

DIRECT GENERAL INSURANCE COMPANY OF LOUISIANA - LOUISIANA CLASS

16<sup>th</sup> Judicial District Court in and for the Parish of St. Martin, Louisiana

Automobile policyholders may be affected by a proposed class action settlement.

A state court authorized this legal notice. This is not a solicitation from a lawyer.

- A settlement has been reached in a class action lawsuit about (a) whether Direct General Insurance Company of Louisiana (“Direct General”) improperly valued and/or adjusted total loss automobile damage insurance claims for automobile insurance policyholders for less than Direct General was required by law or contract to pay, and (b) the extent of Direct General’s liability with respect thereto.
- In accordance with the terms of the settlement agreement. Direct General may fund up to a \$710,000.00 to pay holders of valid and timely claims, as well as lawyers’ fees, costs, and expenses approved by the Court.
- In the class action, it was alleged that Direct General improperly undervalued total loss insurance claims by utilizing a total loss valuation system provided by Mitchell International, Inc. to value such claims instead of basing its evaluation of such claims upon values derived from materials published by NADA or Kelly Blue Book.
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS	
DO NOTHING	If you are a member of the class and wish to stay in the litigation, you need not do anything and you will be bound by its terms on the Effective Date.
EXCLUDE YOURSELF	You will get no payment from this settlement. This is the only option that allows you to be part of any other lawsuit against Direct General or other parties being released about the legal claims resolved in this settlement. Any request to exclude you from the settlement must be postmarked no later than September 11, 2019.
OBJECT	Write to the Court about why you don’t like the settlement. Objections must be postmarked no later than September 11, 2019.
GO TO A HEARING	Speak in Court about the settlement. The Fairness Hearing will start at 1:00 p.m. on October 2, 2019.

- These rights and options – **and the deadlines to exercise them** – are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made only if the Court approves the settlement and after appeals, if any, are resolved. Please be patient.

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## BASIC INFORMATION

### 1. Why has this notice been issued?

A Court has authorized this notice because you have a right to know about the proposed settlement of certain claims in this class action lawsuit, including the right to claim money, and about all of your options, before the Court decides whether to give “final approval” to the settlement. If the Court approves the settlement, and after any appeals are resolved, amounts will be paid to holders of valid claims. This notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who may be eligible for them, and how to get them.

Judge Curtis Sigur of the 16<sup>th</sup> Judicial District Court, St. Martin Parish, Louisiana, is overseeing the case. The case is known as Cassandra Reed versus Direct General Insurance Company of Louisiana, No. 81489, Div. “G.” The individual who sued is called the Plaintiff. The party they are suing, Direct General Insurance Company of Louisiana (“Direct General”), is called the Defendant.

### 2. What is this lawsuit about?

This class action lawsuit generally stems from Direct General's past practice of using a total loss valuation system and methodology based on data provided through a valuation system provided by Mitchell International, Inc. instead of using values published by NADA or Kelly Blue Book.

### 3. Why is the case a class action?

In a class action, one or more people like you, called Class Representatives, sue on behalf of others who have similar claims. All of these people are a “Class” or “Class Members.” One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

### 4. Why is there a settlement?

Both sides agreed to a settlement to avoid the cost and risk of future litigation, and so that the people affected can get compensation, in exchange for releasing Direct General and certain others from all liability and dismissing the settled claims with prejudice. Direct General denies any wrongdoing, and the settlement does not mean that Direct General did anything wrong or that Direct General violated any laws. The Court has approved the following Class Representative: Cassandra Reed. The Class Representative and the lawyers representing her believe the settlement is best for all Class Members.

## WHO IS IN THE SETTLEMENT

To see if you will be affected by this settlement or if you can get anything from this settlement, you first have to determine if you are a Class Member.

