

JOSEPH MCCULLOUGH and COTOYYA MORGAN, individually and on behalf of all others similarly situated,

Plaintiffs,

vs.

NEW JERSEY MANUFACTURERS INSURANCE COMPANY, a New Jersey Corporation

Defendant.

SUPERIOR COURT OF NEW JERSEY  
MERCER COUNTY – LAW DIVISION

DOCKET NO.: MER-L-1401-20

Civil Action

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**PLAINTIFF’S UNOPPOSED MOTION  
FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

PLEASE TAKE NOTICE that Plaintiff, Cotoyya Morgan, moves this honorable Court for an Order:

- 1) Granting preliminary approval of a proposed Class Action Settlement (the “Settlement”) memorialized in a Class Action Settlement Agreement (the “Settlement Agreement”);<sup>1</sup>
- 2) Directing Notice of the proposed Settlement to the Settlement Class; and
- 3) Setting a final Fairness Hearing at a time and date to be determined by the Court.

The motion relies on the accompanying memorandum of law, the declaration of Edmund A. Normand, the exhibits thereto, and all other submissions made herewith. By agreement of the parties, oral argument is waived, and the motion may be decided on the papers pursuant to Rule 1:6-2 of the New Jersey Court Rules.

Dated: July 08, 2025

Respectfully submitted,

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<sup>1</sup> Capitalized terms used herein have the same meaning as those used in the Settlement Agreement.

**DAPEER LAW, P.A.**

*/s/ Rachel Dapeer*

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***Counsel for Plaintiff and the Proposed  
Class***

**CERTIFICATE OF SERVICE**

I hereby certify that on July 07, 2025, I electronically filed the foregoing document with the Court via eCourts, which will automatically send notice and a copy of the same to counsel of record via electronic mail.

/s/ Rachel Dapeer  
Rachel Dapeer, Esq.  
Jersey Bar No. 039272011

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Civil Action

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**PLAINTIFF’S MEMORANDUM IN SUPPORT OF UNOPPOSED MOTION  
FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

Plaintiff Cotoyya Morgan (“Plaintiff” or “Ms. Morgan”) respectfully requests preliminary approval of a Settlement (the “Settlement”) of this putative class action, which has been reached and memorialized in a Settlement Agreement (the “Settlement Agreement” or “Agreement”) that will resolve the claims of the members of the Settlement Class. For the purposes of Settlement, Defendant, New Jersey Manufacturers Insurance Company (“Defendant” or “NJM”) does not oppose this Motion. The Settlement Agreement is attached as **Exhibit A**.<sup>2</sup>

**INTRODUCTION**

After years of hard-fought litigation, Plaintiff is pleased to inform the Court that the parties have reached a Settlement. Under their Agreement, NJM insureds who were allegedly underpaid sales taxes associated with the Actual Cash Value (“ACV”) of their insured total loss leased vehicles will have an opportunity to recover 100% of the allegedly underpaid sales taxes.

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<sup>2</sup> For purposes of this Motion, capitalized terms shall have the meanings provided in the Agreement.

Absent settlement, this putative class action faced many hurdles, including, among others, unresolved legal issues and the need to obtain class certification. The Settlement was the result of three formal mediation sessions and extensive mediation-related discussions spanning a period of over seven months, overseen by Michael N. Ungar, Esq., an experienced and respected mediator.

The Settlement was made possible only through years of hard-fought litigation. This is a putative class action lawsuit by Plaintiff, a named insured under one of Defendant's Standard New Jersey Personal Auto Policies (the "Policy"). Ms. Morgan claims that the NJM Policy, which provides a potential basis for private passenger auto physical damage comprehensive and collision coverage, promises to pay for "loss" to covered automobiles subject to certain limitations on liability, including a potential limitation of liability to the "Actual Cash Value" or "ACV" of the damaged or stolen property. *See* Amended Complaint ("Compl.") ¶ 1. Plaintiff brought this action alleging NJM breached their insurance Policy by failing to pay the mandatory Sales Tax for Leased Vehicles ("Sales Tax") required under New Jersey law to buy a replacement vehicle. *Id.* ¶ 8. NJM continues to deny the allegations of this lawsuit, maintains that it fully complied with the terms and provisions of its insurance policies and the law, and expressly denies all wrongdoing and liability of any kind. NJM mounted a vigorous defense, which required Plaintiff to litigate NJM's motion to dismiss, defeat NJM's motion for summary judgment, defeat NJM's motion for reconsideration, defeat NJM's petitions for interlocutory appellate review of the summary judgment order, and battle to obtain the discovery needed to support class certification. The parties attempted to mediate in September 2024 but were unsuccessful. Only after further litigation over discovery and the production of important class data and documents were the parties able to agree to second mediation in March 2025. Thus, before Settlement was achieved, Plaintiff and her counsel were fully informed about the strengths and weaknesses of her claims and NJM's defenses. The March 2025 mediation—which

was continued to a second day—ultimately resulted in the Settlement.

The proposed Notice Program is robust, providing individualized notice four times—two postcard notices and two email notices—to each Settlement Class Member identified through discovery and NJM’s claims data. By providing multiple mailed and emailed notices, the Notice Program will ensure that every Settlement Class Member has a full and fair opportunity to evaluate the Settlement and submit a claim. And participation could not be simpler. The postcard notices will include a detachable, pre-filled claim form (postage prepaid) requiring only confirmation that the pre-filled information is correct. The email notices will include a link to a pre-filled electronic version of the same simple claim form. Further, Class Counsel will request attorneys’ fees not to exceed \$2,000,000.00 and reimbursement of litigation expenses not to exceed \$21,000.00.

Plaintiff contends approval of the Settlement is appropriate based on her allegations, the orders of this Court regarding the motions to dismiss and summary judgment, and the documents and information produced in discovery. The claims of Plaintiff and the putative Class are based on form insurance policies equally applicable to all members of the Settlement Class, and the Settlement resolves all Settlement Class Member claims alleged in this lawsuit. Similarly, the appointments of Plaintiff as the Settlement Class Representative and of Plaintiff’s Counsel as Class Counsel for the Settlement Class is appropriate. “Preliminary approval is not binding and should be granted unless the settlement is ‘obviously deficient.’ Proposed settlements are generally preliminarily approved when they emerge from serious, non-collusive negotiations, do not give preferential treatment to certain segments of the class or class representatives, and fall within the range of possible approval.” *Rudel Corp. v. Heartland Payment Sys., Inc.*, No. CV 16-2229, 2017 WL 4422416, at \*2 (D.N.J. Oct. 4, 2017) (citation omitted). The proposed Settlement here was negotiated at arm’s length and is in every respect fair, adequate, reasonable,

and in the best interests of the proposed Settlement Class. Plaintiff's Counsel believes this is an excellent result for the Settlement Class, particularly in light of the complexity, expense, and likely duration of litigation, NJM's defenses to the claims alleged in this action, and the considerable risks involved in establishing liability, damages, and in maintaining the class action through trial and appeal.

Upon finding that the proposed Settlement is preliminarily acceptable, the Court would direct that prompt notice be distributed to Settlement Class Members, providing them with an opportunity to be heard and potentially object to the Settlement at a Final Approval hearing, to be scheduled by the Court. Accordingly, Plaintiff and Class Counsel request that the Court enter the proposed Preliminary Approval Order so that Notice may be promptly disseminated to the Settlement Class and Final Approval and other Settlement-related dates may be scheduled.

## **FACTUAL BACKGROUND**

### **A. Plaintiff's Total Loss Claim and NJM's Alleged Breach**

Plaintiff and Settlement Class Members are lessees of vehicles covered under any New Jersey automobile insurance policy issued by NJM covering first-party claims for auto physical damage for comprehensive or collision loss, that sustained a "total loss" in an insured leased vehicle on or after March 19, 2015, to the date the motion for preliminary approval of Settlement is granted by this Court. Plaintiff alleges that the NJM Policy promises to pay for "loss" subject to a limitation on liability of "Actual Cash Value" or "ACV" of the damaged or stolen property. Compl. ¶ 1. Plaintiff alleges that the Policy provided physical damage coverage for Plaintiff's and Settlement Class Members' leased total loss vehicles. *Id.* ¶ 4. A "total loss" is the term used in the insurance industry to describe the scenario where the cost to repair or replace the damaged property— the amount Plaintiff claims that Defendant promises to pay under the Policy – exceeds the pre-loss ACV of the insured vehicle, or where the cost to repair or replace

the vehicle plus the salvage value (which Defendant is obligated to pay where it decides to keep the salvage vehicle) exceeds the pre-loss ACV. In such cases, Plaintiff alleges that Defendant's liability is limited to or capped at the pre-loss ACV. *Id.* ¶ 4.

Plaintiff alleges that New Jersey law imposes sales tax on every vehicle lease at a fixed state rate and a variable county surtax rate. *Id.* ¶ 7. Plaintiff and Settlement Class Members claim to have suffered total losses in their NJM insured leased vehicles on or after March 19, 2015, to the date the motion for preliminary approval of Settlement is granted by this Court. Amended Compl. ¶ 8. Plaintiff alleges Defendant failed to include Sales Tax in its total-loss payments when settling Plaintiff's and putative Class Members' leased vehicle total loss claims, allegedly in breach of what Plaintiff contends to be a clear policy promise. *Id.* ¶ 10.

## **B. Procedural Background**

On August 5, 2020, Plaintiff Joseph McCullough ("McCullough") filed a Class Action Complaint against NJM in the Superior Court of New Jersey Mercer County – Law Division, asserting a claim for breach of contract. On March 19, 2021, Plaintiff Cotoyya Morgan filed an Amended Class Action Complaint against NJM, asserting a claim for breach of contract.

On April 8, 2021, NJM filed a Motion to Dismiss Plaintiffs' Amended Complaint. On June 18, 2021, the Court entered an Order granting NJM's Motion to Dismiss Plaintiffs' Amended Complaint, dismissed Plaintiff McCullough's claims against NJM with prejudice, and dismissed Plaintiff McCullough from the case, but not Plaintiff Morgan.

On August 13, 2021, NJM filed a Motion for Summary Judgment. After full briefing, the Court entered an Order denying NJM's Motion for Summary Judgment on December 16, 2022.

From August 2021 through December 2022, the parties conducted a first round of discovery, producing and reviewing thousands of pages of documents, and responding to numerous written interrogatories.

On January 4, 2023, NJM filed a Motion for Reconsideration of the Court's December 16, 2022, Interlocutory Order denying NJM's Motion for Summary Judgment, which Plaintiff Morgan opposed. On June 20, 2023, the Court entered Orders denying NJM's Motion to Reconsider, granting Plaintiff Morgan's Motion for Discovery, and denying Plaintiff Morgan's Motion for Leave to File Amended Complaint.

On July 10, 2023, Defendant filed a Motion for Leave to Appeal the Interlocutory Order denying NJM's Motion for Summary Judgment to the Appellate Division, which the Appellate Division subsequently denied on August 9, 2023. Then, on August 29, 2023, Defendant filed a Motion for Leave to Appeal the Interlocutory Order denying NJM's Motion for Summary Judgment to the Supreme Court, which the Supreme Court subsequently denied on January 12, 2024.

