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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT

APR 06 2026

BY Veronica Cruz, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

EMILY COBOS, CHRISTIAN ANGEL, STEPHANIE CAMACHO, YURIANA APARACIO, GRISELDA DAVILA, LUIZ SANCHEZ, ROBERT GALLEGOS, ROBERTO VARGAS, JESSICA CHANG, CRYSTAL FLOWERS, ANDY NGUYEN, CHARLES SMITH, JAVIER HURTADO, MARCO AVILLA, CARLOS ANDRADE, ARLENE MARTINEZ, SALLY GREENE, DANIELLE TOLKSON AND TIANA VALE, AS INDIVIDUALS AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED,

Plaintiff(s),

vs.

NATIONAL GENERAL INSURANCE COMPANY, INTEGON NATIONAL INSURANCE COMPANY, STONEWOOD INSURANCE SERVICES, INC., ALL STAR GENERAL INSURANCE AGENCY, INC., ALL STAR GENERAL INSURANCE COMPANY, NEW MILLENNIUM INSURANCE, FREEWAY INSURANCE SERVICES, ONE WAY INSURANCE SERVICES, JACK OLIVERA INSURANCE SERVICES, COST-U-LESS INSURANCE CENTER, MARISOL'S INSURANCE SERVICES, INC., AUTO CLUB SERVICES, LLC, TORRES & ASSOCIATES, FIRST CONTEMPO INSURANCE AGENCY, FIESTA AUTO INSURANCE CENTER; UPGRADE INSURANCE SERVICES, INC.; AND DOES 1 THROUGH 120,

Defendant(s).

CASE NO.: CIVDS1914609

Case Assigned to Hon. Joseph T. Ortiz
Dept. S17

[~~PROPOSED~~] CLASS CERTIFICATION ORDER

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On March 11, 2026, at 9:00 a.m., Plaintiffs' Motion for Class Certification came before this Court for a hearing, which followed remittitur after successful appeal of the initial denial of motion for class certification on manageability grounds on April 6, 2023.

As to Objections: The Court **OVERRULES** Defendants National and Integon's evidentiary objections. As to Plaintiffs' objections to the Opposition's reference to pictures without support, the Court also **OVERULES** the objections. Objections lie to evidence, not in argument.

As to Class Certification: The Court **GRANTS** the motion and **CERTIFIES** a class and sub-class (defined below) under their 1st and 3rd causes of action for all purposes (but solely related to recovering collision and punitive damages). The Court **ORDERS** the following:

(a) The Class is defined as: "All individuals who satisfy the following criteria: (1) the individual was a named insured on a California automobile insurance policy that was underwritten by Integon National Insurance Company; (2) the individual or another named insured on that individual's policy was involved in an automobile accident while driving an insured vehicle; (3) a post-accident claim was made under the policy for losses from that accident; (4) the individual had his or her insurance policy rescinded between May 14, 2015, and the present ("Class Period"); (5) the individual had his or her insurance policy rescinded after a claim was made under the policy; (6) the individual had his or her insurance policy rescinded solely for failure to disclose household members on the insurance application; and (7) the individual suffered losses because of the policy rescission;"

(b) The Renewal Sub-Class is defined as "All Class Members whose automobile insurance policies renewed during the Class Period;"

(c) Plaintiffs Emily Cobos, Christian Angel, Yuriana Aparacio, Tiana Vale, Robert Gallegos, Luis Sanchez, Jessica Chang, Crystal Flowers, Andy Nguyen, Charles Smith, Javier Hurtado, Carlos Andrade, Arlene Martinez, Sally Greene, and Danielle Tolkson are the Class Representatives of the Class;

(d) Plaintiff Emily Cobos is Class Representative of the Renewal Sub-Class;

(e) Attorneys Jonathan King and Justin King of the Law Offices of Justin King are Class Counsel;

Parties are **ORDERED** to meet and confer on providing class notice of the certification within the 15 days following March 11, 2026 and submit a joint proposed class notice and procedure within the 30 days following March 11, 2026 per Rules of Court, rule 3.766.

Case Summary

This is essentially an insurance bad faith class action. Proposed class members are named insureds on automobile policies with Defendants. Plaintiffs allege that when post-accident claims were made, Defendants retroactively rescinded the policies on the grounds that household members, who were fourteen or older, were not disclosed on the initial insurance application. The rescission took place despite the fact that the undisclosed household member was not the driver at the time of the relevant accident. Plaintiffs allege that the application system forced applicants to represent that all disclosures of household members had been made, despite preventing that very disclosure.