### 5. How do I know if I am a part of the settlement?

This alleged improper valuation and adjustment activity generally arose when Direct General utilized a total loss valuation system provided by Mitchell International, Inc. to value such claims in lieu of values derived from NADA or Kelly Blue Book. Generally, you may be included in the Class if you are a current or former Louisiana resident and submitted a claim to Direct General for damage to a motor vehicle that was determined to be a total loss by Direct General, and Direct General valued or adjusted your insured loss and tendered or paid an amount to you in settlement of your claim utilizing the Mitchell Total Loss Vehicle Valuation System and/or Mitchell WorkCenter Total Loss

The Court has specifically decided that the Class Members include:

All persons who have made a claim for first party total loss to their vehicle with Direct General where Direct General evaluated that claim as a total loss claim utilizing the Mitchell Total Loss Vehicle Valuation System and/or Mitchell WorkCenter Total Loss .

More detailed descriptions of the Class (including the complete definition of the Class) and the Settlement Agreement are available at [www.ReedTotalLoss.com](http://www.ReedTotalLoss.com) and in the official records of these proceedings on file with the Clerk of Court for the 16<sup>th</sup> Judicial District Court, St. Martin Parish, 415 St. Martin Street, St. Martinville, LA 70582.

### 6. I'm still not sure if I am included.

If you are not sure whether you are included in the Class, you can visit the website at [www.ReedTotalLoss.com](http://www.ReedTotalLoss.com), call 225-302-8810 for more information, or write to: Whaley Law Firm, 6700 Jefferson Highway, Building 12, Suite A, Baton Rouge, LA, 70806.

## THE SETTLEMENT BENEFITS

### 7. What does the settlement provide?

Direct General will provide \$710,000.00 to pay valid claims from Class Members, as well as lawyers' fees, expenses, and costs, as approved by the Court. The Settlement Agreement, available at the [www.ReedTotalLoss.com](http://www.ReedTotalLoss.com) and in the official records of these proceedings on file with the Clerk of Court, describes all of the details about the proposed settlement.

A portion of the settlement fund will be reserved to pay litigation costs, and the Class Counsel's attorney's fees for work in litigating the case and obtaining this settlement. The settlement fund shall also cover any and all other court costs incurred by Class Counsel, the costs of administering the settlement, and payments to Class Representatives. More details are available in the Settlement Agreement at [www.ReedTotalLoss.com](http://www.ReedTotalLoss.com).

### 8. What can I get from the settlement?

The value of each valid timely claim submitted by members of the Class will be calculated as described and in accordance with the terms of the Settlement Agreement. The amount of each claim payment may be based, in part, on the total number of claims received and on the total extent of damages suffered by those who submit claims under each subclass. The exact amount that you could receive from the settlement cannot be determined at this time.

### 9. Who will oversee the settlement fund?

An independent Class Settlement Fund Account Agent will oversee and administer the settlement. Angeion Group has been appointed by the Court to be the Class Settlement Fund Account Agent. The Class Settlement Fund Account Agent will calculate the value of each claim at issue under the terms of the Settlement Agreement and then the funds will be distributed pro rata among the Class Members.

## HOW TO GET BENEFITS

### 10. How can I get a payment?

You need not do anything to be paid for your claim. If you are a class member and you do not opt-out, you will receive your payment after the Settlement becomes Final.

As more fully described in the Settlement Agreement, each Class Member's settlement check will include language so that the Class Member's endorsement and/or deposit thereof will serve as the Class Member's agreement to the terms and conditions in the Settlement Agreement.

### 11. When would I get my payment?

The Court has scheduled a hearing on October 2, 2019, to decide whether to approve the settlement. If the Court approves the settlement at that time or sometime after that, there may be appeals. Payments to holders of valid claims cannot be made until the appeal process is finished, the settlement is final, and the allocation process has been completed. Please be patient.