From February 2024 through January 2025, the parties conducted a second round of extensive discovery of both class issues and the merits, producing and reviewing thousands of pages of documents, and responding to numerous written interrogatories.

On September 6, 2024, the Parties engaged in a private mediation session with attorney Michael N. Ungar, in an attempt to resolve this action, but were unable to reach an agreement at that mediation. After continuing negotiations concerning discovery matters, the Parties engaged in a second private mediation session with attorney Michael N. Ungar on March 18, 2025, in an attempt to resolve this action, and continued that mediation on a third full day on March 27, 2025. The Parties reached an agreement in principle but continued their negotiations over the next several weeks to finalize all material terms, which were ultimately incorporated in a "Confidential Settlement Term Sheet" that was executed by the Parties on or about April 21, 2025.

**C. The Agreement Provides Recovery of Sales Tax to Leased Vehicle Insureds and Significant Business Practice Changes by NJM.**

Discovery has revealed that approximately 7,375 Insureds submitted first party leased vehicle total loss claims during the class period and were allegedly not paid the full Sales Tax Plaintiff claims were owed under the Policy. *See Exhibit B* (“Normand Decl.”) ¶ 7.

NJM will pay the full estimated “Leased Vehicle Sales Tax Payment” at the applicable state rate based on the policy address and date of loss to Settlement Class Members that submit timely, valid, and complete Claim Forms. *Id.* ¶ 8. The “Leased Vehicle Sales Tax” is calculated as the average estimated sales tax on the lease capitalized cost minus all sales taxes paid by NJM to each Settlement Class Member that submits a timely and valid Claim Form. *Id.* For the purpose of Settlement only, the Parties agree that the sales tax on the lease capitalized cost is 75.4 percent of the sales tax on the full vehicle value as determined by NJM on the date of loss. *Id.* The settlement formula that will govern each settlement payment issued to each Settlement Class Member that submits a timely and valid claim form is as follows: Actual Cash Value of the totaled leased vehicle on the date of loss as determined by NJM  $\times$  the applicable New Jersey tax rate on the date of the total loss  $\times$  75.4% – all sales taxes already paid by NJM in connection with each Settlement Class Member’s leased vehicle total loss claim. *Id.* For the purposes of Settlement, the parties agree this formula fairly estimates the full amount of sales taxes allegedly owed to every member of the Settlement Class. *Id.* ¶ 9.

The Settlement also includes significant non-monetary relief. *Id.* ¶ 10. Specifically, as part of the Settlement, beginning on the Effective Date of the Settlement, NJM will pay applicable Leased Vehicle Sales Tax on leased total loss vehicles at the time of loss based on the Leased Vehicle Sales Tax formula provided in the Agreement (Actual Cash Value of the totaled leased vehicle on the date of loss as determined by NJM multiplied by the applicable New Jersey tax rate on the date of the total loss multiplied by 75.4%), without requiring the lessee to provide proof that the lessee purchased a replacement vehicle. *Id.* This business practice change will

ensure that insured lessees obtain full ACV sales tax payments on their totaled leased vehicles going forward, subject to a change in applicable law, or appropriate changes to the terms of the applicable insurance policies. *Id.*

#### **D. Notice and Administration**

The Settlement Administrator mutually chosen by counsel is Epiq Class Action & Claims Solutions, Inc. (“Epiq”) and will be supervised jointly by counsel of record. Normand Decl. ¶ 11. The Claims Administrator, in consultation with Settlement Class Counsel and NJM’s counsel, shall (a) establish a Settlement Website that shall contain important information and documents, including an online claim form and ability to submit the claim form through that portal if a valid claim number or claimant ID is entered along with a unique PIN; (b) establish a toll-free telephone number at which Settlement Class Members may leave a message with questions to which the Settlement Administrator will respond; (c) shall retain a record of all such notice procedures and provide periodic updates to the Parties during the Notice Period; (d) shall administer the Settlement in good faith and in accordance with the Agreement; and (e) evaluate and effectuate the Class Notice and the manner of administration. Agreement ¶¶ 9–10.

Counsel for the Parties have agreed on a proposed form of Notice to the Settlement Class Members, a proposed method of giving Class Notice, and other procedural aspects of the administration of the Settlement as described herein and the Settlement Agreement, subject to Court approval. *See* Agreement ¶¶ 19–27.

All administration costs, including, without limitation, costs of Class Notice and of the Claims Administrator, shall be paid by or on behalf of NJM and shall not in any way reduce the Claim Payment made available to Settlement Class Members that submit timely, valid, and complete claims. *Id.* ¶ 8.

#### **E. The Agreement Provides Robust Notice and Easy Claim Submission**

The Settlement provides a robust notice and easy claim submission. On two occasions, all Settlement Class Members will be sent a short form Mail Notice with a detachable pre-filled, return addressed, and pre-paid postage claim form to simply sign and place in the mail. Agreement ¶¶ 19–20. The short form Mail Notice is attached as Exhibit 2 to the Agreement. The Claim Form attached to the short form Mail Notice does not require the insured to provide any information other than to sign the claim form and provide a corrected address if needed. *Id.* The short form Mail Notice also directs recipients to a Settlement Website, which will be established by the Claims Administrator and include information about the Agreement and links to documents related to the lawsuit and Agreement, including the posted Motion for Attorney’s Fees and Costs. *Id.* Ex. 2.

The Agreement provides for Email Notice on two occasions, to the extent that NJM keeps such email addresses, with a link to the Settlement website where Settlement Class Members can submit a claim easily online. *Id.* ¶ 6; *see also* Exhibit 3 to the Agreement.

The Agreement requires a Long Form Notice (Exhibit 4 to the Agreement) and other important case documents to be available to Settlement Class Members on the Settlement Website and sent to Settlement Class Members who so request it. *Id.* ¶ 6.

The Agreement also provides for a toll-free number for Settlement Class Members to submit questions and request additional information. *Id.* ¶ 43. *See Braynen v. Nationstar Mortg., LLC*, 2015 WL 6872519, at \*18 (S.D. Fla. Nov. 9, 2015) (robust notice plan is evidence that the terms of settlement are fair and reasonable).

#### **G. The Agreement Provides a Limited Release**

The release is narrow. Agreement ¶ 53. Settlement Class Members release only claims of NJM Insureds of leased vehicles covered under any New Jersey automobile insurance policy issued by NJM covering first-party claims for auto physical damage for comprehensive or

collision loss, that relate, pertain, or seek allegedly unpaid or allegedly underpaid sales taxes for first-party leased vehicle total loss claims made during the Class Period beginning on March 19, 2015, and concluding on the date the motion for preliminary approval of the Settlement is granted by the Court. *Id.*

#### **H. The Agreement Provides Reasonable Attorneys' Fees and a Plaintiff Service Award**

This was a highly contested lawsuit relating to the payment of Sales Tax and the Settlement was reached through extensive arms-length negotiations. Normand Decl. ¶ 12 The proposed Agreement provides that Class Counsel may apply for attorneys' fees of \$2,000,000.00, an Expense Award of \$21,000.00, and a Service Award of \$5,000.00. *Id.* The award for attorneys' fees is within the Court's discretion and the percentage for attorneys' fees falls within the benchmarks set for attorneys' fees in other New Jersey District cases. *Halley v. Honeywell Int'l, Inc.* 861 F.3d 481 (3d Cir. 2017); *see also In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294 (3d Cir. 2005) (holding that fees within the range of 25-31% of the total settlement were fair and reasonable).

Subject to Court approval, NJM will not oppose or otherwise object to any Motion for Fees and Costs that seeks an award of attorneys' fees and expenses in a total amount up to \$2,000,000.00 (approximately 26% of the virtual settlement fund) Agreement ¶ 29. NJM will be permitted to deduct each Settlement Class Member's pro-rata percentage of Court approved Attorneys' Fees and documented litigation costs from each settlement payment made in response to each timely and valid Claim Form. *Id.* ¶ 30.

Class Counsel will request a Class Representative Service Award of \$5,000.00 for Plaintiff Cotoyya Morgan for her services as class representative. *Id.* ¶ 31. The Service Award is to be paid separate from and in addition to the monetary relief made available to the Settlement

Class. *Id.* ¶ 35. Subject to Court approval, NJM will not oppose or otherwise object to a Service Award of \$5,000.00 to the Class Representative, Cotoyya Morgan. *Id.* ¶ 32. Ms. Morgan has taken her obligations as Class Representative seriously. Normand Decl. ¶¶ 14–15. She has consistently engaged in the prosecution of this matter by gathering and providing documents and information to counsel to be produced to Defendant in discovery, engaging in the pre-suit investigation process by submitting documents and policies to Class Counsel for review, speaking with Class Counsel to discuss various questions, researching various facts about her policy and valuation, seeking to understand what “class actions” are and what it means to be a class representative, and reviewing various pleadings. *Id.* Ms. Morgan has been committed to representing putative class members by ensuring that their interests are protected to the best of her ability, and she does not possess any interest in conflict with the Class. *Id.*

### ARGUMENT

A class action settlement must be approved by the Court, both certifying the class and finding that the Settlement is fair, reasonable, and adequate. *See* N.J. S. Ct. R. 4:32-2(e); *see In re: Google Inc. v. Cookie Placement Consumer Privacy Litig.*, 934 F.3d 316, 322 (3d Cir. 2019); *Halley v. Honeywell Int'l, Inc.*, 861 F.3d 481, 488 (3d Cir. 2017).<sup>3</sup> Review of a class action settlement is a two-step process: “(1) preliminary approval and (2) a subsequent fairness hearing.” *Udeen v. Subaru of Am., Inc.*, 2019 U.S. Dist. LEXIS 172460, at \*5 (D.N.J. Oct. 4, 2019); *Atis v. Freedom Mortg. Corp.*, 2018 U.S. Dist. LEXIS 189586, at \*2 (D.N.J. Nov. 6, 2018).

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<sup>3</sup> “New Jersey courts, when construing its class action rule, ‘...have consistently looked to the interpretations given the federal counterpart for guidance.’” *Debra F. Fink, D.M.D., MS, PC v. Ricoh Corp.*, 839 A.2d 942, 954 (N.J. Super. Ct. Law. Div. 2003) (citing *Delgozzo v. Kenny*, 628 A.2d 1080 (N.J. Super. Ct. App. Div. 1993)).

