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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO, CENTRAL DISTRICT**

MOLLY RIVERA, individually and on  
behalf of others similarly situated,

Plaintiff,

v.

RELIANT GENERAL INSURANCE  
SERVICES, INC.,  
OCCIDENTAL FIRE & CASUALTY  
COMPANY OF NORTH CAROLINA, and  
Does 1 through 50, inclusive,

Defendants.

Case No.: 37-2016-00014373-CU-BT-CTL

**MANDATORY eFILE CASE**

**CLASS ACTION SETTLEMENT  
AGREEMENT**

Dept.: C-67  
Judge: Eddie C. Sturgeon  
Complaint Filed: April 29, 2016  
Trial Date: May 4, 1028

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**SETTLEMENT AGREEMENT**

This settlement agreement and exhibits attached hereto, (collectively, “Settlement Agreement”) is entered into between plaintiff, Molly Rivera (“Representative Plaintiff”), on behalf of herself and each of the Class Members, and Reliant General Insurance Services, Inc. (“Reliant”) and Occidental Fire & Casualty Company of North Carolina (“Occidental”) as follows:

**I. BACKGROUND**

**A. The Lawsuit.** On April 29, 2016, Representative Plaintiff, individually and on behalf of the Class Members, filed a class action lawsuit against Reliant entitled *Molly Rivera v. Reliant General Insurance Services, Inc., et al.*, Case No. 37-2016-00014373-CU-BT-CTL. On March 17, 2017, Representative Plaintiff filed a First Amended Complaint adding Occidental as a defendant. On April 3, 2017, Representative Plaintiff filed an amendment to the First Amended Complaint. This lawsuit is referred to herein as the “Lawsuit.”

The Lawsuit, which is currently pending in the Superior Court of California for the County of San Diego, alleges that—by collecting Renewal Service Fees that were not disclosed in the Policies at issue—both Defendants violated California Business and Professionals Code § 17200 *et seq.* and that Occidental additionally breached the Policies at issue. Defendants deny these allegations.

**B. Agreement to Settle.** The Representative Plaintiff, on behalf of herself and the Class Members, and Defendants, through their respective counsel, have met and conferred, and wish to settle the Lawsuit under the terms and conditions set forth herein.

It is understood and acknowledged that Representative Plaintiff believes that her claims asserted against Defendants have substantial merit. Nonetheless, after a thorough consideration of the facts and law, the Representative Plaintiff and her counsel have determined that the proposed settlement set forth in this Settlement Agreement is fair, reasonable, adequate, and in the best interests of the Class Members and Representative Plaintiff, and that it is desirable for this Lawsuit be settled in the manner and upon the terms and conditions set forth herein.

It is understood and acknowledged that Defendants have denied, and still deny, any liability, wrongdoing, and damages with respect to the matters alleged in the Lawsuit. Nonetheless,

1 Defendants have agreed to enter into this Settlement Agreement to avoid the uncertainty, costs, and  
2 delay of litigation. The Settlement Agreement is for settlement purposes only, and neither the fact  
3 of, nor any provision contained in it, nor any negotiations or proceedings related thereto, nor any  
4 action taken hereunder shall constitute, or be construed as, any admission of the validity of any claim  
5 or any fact alleged in the Lawsuit, or of any wrongdoing, fault, violation of law, or liability of any  
6 kind on the part of Defendants.

## 7 II. DEFINITIONS

8 In addition to certain terms defined elsewhere in this Settlement Agreement, the following  
9 defined terms are used herein:

10 **A. Administrator** “Administrator” means an independent class-action administration company  
11 designated by the Parties and approved by the Court that will, with the approval of the Court,  
12 distribute the Class Notice and perform other responsibilities related to the administration of this  
13 Settlement Agreement as provided herein.

14 **B. Defendants.** “Defendants” means Reliant General Insurance Services, Inc. and Occidental  
15 Fire & Casualty Company of North Carolina.

16 **C. Defendants’ Counsel.** “Defendants’ Counsel” means the following:

17 James F. Holtz  
18 Law Offices of James F. Holtz, APC  
19 2488 Historic Decatur Road, Suite 200  
20 San Diego, CA 92106

21 **D. Class.** The “Class” means all California residents who paid in full for one or more one-  
22 month policies of insurance through Reliant for which Occidental was the insurer and for which  
23 Reliant and/or Occidental billed and collected one or more Renewal Service Fees during the Class  
24 Period.

25 Notwithstanding the foregoing, the following persons shall be excluded from the Class:  
26 (i) any present or former officers and/or directors of Defendants; and (ii) any person who makes a  
27 timely election to be excluded from the proposed Class. Persons who timely elect to be excluded  
28 from the proposed Class shall be excluded with respect to all Policies under which they would  
otherwise be eligible for a Settlement Check. Additionally, if any holder of a jointly-held Policy

1 makes a timely election to be excluded from the Class, then all joint policyholders on the Policy will  
2 be excluded.

