

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

IMPORTANT NOTICE OF CLASS ACTION SETTLEMENT

**A court authorized this Notice.
This is not a solicitation from a lawyer.
You are not being sued.**

PLEASE READ THIS NOTICE CAREFULLY

A Settlement has been reached in the cases *In Re GEICO General Insurance Company, Case No. 4:19-cv-03768-HSG (N.D. Cal.)* (“*Subbaiah*”) and *Perez v. GEICO Indemnity Company, Case No.4:20-cv-07436 (N.D. Cal.)*. The Court consolidated these cases for settlement purposes.

The Settlement Agreement includes two Classes: a Sales Tax Class and a Regulatory Fees Class. Sales Tax Class Members who submit a valid and timely Claim Form are eligible for (1) unpaid statewide sales tax of 7.25% plus local sales tax (where applicable) based on the adjusted value of the total-loss vehicle at the time of loss (less any amount of sales tax included in the original total-loss claim payment); and (2) unpaid regulatory fees of \$6.88. Plaintiffs’ counsel calculates that the average claim payment amount available to eligible Sales Tax Class Members is over \$2,051.98. This is only an average; individual payments will vary based on the facts of your claim. Regulatory Fees Class Members who submit a Claim Form are eligible for unpaid regulatory fees of \$6.88. 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.

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

HELP IS AVAILABLE TO ASSIST YOUR UNDERSTANDING OF THIS NOTICE.

Call **1-844-494-0263** 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 a “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?

Plaintiffs allege that the defendants GEICO General Insurance Company, Government Employees Insurance Company, GEICO Casualty Company, and GEICO Indemnity Company (together “GEICO”) breached their contracts (insurance policies) by failing to pay the “actual cash value” on first-party total-loss vehicle claims to Plaintiffs and Class Members who are California insureds who submitted physical damage claims for their vehicles during the class periods. Specifically, Plaintiffs allege that GEICO owed statewide sales tax of 7.25% plus local sales tax (where applicable) based on the adjusted value of the total-loss vehicle at the time of loss, and certain regulatory fees. GEICO maintains that it complied with the terms of the insurance policies and applicable law and denies that it acted wrongfully or unlawfully and continues to deny all material allegations.

This Settlement resolves and settles claims in both the *Subbaiah* and *Perez* matters. You are receiving Notice because a Settlement of the case has been reached between the Plaintiffs, acting on behalf of the Settlement Classes, and GEICO.

The District Court is conducting a FAIRNESS HEARING on December 15, 2022, in Courtroom 2 of the Oakland federal courthouse, Fourth Floor, located at 1301 Clay Street, Oakland, CA 94612 to decide whether to grant final approval of the Proposed Settlement. The date of the FAIRNESS HEARING may change without further notice to the class. You should be advised to check the settlement websites at www.CaliforniaTotalLossClassActionFees.com and www.CaliforniaTotalLossClassActionTaxes.com or the Court's PACER website at <https://ecf.cand.uscourts.gov>, to confirm that the date of the FAIRNESS HEARING has not been changed. Be advised that the hearing date may change without further notice to the Class.

Settlement Terms

As a part of the Settlement, GEICO has agreed to pay each eligible Settlement Class Member who submits a valid and timely Claim Form. The payment amount will depend on whether the Class Member is a member of the Sales Tax Class (meaning GEICO did not include full sales tax when it originally paid on the total-loss claim) or a member of the Regulatory Fees Class (meaning GEICO did include full sales tax when it originally paid on the total-loss claim).

Regulatory Fees Class Members who submit a valid and timely claim will receive payment for unpaid regulatory fees of \$6.88. Sales Tax Class Members who submit a valid and timely claim will receive unpaid regulatory fees of \$6.88, plus unpaid sales tax of 7.25% plus local sales tax (where applicable) based on the adjusted value of the total-loss vehicle at the time of loss (less any amount in sales tax originally included in the total-loss claim payment).