Courts will typically approve the settlement preliminarily before sending notice to the Class members. *In re GMC Pick-Up Truck Fuel Tank Prods. Liab. Litig.*, 55 F.3d 768, 785 (3d Cir. 1995). At the preliminary stage, “the Court is required to determine only whether the proposed settlement discloses grounds to doubt its fairness or other obvious deficiencies such as unduly preferential treatment of class representatives or segments of the class, or excessive compensation of attorneys, and whether it appears to fall within the range of possible approval.” *In re Nat’l Football League Players’ Concussion Injury Litig.*, 301 F.R.D. 191, 198 (E.D. Pa. 2014) (quoting *Mehling v. New York Life Ins.*, 246 F.R.D. 467, 472 (E.D. Pa. 2007) (citations omitted)). A settlement falls “within the range of possible approval” if “there is a conceivable basis for presuming that the standard applied for approval – fairness, adequacy, and reasonableness – will be satisfied. *In re: Concussion Injury Litig.*, 301 F.R.D. at 198. There is a presumption of fairness at the preliminary approval stage when the court finds that (1) there are no obvious deficiencies to cast doubt on the proposed settlement’s fairness, (2) the proposed settlements appears to be the product of good faith, extensive arm’s length negotiations, (3) plaintiff sufficiently investigated their claims and the defendant’s defenses, and (4) there appears to be no preferential treatment of certain Settlement Class Members. *Id.*

This Settlement is fair, reasonable, and adequate; all requirements for final approval will be satisfied; and Class members will be provided with sufficient notice that satisfies the due process requirements of Rule 4:32-2(b)(2).

**A. The Settlement is Fair, Reasonable, and Adequate**

Preliminary approval is not binding and is granted unless there are obvious deficiencies. *Shapiro v. All. MMA, Inc.*, 2018 U.S. Dist. LEXIS 108132, at 5 (D.N.J. June 28, 2018). Preliminary Approval is generally granted “[w]here the proposed settlement appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, does not

improperly grant preferential treatment to class representatives or segments of the class and falls within the range of possible approval...” *Id.*; *In re NASDAQ Market-Makers Antitrust Litig.*, 176 F.R.D. 99, 102 (S.D.N.Y. 1997) (*quoting* MANUAL FOR COMPLEX LITIGATION, THIRD § 30.41 (West 1995)).

1. Presumption of Fairness

The Agreement was reached through rigorous and contested negotiations at arms-length by sophisticated counsel on both sides. Normand Decl. ¶ 5. The Agreement is not the product of collusion nor are there any additional or side agreements not reflected in the Agreement. *Id.* The Agreement was negotiated on behalf of Plaintiff and Settlement Class Members by attorneys who have extensive experience litigating similar claims against auto insurers across the country. *Id.* ¶¶ 21, 24. Additionally, both counsel for NJM and Class Counsel unanimously support the proposed Settlement. *Id.* ¶ 26.

Throughout this litigation, the Parties engaged in extensive discovery including extensive fact discovery and expert discovery. *Id.* ¶¶ 23, 24. Class Counsel reviewed data and information concerning insureds with substantially similar policy language from policies underwritten by NJM. *Id.* Class Counsel further obtained and evaluated spreadsheets containing tens of thousands of data points showing that thousands of NJM insureds were, according to Plaintiff, allegedly paid insufficient, or no Sales Tax as required by the State of New Jersey. *Id.* Additionally, Class Counsel has conducted extensive and necessary liability and damages discovery confirming the amount of potential damages allegedly available to the Class. *Id.* NJM continues to deny the allegations of this lawsuit, maintains that it fully complied with the terms and provisions of its auto insurance policies and the law, and expressly denies all wrongdoing and liability of any kind.

As previously stated, Class Counsel has significant experience litigating similar class actions against insurance companies across the country. *Id.* ¶ 21. For example, Plaintiff's Counsel have been appointed class counsel in *Roth v. GEICO*, Case No. 16-cv62942-WPD (S.D. Fla., filed 2016), *Joffe v. GEICO Indemnity Co.*, No. 18-cv-61361-WPD (S.D. Fla.); *Sos v. State Farm Mutual Insurance Company*, Case No. 6:17-cv-890-orl-18KRS (M.D. Fla., filed 2017), and *Jones v. Geico*, Case No.: 6:17-cv-891-Orl-40KRS (M.D. Fla., filed 2017) (Byron, J.). *Id.* Recently, Plaintiff's Counsel were named as class counsel in two similar cases as that at issue here, one in the Southern District of Texas (*Angell v. Geico Advantage Ins. Co.*, No. 4:20-CV-0799 2021 U.S. Dist. LEXIS 2287343 (S.D. Tex. Nov. 30, 2021)), and the other in the Eastern District of Ohio (*Davis v. GEICO Casualty Co.*, Case No. 2:19-cv-2477, 2021 U.S. Dist. LEXIS 237288 (E.D. Ohio, Dec. 13, 2021)). *Id.*

While Class members have not yet been afforded the opportunity to object to the Settlement, the Parties have made the process to object to the Settlement simple and straightforward as outlined in the Agreement. The Parties have a good faith belief that there will be few, if any, objectors to the Agreement.

## 2. The Relief is Reasonable and Adequate

As previously stated, the negotiated relief provides Settlement Class Members with 100% of the Leased Sales Tax allegedly owed under the Policy. There was no collusion between the Parties as negotiations were conducted in good faith and at arms-length by experienced counsel. Indeed, Plaintiff's counsel has negotiated similar settlements against insurance companies across the country. There has been no preferential treatment given to the Class Representative nor any segment of the Settlement Class and the Service Award is being paid in addition to the funds made available to Settlement Class Members that submit timely, valid, and complete claim forms. Therefore, the Settlement is fair, reasonable, and adequate and Plaintiff respectfully

submits to the Court that it should be preliminarily approved.

**B. The *Girsh* Factors Support Preliminary Approval**

While the Settlement satisfies the requirements for preliminary approval, it is important for courts to consider final approval factors during the preliminary approval stage to identify any potential issues that may impede future approval. *Udeen*, 2019 U.S. Dist. LEXIS 172460, at \*7. The Third Circuit has adopted the following nine factor test for district courts to weigh at the final approval stage:

(1) the complexity, expense and likely duration of the litigation; (2) the reaction of the class to the settlement; (3) stage of the proceedings and the amount of discovery completed; (4) risks of establishing liability; (5) risks of establishing damages; (6) risks of maintaining the class action through the trial; (7) ability of the defendants to withstand a greater judgment; (8) the range of reasonableness of the settlement fund in light of the best possible recovery; and (9) the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation.

*Girsh v. Jepson*, 521 F.2d 153, 157 (3d Cir. 1975). These *Girsh* factors also support preliminary approval.

The first *Girsh* factor is clearly met. When determining the complexity of litigation, Courts must evaluate “the probable costs, in both time and money, of continued litigation.” *In re: GMC*, 55 F.3d at 812; *Bryan v. Pittsburgh Plate Glass Co.*, 494 F.2d 799, 801 (3d Cir. 1974). “By measuring the costs of continuing on the adversarial path, a court can gauge the benefit of settling the claim amicably. *In re: GMC*, 55 F.3d at 812.

By reaching a settlement, the Parties ensure recovery to the Settlement Class without the need for lengthy, costly, and protracted litigation. A trial in this case involving extensive data and complex issues would be lengthy, burdensome, and exceedingly costly in both time and money. Continuing this adversarial path will further delay any recovery for Settlement Class members. Should Plaintiff secure a judgment after a lengthy and protracted trial, NJM will likely appeal, thereby further delaying relief for Settlement Class members. The Settlement, however,

provides monetary and non-monetary relief to the Settlement Class in a prompt and efficient manner.

The second *Girsh* factor cannot be determined at this stage because Notice has yet to go out to Settlement Class Members and Settlement Class Members have not had the opportunity to opt-out or object at a fairness hearing.

The third *Girsh* factor supports preliminary approval. This case has been in litigation for five years. The parties have exchanged extensive discovery documents. This has allowed the Parties to evaluate the strengths and weaknesses of their claims and defenses and to weigh the risks of continued litigation against the relief offered by the Settlement.

The fourth, fifth, and sixth *Girsh* factors ask the court to evaluate and weigh the risks of continued litigation. Class Counsel are confident in the strengths of their case, but they are also aware of the risks of continued litigation and various defenses available to Defendant, which could result in the dismissal of all claims and a zero-sum outcome for the Settlement Class. Normand Decl. ¶ 21. This is a complex case with complex issues and further litigation would be taxing and costly to the Parties and the Court including the likely need to resolve discovery disputes, summary judgment motions, class certification motions, *Daubert* motions, trial, and appeals after a verdict. *Id.* Continued litigation would be impracticable and preliminary approval of the Settlement would save court resources and prevent repetitive, unnecessary litigation. *Id.* The Settlement makes immediate relief available to thousands of past, current, and future insureds and is the best vehicle for Settlement Class members to receive the relief they are allegedly entitled to in a prompt and efficient manner. *Id.*

The seventh *Girsh* factor is not relevant here. The ability of defendants to withstand greater judgment “is most relevant when the defendant's professed inability to pay is used to justify the amount of the settlement.” *Concussion Injury Litig.*, 821 F.3d at 440. When

comparing the value of the settlement against the risk of future litigation, the settlement must be judged “against the realistic, rather than theoretical potential for recovery after trial.” *Sullivan v. DBInvs., Inc.*, 667 F.3d 273, 323 (3d Cir. 2011). While Plaintiff alleges that NJM certainly could withstand a greater judgment, when weighing this fact against all the other factors, the reasonableness of the settlement is not undermined by NJM’s purported ability to pay more. *Id.*; *Weber v. Gov’t Empl. Ins. Co.*, 262 F.R.D. 431, 447 (D.N.J. 2009).

The eighth and ninth *Girsh* factors support preliminary approval. These factors weigh the reasonableness of the settlement fund against the risk of future litigation. These factors consider “whether the settlement represents a good value for a weak case or a poor value for a strong case.” *Sullivan*, 667 F.3d at 323 (quoting *In re Warfarin Sodium Antitrust Litig.*, 391 F.3d 516, 538 (3d Cir. 2004)). The reasonableness of the proposed settlement is assessed by comparing “the present value of the damages plaintiff[s] would likely recover if successful [at trial], appropriately discounted for the risk of not prevailing...with the amount of the proposed settlement.” *Sullivan*, 667 F.3d at 323-24 (quoting *Krell v. Prudential Ins. Co. of Am.*, 148 F.3d 283, 322 (3d Cir. 1998)). Additionally, courts should “guard against demanding too large a settlement based on its view of the merits of the litigation; after all, settlement is a compromise, a yielding of the highest hopes in exchange for certainty and resolution.” *Sullivan*, 667 F.3d at 324 (quoting *In re GMC*, 55 F.3d at 806).

This Agreement provides relief to Settlement Class Members in a prompt and efficient manner and as previously discussed, the risk of continued litigation would be costly and burdensome to the Parties. The Settlement was reached through arms-length negotiations and the negotiated monetary and non-monetary relief is reasonable considering the risk of taking this case to trial could result in the dismissal of all claims and a zero sum outcome for the Settlement Class. Therefore, the value of the proposed Settlement, when weighed against the risk of

continued litigation, provides the best recovery for the Settlement Class Members in exchange for certainty and resolution. The Agreement removes the risk that the Settlement Class will recover nothing due to the risk of an unfavorable ruling on summary judgment, and unfavorable verdict at trial, or any appeal.