3 **E. Class Counsel.** “Class Counsel” means the following:

4 Vincent J. Bartolotta, Jr.  
5 Jarrett S. Charo  
6 Benjamin I. Siminou  
7 Thorsnes Bartolotta McGuire LLP  
8 2550 Fifth Avenue, Eleventh Floor  
9 San Diego, CA 92103

8 **F. Class Member.** “Class Member” means a member of the Class.

9 **G. Class Notice.** “Class Notice” means the notice of the preliminarily approved settlement,  
10 pursuant to California Rule of Court 3.769, mailed to potential Class Members as described in  
11 Section VIII below and it shall be in the form and substance of Exhibit 1, without material alteration.

12 **H. Class List.** “Class List” means a list in Excel format containing, for each potential Class  
13 Member, the Class Member’s full name, driver’s license number, current or last known mailing  
14 address, and current or last known telephone number, policy number, policy effective date, and  
15 policy termination date (if no longer active) of each Policy the Class Member held during the Class  
16 Period.

17 **I. Class Period.** The “Class Period” means April 29, 2012, through the latter of the following  
18 dates, inclusive: (i) the date of execution of this Settlement Agreement; or (ii) the date on which  
19 Defendants commence disclosing the amount of Renewal Service Fees on the declarations page(s) of  
20 all insurance policies they issue, as described in Section III B below.

21 **J. Court.** The “Court” means the Superior Court of California for the County of San Diego.

22 **K. Effective Date.** “Effective Date” refers to the earliest day after entry of the Final Order and  
23 Judgment when:

- 24 **a.** If no appeal is taken therefrom, sixty days from the entry of the Final Order and  
25 Judgment;
- 26 **b.** If an appeal is taken therefrom, the first day after the date on which all appeals  
27 therefrom, including petitions for rehearing or re-argument, petitions for rehearing *en*  
28 *banc*, petitions for review, and petitions for *certiorari* or any other form of review,  
have been finally disposed in a manner resulting in an affirmance of the Final  
Judgment and Order without material alteration; or

1 c. On a date after the signing and entry of the Final Judgment and Order that counsel for  
2 the Settling Parties agree to in writing.

3 **L. Final Approval Hearing.** “Final Approval Hearing” means the fairness hearing the Court  
4 will convene to consider whether the Settlement Agreement satisfies the prerequisites of California  
5 Rule of Court 3.769, and whether the Final Order and Judgment should be entered without material  
6 alteration.

7 **M. Final Order and Judgment.** “Final Order and Judgment” means the order of the Court  
8 approving this Settlement Agreement, and the corresponding final judgment, in the form and  
9 substance attached as Exhibits 3 and 4 without material alteration.

10 **N. Gross Settlement Amount.** “Gross Settlement Amount” means \$292,500, which is the  
11 maximum Defendants shall be required to pay under this Settlement Agreement. The \$292,500  
12 Gross Settlement Amount shall be used to pay the following items, as described in this Settlement  
13 Agreement, upon order of the Court: (i) Settlement Administration Expenses, including the costs  
14 necessary to effectuate Class Notice; (ii) cash payments to Class Members through the payment of  
15 Settlement Checks; (iii) a service award to the Representative Plaintiff; (iv) Class Counsel’s  
16 attorneys’ fees; and (v) Class Counsel’s case costs.

17 **O. Lawsuit.** The “Lawsuit” means the lawsuit styled *Molly Rivera v. Reliant General*  
18 *Insurance Services, Inc., et al.*, Case No. 37-2016-00014373-CU-BT-CTL pending in the Superior  
19 Court of California for the County of San Diego.

20 **P. Net Fund Amount.** “Net Fund Amount” means the Gross Settlement Amount less any  
21 amounts paid from the Gross Settlement Amount for: (a) Settlement Administration Expenses,  
22 including the costs necessary to effectuate Class Notice; (b) a Representative Plaintiff service award;  
23 (c) Class Counsel’s attorneys’ fees; and (d) Class Counsel’s case costs. This “Net Fund Amount” is  
24 thus the net amount available for distribution to the Class.

25 **Q. Policy or Policies.** “Policy” or “Policies” means a one-month policy of insurance purchased  
26 by a Class Member through Reliant, for which Occidental was the insurer, for which a Renewal  
27 Service Fee was paid during the Class Period.

28 **R. Preliminary Approval Order.** “Preliminary Approval Order” shall have the meaning set

1 forth in Section IIX below, and it shall be in the form and substance of Exhibit 2 without material  
2 alteration.

3 **S. Release.** The “Release” refers to the release and covenant not to sue set forth in Section V  
4 below.

5 **T. Releasees.** The “Releasees” means: (i) Reliant and Occidental and the parent companies and  
6 subsidiary companies of Reliant and Occidental; and (ii) all past and present officers, directors,  
7 principals, partners, shareholders, agents, attorneys, insurers, employees, stockholders, successors,  
8 assigns, independent contractors, and legal representatives of the entities set forth in (i).

9 **U. Released Claims.** “Released Claims” shall have the meaning set forth in Section V below.