Total cash payments available in the *Subbaiah* and *Perez* settlement total approximately \$19.9 million. As part of the Settlement, GEICO has also agreed to pay sales tax on all private passenger auto first-party total-loss claims for leased vehicles (absent a change in intervening law). GEICO has also agreed to change its business practice to begin prorating the regulatory fees included in total-loss claim payments on a daily basis, rather than on a monthly basis. Finally, GEICO has agreed to pay attorneys' fees and costs of up to \$3.9 million, and \$5,000.00-\$15,000.00 as Service Awards to the Class Representatives. These payments are subject to Court approval and will not in any way reduce the amount of money available or paid to Settlement Class Members.

In exchange, the Plaintiffs and the members of the Classes who do not exclude themselves from the Settlement agree to give up any claim they have against GEICO for payment of sales tax and/or regulatory fees. 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 GEICO individually and separately for payment of sales tax and/or regulatory 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'm a Member of the Class?

You may be a member of the **Sales Tax Class** if: (1) you were insured under a California private passenger automobile insurance policy and submitted a physical damage claim with respect to a covered vehicle during the period of (a) June 27, 2015 (if insured by GEICO General), (b) October 23, 2016 (if insured by GEICO Indemnity), or (c) June 30, 2017 (if insured by GEICO Casualty or Government Employees Insurance Company), through August 27, 2020 that resulted in a total-loss claim payment; (2) you did not retain the salvage vehicle; (3) GEICO determined that the vehicle was a "total loss" and thus did not pay to repair the vehicle; and (4) the total-loss claim payment did not include full sales tax calculated as the applicable percentage of the adjusted vehicle value.

You may be a member of the **Regulatory Fees Class** if: (1) you were insured under a California private passenger automobile insurance policy and submitted a physical damage claim with respect to a covered vehicle during the period of (a) June 27, 2015 (if insured by GEICO General), or (b) June 30, 2017 (if insured by GEICO Indemnity, GEICO Casualty or Government Employees Insurance Company), through July 28, 2022, that resulted in a total-loss claim payment; (2) you did not retain the salvage vehicle; and (3) GEICO determined that the vehicle was a “total loss” and thus did not pay to repair the vehicle.

If I Am a Class Member, What Are My Options?

If you are a member of one of the Classes, you have four options.

Option 1: Submit a Claim Form for Payment.

You may submit a Claim Form for payment. 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). You can also call 1-844-494-0263 or visit www.CaliforniaTotalLossClassActionFees.com or www.CaliforniaTotalLossClassActionTaxes.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 can also submit an Electronic Claim Form by visiting www.CaliforniaTotalLossClassActionFees.com or www.CaliforniaTotalLossClassActionTaxes.com, clicking the MAKE A CLAIM button, and following the steps outlined for you. You will need either (1) a Claim ID (which was included in the Mailed Notice and in the Email Notice you should have received if GEICO possesses your email address) or (2) your name and address and either a valid claim number or policy number and date of loss. If you do not know your Claim ID, you can call 1-844-494-0263 and provide your name and seek assistance in determining your Claim ID. You can also fill out the information in an electronic blank form.

If you submit a Claim Form in the mail, it must be postmarked no later than November 11, 2022. If you submit an Electronic Claim, you must do so by 11:59 p.m. Eastern on November 11, 2022.

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 October 27, 2022 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 any benefits as part of this Settlement, and you will not be bound by any judgments or orders of the District Court, whether favorable or unfavorable. However, you will keep your right to sue any of the GEICO Defendants separately in another lawsuit seeking sales tax and/or regulatory fees if you choose to pursue one.

To exclude yourself from this lawsuit, you must make a request to be excluded in writing and, with sufficient postage, mail the request to:

CA Total Loss Class Action Settlement Administrator
P.O. Box 8060
San Rafael, CA 94912-8060

A request for exclusion must be postmarked on or before October 27, 2022.

Your request for exclusion must contain the following:

1. The name of either *Subbaiah* or *Perez* 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 District 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 YOU DO NOT EXCLUDE YOURSELF FROM THE CLASS BY THE POSTMARK DEADLINE OF OCTOBER 27, 2022, YOU WILL REMAIN PART OF THE CLASS AND WILL BE BOUND BY THE ORDERS OF THE DISTRICT 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 BY THE DEADLINE.