For the aforementioned reasons, the Settlement meets the requirements set for by the Third Circuit in *Gisrh* and is far, reasonable, and adequate. Therefore, Plaintiff respectfully requests this Court grant preliminary approval.

### **C. The Court Should Approve Notice**

Under Rule 4:32-2(b)(2), the trial court must ensure that class members receive “the best notice practicable under the circumstances, consistent with the due process of law.” Further, under Rule 4:32-2(b)(2)(A)–(F), the notice must clearly and concisely state in plain, easily understood language: (i) the nature of the action; (ii) the definition of the class certified; (iii) the class claims, issues, or defenses; (iv) that a class member may enter an appearance through an attorney if the member so desires; (v) that the court will exclude from the class any member who requests exclusion; (vi) the time and manner for requesting exclusion; and (vii) the binding effect of a class judgment on members.

This Settlement satisfies all notice requirements under Rule 4:32-2. The Notice, as provided for in the Agreement, includes a short form Notice that will be mailed and emailed to Class members on two occasions, and which include a pre-filled Claim Form, and a Long Form Notice posted to the Settlement Website and available to any Settlement Class Member who requests it. NJM will attempt to identify all Settlement Class Members through its records.. The short form Notice will be sent on two occasions by the Claims Administrator to each Settlement Class Member by first-class mail (“Mail Notice”) to the last-known address of each Settlement Class Member, as reflected in NJM’s records, including skip trace remaining for any undelivered

mail and remailing for any notice returned with a forwarding address, with a detachable claim form (with postage prepaid and return addressed) that is pre-filled with the Settlement Class Member's information and also via email ("Email Notice), to the extent such email addresses are kept by NJM. For the convenience of Settlement Class Members, NJM will extract available information from their claim records to pre-fill relevant information on the Claim Forms.

Additionally, notice "must be the best practicable, reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections." *Phillips Petroleum Co. v. Shutts*, 472 U.S. 797, 812. Here, the proposed notice includes (1) the nature of the action; (2) the Class definition; (3) the Class claims; (4) that a Settlement Class Member may make an appearance through an attorney if the member so desires; (5) that the court will exclude from the class any member who requests exclusion; (6) the time and manner for requesting exclusion; (7) the binding effect of a class judgment on Class members; (8) a clear explanation of the terms of the Settlement; (9) the amount sought in attorneys' fees and Service Award; and (10) informs Settlement Class Members of their right to object to the Settlement at the Final Approval Hearing and to present any evidence or argument that may be relevant. Therefore, Plaintiff respectfully requests this Court approve Notice.

**D. A Fairness Hearing Should be Scheduled**

The Parties respectfully request that a fairness hearing be scheduled to decide whether to grant final approval of the proposed Settlement; appoint Class Counsel, Class Representative, and the Settlement Administrator; to hear Class Counsel's request for attorneys' fees, expenses, and Service Award for the Class Representative, and to consider any objections or opt-outs that may arise.

Finally, for the convenience of the Court, below is a proposed preliminary schedule outlining the proposed dates set forth in the Settlement Agreement, which comports with the Schedule outlined in the proposed Order preliminarily approving the proposed Settlement, which is attached to the Agreement as Exhibit 1.

**PROPOSED PRELIMINARY SCHEDULE**

#	Action	Deadline
1	Deadline for NJM to provide the updated Class Data Identified in Paragraph 12 to the Settlement Administrator	No later than 20 calendar days after entry of the Preliminary Approval Order
2	Deadlines for the Settlement Administrator to issue Mail Notice and Email Notice to Settlement Class Members and posting the Long Form Notice and Claim Form on the Settlement website (the "Notice Date")	2 dates suggested by the Settlement Administrator
3	Deadline for Plaintiff to file papers in support of final approval and application for attorneys' fees and expenses	No later than 35 calendar days prior to the Fairness Hearing
4	Deadline for receipt of exclusion requests or objections	Postmarked no later than 30 calendar days prior to the Fairness Hearing
5	Deadline for any response to any timely and valid objections and any supplemental brief re: final approval	No later than 10 calendar days prior to the Fairness Hearing
6	Final Approval Hearing	September 29, 2025, or other date as chosen by the Court
7	Deadline for submitting Claim Forms	Postmarked or electronically filed no later than 15 calendar days after the Fairness Hearing

**CONCLUSION**

Plaintiff respectfully requests that the Court grant Preliminary Approval of the Agreement and enter the Proposed Order attached as **Exhibit 1** to the Agreement. The Order

approves the form of notice to be given to the class, establishes a schedule and process for the submission of any objections or requests for exclusion from the class, and provides for a fairness hearing to be held by the Court. Plaintiff will request final approval of the Settlement and file a motion for approval of attorneys' fees and costs before the fairness hearing.

Respectfully submitted this 8<sup>th</sup> day of July, 2025.

/s/ Rachel Dapeer

Rachel Dapeer, Esq.

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*Counsel for Plaintiff and the Proposed  
Class*

JOSEPH MCCULLOUGH and COTOYIA MORGAN, individually and on behalf of all others similarly situated,

Plaintiffs,

v.

NEW JERSEY MANUFACTURERS INSURANCE COMPANY, a New Jersey Corporation,

Defendant.

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION: MERCER COUNTY  
DOCKET NO.: MER-L-1401-20

Civil Action

**[PROPOSED] ORDER GRANTING  
PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

This matter having come before the Court upon an unopposed motion by Plaintiff, Cotoyya Morgan (“Plaintiff” or “Ms. Morgan”), under R. 4:32-2(e) for preliminary, non-binding approval of a proposed Class Action Settlement (the “Settlement”) memorialized in a Class Action Settlement Agreement (the “Settlement Agreement”),<sup>1</sup> court approval of a proposed form of Class Settlement Notice and a plan of Notice distribution and publication, and setting a hearing date for the formal public Fairness Hearing on whether to grant Final Approval to the proposed Class Settlement, and the Court having considered the Plaintiff’s unopposed motion papers, and for good cause shown;

IT IS HEREBY ORDERED this \_\_\_ day of \_\_\_\_\_ 2025 as follows:

**I. Preliminary Approval of the Settlement**

1. Upon review of the record, the Court finds that the Settlement Agreement resulted from arm’s-length negotiations between highly experienced counsel and falls within the range of

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<sup>1</sup> Capitalized terms used in this Order have the same meaning as those used in the Settlement Agreement.

possible approval. Therefore, the Settlement Agreement (including Exhibits 2–5) is hereby preliminarily approved, subject to further consideration thereof at the Fairness Hearing described below. The Court preliminarily finds that the Settlement set forth in the Settlement Agreement raises no reasons to doubt its fairness and raises a reasonable basis for presuming that it satisfies the requirements under Rule 4:32 of the New Jersey Court Rules and due process so that notice of the Settlement should be given as provided in this Order. This Order, the Settlement Agreement, the terms and provisions of the Settlement Agreement, and the negotiations connected to the Settlement and Settlement Agreement are not, and shall not be construed as an adjudication, admission, or concession of: (a) the truth of any allegations advanced in this Action; or (b) any fault, wrongdoing, or liability of any kind to Plaintiff or the Settlement Class, which Defendant, New Jersey Manufacturers Insurance Company (“NJM” or “Defendant”), and all Released Persons continue to vigorously deny;

2. At the Fairness Hearing, the Court shall determine, among other matters, whether the Settlement warrants final approval.

## **II. Certification of the Settlement Class**

3. Pursuant to Rule 4:32-1(a), and solely for the purpose of effectuating the Settlement, this Court provisionally certifies a Settlement Class defined as follows:

All Insureds of leased vehicles covered under any New Jersey automobile insurance policy issued by New Jersey Manufacturers Insurance Company (“NJM”) covering first-party claims for auto physical damage for comprehensive or collision loss that made a first-party property damage claim on or after March 19, 2015, to the date the motion for preliminary approval of Settlement is granted by the Court, which resulted in the leased vehicle being deemed a “total loss”.

“Insureds”, as used in the Settlement Class definition, include only NJM insured lessees of NJM insured vehicles that sustained a “total loss” on or after March 19, 2015, to the date the motion for preliminary approval of Settlement is granted by the Court.

4. Excluded from the Settlement Class are: (i) NJM's officers, directors, employees, or legal representatives; (ii) all Superior Court of New Jersey Judges to whom this case is or was assigned, along with any members of their immediate families; (iii) all Insureds for whom sales tax was already paid by NJM; and (iv) any person who timely opts out of the Settlement Class.

5. Solely for purposes of effectuating the proposed Settlement, the Court preliminarily finds that the prerequisites for class action certification under Rule 4:32-1(a) are satisfied as: (a) the members of the Settlement Class are so numerous that joinder of all Settlement Class Members in the Action is impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of Plaintiff are typical of the claims of the Settlement Class; and (d) the interests of all Settlement Class Members are adequately represented by Plaintiff and Class Counsel. Additionally, and solely for the purposes of effectuating the proposed Settlement, the Court preliminarily finds that the requirements for class action certification under Rule 4:32-1(b)(3) are satisfied as: (a) the questions of law and fact common to Settlement Class Members predominate over any individualized issues; and (b) a class action is superior to other available methods for the fair and efficient adjudication of the controversy. These preliminary findings shall be vacated if the Settlement is terminated or not approved by the Court.

6. Pursuant to Rule 4:32, and solely for the purposes of effectuating the Settlement, the Court appoints Plaintiff Cotoyya Morgan as the named Class Representative, and appoints Edmund A. Normand of Normand PLLC, Adam Schwartzbaum and Scott Edelsberg of Edelsberg, Law, P.A., and Andrew Shamis of Shamis & Gentile, P.A. as Class Counsel.

### **III. Notice to the Settlement Class**

7. It is apparent from the Settlement Agreement and presentation of counsel that the proposed Settlement Class meets the requirements of New Jersey Court Rule 4:32-1 *et seq.* such that Class Notice should be provided.

8. The Court approves the appointment of [INSERT ADMIN] as the Settlement Administrator and directs [INSERT ADMIN] to perform the functions and duties of the Settlement Administrator set forth in the Settlement Agreement—including providing Notice to the Settlement Class as set forth in the Settlement Agreement (“Notice Plan”)—and to provide such other administration services as are reasonably necessary to facilitate the completion of the Settlement.

9. The Court has carefully considered the forms and methods of Notice to the Settlement Class as set forth in the Settlement Agreement. The Court finds the proposed Notice Plan submitted by Plaintiff’s counsel satisfies the requirements under Rule 4:32-2(b)(2) and due process. Namely, the Notice Plan is reasonably calculated to apprise Settlement Class Members of, among other matters, the nature of this Action, the scope of the Settlement Class, the terms of the Settlement Agreement, the rights of Settlement Class Members to submit a claim, object to, or opt out of the Settlement, and the process for doing so, and the date, time, and location of the Final Fairness Hearing. *See* Exhibits 2-5 to the Settlement Agreement. The Court therefore approves the Notice Plan and directs the Parties and the Settlement Administrator to proceed with providing Notice to Settlement Class Members pursuant to the terms of the Settlement Agreement and this Order.

