

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

Cavallaro v. United Services Automobile Association, et al.,
Case No. 1:20-CV-00414-TSB

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 case *Cavallaro v. United Services Automobile Association, et al.*, Case No. 1:20-CV-00414-TSB, entitling members of the Settlement Class to payment of Sales Tax, Car Replacement Assistance (“CRA”) Sales Tax, and/or Salvage Title Fees for Covered Total Loss Claims. This Notice explains: 1) the terms of the Settlement; 2) who is a member of the Settlement Class; 3) how to submit a Claim Form 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 SETTLEMENT CLASS MEMBER, THIS LEGAL PROCEEDING MAY AFFECT YOUR RIGHTS.

HELP IS AVAILABLE TO ASSIST YOUR UNDERSTANDING OF THIS NOTICE.

Call **1-844-202-9487** toll free or visit www.TotalLossesTaxSettlement.com 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 alleged that United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Company, and Garrison Property and Casualty Insurance Company (“Defendants”) (defined below) breached their contracts (Automobile Insurance Policies) by failing to fully pay Plaintiffs and other Ohio insureds who submitted physical damage claims for their vehicles during the Class Period, and which resulted in a Total Loss Claim Payment. Specifically, Plaintiffs allege that Defendants’ settlement practice of paying Sales Tax and CRA Sales Tax on a reimbursement basis after the insured replaced their totaled vehicle was improper. Plaintiffs also allege that Defendants improperly failed to compensate insureds the cost of re-titling a salvaged vehicle retained by some insureds following a Total Loss. Defendants maintain that they complied with the terms of the Automobile Insurance Policies and applicable law and deny that they acted wrongfully or unlawfully and continue to deny all material allegations.

Settlement Terms

As a part of the Settlement, United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Company, and Garrison Property and Casualty Insurance Company (“Defendants”), have agreed, upon Court approval, to:

1. Pay Settlement Class Members who timely submit a valid Claim Form Sales Tax on the actual cash value of their Total Loss at the Ohio state sales tax rate of 5.75%, reduced by each claimant’s proportional share of Class Counsel Fees, Service Awards, and court-awarded costs.
2. Pay Settlement Class Members who had optional CRA Coverage and who timely submit a valid Claim Form for CRA Sales Tax an additional 20% of the Ohio state sales tax rate of 5.75% for their Total Losses, reduced by each claimant’s proportional share of Class Counsel Fees, Service Awards, and court-awarded costs.
3. Pay Settlement Class Members who retained title to their Total Loss and who timely submit a valid Claim Form for Salvage Title Fee an additional \$20.
4. Pay Class Counsel Fees not to exceed \$3,000,000.00, a Service Award not to exceed \$5,000.00 to each Class Representative, and court-awarded costs not to exceed \$25,000.00 from the Cash Settlement Benefits, with all amounts to be approved by the Court.

In exchange, Plaintiffs and the Settlement Class Members who do not exclude themselves from the Settlement agree to give up any claim they have for payment of Sales Tax, CRA Sales Tax, and Salvage Title Fees. If you are a member of the Settlement Class, you can submit a Claim Form to be eligible to be paid. 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 Defendants individually and separately for payment of Sales Tax, CRA Sales Tax, and Salvage Title 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 Settlement Class?

You may be a member of the Settlement Class against Defendants if you were an Ohio policyholder and insured by one of Defendants and submitted a Covered Total Loss Claim during the following periods:

- a. Sales Tax Class Period:
 - a. Garrison: September 16, 2005, through Preliminary Approval Date
 - b. USAA CIC: October 26, 2012, through Preliminary Approval Date
 - c. USAA: November 5, 2013, through Preliminary Approval Date
 - d. USAA GIC: February 21, 2014, through Preliminary Approval Date
- b. CRA Sales Tax Period:
 - a. Garrison: February 21, 2014, through Preliminary Approval Date
 - b. USAA CIC: October 26, 2012, through Preliminary Approval Date
 - c. USAA: February 21, 2014, through Preliminary Approval Date
 - d. USAA GIC: February 21, 2014, through Preliminary Approval Date
- c. Salvage Class Period:
 - a. Garrison: February 21, 2014, through Preliminary Approval Date
 - b. USAA CIC: October 26, 2012, through Preliminary Approval Date
 - c. USAA: February 21, 2014, through Preliminary Approval Date
 - d. USAA GIC: February 21, 2014, through Preliminary Approval Date