Option 3: Object to the Terms of the Settlement.

The full terms of the Settlement can be found at:

www.CaliforniaTotalLossClassActionFees.com or www.CaliforniaTotalLossClassActionTaxes.com

If you think the terms of the Settlement are not fair, reasonable, or adequate to the Class Members, you can file an objection 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.

You can ask the Court to deny approval by filing an objection in the manner specified below. You can't ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

Any objection to the Settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Fairness Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number: *In Re GEICO General Insurance Company*, Case No. 4:19-cv-03768-HSG (N.D. Cal.), and *Perez v. GEICO Indemnity Company*, Case No.4:20-cv-07436 (N.D. Cal.); (b) be submitted to the Court either by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, 1301 Clay Street, Oakland, CA 94612, or by filing them in person at any location of the United States District Court for the Northern District of California; and (c) be filed or postmarked on or before October 27, 2022.

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 GEICO for sales tax and regulatory fees, but if you do not submit a Claim Form for payment, you will not receive a payment.

Who Is Representing the Class?

The District Court has preliminarily appointed Poonam Subbaiah, Cindy Ventrice-Pearson, and Kristin Perez (the “Named Plaintiffs”) to be the representatives of the Settlement Classes. The District Court has also preliminarily appointed the following lawyers as Class Counsel for those Class Members:

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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 \$3.9 million dollars, which will be subject to approval by the Court. GEICO has agreed to pay that amount if approved by the Court.

Payment of attorneys' fees and costs has no impact and does not affect in any way, and will not reduce, the amount of money that will be paid to Class Members. If the District Court grants Class Counsel's request, and in whatever amount the District Court approves Class Counsel's Request, the attorneys' fees and costs will be paid separately by GEICO. If you submit a valid claim for payment, you will receive your full payment without reduction for attorneys' fees and costs.

Class Counsel will also seek a Service Award to the Plaintiffs in the amounts of \$5,000.00 to Plaintiff Perez, \$10,000.00 to Plaintiff Ventrice-Pearson, and \$15,000.00 to Plaintiff Subbaiah, subject to Court approval. The Service Award is designed to reward the Plaintiffs for securing the recovery awarded to members of the Class and to acknowledge the time and costs spent by the Plaintiffs in sitting for deposition, providing discovery, investigating the claim, participating in the case and mediation, and prosecuting the claim for the benefit of the Class. The differences in the amounts sought for the three Class Representatives represent differences in the stage of the litigation, time expended in the discovery process, investigating the claim, personal costs expended, and other factors. If the District Court grants the request for a Service Award(s), and in whatever amount the District Court approves the request, the Service Award(s) will be paid separately by GEICO, and will not affect in any way, and will not reduce, 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(s).

What Claim(s) Against GEICO Are Class Members Releasing?

As a part of the Settlement, Class Members agree not to sue GEICO by asserting any claim for payment of sales tax and regulatory fees. Unless you request exclusion from the Class, you give up the right to individually sue GEICO and claim you are owed sales tax and regulatory fees as part of your total-loss payment, even if you do not submit a Claim for payment as part of this Settlement. You are not releasing any other claim against GEICO. Full terms of the Released Claims and Released Parties can be found in the Proposed Settlement at www.CaliforniaTotalLossClassActionFees.com or www.CaliforniaTotalLossClassActionTaxes.com.

How Do I Find Out More About This Lawsuit?

This Notice summarizes the Proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at www.CaliforniaTotalLossClassActionFees.com or www.CaliforniaTotalLossClassActionTaxes.com, by contacting Class Counsel at the contact information provided in the list above, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of Court for the United States District Court for the Northern District of California, Oakland Division, 1301 Clay Street, Oakland, CA 94612, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

If you have any questions about the lawsuit or any matter raised in this Notice, you can also call toll-free at **1-844-494-0263**.

PLEASE DO NOT TELEPHONE THE COURT OR THE CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS. All questions regarding the Settlement or claims process should be directed to the Settlement Administrator or Class Counsel.

IT IS SO ORDERED, HON. HAYWOOD S. GILLIAM JR., U.S. DISTRICT COURT JUDGE

DATED: September 12, 2022