However, you will keep your right to sue Esurance separately in another lawsuit if you choose to pursue one.

To exclude yourself from this lawsuit and/or preserve your right to bring a separate case, you must make a request to be excluded in writing and, with sufficient postage, mail the request to:

Williams v. Esurance Property and Casualty Insurance Company
c/o Settlement Administrator
P.O. Box 3710
Portland, OR 97208-3710

A request for exclusion must be received by, on, or before January 20, 2023.

Your request for exclusion must contain the following

1. The name of the lawsuit;
2. Your full name;
3. Your current address;
4. A clear statement that you wish to be excluded from the Class, such as: “I request exclusion from the Class”; and
5. Your signature.

The Settlement Administrator will file your request for exclusion with the Court. If you are signing on behalf of a Class Member as a legal representative (such as an estate, trust, or incompetent person), please include your full name, contact information, and the basis for your authority. A request for exclusion must be exercised individually and not on behalf of a group.

IF YOUR REQUEST TO EXCLUDE YOURSELF FROM THE CLASS IS NOT RECEIVED BY THE DEADLINE OF JANUARY 20, 2023, YOU WILL REMAIN PART OF THE CLASS AND WILL BE BOUND BY THE ORDERS OF THE COURT IN THIS LAWSUIT AND BY THE TERMS OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT, EVEN IF YOU DO NOT SUBMIT A CLAIM FOR PAYMENT. IF YOU DO NOT WISH TO BE BOUND BY THE DECISIONS OR SETTLEMENT IN THIS CASE, YOU MUST REQUEST EXCLUSION FROM THE CLASS ACTION.

Option 3: Object to the Terms of the Settlement.

The full terms of the Settlement can be found at www.WilliamsTotalLossInsuranceSettlement.com. If you think the terms of the Settlement are not fair, reasonable, or adequate to the Class Members, you can file a Notice of Intent to object to the terms of the Settlement. If you object to the terms of the Settlement, you cannot request exclusion from the Settlement. If you object to the terms of the Settlement and your objection is overruled, you will be bound by the terms of the Settlement and all rulings and orders from the Court.

To properly object to the terms of the Settlement, you must send, with sufficient postage, a Notice of Intent to object to the terms of the settlement and to appear at the Final Approval Hearing (described below) to the following:

Williams v. Esurance Property and Casualty Insurance Company
c/o Settlement Administrator
P.O. Box 3710
Portland, OR 97208-3710

The Notice of Intent must include the following:

- (a) Include the name of the case and case number;
- (b) Provide the name, address, telephone number, and signature of the Settlement Class Member filing the objection;
- (c) Indicate the specific reasons why the Settlement Class Member objects to the Proposed Settlement;

- (d) Contain the name, address, bar number, and telephone number of the objecting Settlement Class Members counsel, if any, and any such attorney must comply with all applicable rules of the Court; and
- (e) State whether the objecting Settlement Class Member intends to appear at the Fairness Hearing, either in person or through counsel.

If you and/or your attorney intend to request permission to address the Court at the Final Approval Hearing, your Notice of Intent must also include the following:

- (a) A detailed statement of the specific legal and factual basis for each objection;
- (b) A list of any and all witnesses whom the Settlement Class Member may seek to call at the Final Approval Hearing (subject to applicable rules of procedure and evidence and at the discretion of the Court), with the address of each witness and a summary of his or her proposed testimony;
- (c) A list of any legal authority the Settlement Class Member will present at the Final Approval Hearing; and
- (d) Documentary proof of membership in the Settlement Class.

Notices of Intent to object must be received by January 20, 2023. Any Notice of Intent that is not received by the deadline set forth above or which does not comport with the requirements listed above may waive the right to be heard at the Final Approval Hearing. If you file a Notice of Intent, you waive the right to request exclusion from the Class and will be bound by any decisions and orders from the Court and by the terms of the Settlement if it is approved by the Court. If you do not want to be bound by the decisions and rulings by the Court and the terms of the settlement, you must file a request for exclusion, not a Notice of Intent.

Option 4: Do Nothing Now. Stay in the Case.

You have the right to do nothing. If you do nothing, you will be bound by the terms of the Settlement and will release any claim against Esurance for sales tax and fees, even if you do not submit a Claim for payment. In other words, if you do nothing, you will give up your right to sue Esurance and receive nothing in return.

WHO IS REPRESENTING THE CLASS?

The Court has preliminarily appointed Lavarsha Williams (the “Named Plaintiff”) to be the representative of the Class. The Court has also preliminarily appointed the following lawyers as Class Counsel for those Class Members:

Scott Edelsberg, Esq.
Edelsberg Law, P.A.
20900 NE 30th Ave., Suite 417
Aventura, FL 33180
Tel. (786) 289-9471
Email: scott@edelsberglaw.com
Website: www.edelsberglaw.com

Ed Normand, Esq.
Normand PLLC
3165 McCrory Pl #175
Orlando, FL 32803
Tel. (407) 603-6031
Email: ed@normandpllc.com
Website: www.normandpllc.com

These lawyers are experienced in handling class action lawsuits, including actions on behalf of insured Policyholders. More information about Class Counsel is available on their websites above.