10 **V. Settlement Administration Expenses.** “Settlement Administration Expenses” means those  
11 fees and expenses of the Administrator in effectuating and administering the Settlement, estimated at  
12 \$56,600—*i.e.* the costs incurred by the Administrator in giving notice to the Class, the costs of  
13 administering and disbursing the Settlement Checks, and the fees of the Administrator.

14 **W. Renewal Service Fee or Renewal Service Fees.** “Renewal Service Fee” or “Renewal  
15 Service Fees” means fees paid at the commencement of a new policy term by Class Members who  
16 renewed their insurance policy, and who paid their premium in full. Renewal Service Fees do not  
17 include fees charged at the inception of new business, and do *not* include installment fees charged  
18 when partial premiums are paid over time.

19 **X. Representative Plaintiff.** “Representative Plaintiff” means Molly Rivera, individually and  
20 as representative of the Class.

21 **Y. Settlement Agreement.** “Settlement Agreement” refers to this agreement and the attached  
22 exhibits, which are an integral part of the settlement and are incorporated herein in their entirety by  
23 reference.

24 **Z. Settlement Check or Settlement Checks.** “Settlement Check” or “Settlement Checks”  
25 means the check(s) containing the sum that such Class Member(s) are entitled to receive as payment  
26 under this Settlement Agreement.

27 **AA. Settling Parties.** “Settling Parties” shall mean the Representative Plaintiff and  
28

1 Defendants.

2 ///

### 3 III. RELIEF FOR THE CLASS

#### 4 A. Payment of the Gross Settlement Amount.

5 1. Within 10 days of the Court's entry of the Preliminary Approval Order, Defendants  
6 shall pay \$25,000 of the Gross Settlement Amount to the Administrator to effectuate Class Notice.  
7 Defendants shall bear this cost whether or not the Settlement Agreement obtains final approval or is  
8 otherwise terminated.

9 2. Within 10 days of the Effective Date, Defendants shall pay the remainder of the  
10 Gross Settlement Amount (i.e., the total Gross Settlement Amount less the \$25,000 Defendants paid  
11 to the Administrator for the costs of Class Notice) to the Administrator.

12 3. Payment of the Gross Settlement Amount under the terms described in this  
13 Agreement shall be the sole financial obligation of Defendants under this Agreement, except as  
14 expressly stated in this Agreement. The Gross Settlement Amount shall be used: (i) to satisfy the  
15 Settlement Administration Expenses, including the costs necessary to effectuate Class Notice; (ii) to  
16 satisfy the claims of all Class Members through the payment of the Settlement Checks; (iii) to satisfy  
17 all claims for a service award to the Representative Plaintiff; (iv) to satisfy all claims for an award of  
18 attorneys' fees to Class Counsel; and (v) to satisfy all claims for an award of case costs to Class  
19 Counsel.

20 **B. Changes to Business Practice.** Within 14 days of the Effective Date, Defendants shall—for  
21 a commercially reasonable time, or until there is a material change to Insurance Code section 383—  
22 disclose the amount of Renewal Service Fees on the declarations page(s) of the insurance policies  
23 they issue.

### 24 IV. DISTRIBUTION OF THE NET FUND AMOUNT

25 The Net Fund Amount shall be divided by the total number of Class Members. The quotient  
26 of this equation is the amount that shall be paid, via Settlement Check, to each Class Member.  
27 Defendants' total financial responsibility under this Settlement Agreement is \$292,500.

1 Within 30 days of the Effective Date, the Administrator shall mail a Settlement Check to  
2 each Class Member. The Settlement Checks shall be valid and negotiable for 180 days from the date  
3 such Settlement Check was mailed. Any Settlement Check not cashed within 180 days shall be  
4 canceled.

5 The funds represented by such uncashed Settlement Checks shall be distributed, on a pro-rata  
6 basis, to those Class Members who cashed their initial Settlement Check (“Check Cashing Class  
7 Members”). However, this subsequent distribution shall only occur if the amount of the subsequent  
8 distribution—after deducting for the costs and expenses of the subsequent distribution—will result in  
9 a payment of at least one dollar per Check Cashing Class Member. If this subsequent distribution  
10 will result in the Check Cashing Class Members receiving a payment of less than one dollar each, no  
11 subsequent distribution shall occur. Instead, the funds represented by uncashed Settlement Checks  
12 shall be distributed under the doctrine of *cy pres* to Consumers Union or another non-profit  
13 institution approved by the Court.

14 **V. RELEASE AND RELATED COVENANTS**

15 **A. Release of Claims.** Upon the Effective Date, Representative Plaintiff and all Class Members  
16 and their past, present, or future agents, legal representatives, trustees, parents, subsidiaries,  
17 predecessors, estates, heirs, assigns, successors, executors, and administrators, do hereby fully,  
18 finally, and forever release, acquit, relinquish, and discharge to the fullest extent permitted by law,  
19 all Released Claims, as defined in this section, against all Releasees.