If you already received Sales Tax, CRA Sales Tax, and/or Salvage Title Fees as part of your Total Loss Claim Payment, you are not part of the Settlement Class. You received this Notice because Defendants' records indicate you had a Total Loss claim and therefore may be a member of the Settlement Class.

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, CRA Sales Tax, and/or Salvage Title Fees. The maximum amount Defendants have agreed to pay for all Settlement Class Member Payment, Counsel Fees, Court-awarded costs, and Service Awards totals a maximum of \$10,250,000.00. Attached to this Notice is a pre-filled Claim Form. You can submit a claim by signing the Claim Form, inserting the Claim Form in the enclosed envelope and putting the Claim Form in the mail. You can call 1-844-202-9487 or visit www.TotalLossesTaxSettlement.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.TotalLossesTaxSettlement.com, clicking the SUBMIT A CLAIM button, and following the steps outlined for you. You will need the unique claim number found on the Claim Form, the Automobile Insurance Policy number for the applicable policy on the Total Loss Date, the claim number associated with the Total Loss, or the vehicle identification number of the Total Loss. You **MUST** submit at least one of these numbers, along with your name and address, or your claim will be rejected.

If you submit a Claim Form in the mail, it must be postmarked no later than January 4, 2023. If you submit an electronic Claim, you must do so by 11:59 p.m. on January 4, 2023. If the address you submit on your Claim Form changes up until 60 days after the Effective Date of the Settlement, you must contact the Settlement Administrator to provide a current address or you may not receive your Settlement Class Member Payment.

Option 2. Exclude yourself from the Settlement.

You have the right to not be part of the Settlement by excluding yourself or “opting out” of the Settlement Class. If you wish to exclude yourself, you must do so on or before October 6, 2022, as described below. You do not need to hire your own lawyer to request exclusion from the Settlement Class. If you exclude yourself from the Settlement 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 Court, whether favorable or unfavorable. However, you will keep your right to sue any of Defendants 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:

Cavallaro v. USAA
c/o JND Legal Administration
PO Box 91349
Seattle, WA 98111

A request for exclusion must be postmarked on or before October 6, 2022.

Your request for exclusion must contain the following:

1. The name of the Action (Cavallaro v. United Services Automobile Association, et al.);
2. Your full name;
3. Your current address;
4. A clear statement that you wish to be excluded from the Settlement Class, such as: "I request exclusion from the Settlement 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 Settlement 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 SETTLEMENT CLASS BY THE POSTMARK DEADLINE OF OCTOBER 6, 2022, YOU WILL REMAIN PART OF THE SETTLEMENT 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 FORM 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.TotalLossesTaxSettlement.com. If you think the terms of the Settlement are not fair, reasonable, or adequate to the Class Members, you may 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 Fairness Hearing (described below) to the following:

Cavallaro v. USAA
c/o JND Legal Administration
PO Box 91349
Seattle, WA 98111

The Notice of Intent must include all of the following information:

1. The name of the case and case number;
2. Your name, address, telephone number, and signature;
3. The specific reasons why you object to the terms of the Proposed Settlement;
4. The name, address, bar number, and telephone number of any attorney who represents you related to your intention to object to the terms of the Settlement;
5. Whether you and/or your attorney intend to appear at the Fairness Hearing and whether you and/or your attorney will request permission to address the Court at the Fairness Hearing.

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

1. A statement of the legal and factual basis for each objection;
2. A list of any and all witnesses the Settlement Class Member may seek to call at the Fairness Hearing;
3. A list of any legal authority the Settlement Class Member will present at the Fairness Hearing; and
4. Identify either your class member number or full name and address when the total loss occurred.