### 12. What am I giving up to get a payment or stay in the Class?

Even if you participate in the settlement, should the settlement become Final, you will release Direct General and certain others from all liability for any claims related to this lawsuit. That means you cannot sue Direct General and certain others ever again for these claims and your claims will be dismissed with prejudice. The specific claims you will be releasing, called "Released Claims," are described in Section 1.30 of the Settlement Agreement that is available at the website and in the official records of these proceedings on file with the Clerk of Court. You will also agree to certain obligations in favor of Direct General and certain related parties (see, e.g., Sections 6.3 through 6.5 of the Settlement Agreement), including but not limited to defending, indemnifying, and holding harmless certain parties against any claim by any person who derives his or her right or claim as a result of or in any way arising out of your claim. The Settlement Agreement describes the relevant lawsuit(s), the Released Claims, and your obligations with specific descriptions, in necessarily accurate legal terminology, so read it carefully. Talk to Class Counsel (see the section on "The Lawyers Representing You") or your own lawyer if you have questions about the relevant lawsuit(s), the Released Claims, and your obligations, or what they mean.

## EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this settlement, but you want to keep the right to sue or continue to sue Direct General over the legal issues being settled in this case, then you must take steps to get out of the Class. This is called asking to be excluded from—or sometimes called “opting out” of—the Class. Any Class Members who do not request exclusion will be bound by all of the judgments made by the Court, whether favorable or not.

### 13.If I exclude myself, can I get money from the settlement?

No. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. But you may sue, continue to sue, or be part of a different lawsuit against Direct General in the future. You will not be bound by the settlement in this lawsuit if you exclude yourself.

### 14.If I do not exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue Direct General and certain others for all the claims that this settlement resolves. You must exclude yourself from this Class to start or continue your own lawsuit or to be part of any different lawsuit relating to these claims.

### 15.How do I get out of the settlement?

If you wish to be excluded from the settlement you must, in writing, state that you want to be excluded from the Direct General class settlement. You must include your name, the last four digits of your social security number, date of birth, address, telephone number, and signature, and state that saying “I hereby request that I be excluded from the proposed settlement Class in *Cassandra Reed versus Direct General Insurance Company of Louisiana*, No. 81489, Div. “G.” If you send in an exclusion request on behalf of someone else, you must sign the request and you must also include their name, the last four digits of their social security number, date of birth, and address and describe the capacity in which you are acting (for example, mother, father, etc.). Your lawyer cannot sign an exclusion request for you, and you cannot exclude a class or group of Class Members. And you can’t ask to be excluded on the phone or at the website.

You must mail your exclusion request postmarked no later than September 11, 2019 to:

Direct General Class Action Exclusions  
P.O. Box 58220  
1500 John F. Kennedy Blvd, Suite C31  
Philadelphia, PA 19102

Although not mandatory, it is recommended that you send the mail in some form so that you can have proof of mailing and receipt in the event that an issue later arises.

## THE LAWYERS REPRESENTING YOU

### 16.Do I have a lawyer in this case?

The Court has appointed the following Louisiana lawyers to represent Class Members as “Class Counsel”: J.R. Whaley, Kenneth D. St. Pe', Stephen B. Murray, Jr., George F .Reiss, and Kenneth W. DeJean.

If you want to be represented by a lawyer of your choosing, you may hire one at your own expense. If you need assistance with your claim, Class Counsel will assist you for free. To contact Class Counsel, call 225-302-8810 or write to: Whaley Law Firm, 6700 Jefferson Highway, Building 12, Suite A, Baton Rouge, LA, 70806.

### 17.How will the lawyers be paid?

The amount of the attorney fee will be determined by the Court. The lawyers will ask for a fee not to exceed (29%) percent of \$710,000.00, or \$205,900.00, and for reimbursement of their out-of-pocket costs incurred in litigating the claims being settled, not to exceed \$50,000.00. Class Counsel will ask the Court to award these amounts from the settlement fund for their work in litigating the case and obtaining the settlement. Defendant and its counsel have agreed not to oppose this fee request. Class Counsel will also ask for \$7,500.00 for each of the Class Representative who helped the lawyers on behalf of the whole Class. The Court may award less than the requested amounts to Class Counsel, or to the Class Representative.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

18.How do I tell the Court if I do not like the settlement?