20 For purposes of this Settlement Agreement and the Final Order and Judgment, the term  
21 “Released Claims” shall mean any and all causes of action, claims, suits, damages, equitable relief,  
22 legal relief, and demands or rights, whether class, individual or otherwise in nature, whether known  
23 or unknown, suspected or unsuspected, liquidated or unliquidated, accrued or unaccrued, fixed or  
24 contingent, including but not limited to, declaratory relief or any other kind of action based on any  
25 tortious conduct of the Releasees, contractual violation(s), statutory violation(s), regulatory  
26 violations, or common law that have been, could have been, may be, or could be alleged or asserted  
27 now or in the future by Representative Plaintiff or any Class Member against the Releasees (or any  
28



1 of them) in the Lawsuit or in any other court action or before any administrative body (including any  
2 Department of Insurance or other regulatory body), tribunal or arbitration panel arising out of:

- 3 a. Defendants' charging or collection of Renewal Service Fees;  
4 b. Defendants' disclosure, non-disclosure, and/or characterization regarding Renewal  
5 Service Fees; and  
6 c. Defendants' compliance and/or noncompliance with California Insurance Code  
7 §§ 381, 383, and any other contractual, statutory, regulatory, or common law  
8 provision that relates or may relate to Renewal Service Fees.

9 This Release expressly does not apply to any claims which arise out of conduct occurring after  
10 the execution of this Settlement Agreement.

11 **B. Attorneys' Fees and Expenses.** Released Claims shall also include, without limitations, any  
12 and all claims for attorneys' fees, costs, or disbursements incurred by Class Counsel, or any other  
13 counsel representing the Representative Plaintiff or any Class Member or by Representative Plaintiff  
14 or any Class Member in connection with or related in any manner to the Lawsuit, the settlement of  
15 the Lawsuit, the administration of such settlement, and/or the Released Claims, except to the extent  
16 otherwise specified in this Settlement Agreement.

17 **C. Release of Unknown Claims.** Included within the definition of Released Claims are  
18 "Unknown Claims," meaning claims arising out of facts found hereafter to be other than or different  
19 from facts now known or believed to be true, relating to any matter covered by this Settlement  
20 Agreement. The Representative Plaintiff and each Class Member in executing this Release for  
21 themselves and the Class Members shall be deemed to have knowingly, voluntarily, and expressly  
22 waived any and all Unknown Claims, to the fullest extent permitted by law, and any applicable  
23 statutes or principles of law which limit the release of Unknown Claims, including the express  
24 waiver and relinquishment to the provisions, rights, and benefits conferred by California Civil Code  
25 § 1542, which provides:

26 A general release does not extend to claims which the creditor does not know or  
27 suspect to exist in his or her favor at the time of executing the release, which if known  
28 by him or her must have materially affected his or her settlement with the debtor.

**D. Enforcement of Settlement Agreement and Policies.** Nothing in this Release shall:

1 (i) preclude any action to enforce the terms of this Settlement Agreement or the Final Order and  
2 Judgment; or (ii) preclude Representative Plaintiff or Class Members from making a claim for  
3 benefits that are or shall become payable under the express written terms of the Policies.

4 **E. Reliance on Defendants' Good Faith in Providing Records.** By executing this agreement,  
5 Defendants warrant and represent that they will act in good faith in providing accurate and complete  
6 records to the Administrator to facilitate notice to the Class Members. Such records will include, for  
7 each Class Member, the Class Member's full name, current or last known mailing address, and  
8 current or last known telephone number—as well as the policy number of each Policy the Class  
9 Member held during the Class Period. Such information shall be provided in Excel format.

10 **F. Declaration in Support of Settlement Agreement.** Defendants further acknowledge that  
11 they are providing a declaration under penalty of perjury containing information regarding the size,  
12 scope, and extent of the Class and the amount in controversy. In executing this Settlement  
13 Agreement, Class Counsel, the Representative Plaintiff, and—by extension—Class Members are  
14 relying on the veracity and accuracy of the declaration.

## 15 VI. ATTORNEYS' FEES AND EXPENSES

16 Defendants agree not to oppose an application by Class Counsel for an award of attorneys'  
17 fees not to exceed thirty percent (30%) of the Gross Settlement Amount and costs not to exceed  
18 eighteen thousand dollars (\$18,000). Any award of attorneys' fees and costs shall be paid from the  
19 Gross Settlement Amount, within 10 days after the Effective Date, to Thorsnes Bartolotta McGuire  
20 LLP.

## 21 VII. SERVICE AWARD

22 Defendants agree not to oppose a request that the Court award up to one thousand five  
23 hundred dollars (\$1,500) to Representative Plaintiff as a service award in recognition of the time the  
24 Representative Plaintiff has spent on this case on the Class Members' behalf, the Representative  
25 Plaintiff's willingness to lend their name to the Lawsuit, and Representative Plaintiff's willingness to  
26 accept exposure to the risk of potential consequences of an adverse judgment. The service award  
27 contemplated herein will be paid from the Gross Settlement Amount on the same date as the  
28

1 Attorneys' Fees and Expenses set forth in Section VI above. Such service award shall be made  
2 payable to Thorsnes Bartolotta McGuire Client Trust Account for the Benefit of Molly Rivera.