On May 14, 2019, Plaintiffs Emily Cobos, Christian Angel, Stephanie Camacho, Yuriana Aparacio, and Griselda Davila, on behalf of themselves and all others similarly situated, filed the *original* class action against defendants National General Insurance Company (National) and Integon National Insurance Company (Integon). Since that date, this matter has been through four amendments: A First Amended Complaint (FAC) was filed on June 6, 2019, which added TianaVale as an additional plaintiff. On October 16, 2019, following Defendants' Demurrer, Plaintiffs filed a Second Amended Complaint. On October 1, 2020, after the Court granted leave to amend, Plaintiffs filed a Third Amended Complaint (TAC). The TAC added plaintiffs Jessica Chang, Crystal Flowers, Andy Nguyen, Charles Smith, Javier Hurtado, Marco Avilla, Carlos Andrade, Arlene Martinez, Sally Greene, Danielle Tolkson, and Taina Vale. Plaintiffs also added defendants National General Insurance Group (National Group), Stonewood Insurance Services, Inc., All Star General Insurance Agency, Inc., All Star General Insurance Company, New Millennium Insurance, Freeway Insurance Services, Inc., One Way Insurance Services, Jack Olivera Insurance Services, Cost-U Less Insurance Center, Marisol's Insurance Services, Inc., Auto Club Services, LLC, Torres & Associates, First Contempo Insurance Agency, Fiesta Auto Insurance Center, and Upgrade Insurance Services, Inc. On February 11, 2021, Plaintiffs named Doe 1 to the TAC, adding National General Management Corp. Between March 19, 2021 and August 11, 2022, Plaintiffs dismissed all defendants except National, Integon, National Group, National General Management Corporation, and All Star General Insurance Company. Finally, on December 15, 2022, Plaintiffs were granted leave to file their Fourth Amended Complaint (4th AC). With the 4th AC, Plaintiffs (1) revised the class definition and allegations to cover all damages, not just automobile collision damages, from Defendants' rescission of automobile insurance policies; (2) removed 4 of the 19 putative class representatives; and (3) removed the Defendants dismissed from the action and deleted allegations related to those Defendants. The only Defendants named in the proposed 4th Ac are now National, Integon, and National Group. Notably, the 4th AC has 79 causes of class and individual causes of action.

Summary of the Law

A trial court has great discretion in certifying class actions. *(Bell v. American Title Ins. Co.* (1991) 226 Cal.App.3d 1589, 1606.) In a motion for class certification, plaintiffs must demonstrate through substantial evidence that the proposed class is *ascertainable;* that its members are *numerous;* that the plaintiffs' claims are *typical* of claims held by other class members; that plaintiffs and counsel can provide *adequate representation* for the class; and that *common questions of law or fact predominate* over the individual issues. *(Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1021-1022.) Certifying a class action requires a demonstrated substantial benefit to litigants and court. *(Caro v. Proctor & Gamble Co.* (1993) 18 Cal.App.4th 644, 657.) The burden of this demonstration rests with plaintiff. *(Collins v. Safeway Stores, Inc.* (1986) 18.7 Cal.Ap.p.3d 62.)

Analysis

The Court previously found the proposed class was sufficiently numerous and ascertainable, the Class Representative Plaintiffs were typical with the putative class and adequate, Plaintiffs' Counsel was adequate class counsel, and common questions on liability issues predominate. Under the Court of Appeal's decision, the class as proposed by movants—at minimum on Defendants' liability—shall be certified. Thus, the Court need not re-analyze these points.

Therefore, the sole issues herein are two-fold: (1) certifying a sub-class for solely class members whose policies were renewed and (2) whether the certified class will include the issue

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of damages, as limited to collision coverage damages (lesser of the vehicle's repair cost and its fair market value) and punitive damages.

<u>As to a Sub-Class:</u> Defendants do not oppose a sub-class for class members whose policies were renewed. In the Reply filed on September 29, 2022, Plaintiffs raised a sub-class headed by Plaintiff Cobos, as she had renewed her policy. The Court defines the sub-class as "All Class Members whose automobile insurance policies renewed during the Class Period."

<u>As to Damages:</u> The sought damages in the class certified-liability claims are collision damages and punitive damages. It seems undisputed that no individual inquiry would be necessary related to the recovery of punitive damages whether adjudicated within the liability phase or bifurcated for separate adjudication. The dispute lies over whether the collision damages should be adjudicated on class-wide basis or not. Therein lies the initial concern of whether common questions will predominate or can be managed.

