

**IN THE 166TH JUDICIAL DISTRICT COURT
OF BEXAR COUNTY, TEXAS**

Arevalo et al. v. USAA Casualty Insurance Company et al.

Cause No. 2020-CI-16240

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 *Arevalo et al. v. USAA Casualty Insurance Company et al.*, Cause No. 2020-CI-16240, entitling qualified Settlement Class Members to a potential payment of Sales Tax; Car Replacement Assistance (“CRA”) Sales Tax; and/or Title Fees, Regulatory Fees, Transfer Fees, Inspection Fees, and Dealer Fees (“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.

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 1-877-629-9695 toll-free, or visit www.TexasTotalLossClassActionSettlement.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 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 United Services Automobile Association (“United Services”), USAA Casualty Insurance Company (“USAA CIC”), USAA General Indemnity Company (“USAA GIC”), and Garrison Property & Casualty Insurance Company (“Garrison”) (collectively, “USAA” or “Defendants”) breached their contracts (Automobile Insurance Policies) by failing to pay or underpaying Fees to Settlement Class Members, failing to properly calculate the CRA payment amount for Settlement Class Members who had CRA coverage, and, for some Settlement Class Members, failing to pay (or underpaying) Sales Tax to them. Settlement Class Members are Texas insureds who submitted physical damage claims for their insured vehicles during the Class Period which resulted in Total Loss Claim payments for the “actual cash values” of their Total Loss Vehicles. Plaintiffs claim that Defendants’ failure to pay (or underpayment of) Fees and failure to pay (or underpayment of) Sales Tax and CRA Sales Tax constituted a breach of their insurance contracts. 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.

You are receiving this Notice because a Settlement of the case has been reached between the Plaintiffs, acting on behalf of the Settlement Class, and Defendants.

The District Court is conducting a FINAL APPROVAL HEARING on November 17, 2023, at 9:00 a.m., to decide whether to grant final approval of the Proposed Settlement.

Settlement Terms

As a part of the Settlement, Defendants have, upon Court approval, agreed to pay up to \$13,597,625.00 in Cash Settlement Benefits to be paid as follows:

1. Pay \$62.50 in Fees to each Settlement Class Member who timely submits a valid Claim Form;
2. Pay Sales Tax calculated as 6.25% of the adjusted value of the Total Loss Vehicle less the amount (if any) of Sales Tax originally included in the Total Loss Claim Payment to Settlement Class Members who timely submit a valid Claim Form and who Defendants did not pay (or underpaid) Sales Tax in the original Total Loss Claim Payment;

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3. Pay Settlement Class Members who timely submit a valid Claim Form and who had optional CRA coverage at the time of the loss an additional 20% of the Sales Tax amount less the amount (if any) of CRA Sales Tax originally included in the Total Loss Claim Payment (“CRA Sales Tax”); and
4. Pay Class Counsel Fees and Costs not to exceed \$4,079,287.50, and Service Awards not to exceed \$5,000.00 to each Class Representative. Each Settlement Class Member Payment will be reduced by each Class Member’s proportional share of Class Counsel Fees and Costs, and Class Representative Service Awards.

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/or Title Fees, Transfer Fees, Regulatory Fees, Inspection Fees, Dealer Fees, and/or any other Fees. If you are a member of the Settlement Class, you can submit a Claim Form to be eligible to be paid as described above. Alternatively, you may, if you wish, request to be excluded from the Settlement, which means you will not be eligible for payment, and you will maintain your right to sue USAA individually and separately for Sales Tax; CRA Sales Tax; and/or Title Fees, Regulatory Fees, Transfer Fees, Inspection Fees, Dealer Fees and/or other Fees. You may also object to the Settlement terms or to Class Counsel’s requested Fees and Costs or to the Class Representative Service Awards 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 Settlement Class if you were insured under any Texas private passenger automobile insurance policy issued by one of the Defendants and submitted a Covered Total Loss Claim and were paid on that claim during one of the following periods:

1. Sales Tax and CRA Sales Tax:
 - a. United Services, USAA CIC, USAA GIC, Garrison: September 30, 2018, through May 30, 2023
2. Fees:
 - b. USAA CIC and Garrison: August 25, 2016, through May 30, 2023
 - c. USAA and USAA GIC: September 30, 2018, through May 30, 2023

You received this Notice because Defendants’ records indicate you had a Total Loss Claim which was paid and, therefore, you **may** be a member of the Settlement Class. You will not be a member of the Settlement Class if you timely request exclusion from the Settlement Class.

What Payment May I Be Entitled To?

Depending upon your coverage and what Defendants’ records show as to what was included in your Total Loss Payment, you may be entitled to: (1) the \$62.50 in Fees; (2) the \$62.50 in Fees plus the 6.25% Sales Tax less any Sales Tax you already received, or (3) the \$62.50 in Fees plus the 6.25% Sales Tax less any Sales Tax you already received, plus an extra 20% in CRA Sales Tax less any CRA Sales Tax you already received.

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 as described above. If you received a Notice in the mail, the Notice included a prefilled Claim Form. You can submit a claim by signing and filling out the information on the Claim Form, carefully tearing at the perforation, and putting the Claim Form in the mail (the Claim Form is addressed and has the necessary postage prepaid). You can also visit www.TexasTotalLossClassActionSettlement.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.TexasTotalLossClassActionSettlement.com, clicking the SUBMIT A CLAIM button, and following the steps outlined for you. You will need the unique claim number found on your Notice, the Automobile Insurance Policy number for the applicable policy on the Total Loss Date, the claim number associated with your Total Loss, or the vehicle identification number of your Total Loss Vehicle. You **MUST** submit at least one of these numbers, along with your name and address, or your claim will be rejected.

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If you submit a Claim Form in the mail, it must be postmarked no later than **December 15, 2023**. If you submit an Electronic Claim, you must do so by 11:59 p.m. on **December 15, 2023**. The ability to submit an Electronic Claim will be deactivated after the deadline, **December 15, 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 Case

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 **September 27, 2023** 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 payment or 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 the Defendants separately in another lawsuit if you choose to pursue one.

To exclude yourself from this lawsuit and 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:

Arevalo et al. v. USAA Casualty Insurance Company et al.
Class Action Settlement
P.O. BOX 4876
Portland, OR 97208-4876

A request for exclusion must be postmarked on or before **September 27, 2023**.

Your request for exclusion must contain the following:

1. the name of the Action (*Arevalo et al. v. USAA Casualty Insurance Company 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 paperwork supporting the basis for your authority to act on behalf of the Settlement Class Member. A request for exclusion must be exercised on an individual basis and not on behalf of a group.

IF YOU DO NOT EXCLUDE YOURSELF FROM THE CLASS BY THE POSTMARK DEADLINE OF SEPTEMBER 27, 2023, 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 FOR PAYMENT.

Option 3: Object to the Terms of the Settlement, Class Counsel’s Requested Fees and Costs, and/or Class Representatives’ Requested Service Awards

If you think the terms of the Settlement, Class Counsel’s requested Fees and Costs, and/or Class Representatives’ requested Service Awards are not fair, reasonable, or adequate to the Class Members, you may file an objection to any of them. If you file an objection, you cannot request exclusion from the Settlement. If you object 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, you must send, with sufficient postage, a written objection to the following:

Arevalo et al. v. USAA Casualty Insurance Company et al.
Class Action Settlement
P.O. BOX 4876
Portland, OR 97208-4876

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The objection must include the following information:

1. the name of the case and case number;
2. your current name, address, telephone number, unique identifier number from the Notice, 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 objection; and
5. state whether you and/or your attorney intend to appear at the Final Approval Hearing and whether you and/or your attorney will request permission to address the Court at the Final Approval Hearing.