### 3 **VIII. CERTIFICATION, NOTICE, AND APPROVAL**

4 **A. Preliminary Approval, Certification, and Notice.** Promptly after execution of this  
5 Settlement Agreement, the Settling Parties will apply to the Court for an order in the form and  
6 substance of attached Exhibit 2 (the "Preliminary Approval Order"), without material alteration, that  
7 will, among other things:

- 8 1. Preliminarily approve this Settlement Agreement as sufficiently fair and reasonable to  
9 warrant sending notice to the Class;
- 10 2. Preliminarily certify the Class for settlement purposes, as defined herein, and  
11 designate the Representative Plaintiff as the representatives of the Class, and  
12 designate the Class Counsel as counsel for the Class, on the condition that the  
13 certification and designations shall be automatically vacated if this Settlement  
14 Agreement is terminated or disapproved or materially altered in whole or in part by  
15 the Court, any appellate Court, or any of the Settling Parties;
- 16 3. Stay consideration of all other motions and deadlines pending in the Lawsuit;
- 17 4. Schedule the Final Approval Hearing, to be held no sooner than 90 days after entry of  
18 the Preliminary Approval Order to consider the fairness, reasonableness, and  
19 adequacy of this Settlement Agreement and whether it should be approved by the  
20 Court;
- 21 5. Approve the Class Notice as set forth in Exhibit 1 hereto, without material alteration;
- 22 6. Direct the Administrator to cause the Class Notice to be mailed by first class mail, to  
23 the most current address for each potential Class Member, and such addresses will be  
24 determined by the process set forth in Section VIII B below;
- 25 7. Determine that the Class Notice constitutes the most effective notice practicable of  
26 the pendency of the Lawsuit, this Settlement Agreement, and the Final Approval  
27 Hearing to all potential Class Members who can be identified through reasonable  
28 effort, and constitutes due and sufficient notice for all other purposes to all persons  
entitled to receive notice;
8. Rule the Administrator need not mail additional rounds of notice to potential Class  
Members or re-mail any returned notices, other than to the extent as required in this  
Settlement Agreement;
9. Require proof of the mailing of the Class Notice to be filed with the Court at or  
before the Final Approval Hearing;
10. Require each potential Class Member who wishes to exclude himself or herself from  
the Class to send to the Administrator no later than 15 days before the date of the  
Final Approval Hearing ("Opt Out Period") a completed opt out form, which will be  
available on the settlement website;

- 1           **11.** Rule that any potential Class Member who does not submit a timely, complete, opt  
2           out form will be bound by all proceedings, orders and judgments in the Lawsuit,  
3           which will have preclusive effect in all pending or future lawsuits or other  
4           proceedings, except that Defendants, in their sole discretion, may allow a potential  
5           Class Member who does not timely request exclusion from the Class to opt out of the  
6           Class up to and including the date of the Final Approval Hearing;
- 7           **12.** Require each Class Member who wishes to appear through separate counsel and/or to  
8           address or object to the fairness, reasonableness or adequacy of this Settlement  
9           Agreement to serve on Class Counsel and Defendants, and to file with the Court, no  
10          later than 15 days before the Final Approval Hearing, a notice of intention to appear  
11          and/or to object, together with copies of any papers the Class Member intends to  
12          present to the Court in connection with this Settlement Agreement, or be forever  
13          barred from separately appearing and/or objecting;
- 14          **13.** Rule that any Class Member who has not submitted a timely, complete opt out form  
15          shall receive a Settlement Check according to the terms of this Settlement, if the  
16          Effective Date occurs;
- 17          **14.** Direct the Administrator to promptly furnish Counsel for Defendants and Class  
18          Counsel with copies of any and all objections or opt out forms that might come into  
19          their possession;
- 20          **15.** Appoint the following company as the Administrator: KCC LLC.
- 21          **16.** Preliminarily enjoin all Class Members, acting individually or together, from  
22          instituting, maintaining, prosecuting, suing, asserting or cooperating in any action or  
23          proceeding against any of the Releasees for any of the Released Claims; and
- 24          **17.** Contain any additional provisions that might be necessary to implement and  
25          administer this Settlement Agreement.

26           **B. Class Notice.** Class Counsel shall apply for an order authorizing the mailing of the Class  
27           Notice to each Class Member. The Class Notice is attached as Exhibit 1 to this Settlement  
28           Agreement, and constitutes a material term of this settlement.