10. The Court hereby approves the Notice Plan and the form, content, and requirements of the Mail Notice (Exhibit 2), the Email Notice (Exhibit 3), the Long-Form Notice (Exhibit 4); and the Blank Claim Form (Exhibit 5) to be provided on the Settlement Website.

11. At least ten (10) days prior to the Fairness Hearing, the Settlement Administrator shall file with the Court proof of timely completion of the Notice Plan, and the Opt-Out List, which shall be a list of all Persons who timely and properly requested exclusion from the Settlement Class. The Settlement Administrator must also submit an affidavit attesting to the accuracy of the Opt-Out List.

12. No later than 20 days after the Court's entry of a Preliminary Approval Order, NJM shall produce data relating to the Settlement Class from the start of the Settlement Class period (March 19, 2015) through the date of the Preliminary Approval Order. Such production shall include data for each Settlement Class Member, including the claim numbers, policyholder names, known email addresses, and known mailing or street addresses of all persons within the Settlement Class.

13. The Settlement Administrator shall send mailed Short-Form Notice to the Settlement Class on two occasions on dates suggested by the Settlement Administrator as approved by the Parties and in accordance with any Court orders.

14. At least three (3) business days before Notice is first disseminated, the Settlement Administrator must establish a website for the settlement using the domain name [INSERT WEBSITE] (the "Settlement Website") and establish an automated call center with a settlement-specific toll-free telephone number. The Settlement Administrator shall make reasonable provision for Class Counsel and Defense Counsel to be promptly advised of recorded messages left on the phone number by potential Settlement Class Members concerning the Action or this Settlement Agreement, so that Class Counsel, Defense Counsel, and/or the Settlement Administrator may timely and accurately respond to such inquiries.

15. The Settlement Administrator shall maintain the Settlement Website to provide full information about the Settlement.

**IV. Requests for Exclusion and Objections**

16. Any Settlement Class Member who wishes to request to be excluded from the Settlement must send a written “Request for Exclusion” to the Settlement Administrator at the following address: *McCullough v. NJM* Settlement Administrator, [INSERT ADDRESS]. To be valid, the Request for Exclusion must be postmarked no later than thirty (30) days before the Fairness Hearing. The Request for Exclusion must include (a) their full name; (b) current address; (c) a clear statement communicating that they elect to be “excluded” from the Settlement; (d) their signature or the signature of the Legally Authorized Representative of the Settlement Class Member; and (e) the case name and case number (*McCullough v. New Jersey Manufacturers Insurance Company*, Docket No. MER-L-001401-20).

17. Settlement Class Members who timely and properly request exclusion from the Settlement will relinquish their rights to benefits under the Settlement and will not release any claims they may have against Defendant.

18. If a Request for Exclusion is incomplete, non-compliant, and/or not postmarked at least thirty (30) days before the Fairness Hearing, it will be invalid and the Settlement Class Member will be: (a) included as a member of the Settlement Class; (b) bound by the terms and conditions of the Settlement, the Settlement Agreement, the Final Approval Order, and the Final Judgment even if they have previously initiated, or subsequently initiate, individual litigation or any other proceedings against Defendant or any Released Persons; and (c) conclusively deemed to have fully and finally compromised, settled, forever discharged, acquitted, and released all

Released Claims—including, without limitation, any and all Released Claims for sales taxes—against Defendant and the Released Persons.

19. The Settlement Administrator shall promptly log and prepare a list of all Settlement Class Members who timely and properly request exclusion from the Settlement Class and shall submit an affidavit to the Court, which includes and attests to the accuracy of the Opt-Out List no later than ten (10) days prior to the Fairness Hearing set by the Court.

20. Settlement Class Members who wish to object or otherwise be heard with respect to the Settlement, and to appear in person at the Fairness Hearing, must first file a written objection with the Court and the Settlement Administrator at the following address: *McCullough v. NJM* Settlement Administrator, [INSERT ADDRESS], by no later than 30 calendar days prior to the Fairness Hearing.

21. Class Members who object must set forth and provide: (a) their full name; (b) current address; (c) a written statement of their objection(s) and the reasons for each objection; (d) identify any documents such objector desires the Court to consider; (e) their signature; (f) the case name and case number (*McCullough v. New Jersey Manufacturers Insurance Company*, Docket No. MER-L-001401-20); (g) a statement of his or her membership in the Settlement Class, including a verification under oath of the approximate date of their total loss or attaching documents establishing, or providing information sufficient to allow the Parties to confirm, that the objector is a Settlement Class Member; (h) the case name and number of any other case in which they have objected in the last five (5) years; (i) the identity of any current or former lawyer who may be entitled to compensation for any reason related to the objection; (j) a statement of whether the objector or the objector's attorney intends to appear at the Fairness Hearing; and (k)

any additional information required by the Court. Objections must also be served on Class Counsel and Defense Counsel as follows:

**Upon Class Counsel at:**

Edmund A. Normand, Esq.  
Normand PLLC  
3165 McCrory Place, Suite 175  
Orlando, FL 32803  
[ed@normandpllc.com](mailto:ed@normandpllc.com)

**Upon Defense Counsel at:**

Michael D. Celentano, Esq.  
McElroy, Deutsch, Mulvaney & Carpenter, LLP  
1300 Mount Kemble Avenue  
Morristown, New Jersey 07962  
[mcelentano@mdmc-law.com](mailto:mcelentano@mdmc-law.com)

22. Any Settlement Class Member who does not make their objection in the manner provided above shall be deemed to have waived their right to object to any aspect of the Settlement, the Notice Plans, and Class Counsel's requests for attorneys' fees, reimbursement of expenses, and the Incentive Award to Plaintiff, and shall be forever barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the Settlement, the Settlement Agreement, the Notice Plans or the requested attorneys' fees and expenses, or from otherwise being heard concerning the Settlement, the Settlement Agreement, the Notice Plans, or the requested attorneys' fees and expenses in this or any other proceeding.

**V. Final Approval Schedule and Fairness Hearing**

23. Pursuant to R. 4:32-2(e)(1)(C), a formal, public fairness hearing on whether to grant final, binding approval to the proposed Class Action Settlement shall be held on **[INSERT DATE]** 2025 at the Mercer County Civil Courthouse, 175 South Broad Street, 3rd Floor, Trenton, New Jersey 08650, at \_\_\_\_\_.

24. At least thirty-five (35) days prior to the Fairness Hearing, Class Counsel will file a motion seeking the Court's final approval of the Settlement Agreement. Class Counsel shall provide a draft of such motion to Defense Counsel for review at least 14 days prior to filing. The motion shall request, at minimum, the Court to enter a Final Order and Judgment that:

a. Finds the Court has subject matter jurisdiction over the claims asserted in the Action, personal jurisdiction over all Settlement Class Members, and, that venue is proper in Mercer County Superior Court;

b. Grants final approval of the Settlement Agreement pursuant to New Jersey Court Rule 4:32-2(e) and directs the Parties and counsel to comply with and consummate the terms of the Settlement Agreement;

c. Finds that Class Counsel and Plaintiff Morgan adequately represented the Settlement Class;

d. Finds that the terms of this Settlement Agreement are fair, reasonable, and adequate to the Settlement Class Members;

e. Finds that Notice was completed in compliance with the Court's orders and that it (i) constituted the best practicable notice under the circumstances; (ii) was reasonably calculated to apprise potential Settlement Class Members of the pendency of the Action, their right to object to or exclude themselves from the Settlement Agreement, and to appear at the Fairness Hearing; and (iii) complied with all laws, including, but not limited to, the New Jersey Constitution and New Jersey Court Rules;

f. Finds that the Opt-Out List is a complete list of all Settlement Class Members, if any, who have timely requested exclusion from the Settlement Class and,

accordingly, are the only Settlement Class Members that neither share in nor are bound by the Final Order and Judgment;

g. Provides that Plaintiff, all Settlement Class Members who have not been excluded from the Settlement Class as provided in the Opt-Out List, and their heirs, estates, trustees, executors, administrators, principals, beneficiaries, representatives, attorneys, agents, assigns, and successors, and/or anyone claiming through them or acting or purporting to act for them or on their behalf, regardless of whether they have submitted a Claim Form or Electronic Claim Form, and regardless of whether they have received actual notice of the Proposed Settlement, have conclusively compromised, settled, discharged, and released all Released Claims—including, without limitation, any and all Released Claims for sales taxes—against Defendant and the Released Persons, and shall be forever bound by the Court’s Final Order and Judgment and by the provisions of the Settlement Agreement;

h. Dismisses all claims in the Action on the merits and with prejudice, and without fees or costs except as provided herein, and enters final judgment thereon;

i. Determines the amount of the Attorneys' Fees Award and Expense Award to Class Counsel and Service Award to Plaintiff; and

j. Retains jurisdiction relating to the administration, consummation, enforcement, and interpretation of this Settlement Agreement, the Final Order and Judgment, any final order approving attorneys' fees and expenses, and for any other necessary purpose.

25. The Final Fairness Hearing may be postponed, adjourned, transferred, or continued by order of the Court without further notice to the Settlement Class, except that any postponement, rescheduling, continuation, or transfer shall be posted to the Settlement Website. At, or following, the Final Fairness Hearing, the Court may enter a Final Order and Judgment in accordance with the Settlement Agreement that will adjudicate the rights of all Settlement Class Members.

26. For clarity, the deadlines for the Parties and Settlement Class are as follows:

**DEADLINES SUMMARY**

Deadline for NJM to provide the updated Class Data Identified in Paragraph 12 to the Settlement Administrator	No later than 20 calendar days after entry of the Preliminary Approval Order
Deadlines for the Settlement Administrator to issue Mail Notice and Email Notice to Settlement Class Members and posting the Long Form Notice and Claim Form on the Settlement website (the “Notice Date”)	2 dates suggested by the Settlement Administrator
Deadline for Plaintiff to file papers in support of final approval and application for attorneys’ fees and expenses	No later than 35 calendar days prior to the Fairness Hearing
Deadline for receipt of exclusion requests or objections	Postmarked no later than 30 calendar days prior to the Fairness Hearing
Deadline for any response to any timely and valid objections and any supplemental brief re: final approval	No later than 10 calendar days prior to the Fairness Hearing
Final Approval Hearing	[INSERT DATE]
Deadline for submitting Claim Forms	Postmarked or electronically filed no later than 15 calendar days after the Fairness Hearing

27. Upon a showing of good cause, the Court may alter or extend any of the above deadlines without further notice to the Settlement Class.

28. Settlement Class Members that submit timely and valid Claim Forms do not need to appear at the Final Fairness Hearing or take any other action to indicate their approval of the Settlement.

### **Further Matters**

29. In order to protect its jurisdiction to consider the fairness of the Settlement and to enter a Final Order and Judgment having binding effect on all Settlement Class Members, the Court hereby enjoins all members of the Settlement Class, and anyone who acts or purports to act on their behalf, from pursuing or continuing to pursue any and all other proceedings in any state or federal court, or any other proceeding, that seeks to litigate or address Releasing Parties' or any Settlement Class Member's alleged rights or claims relating to, or arising out of, any of the Released Claims.