If you are a Class Member, you can object to the settlement if you do not like it or certain parts of it. You must give reasons why you think the Court should not approve the settlement. The Court will consider your views if you properly submit an objection on time. To object, prepare a written statement of the specific reasons you object to the settlement. Please indicate that you are objecting to the Direct General Class Settlement, Suit Number 81489, Div. "G." Be sure to include your name, the last four digits of your social security number, date of birth, address, telephone number, and your signature. If you have a lawyer, please provide his/her name, address, and telephone number. You must also include copies of any supporting materials, papers, and legal briefs, along with the names and addresses of any witnesses you or your lawyer will use to support your objection, together with a statement about what they will testify about and a summary of the proposed testimony. You must state in your objection that you are a Class Member. You can hire your own lawyer, at your own expense, to appear with or without you at the Fairness Hearing; but you or your lawyer do not have to appear at the Fairness Hearing in order for the Court to consider your objection. If you or your lawyer intends to speak at the Fairness Hearing about your objection, you also must submit a notice of intent to appear with your objection materials. Any objections must be sent via United States mail, postage prepaid, to the Court, Class Counsel and Defense Counsel at the addresses listed immediately below and must be postmarked no later than September 11, 2019.

Court	Class Counsel	Defense Counsel
Clerk of Court St. Martin Parish 415 St. Martin Street P.O. Box 308 St. Martinville, LA 70582	John Randall Whaley 6700 Jefferson Highway Building 12, Suite A Baton Rouge, LA 70806  Kenneth D. St. Pe' 311 W. University Ave., Suite A Lafayette, LA 70506  Stephen B. Murray, Jr. 650 Poydras Street, Suite 2150 New Orleans, LA 70130  Geofe F. Riess 228 St. Charles Ave., Suite 1224 New Orleans, LA 70130  Kenneth W. DeJean Post Office Box 4325 Lafayette, LA 70502-4325	Kent A. Lambert Erin E. Pelleteri Baker Donelson Bearman Caldwell & Berkowitz, PC 201 St. Charles Avenue, Suite 3600 New Orleans, Louisiana 70170

For more information, please see the Court orders at [www.ReedTotalLoss.com](http://www.ReedTotalLoss.com) and in the official records of these proceedings on file with the Clerk of Court.

19.What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you cannot object to the settlement or to the attorneys' fees or costs, because the case no longer affects you, and you will not receive any settlement payment.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement.

20.When and where will the Court decide whether to approve the settlement?

The Court has scheduled a Fairness Hearing starting at 1:00 o'clock p.m. on **October 2, 2019**, at the St. Martin Parish Courthouse, 415 St. Martin Street, St. Martinville, LA 70582. (The hearing may be moved to a different date or time without additional notice, so it is a good idea to check the website at [www.ReedTotalLoss.com](http://www.ReedTotalLoss.com).) At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. The Court will consider whether to approve the settlement, any requested attorneys' fees, expenses, etc., and awards for Class Representatives. If there are objections, the Court will consider them.

### **21. Do I have to come to the hearing?**

No. Class Counsel will answer questions the Court may have. But, you are welcome to come to court at your own expense. You may also have your own lawyer attend (at your expense), but it is not required.

### **22. May I speak at the hearing?**

You can only speak at the Fairness Hearing if you file a timely objection to the settlement and following the procedures set forth in this notice (*see*, “Objections to the Settlement” above) and you include with your objection a notice of intent to appear. The date and time of the hearing is shown in question 20 above. You cannot speak at the Fairness Hearing if you exclude yourself.

## **IF YOU DO NOTHING**

### **23. What happens if I do nothing at all and the settlement is approved?**

If you do nothing and the settlement is approved, you will receive benefits from the settlement. However, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Direct General and certain others about the claims being settled, ever again.

## **GETTING THE INFORMATION**

### **24. How do I get more information?**

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can visit the website at [www.ReedTotalLoss.com](http://www.ReedTotalLoss.com) or the Clerk of Court’s office at 415 St. Martin Street, St. Martinville, LA 70582, where you will find the Settlement Agreement, other documents about the settlement, information about the claims process, and other information about the case. Or, you may call 225-302-8810, or write to the Direct General Class Counsel at: Whaley Law Firm, 6700 Jefferson Highway, Building 12, Suite A, Baton Rouge, LA, 70806.