- 1           **1.** As demonstrated in Exhibit 1, the Class Notice will be written in English and  
2           Spanish, and will contain information concerning the Settlement—including the  
3           Gross Settlement Amount, the web address of the settlement class website, which  
4           website will contain a list of Frequently Asked Questions, opt out forms, and case-  
5           related documents.
- 6           **2.** Class Counsel and Defendants' Counsel agree that mailing the Class Notice by first-  
7           class mail to all potential Class Members who can be identified through reasonable  
8           effort constitutes the most effective notice practicable of the pendency of the Lawsuit,  
9           this Settlement Agreement and the Final Approval Hearing, and constitutes due and  
10          sufficient notice for all other purposes to all Persons entitled to receive notices.
- 11          **3.** Within 10 days of the Court's entry of the Preliminary Approval Order, Defendants  
12          shall pay to the Administrator \$25,000 of the Gross Settlement Amount to effectuate  
13          Class Notice. Defendants shall bear this cost whether or not the Settlement  
14          Agreement obtains final approval or is otherwise terminated.

4. Within 10 days of the Court's entry of the Preliminary Approval Order, Defendants shall provide to the Administrator the Class List.
5. Within 30 days of the Administrator's receipt of the Class List, the Administrator shall cause the Class Notice to be mailed, by first class mail, to all Class Members using the most current mailing address information available according to the Class List or the National Change of Address database.

**C. Re-mailing Notice and Settlement Checks.** The Administrator will use credit bureau databases to attempt to find a current address for any potential Class Member where a Class Notice or a Settlement Check has been returned as undeliverable. The Administrator will re-mail the Class Notice or Settlement Check if the potential Class Member is located.

**D. Final Approval and Certification.** After the Final Approval Hearing, and upon the Court's approval of this Settlement Agreement, the Court shall enter a Final Order and Judgment in the form and substance of Exhibits 3 and 4 attached hereto, without material alteration, which will, among other things:

1. Approve this Settlement Agreement as fair, reasonable and adequate, direct the Settling Parties and their counsel to comply with the terms of this Settlement Agreement, and declare this Settlement Agreement to be binding on all Class Members and preclusive in all pending and future lawsuits or other proceedings by such Class Members;
2. Confirm and finalize certification of the Class;
3. Confirm that the Class Notice (i) constituted, under the circumstances, the most effective and practicable notice of the pendency of the Lawsuit, this Settlement Agreement and the Final Approval Hearing to all Class Members who could be identified through reasonable effort; and (ii) constituted due and sufficient notice for all other purposes to all persons entitled to receive notice;
4. Dismiss the Lawsuit on the merits and with prejudice, without fees or costs to any party except as provided in this Settlement Agreement;
5. Incorporate the Release and forever discharge the Releasees from any claims or liabilities arising from or related to the Released Claims;
6. Retain jurisdiction over the administration of this Settlement Agreement, to supervise the settlement relief, and for any other necessary purpose to administer the settlement;
7. Award attorneys' fees and expenses to Class Counsel, as described above in Section VI, to be paid by the Administrator from the Gross Settlement Amount;
8. Award a service award to the Representative Plaintiff, as described above in Section VII, to be paid by the Administrator from the Gross Settlement Amount;

- 1           **9.** Permanently enjoin all Class Members, acting individually or together, from  
2 instituting, maintaining, prosecuting, suing, asserting or cooperating in any action or  
3 proceeding against any of the Releasees for any of the Released Claims; and
- 4           **10.** Direct the Administrator to pay Settlement Checks according to the terms of this  
5 Settlement, from the Net Settlement Fund, to those Class Members who have not  
6 submitted a timely opt-out form.

7           **E. Retention of Administrator.** Class Counsel shall retain the Administrator to implement the  
8 terms of this Settlement Agreement. Within 10 days of the Court's entry of the Preliminary  
9 Approval Order, Defendants shall pay to the Administrator \$25,000 of the Gross Settlement Amount  
10 to effectuate Class Notice. Defendants shall bear this cost whether or not the Settlement Agreement  
11 obtains final approval or is otherwise terminated.

12           Within 10 days of the Effective Date, Defendants shall pay the remainder of the Gross  
13 Settlement Amount (i.e., the total Gross Settlement Amount less the \$25,000 Defendants paid to the  
14 Administrator for the costs of Class Notice) to the Administrator. The remaining Settlement  
15 Administration Expenses shall be paid from the Gross Settlement Amount. Defendants' Counsel  
16 shall be entitled to monitor the performance of the Administrator. As set forth in the Class Notice,  
17 the Administrator will establish a website for potential Class Members to access information about  
18 the settlement.

19           **F. Right to Communicate with Class Members.** The Settling Parties agree that Defendants  
20 retain their right to communicate with and respond to inquiries from present and past customers,  
21 including Class Members. These communications may be oral and/or in writing, and may be done  
22 directly or through designated agents. However, Defendants, Defendants' Counsel, and Class  
23 Counsel shall not make any mass and/or generalized communications about the proposed Settlement  
24 Agreement directed to Class Members without joint approval by both Class Counsel and  
25 Defendants' Counsel.