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

1. a detailed statement of the legal and factual bases for each of your objections;
2. a list of any witnesses you 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; and
3. a list of any legal authorities you may present at the Final Approval Hearing.

Objections must be postmarked by **September 27, 2023**. Any objection that is not postmarked by the deadline set forth above or which does not comport with the requirements listed above may waive the objection and/or your right to be heard at the Final Approval Hearing. If you file an objection, you waive the right to request exclusion from the Class, and you 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 an objection.

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 and/or Fees, even if you do not submit a Claim for payment.

Who Is Representing the Class?

The Court has preliminarily appointed Vivian Arevalo and Micah Simon to be the representatives of the Class. The Court has also preliminarily appointed the following lawyers as Class Counsel for those Class Members:

Roger L. Mandel Scott R. Jeeves JEEVES MANDEL LAW GROUP, P.C. 2833 Crockett St., Suite 135 Fort Worth, TX 76107 Telephone: (214) 253-8300 www.jeeveslawgroup.com	Andrew J. Shamis SHAMIS & GENTILE, P.A. 14 NE 1 st Avenue, Suite 705 Miami, FL 33132 Telephone: (305) 479-2299 www.shamisgentile.com
Edmund Normand Jacob Phillips NORMAND PLLC 3165 McCrory Place, Suite 175 Orlando, FL 32803 Telephone: (407) 603-6031 www.normandpllc.com	Scott Edelsberg Christopher Gold EDELBERG LAW, P.A. 20900 NE 30 th Avenue, Suite 417 Aventura, FL 33180 Telephone: (786) 289-9471 www.edelsberglaw.com

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

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Class Counsel will file an application for attorneys' fees and costs for no more than 30% of the Cash Settlement Benefits, which is \$4,079,287.50, subject to Court approval. You will not be personally responsible for any fees, costs, or expenses incurred by Class Counsel relating to the prosecution of this case. However, whatever amount is awarded by the Court will pro rata reduce payments to Settlement Class Members. For example, if the Court approves attorneys' fees and costs of 25%, each claim payment will be reduced by 25%.

Class Counsel will also seek Service Awards to the Plaintiffs in the amount of \$5,000.00 each (for a total of \$10,000.00), subject to court approval. The Service Awards are designed to reward the Plaintiffs for taking the time and effort necessary to secure the recovery awarded to members of the Settlement Class, and to acknowledge the time they spent participating in the case and mediation and prosecuting the claim for the benefit of the Settlement Class. Service Awards must be approved by the Court, and they will be paid out of the Cash Settlement Benefits.

The application for Class Counsel Fees and Costs is due to be filed on October 12, 2023, and it will be posted to the Settlement Website on that date.

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

As a part of the Settlement, Class Members agree not to sue Defendants to assert any claims for payment of Sales Tax; CRA Sales Tax; and Title Fees, Regulatory Fees, Transfer Fees, Inspection Fees, Dealer Fees and/or other Fees. Unless you request exclusion from the Class, you give up the right to individually sue Defendants and make the claims listed herein, 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 at www.TexasTotalLossClassActionSettlement.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 go to www.TexasTotalLossClassActionSettlement.com.

The website provides:

1. an Electronic Claim Form and directions for how to submit it;
2. the process for requesting a paper (non-electronic) prefilled Claim Form;
3. the full terms of the Settlement;
4. information and requirements for submitting a claim, requesting exclusion, or filing an objection to the terms of the Settlement, Class Counsel's requested Fees and Costs, and/or Class Representatives' requested Service Awards;
5. Class Counsel's motion to be awarded Fees and Costs; and
6. other general information about the class action.

For further information or explanation, you may also contact the Settlement Administrator at info@TexasTotalLossClassActionSettlement.com or 1-877-629-9695.

PLEASE DO NOT TELEPHONE OR CONTACT USAA OR THE COURT OR THE CLERK OF THE DISTRICT COURT REGARDING THIS NOTICE.

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