Notices of Intent to object must be postmarked by October 6, 2022. Any Notice of Intent that is not postmarked 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 Fairness 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, you must file a request for exclusion and 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 Defendants for Sales Tax, CRA Sales Tax, and Salvage Title Fees, even if you do not submit a Claim for payment. You will not receive a Settlement Class Member Payment if you do nothing.

Who Is Representing the Class?

The Court has preliminarily appointed Plaintiffs, Shauna Cavallaro, Latondra Traylor, Bernard Ivory, and Walter Mott, to be the Class Representatives of the Settlement Class. The Court has also preliminarily appointed the following lawyers as Class Counsel for the Settlement Class:

SHAMIS & GENTILE, P.A.
Andrew Shamis, Esq.
14 NE 1st Avenue
Suite 1205
Miami, FL 33132
www.sflinjuryattorneys.com

EDELSBERG LAW
Scott Edelsberg, Esq.
Christopher Gold, Esq.
20900 NE 30th Avenue
Suite 417
Aventura, FL 333180
www.edelsberglaw.com

SPANGENBERG SHIBLEY
& LIBER LLP
Stuart Scott, Esq.
Kevin Hulick, Esq.
1001 Lakeside Avenue East
Suite 1700
Cleveland, OH 33114
www.spanglaw.com

NORMAND PLLC
Edmund Normand, Esq.
Jacob Phillips, Esq.
3165 McCrory
Pl #175
Orlando, FL 32803
www.normandpllc.com

DAPEER LAW
Rachel Dapeer, Esq.
20900 NE 30th Avenue
Suite 417
Aventura, FL 333180
www.dapeer.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 of no more than \$3,000,000.00 and costs of no more than \$25,000.00, subject to approval by the Court. Defendants have agreed to pay Class Counsel up

to that amount if approved by the Court. Payment of attorneys' fees and costs will be paid from the Cash Settlement Benefits.

Class Counsel will also seek a Service Award for each Class Representative in the amount of \$5,000.00 each, subject to Court approval. The Service Award is designed to reward the Class Representatives for securing the recovery awarded to members of the Settlement Class and to acknowledge the time spent by the Plaintiffs participating in the case, and prosecuting the claims for the benefit of the Settlement Class. Defendants have agreed to pay the Service Award to the Class Representatives up to the amount of \$5,000.00 per each Class Representative. Payment of the Service Award will be made from the Cash Settlement Benefits.

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

As a part of the Settlement, Class Members agree not to sue Defendants by asserting any claim for payment of Sales Tax, CRA Sales Tax, and/or Salvage Title Fees. Unless you request exclusion from the Settlement Class, you give up the right to individually sue Defendants and claim you are owed Sales Tax, CRA Sales Tax, and/or Salvage Title Fees as part of your Covered Total Loss Claim, even if you do not submit a Claim for payment as part of this Settlement. You are not releasing any other claim against Defendants. Full terms of the Released Claims and Released Parties can be found in the proposed Settlement Agreement and Release at www.TotalLossesTaxSettlement.com.

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 **1-844-202-9487** or go to www.TotalLossesTaxSettlement.com.

This www.TotalLossesTaxSettlement.com website provides:

1. An electronic Claim Form submission and directions for how to submit;
2. The process for requesting a paper (non-electronic) pre-filled Claim Form or blank form;
3. The full terms of the Settlement;
4. Information and requirements for submitting a Claim Form, requesting exclusion, or filing an objection to the terms of the Settlement;
5. A copy of the Complaint filed by Plaintiffs and other important rulings and orders from the Court during the case prior to Settlement; and
6. Other general information about the class action.

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

If the address you submit on your Claim Form changes up until 60 days after the Effective Date of the Settlement, you must contact the Settlement Administrator to provide a current address or you may not receive your Settlement Class Member Payment.

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT, THE CLERK OF THE COURT, OR DEFENDANTS OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE.

DATED: SEPTEMBER 6, 2022