## 26           **IX. TERMINATION OF SETTLEMENT AGREEMENT**

27           **A. Conditional Unilateral Right to Terminate.** Any of the Settling Parties may terminate this  
28 Settlement Agreement prior to the Effective Date at its sole option and discretion by providing  
written notice of the termination to the opposing counsel (Class Counsel or Defendants' Counsel)

1 where: (1) the Court, or any appellate court(s), rejects, modifies, or denies approval of any portion of  
2 this Settlement Agreement that the terminating party in its (or their) sole judgment and discretion  
3 believes is material, including, without limitation, the terms of the Class relief, the provisions  
4 relating to notice, the definition of the Class, or the Release; or (2) the Court, or any appellate  
5 court(s), does not enter or does not completely and unconditionally affirm any portion of the Final  
6 Order and Judgment that the terminating party in its (or their) sole judgment and discretion believes  
7 is material. Notwithstanding the foregoing, Representative Plaintiff may not terminate this  
8 Settlement Agreement because of the amount of attorneys' fees and expenses or service award  
9 awarded by the Court or any appellate court(s), or the failure of the Court or any appellate court(s) to  
10 approve any provision of Sections VI or VII of this Settlement Agreement.

11 **B. Defendants' Unilateral Right to Terminate.** Defendants may unilaterally, in their sole  
12 discretion, withdraw from and terminate this Settlement Agreement at any time prior to the Effective  
13 Date by providing written notice of termination to Class Counsel if the number of individuals who  
14 elect to exclude themselves from the Class make up more than 1% of all known potential Class  
15 Members.

16 **C. Deadline for Termination** Defendants must exercise their option to unilaterally withdraw  
17 from and terminate this Settlement Agreement within 14 days after expiration of the Opt-Out Period.  
18 Any termination under "Defendants' Unilateral Right to Terminate" must occur no later than 21 days  
19 after notice of the event prompting the right to terminate.

20 **D. No Obligation to Exercise Right.** If an option to withdraw from and terminate this  
21 Settlement Agreement arises under this Section, neither of the Settling Parties is required for any  
22 reason or under any circumstance to exercise that option.

23 **E. Effect of Termination.** If this Settlement Agreement is terminated pursuant to this Section  
24 then: (1) this Settlement Agreement shall be null and void and shall have no force or effect, and no  
25 party to this Settlement Agreement shall be bound by any of its terms, except for the terms of this  
26 Section, IX E; (2) this Settlement Agreement, all of its provisions (including, without limitation, any  
27 provisions regarding Class certification), and all negotiations, statements, and proceedings relating to  
28

1 them shall be without prejudice to the rights of any of the Settling Parties, each of whom shall be  
2 restored to their respective positions existing immediately before the execution of this Settlement  
3 Agreement, except that if the termination occurs after the Court’s entry of the Preliminary Approval  
4 Order, Defendants shall bear the \$25,000 cost to effectuate Class Notice and any other Settlement  
5 Administration Expenses incurred before termination; (3) this Settlement Agreement, or any  
6 provision of this Settlement Agreement or the fact of this Settlement Agreement having been made,  
7 shall not be admissible or entered into evidence, referenced or cited for any purpose whatsoever  
8 except to the extent necessary to enforce the obligation for Defendants to pay the \$25,000 in Class  
9 Notice and other Settlement Administration Expenses incurred before termination, as set forth in  
10 item “(2)” above; and (4) any order or judgment entered after the date of this Settlement Agreement  
11 but prior to termination of this Settlement Agreement, including, without limitation, any order  
12 certifying the Class, will be vacated and will be without any force or effect.

#### 13 X. RETENTION OF RECORDS

14 The Settling Parties and the Administrator shall retain all returned Class Notices and  
15 correspondence from Class Members, in either original format or electronic duplicate, for a period of  
16 two years after the Effective Date. Except as expressly stated above, nothing in this Settlement  
17 Agreement shall be construed to require the Settling Parties to retain records beyond what their  
18 discretionary record retention policies are.

#### 19 XI. MISCELLANEOUS

20 **A. Acknowledgement of the Parties.** It is understood that this Settlement Agreement does  
21 not constitute an admission about the propriety of class certification outside the context of  
22 settlement. It is further understood that the Settlement Agreement was created and entered into  
23 based on the facts of this matter alone, and the Settlement Agreement cannot be used in any way as  
24 precedent for any purportedly similar matter.

25 **B. Cooperation of the Parties.** The Settling Parties, Class Counsel, and Defendants’ Counsel  
26 agree to undertake their best efforts and mutually cooperate to effectuate this Settlement Agreement,  
27 including taking all steps contemplated by this Settlement Agreement and any other steps and efforts  
28



1 which may become necessary by order of the Court or otherwise. The Settling Parties, Class  
2 Counsel, and Defendants' Counsel further agree to defend this Settlement Agreement against any  
3 objection made to the final approval of the Settlement Agreement or in any appeal of the Final Order  
4 and Judgment or against any collateral attack on the Settlement Agreement or Final Order and  
5 Judgment. Representative Plaintiff agrees not to request exclusion from the Class or to encourage  
6 others to do so.

7 **C. Entire Agreement.** This Settlement Agreement sets forth the entire agreement between the  
8 Settling Parties relating to the settlement of the Lawsuit and may not be altered or modified except  
9 by written instrument executed by Class Counsel and Defendants' Counsel. There are no other  
10 representations or warranties between the Settling Parties relating to the subject matter of this  
11 Settlement Agreement that are not contained in this agreement or that are being relied upon by any  
12 party to this Settlement Agreement.