30. Neither the Settlement, the Settlement Agreement, nor this Order, constitutes an adjudication, admission, concession, or indication by the Parties of the validity of any claims or defenses in the Action or of any liability, fault, or wrongdoing of any kind by Defendant or Released Persons. Defendant and Released Persons vigorously deny all claims and allegations raised in the Action and vigorously deny any and all fault, wrongdoing, and/or liability to Plaintiff, or the Settlement Class.

31. In the event that the Settlement is terminated under the terms of the Settlement Agreement, or if for any reason whatsoever the approval of the Settlement does not become final and no longer subject to appeal, then: (i) the Settlement shall be null and void, including any provisions related to the award of attorneys' fees and costs, shall have no further force and effect with respect to any Party in this Action, and may not be referred to or used as evidence or for any other purpose whatsoever in the Action or any other action or proceeding; (ii) all negotiations,

proceedings, documents prepared, and statements made in connection therewith shall be without prejudice to any person or Party hereto, shall not be deemed or construed to be an admission by any Party of any act, omission, matter, or proposition, and shall not be used in any manner of, or for any purpose in any subsequent proceeding in this Action or in any other action in any court or other proceeding, provided, however, that the termination of the Settlement shall not shield from subsequent discovery any factual information provided in connection with the negotiation of this Settlement that would ordinarily be discoverable but for the attempted settlement; (iii) this Order shall be vacated and of no further force or effect whatsoever, as if it had never been entered; and (iv) any Party may elect to move the Court to implement the provisions of this paragraph.

32. The Court retains jurisdiction to consider all further matters arising out of or connected with the Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to the Settlement Class.

**IT IS SO ORDERED.**

DATED: \_\_\_\_\_, 2025

\_\_\_\_\_  
**BRIAN McLAUGHLIN, J.S.C.**  
**NEW JERSEY SUPERIOR COURT JUDGE**



# **EXHIBIT 1**

JOSEPH MCCULLOUGH and COTOYYA MORGAN, individually and on behalf of all others similarly situated,

Plaintiffs,

v.

NEW JERSEY MANUFACTURERS INSURANCE COMPANY, a New Jersey Corporation,

Defendant.

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION: MERCER COUNTY  
DOCKET NO.: MER-L-1401-20

Civil Action

**[PROPOSED] ORDER GRANTING  
PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

This matter having come before the Court upon an unopposed motion by Plaintiff, Cotoyya Morgan (“Plaintiff” or “Ms. Morgan”), under R. 4:32-2(e) for preliminary, non-binding approval of a proposed Class Action Settlement (the “Settlement”) memorialized in a Class Action Settlement Agreement (the “Settlement Agreement”),<sup>1</sup> court approval of a proposed form of Class Settlement Notice and a plan of Notice distribution and publication, and setting a hearing date for the formal public Fairness Hearing on whether to grant Final Approval to the proposed Class Settlement, and the Court having considered the Plaintiff’s unopposed motion papers, and for good cause shown;

IT IS HEREBY ORDERED this \_\_\_ day of \_\_\_\_\_ 2025 as follows:

**I. Preliminary Approval of the Settlement**

1. Upon review of the record, the Court finds that the Settlement Agreement resulted from arm’s-length negotiations between highly experienced counsel and falls within the range of possible approval. Therefore, the Settlement Agreement (including Exhibits 2–5) is hereby

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<sup>1</sup> Capitalized terms used in this Order have the same meaning as those used in the Settlement Agreement.

preliminarily approved, subject to further consideration thereof at the Fairness Hearing described below. The Court preliminarily finds that the Settlement set forth in the Settlement Agreement raises no reasons to doubt its fairness and raises a reasonable basis for presuming that it satisfies the requirements under Rule 4:32 of the New Jersey Court Rules and due process so that notice of the Settlement should be given as provided in this Order. This Order, the Settlement Agreement, the terms and provisions of the Settlement Agreement, and the negotiations connected to the Settlement and Settlement Agreement are not, and shall not be construed as an adjudication, admission, or concession of: (a) the truth of any allegations advanced in this Action; or (b) any fault, wrongdoing, or liability of any kind to Plaintiff or the Settlement Class, which Defendant, New Jersey Manufacturers Insurance Company (“NJM” or “Defendant”), and all Released Persons continue to vigorously deny;

2. At the Fairness Hearing, the Court shall determine, among other matters, whether the Settlement warrants final approval.

## **II. Certification of the Settlement Class**

3. Pursuant to Rule 4:32-1(a), and solely for the purpose of effectuating the Settlement, this Court provisionally certifies a Settlement Class defined as follows:

All Insureds of leased vehicles covered under any New Jersey automobile insurance policy issued by New Jersey Manufacturers Insurance Company (“NJM”) covering first-party claims for auto physical damage for comprehensive or collision loss that made a first-party property damage claim on or after March 19, 2015, to the date the motion for preliminary approval of Settlement is granted by the Court, which resulted in the leased vehicle being deemed a “total loss”.

“Insureds”, as used in the Settlement Class definition, include only NJM insured lessees of NJM insured vehicles that sustained a “total loss” on or after March 19, 2015, to the date the motion for preliminary approval of Settlement is granted by the Court.

4. Excluded from the Settlement Class are: (i) NJM's officers, directors, employees, or legal representatives; (ii) all Superior Court of New Jersey Judges to whom this case is or was

assigned, along with any members of their immediate families; (iii) all Insureds for whom sales tax was already paid by NJM; and (iv) any person who timely opts out of the Settlement Class.

5. Solely for purposes of effectuating the proposed Settlement, the Court preliminarily finds that the prerequisites for class action certification under Rule 4:32-1(a) are satisfied as: (a) the members of the Settlement Class are so numerous that joinder of all Settlement Class Members in the Action is impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of Plaintiff are typical of the claims of the Settlement Class; and (d) the interests of all Settlement Class Members are adequately represented by Plaintiff and Class Counsel. Additionally, and solely for the purposes of effectuating the proposed Settlement, the Court preliminarily finds that the requirements for class action certification under Rule 4:32-1(b)(3) are satisfied as: (a) the questions of law and fact common to Settlement Class Members predominate over any individualized issues; and (b) a class action is superior to other available methods for the fair and efficient adjudication of the controversy. These preliminary findings shall be vacated if the Settlement is terminated or not approved by the Court.

6. Pursuant to Rule 4:32, and solely for the purposes of effectuating the Settlement, the Court appoints Plaintiff Cotoyya Morgan as the named Class Representative, and appoints Edmund A. Normand of Normand PLLC, Adam Schwartzbaum and Scott Edelsberg of Edelsberg, Law, P.A., and Andrew Shamis of Shamis & Gentile, P.A. as Class Counsel.

### **III. Notice to the Settlement Class**

7. It is apparent from the Settlement Agreement and presentation of counsel that the proposed Settlement Class meets the requirements of New Jersey Court Rule 4:32-1 *et seq.* such that Class Notice should be provided.

8. The Court approves the appointment of [INSERT ADMIN] as the Settlement Administrator and directs [INSERT ADMIN] to perform the functions and duties of the Settlement Administrator set forth in the Settlement Agreement—including providing Notice to the Settlement Class as set forth in the Settlement Agreement (“Notice Plan”)—and to provide such other administration services as are reasonably necessary to facilitate the completion of the Settlement.

9. The Court has carefully considered the forms and methods of Notice to the Settlement Class as set forth in the Settlement Agreement. The Court finds the proposed Notice Plan submitted by Plaintiff’s counsel satisfies the requirements under Rule 4:32-2(b)(2) and due process. Namely, the Notice Plan is reasonably calculated to apprise Settlement Class Members of, among other matters, the nature of this Action, the scope of the Settlement Class, the terms of the Settlement Agreement, the rights of Settlement Class Members to submit a claim, object to, or opt out of the Settlement, and the process for doing so, and the date, time, and location of the Final Fairness Hearing. *See* Exhibits 2-5 to the Settlement Agreement. The Court therefore approves the Notice Plan and directs the Parties and the Settlement Administrator to proceed with providing Notice to Settlement Class Members pursuant to the terms of the Settlement Agreement and this Order.

10. The Court hereby approves the Notice Plan and the form, content, and requirements of the Mail Notice (Exhibit 2), the Email Notice (Exhibit 3), the Long-Form Notice (Exhibit 4); and the Blank Claim Form (Exhibit 5) to be provided on the Settlement Website.

11. At least ten (10) days prior to the Fairness Hearing, the Settlement Administrator shall file with the Court proof of timely completion of the Notice Plan, and the Opt-Out List, which shall be a list of all Persons who timely and properly requested exclusion from the Settlement Class. The Settlement Administrator must also submit an affidavit attesting to the

accuracy of the Opt-Out List.

12. No later than 20 days after the Court's entry of a Preliminary Approval Order, NJM shall produce data relating to the Settlement Class from the start of the Settlement Class period (March 19, 2015) through the date of the Preliminary Approval Order. Such production shall include data for each Settlement Class Member, including the claim numbers, policyholder names, known email addresses, and known mailing or street addresses of all persons within the Settlement Class.

13. The Settlement Administrator shall send mailed Short-Form Notice to the Settlement Class on two occasions on dates suggested by the Settlement Administrator as approved by the Parties and in accordance with any Court orders.

14. At least three (3) business days before Notice is first disseminated, the Settlement Administrator must establish a website for the settlement using the domain name [INSERT WEBSITE] (the "Settlement Website") and establish an automated call center with a settlement-specific toll-free telephone number. The Settlement Administrator shall make reasonable provision for Class Counsel and Defense Counsel to be promptly advised of recorded messages left on the phone number by potential Settlement Class Members concerning the Action or this Settlement Agreement, so that Class Counsel, Defense Counsel, and/or the Settlement Administrator may timely and accurately respond to such inquiries.

15. The Settlement Administrator shall maintain the Settlement Website to provide full information about the Settlement.

#### **IV. Requests for Exclusion and Objections**

16. Any Settlement Class Member who wishes to request to be excluded from the Settlement must send a written "Request for Exclusion" to the Settlement Administrator at the following address: *McCullough v. NJM* Settlement Administrator, [INSERT ADDRESS]. To be

valid, the Request for Exclusion must be postmarked no later than thirty (30) days before the Fairness Hearing. The Request for Exclusion must include (a) their full name; (b) current address; (c) a clear statement communicating that they elect to be “excluded” from the Settlement; (d) their signature or the signature of the Legally Authorized Representative of the Settlement Class Member; and (e) the case name and case number (*McCullough v. New Jersey Manufacturers Insurance Company*, Docket No. MER-L-001401-20).

17. Settlement Class Members who timely and properly request exclusion from the Settlement will relinquish their rights to benefits under the Settlement and will not release any claims they may have against Defendant.