Class Counsel will file an application for attorneys’ fees and costs of no more than \$125,000, subject to approval by the Court. Esurance has agreed to pay Class Counsel up to that amount if approved by the Court. Payment of attorneys’ fees and costs has no impact and does not affect or reduce in any way the amount of money that will be paid to Class Members. If the Court grants Class Counsel’s request, and in whatever amount the Court approves Class Counsel’s Request, the attorneys’ fees and costs will be paid separately by Esurance. If you submit a valid claim for payment, you will receive your full payment, and that amount will not be reduced to pay Class Counsel fees and/or costs. You will not be personally responsible for any fees, costs, or expenses incurred by Class Counsel relating to the prosecution of this case.

Class Counsel also will seek a Service Award to the Named Plaintiff in the amount of \$5,000, subject to Court approval. The Service Award is designed to reward the Named Plaintiff for securing the recovery awarded to members of the Class, which is the full amount of damages the Named Plaintiff alleged is owed to Class Members, and to acknowledge the time spent by the Named Plaintiff in providing discovery, participating in the case and mediation, and prosecuting the claim for the benefit of the Class. Esurance has agreed to pay a Service Award to the Named Plaintiff of up to \$5,000 if approved by the Court. Payment of the Service Award has no impact and does not affect in any way the amount of money that will be paid to Settlement Class Members. If the Court grants the request for a Service Award, and in whatever amount the Court approves the request, the Service Award(s) will be paid separately by Esurance and will not affect or reduce in any way the amount of money paid to Class Members. If you submit a valid claim for payment, you will receive your full payment, and that amount will not be reduced to pay the Service Award.

WHAT CLAIMS AGAINST ESURANCE ARE CLASS MEMBERS RELEASING?

As a part of the Settlement, Class Members agree to release Esurance and not to sue Esurance for any claims for payment of sales tax. Unless you request exclusion from the Class, you give up the right to individually sue Esurance and claim you are owed sales tax and fees as part of your total-loss payment, even if you do not submit a Claim for payment as part of this Settlement.

“Released Claims” means and includes any and all known and unknown claims, rights, actions, suits, or causes of action of whatever kind or nature, whether ex contractu or ex delicto, statutory, common law, or equitable, including but not limited to breach of contract, bad faith or extracontractual claims, and claims for punitive or exemplary damages, or prejudgment or post-judgment interest, arising from or relating in any way to Esurance’s failure to pay sufficient sales tax and fees to Plaintiff and all Settlement Class Members with respect to any Covered Total Loss Claim during the Class Period under an Automobile Insurance Policy relating to a leased vehicle.

Released Claims do not include any claim for enforcement of the contemplated Settlement Agreement and/or Final Order and Judgment.

Released Claims do not include any claims, actions, or causes of action alleging that Esurance failed to properly calculate the value of Total Loss vehicles except to the extent that such claims, actions, or causes of action relating to failure to pay sufficient sales tax and fees.

Released Claims do not include any claims, actions, cause of actions, or suits for failure to pay dealer fees, document fees, ready-to-go fees, or dealer prep fees by any other term or category except to the extent that they seek recovery for sales tax, title transfer fees and/or license plate registration fees.

Released Claims do not include any claims, actions, cause of actions, or suits of any kind or nature relating to non-leased vehicle Total Losses.

HOW DO I FIND OUT MORE ABOUT THIS LAWSUIT?

If you have any questions about the lawsuit or any matter raised in this notice, please call toll-free at **1-866-329-9910** or go to www.WilliamsTotalLossInsuranceSettlement.com.

This www.WilliamsTotalLossInsuranceSettlement.com website provides:

1. A “MAKE A CLAIM” button to make a claim using your Claimant ID, or using your last name and policy number or claim number;
2. The process for requesting a paper (non-electronic) pre-filled Claim Form;
3. A form that you may use (but are not required to use) to exclude yourself from the class action;
4. The full terms of the Settlement;
5. Information and requirements for submitting a claim, requesting exclusion, or filing a Notice of Intent to object to the terms of the Settlement;
6. A copy of the Complaint filed by Plaintiff and other important rulings and orders from the Court during the case prior to Settlement; and
7. Other general information about the class action.

You also may contact Class Counsel, whose contact information and websites are provided above.

Complete copies of the documents filed in this lawsuit that are not under seal may be examined and copied at any time at the Superior Court of California, San Diego Division - Clerk of Courts, County Administration Center, 1600 Pacific Highway, Suite 260, San Diego, CA 92101. 5

**IF YOU ARE A CLASS MEMBER, THIS LEGAL PROCEEDING MAY AFFECT YOUR RIGHTS
QUESTIONS? CALL TOLL FREE 1-866-329-9910 OR VISIT: WilliamsTotalLossInsuranceSettlement.com
PARA UNA NOTIFICACIÓN EN ESPAÑOL, LLAMAR O VISITAR WilliamsTotalLossInsuranceSettlement.com**