13 **D. Choice of Law.** This Settlement Agreement shall be governed by and interpreted according  
14 to the substantive laws of the State of California.

15 **E. Objections to Settlement.** Objections to the Settlement Agreement and notices of  
16 appearance must be actually delivered to and received by the intended recipient on or before the date  
17 they are due. If any one of the Settling Parties or the Administrator receives an objection to the  
18 Settlement Agreement or notice of appearance, they shall promptly notify the remaining Settling  
19 Parties and furnish a copy of the objection or notice of appearance to the remaining Settling Parties.

20 **F. Extensions.** The Settling Parties reserve the right, subject to the Court's approval, to make  
21 any reasonable extensions of time that might be necessary to carry out any of the provisions of this  
22 Settlement Agreement. Such extensions must be in writing to be enforceable.

23 **G. Drafting of Settle Agreement and Unambiguous Contract.** Neither the Settling Parties,  
24 Class Counsel, nor Defendants' Counsel shall be considered to be the drafter of this Settlement  
25 Agreement or any provision hereof for the purpose of any statute, case law, or rule of interpretation  
26 or construction that would or might cause any provision to be construed against the drafter. The  
27 Settling Parties, Class Counsel, and Defendants' Counsel agree that this Settlement Agreement is  
28

1 clear and unambiguous and that no parol or other evidence may be offered to explain, construe,  
2 contradict, or clarify its terms, its intent, or the circumstances under which it was made or executed.

3 **H. Counterparts** This Settlement Agreement may be signed in counterparts, each of which  
4 shall constitute a duplicate original.

5 **I. Further Assurances.** The Settling Parties agree that upon the request of any one of them,  
6 they will execute and deliver such further documents and undertake such further action as may  
7 reasonably be required to effectuate any of the agreements and covenants contained in this  
8 Settlement Agreement.

9 **J. Parties Bound.** This Settlement Agreement shall be binding upon and inure to the benefit  
10 of the Settling Parties, the Class Members, the Releasees, and their respective agents, legal  
11 representatives, trustees, parents, subsidiaries, predecessors, estates, heirs, successors, executors,  
12 administrators, and assigns.

13 **K. Communications Regarding Settlement.** The Settling Parties, Class Counsel, and  
14 Defendants' Counsel agree that any mass and/or generalized communications with Class Members  
15 or the media regarding this Settlement Agreement shall only be made with the approval of Class  
16 Counsel and Defendants' Counsel, and approvals shall not be unreasonably withheld. The Settling  
17 Parties, Class Counsel, and Defendants' Counsel further agree that, prior to date that the Class  
18 Notice is mailed, no party or counsel shall make any public announcements or other mass and/or  
19 generalized communications regarding this Settlement Agreement, including, without limitation,  
20 communications with the public or media.

21 **L. Confidentiality.** The Settling Parties, Class Counsel, and Defendants' Counsel agree that  
22 all documents exchanged in creating this Settlement Agreement are confidential and can be used for  
23 no other purpose other than settlement of this Lawsuit and that such documents shall not be  
24 admissible or entered into evidence for any purpose whatsoever.

25 **M. Construing the Settlement Agreement.** If any section, subsection, subdivision, paragraph,  
26 sentence, clause, or phrase of this Settlement Agreement is held by a court of competent jurisdiction  
27 to be invalid or unlawful, then all remaining portions of this Settlement Agreement shall remain in  
28

1 full force and effect and be construed as if such invalid or unlawful portion or portions had not been  
2 included herein.

3 **N. Date of Execution.** This Settlement Agreement shall be deemed to have been executed  
4 upon the last date of execution by all the undersigned.

5 Agreed to effective this \_\_\_\_ day of \_\_\_\_\_, 2017.

6  
7 By: \_\_\_\_\_  
8 Reliant General Insurance Services, Inc.

9 Agreed to effective this \_\_\_\_ day of \_\_\_\_\_, 2017.

10  
11 By: \_\_\_\_\_  
12 Occidental Fire & Casualty Company of North Carolina

13 Agreed to effective this \_\_\_\_ day of \_\_\_\_\_, 2017.

14  
15 By: \_\_\_\_\_  
16 Molly Rivera

17 **AGREED AS TO FORM AND SUBSTANCE:**

18  
19 By: \_\_\_\_\_  
20 James F. Holtz,  
21 Law Offices of James F. Holtz, APC  
22 Counsel for Reliant General Insurance Services, Inc.

23  
24 By: \_\_\_\_\_  
25 Vincent J. Bartolotta, Jr.,  
26 Thorsnes Bartolotta McGuire LLP  
27 Counsel for Representative Plaintiff and the Class

28  
29 By: \_\_\_\_\_  
30 Jarrett S. Charo,  
31 Thorsnes Bartolotta McGuire LLP  
32 Counsel for Representative Plaintiff and the Class