18. If a Request for Exclusion is incomplete, non-compliant, and/or not postmarked at least thirty (30) days before the Fairness Hearing, it will be invalid and the Settlement Class Member will be: (a) included as a member of the Settlement Class; (b) bound by the terms and conditions of the Settlement, the Settlement Agreement, the Final Approval Order, and the Final Judgment even if they have previously initiated, or subsequently initiate, individual litigation or any other proceedings against Defendant or any Released Persons; and (c) conclusively deemed to have fully and finally compromised, settled, forever discharged, acquitted, and released all Released Claims—including, without limitation, any and all Released Claims for sales taxes—against Defendant and the Released Persons.

19. The Settlement Administrator shall promptly log and prepare a list of all Settlement Class Members who timely and properly request exclusion from the Settlement Class and shall submit an affidavit to the Court, which includes and attests to the accuracy of the Opt-Out List no later than ten (10) days prior to the Fairness Hearing set by the Court.

20. Settlement Class Members who wish to object or otherwise be heard with respect to the Settlement, and to appear in person at the Fairness Hearing, must first file a written

objection with the Court and the Settlement Administrator at the following address: *McCullough v. NJM Settlement Administrator*, [INSERT ADDRESS], by no later than 30 calendar days prior to the Fairness Hearing.

21. Class Members who object must set forth and provide: (a) their full name; (b) current address; (c) a written statement of their objection(s) and the reasons for each objection; (d) identify any documents such objector desires the Court to consider; (e) their signature; (f) the case name and case number (*McCullough v. New Jersey Manufacturers Insurance Company*, Docket No. MER-L-001401-20); (g) a statement of his or her membership in the Settlement Class, including a verification under oath of the approximate date of their total loss or attaching documents establishing, or providing information sufficient to allow the Parties to confirm, that the objector is a Settlement Class Member; (h) the case name and number of any other case in which they have objected in the last five (5) years; (i) the identity of any current or former lawyer who may be entitled to compensation for any reason related to the objection; (j) a statement of whether the objector or the objector's attorney intends to appear at the Fairness Hearing; and (k) any additional information required by the Court. Objections must also be served on Class Counsel and Defense Counsel as follows:

**Upon Class Counsel at:**

Edmund A. Normand, Esq.  
Normand PLLC  
3165 McCrory Place, Suite 175  
Orlando, FL 32803  
[ed@normandpllc.com](mailto:ed@normandpllc.com)

**Upon Defense Counsel at:**

Michael D. Celentano, Esq.  
McElroy, Deutsch, Mulvaney & Carpenter, LLP  
1300 Mount Kemble Avenue  
Morristown, New Jersey 07962  
[mcelentano@mdmc-law.com](mailto:mcelentano@mdmc-law.com)

22. Any Settlement Class Member who does not make their objection in the manner provided above shall be deemed to have waived their right to object to any aspect of the Settlement, the Notice Plans, and Class Counsel's requests for attorneys' fees, reimbursement of expenses, and the Incentive Award to Plaintiff, and shall be forever barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the Settlement, the Settlement Agreement, the Notice Plans or the requested attorneys' fees and expenses, or from otherwise being heard concerning the Settlement, the Settlement Agreement, the Notice Plans, or the requested attorneys' fees and expenses in this or any other proceeding.

**V. Final Approval Schedule and Fairness Hearing**

23. Pursuant to R. 4:32-2(e)(1)(C), a formal, public fairness hearing on whether to grant final, binding approval to the proposed Class Action Settlement shall be held on [INSERT DATE] 2025 at the Mercer County Civil Courthouse, 175 South Broad Street, 3rd Floor, Trenton, New Jersey 08650, at \_\_\_\_\_.

24. At least thirty-five (35) days prior to the Fairness Hearing, Class Counsel will file a motion seeking the Court's final approval of the Settlement Agreement. Class Counsel shall provide a draft of such motion to Defense Counsel for review at least 14 days prior to filing. The motion shall request, at minimum, the Court to enter a Final Order and Judgment that:

a. Finds the Court has subject matter jurisdiction over the claims asserted in the Action, personal jurisdiction over all Settlement Class Members, and, that venue is proper in Mercer County Superior Court;

b. Grants final approval of the Settlement Agreement pursuant to New Jersey Court Rule 4:32-2(e) and directs the Parties and counsel to comply with and consummate the terms of the Settlement Agreement;

c. Finds that Class Counsel and Plaintiff Morgan adequately represented the Settlement Class;

d. Finds that the terms of this Settlement Agreement are fair, reasonable, and adequate to the Settlement Class Members;

e. Finds that Notice was completed in compliance with the Court's orders and that it (i) constituted the best practicable notice under the circumstances; (ii) was reasonably calculated to apprise potential Settlement Class Members of the pendency of the Action, their right to object to or exclude themselves from the Settlement Agreement, and to appear at the Fairness Hearing; and (iii) complied with all laws, including, but not limited to, the New Jersey Constitution and New Jersey Court Rules;

f. Finds that the Opt-Out List is a complete list of all Settlement Class Members, if any, who have timely requested exclusion from the Settlement Class and, accordingly, are the only Settlement Class Members that neither share in nor are bound by the Final Order and Judgment;

g. Provides that Plaintiff, all Settlement Class Members who have not been excluded from the Settlement Class as provided in the Opt-Out List, and their heirs, estates, trustees, executors, administrators, principals, beneficiaries, representatives, attorneys, agents, assigns, and successors, and/or anyone claiming through them or acting or purporting to act for them or on their behalf, regardless of whether they have submitted a Claim Form or Electronic Claim Form, and regardless of whether they have received actual notice of the Proposed Settlement, have conclusively compromised, settled, discharged, and released all Released Claims—including, without limitation, any and all Released Claims for sales taxes—against Defendant and the Released Persons, and shall be forever bound by the Court's Final Order and Judgment and by the provisions of the

Settlement Agreement;

h. Dismisses all claims in the Action on the merits and with prejudice, and without fees or costs except as provided herein, and enters final judgment thereon;

i. Determines the amount of the Attorneys' Fees Award and Expense Award to Class Counsel and Service Award to Plaintiff; and

j. Retains jurisdiction relating to the administration, consummation, enforcement, and interpretation of this Settlement Agreement, the Final Order and Judgment, any final order approving attorneys' fees and expenses, and for any other necessary purpose.

25. The Final Fairness Hearing may be postponed, adjourned, transferred, or continued by order of the Court without further notice to the Settlement Class, except that any postponement, rescheduling, continuation, or transfer shall be posted to the Settlement Website. At, or following, the Final Fairness Hearing, the Court may enter a Final Order and Judgment in accordance with the Settlement Agreement that will adjudicate the rights of all Settlement Class Members.

26. For clarity, the deadlines for the Parties and Settlement Class are as follows:

**DEADLINES SUMMARY**

Deadline for NJM to provide the updated Class Data Identified in Paragraph 12 to the Settlement Administrator	No later than 20 calendar days after entry of the Preliminary Approval Order
Deadlines for the Settlement Administrator to issue Mail Notice and Email Notice to Settlement Class Members and posting the Long Form Notice and Claim Form on the Settlement website (the "Notice Date")	2 dates suggested by the Settlement Administrator

Deadline for Plaintiff to file papers in support of final approval and application for attorneys' fees and expenses	No later than 35 calendar days prior to the Fairness Hearing
Deadline for receipt of exclusion requests or objections	Postmarked no later than 30 calendar days prior to the Fairness Hearing
Deadline for any response to any timely and valid objections and any supplemental brief re: final approval	No later than 10 calendar days prior to the Fairness Hearing
Final Approval Hearing	[INSERT DATE]
Deadline for submitting Claim Forms	Postmarked or electronically filed no later than 15 calendar days after the Fairness Hearing

27. Upon a showing of good cause, the Court may alter or extend any of the above deadlines without further notice to the Settlement Class.

28. Settlement Class Members that submit timely and valid Claim Forms do not need to appear at the Final Fairness Hearing or take any other action to indicate their approval of the Settlement.

#### **Further Matters**

29. In order to protect its jurisdiction to consider the fairness of the Settlement and to enter a Final Order and Judgment having binding effect on all Settlement Class Members, the Court hereby enjoins all members of the Settlement Class, and anyone who acts or purports to act on their behalf, from pursuing or continuing to pursue any and all other proceedings in any state or federal court, or any other proceeding, that seeks to litigate or address Releasing Parties' or any Settlement Class Member's alleged rights or claims relating to, or arising out of, any of the Released Claims.

30. Neither the Settlement, the Settlement Agreement, nor this Order, constitutes an adjudication, admission, concession, or indication by the Parties of the validity of any claims or

defenses in the Action or of any liability, fault, or wrongdoing of any kind by Defendant or Released Persons. Defendant and Released Persons vigorously deny all claims and allegations raised in the Action and vigorously deny any and all fault, wrongdoing, and/or liability to Plaintiff, or the Settlement Class.

31. In the event that the Settlement is terminated under the terms of the Settlement Agreement, or if for any reason whatsoever the approval of the Settlement does not become final and no longer subject to appeal, then: (i) the Settlement shall be null and void, including any provisions related to the award of attorneys' fees and costs, shall have no further force and effect with respect to any Party in this Action, and may not be referred to or used as evidence or for any other purpose whatsoever in the Action or any other action or proceeding; (ii) all negotiations, proceedings, documents prepared, and statements made in connection therewith shall be without prejudice to any person or Party hereto, shall not be deemed or construed to be an admission by any Party of any act, omission, matter, or proposition, and shall not be used in any manner of, or for any purpose in any subsequent proceeding in this Action or in any other action in any court or other proceeding, provided, however, that the termination of the Settlement shall not shield from subsequent discovery any factual information provided in connection with the negotiation of this Settlement that would ordinarily be discoverable but for the attempted settlement; (iii) this Order shall be vacated and of no further force or effect whatsoever, as if it had never been entered; and (iv) any Party may elect to move the Court to implement the provisions of this paragraph.

32. The Court retains jurisdiction to consider all further matters arising out of or connected with the Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to the Settlement Class.

**IT IS SO ORDERED.**

DATED: \_\_\_\_\_, 2025

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**BRIAN McLAUGHLIN, J.S.C.**  
**NEW JERSEY SUPERIOR COURT JUDGE**

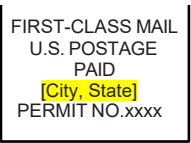
## **EXHIBIT 2**

*McCullough, et al., v. New Jersey Manufacturers Ins. Co.*

Settlement Administrator

PO Box XXXX

City, State Zip



Court-Approved Legal Notice

*McCullough, et al., v. New Jersey Manufacturers Ins. Co.*, Docket No. MER-L-001401-20,  
Superior Court of New Jersey Law Division –  
Mercer County.