Even if the damages of each putative class member may require *some* individual showing such does not preclude class certification as long as they can be managed. *(Sav-on Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 332, 334.) Damages can be proven by the use of statistical evidence, sampling evidence, or expert testimony as such "does not dispense with proof of damages but rather offers a different method of proof." *(Id.* at p. 333.) Furthermore, when fact of damages is certain, the amount of damages need not be calculated with mathematical certainty. *(Michelson v. Hamada* (1994) 29 Cal.App.4th 1566, 1585.)

Here, Class Plaintiffs present their trial plan and an expert report where their expert reviewed 180 sampling claim files. Of the 180 claim files, 177 or 98.3% had collision coverage. Furthermore, 160 of the 180 claims filed contained estimates for collision coverage that those insured *would have* been entitled to recover. On these numbers, under an extrapolation, 84-92% of the 1,032 currently known class members (or 866-954) should have collision damages information in their claim file to establish their collision damages. Of the 78-166 claim files that may not have this information, Plaintiffs' counsel indicates an estimate may be done based on estimated damage repairs. (King Decl., ¶5 & Exh. 1 [¶¶ 110, 21, 23-24].)

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For purposes of certification, the above demonstrates that—for a majority of the class members—their claim file appears likely to provide the information to determine damages. For a minority of the class members, however, their claim file will lack that information. Nonetheless, it appears that statistical averaging and estimating can be used to support providing an aggregate damage amount for any judgment. This mitigates the likelihood of manageability concerns on this aspect of damages.

Moreover, for the purposes of certification, the law is unconcerned as to how any aggregate judgment is allocated. *(Bell v. Farmers Ins. Exchange* (2004) 115 Cal.App.4th 715, 759 ["It is well established that 'the allocation of that aggregate sum [of the judgment] among class members is an internal class accounting question that does not directly concern the defendant ....' [Citation.]"].) That allocation is done as a separate proceeding. *(In re Cipro Cases I & II* (2004) 121 Cal.App.4th 402,417 ["If the defendant in a class action is found liable, and there is a finding at trial as to the amount of class-wide damages, each class member's individual entitlement to damages may be litigated in a non-adversary administrative claims procedure with a lowered standard of proof."].)

While the Court still has some apprehension about manageability, if for some reason the issue of the collision damages recoverable by class members whose claim files lack any repair data become unmanageable, the Court could consider decertifying their damage portion and hold individual separate trials on those putative class members' damages. Any certification order is only tentative as it may be modified any time before the trial. *(Vasquez v. Superior Court* (1971) 4 Cal.3d 800, 821; *Estrada v. RPS, Inc.* (2005) 125 Cal.App.4th 976, 980-981.)

IT IS SO ORDERED

DATE: April 6, 2026

Joseph Ortiz
Hon. Joseph T. Ortiz,
Judge of the Superior Court

PROOF OF SERVICE
CCP 1013A(3)

STATE OF CALIFORNIA, COUNTY OF SAN BERNARDINO

I am employed in the County of San Bernardino, State of California. I am over the age of 18 and not a party to the within action; my business address is 8301 Utica Avenue, Suite 101, Rancho Cucamonga, CA 91730.

On March 16, 2026, I served the foregoing document described as:

[PROPOSED] CLASS CERTIFICATION ORDER

on all interested parties in this action by transmitting an electronic copy as follows:

SEE ATTACHED SERVICE LIST

(_) **BY MAIL (CCP §1013(a) and §2015.5):** I served the documents by placing the envelope for collection and mailing following our ordinary business practices. I am readily familiar with the firm's business practice for collecting and processing documents for Mailing. On the same day the document is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or postage date is more than 1 day after the date of deposit for mailing in affidavit.

(_) **BY OVERNIGHT DELIVERY (CCP §1013(c) and §2015.5):** I sealed such documents in separate envelopes to each addressee and deposited each for collection by mailing via overnight mail/next day delivery in a box or other facility regularly maintained by the U.S. Postal Service or an Express Service carrier, or delivered to an authorized carrier or driver authorized by the U.S. Postal Service or an Express Service carrier to receive documents, with delivery fees paid or provided.

(X) **BY ELECTRONIC SERVICE (CCP §1010.6 and CRC 2.251):** I caused the documents to be sent via electronic mail to the addressees at the electronic notification listed on the Service/Mailing List.

Executed on March 16, 2026, at Rancho Cucamonga, California.

(_) (State) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Staci Ponce

STACI PONCE

ATTACHED SERVICE/MAILING LIST

Cobos, et al. V. National General Insurance, et al.

SBSC, Case No.: CIVDS1914609

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