**If your leased vehicle was  
totaled while insured by New  
Jersey Manufacturers  
Insurance Company from  
March 19, 2015, to [date], you  
may be entitled to a cash  
payment for sales tax.**

*A Court has authorized this notice.  
This is **not** a solicitation from a lawyer.*

www.XXXXXXXXXXXXX.com  
1-XXX-XXX-XXXX

<<MAIL ID>>  
<<NAME 1>>  
<<NAME 2>>  
<<ADDRESS LINE 1>>  
<<ADDRESS LINE 2>>  
<<ADDRESS LINE 3>>  
<<ADDRESS LINE 4>>  
<<ADDRESS LINE 5>>  
<<CITY, STATE ZIP>>  
<<COUNTRY>>



**Complete and mail the attached Claim Form by Month \_\_, 20YY to be eligible to receive a cash payment. (Postage is prepaid)**

**What does the Settlement Provide?** Subject to Court approval, a Settlement has been reached in a class action lawsuit against New Jersey Manufacturers Insurance Company (“NJM”) in New Jersey. The lawsuit claims that NJM underpaid sales taxes allegedly owed to certain insured lessees of certain leased vehicles when settling those insureds’ total loss claims. NJM denies all claims asserted in the lawsuit and denies all wrongdoing and liability of any kind. The Court did not enter judgment in favor of Plaintiff or NJM. Instead, the parties agreed to a Settlement.

**Other Options.** If you do not want to be legally bound by the Settlement, you must opt-out of the Settlement postmarked by Month XX, 20YY. If you do not opt-out, you will give up the right to sue and will release NJM and Released Persons from the legal claims asserted in this lawsuit. If you do not opt-out, you may object to the Settlement by Month XX, 20YY. The Long Form Notice on the Settlement Website explains how to opt-out or object. If you do nothing, you will be bound by the Settlement and any judgments and Court orders and will not be eligible to receive a Settlement payment.

**Who Represents Me?** The Court has appointed lawyers from Shamis & Gentile, P.A.; Normand PLLC; and Edelsberg Law, P.A., to serve as Class Counsel. If they recover money for the Settlement Class, the lawyers will ask the Court for a separate award of fees or expenses as detailed in the Long Form Notice.

The Court will hold a Final Approval Hearing on Month XX, 20YY, to consider whether to finally approve the Settlement, Class Counsel’s attorneys’ fees and expenses, and any objections. You may attend the hearing at your own expense, but your attendance is not required. The hearing may be held remotely, and if so, instructions will be at [INSERT WEBSITE]

**This notice is a summary. Learn more about the Settlement at [INSERT WEBSITE], or you may contact the Administrator at 1-888-890-3703 or Class Counsel at XXX-XXX-XXXX.**



BARCODE

NO-  
PRINT  
ZONE

PREPAID  
POSTAGE

*McCullough, et al., v. New Jersey  
Manufacturers Ins. Co.*  
Settlement Administrator

PO Box XXXX

City, State Zip

## **EXHIBIT 3**

To: <<Class Member Email>>

From: Settlement Administrator <xxxx@XXXXXXX.com>

Subject: New Jersey Manufacturers Insurance Company Settlement Claim Form

Unique ID: <<UniqueID>>

If your leased vehicle was totaled while insured by New Jersey Manufacturers Insurance Company from March 19, 2015, to [date], you may be entitled to a cash payment for sales tax.

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

File a Claim Form [here](#) to be eligible.

IMPORTANT: You must file a claim for your potential cash payment by **Month XX, 20YY**.

**What is this Notice About?** A Settlement has been reached in a class action lawsuit against New Jersey Manufacturers Insurance Company (“NJM”). NJM denies all claims asserted in the lawsuit and denies all wrongdoing and liability of any kind. The Court did not enter judgment in favor of Plaintiff or NJM. Instead, the parties agreed to a Settlement.

The purpose of this Notice is to provide information about the Settlement.

**What Does the Settlement Provide?** Subject to final court approval, the Settlement resolves all claims brought in this lawsuit against NJM for allegedly underpaying sales taxes allegedly owed to certain insureds of leased vehicles when settling those insureds’ total loss claims, in exchange for a Settlement payment.

File your Claim [here](#) or by mail postmarked by **Month XX, 20YY**, to be eligible.

**Who represents me?** The Court has appointed lawyers from Shamis & Gentile, P.A.; Normand PLLC; and Edelsberg Law, P.A., to serve as Class Counsel. If they recover money for the Settlement Class, the lawyers will ask the Court for a separate award of fees or expenses as explained in the Long Form Notice on the Settlement Website (**[INSERT WEBSITE]**).

**Other Options.** If you do not want to be legally bound by the Settlement, you must opt-out of the Settlement postmarked by **Month XX, 20YY**. If you do not opt-out, you will give up the right to sue and will release NJM and Released Persons from all legal claims asserted in this lawsuit. If you do not opt-out, you may object to the Settlement by **Month XX, 20YY**. The Long Form Notice on the Settlement Website (**[INSERT WEBSITE]**) explains how to opt-out or object. If you do nothing, you will be bound by the Settlement and any judgments and Court orders and will not be eligible to receive a Settlement payment.

The Court will hold a Final Approval Hearing on **Month XX, 20YY**, to consider whether to finally approve the Settlement, Class Counsel’s attorneys’ fees and expenses, and any objections. You may attend the hearing at your expense, but your attendance is not required. The hearing may be held remotely, and if so, instructions will be at **[INSERT WEBSITE]**.

**This notice is a summary. Learn more about the Settlement** at **[INSERT WEBSITE]**, or you may contact the Administrator at **1-888-890-3703** or Class Counsel at **XXX-XXX-XXXX**.

## **EXHIBIT 4**

**EXHIBIT 4**

**IN THE SUPERIOR COURT OF NEW JERSEY LAW DIVISION – MERCER COUNTY**  
***McCullough, et al., v. New Jersey Manufacturers Ins. Co.***  
**Docket No. MER-L-001401-20**

**If your leased vehicle was totaled while insured by New Jersey Manufacturers Insurance Company from March 19, 2015, to [date], you may be entitled to a cash payment for sales tax.**

**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 (the “Settlement”) has been reached and memorialized in a Settlement Agreement (the “Settlement Agreement”) in the lawsuit entitled *McCullough, et al., v. New Jersey Manufacturers Ins. Co.*, Docket No. MER-L-001401-20 (the “Lawsuit”), which is pending in the Superior Court of New Jersey Law Division – Mercer County (the “Court”).<sup>1</sup> The Lawsuit claims that New Jersey Manufacturers Insurance Company (“NJM”) underpaid sales taxes allegedly owed to certain insured lessees of certain leased vehicles when settling those insureds’ total loss claims. NJM denies all claims asserted in the Lawsuit and denies all wrongdoing and liability of any kind. The Court did not rule in favor of Plaintiff or NJM. Instead, the parties agreed to a Settlement.

Members of the Settlement Class who submit a valid and timely Claim Form are eligible for payment of full estimated “Leased Vehicle Sales Tax Payment” at the applicable state rate based on the policy address and date of loss.

This Notice explains: 1) the terms of the Settlement; 2) who is a member of the Settlement Class; 3) how to submit a Claim Form for payment; 4) how to request exclusion from the Settlement; 5) how to object to the Settlement; and 6) how to get more information about the Settlement.

**IF YOU ARE A SETTLEMENT CLASS MEMBER, THIS LAWSUIT AFFECTS YOUR RIGHTS.**

Your Legal Rights & Options		Deadline
Submit a Claim Form	The only way to receive a Settlement Class Member Payment is to submit a timely and valid Claim Form.	Submitted or Postmarked by: <b>MONTH DD, 20YY</b>
Exclude Yourself	If you opt-out of the Settlement, you will receive no Settlement Class Member Payment but will keep any right you may have to file your own lawsuit against the Released Persons about the Released Claims as part of the Settlement.	Postmarked by: <b>MONTH DD, 20YY</b>
Object to the Settlement	If you do not opt-out of the Settlement, you can tell the Court why you do not agree with the	Postmarked by: <b>MONTH DD, 20YY</b>

<sup>1</sup> Capitalized terms used in this Notice have the same meaning as those used in the Settlement Agreement.

	Settlement. You will still be bound by the Settlement if the Court finally approves it.	
Do Nothing	You will be bound by the Settlement and any Court orders, will not be eligible to receive a Settlement Class Member Payment, and will relinquish any right you may have to file your own lawsuit against NJM and/or the Released Persons about the Released Claims.	

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court must decide whether to finally approve the Settlement, attorneys’ fees, expenses, and service awards. No Settlement benefits will be provided unless the Court finally approves the Settlement.

Call 1-[INSERT NUMBER], toll free or visit www.[INSERT WEBSITE]for more information.

**What Is a Class Action?**

A class action is a lawsuit in which one or more individuals attempt to sue on behalf of other persons or entities who allegedly have similar legal claims. In a certified class action, those persons or entities are referred to as a “class” or “class members.” In a certified class action, one Court resolves certain legal issues, legal claims, and/or legal defenses for all class members in a single lawsuit, except for those persons or entities who timely and properly ask in writing to be excluded from the class.

**What Is this Class Action About?**

This Lawsuit alleges that NJM breached certain auto insurance policies by allegedly underpaying sales taxes allegedly owed to certain insureds of leased vehicles when settling those insureds’ total loss claims.

NJM denies the allegations of this lawsuit, maintains that it fully complied with the terms and provisions of its auto insurance policies and the law, and expressly denies all wrongdoing and liability of any kind. The Court did not rule in favor of Plaintiff or NJM. Instead, the parties agreed to a Settlement of the Lawsuit.

**What are the Settlement Terms?**

NJM has agreed to pay the full estimated “Leased Vehicle Sales Tax Payment” at the applicable state rate based on the policy address and date of loss to Settlement Class Members who timely submit a valid Claim Form.

The “Leased Vehicle Sales Tax” is calculated as the average estimated sales tax on the lease capitalized cost minus all sales taxes paid by NJM to each Settlement Class Member that submits a timely and valid Claim Form. For the purpose of settlement only, the Parties agree that the sales tax on the lease capitalized cost is 75.4 percent of the sales tax on the full vehicle value as determined by NJM on the date of loss.

Class Counsel will be seeking attorneys’ fees of no more than \$2,000,000.00, subject to approval by the Court. Class Counsel also intend to seek approximately \$21,000.00 in costs, and a \$5,000.00 service award for Plaintiff Cotoyya Morgan as the Class Representative, to be approved by the Court. NJM will be permitted to deduct each Settlement Class Member’s pro-rata percentage of attorneys’ fees and

documented litigation costs from each settlement payment made in response to each timely and valid Claim Form. The parties estimate this will reduce each Class Member's settlement payment by approximately 26%.

### How Do I Know if I'm a Member of the Settlement Class?

If you have already been identified as a Settlement Class Member from NJM's claims data, you have received an email notice and/or a postcard notice. You are a member of the Settlement Class if you fall into this category:

All Insureds of leased vehicles covered under any New Jersey automobile insurance policy issued by New Jersey Manufacturers Insurance Company covering first-party claims for auto physical damage for comprehensive or collision loss that made a first-party property damage claim on or after March 19, 2015, to the date the motion for preliminary approval of Settlement is granted by the Court, which resulted in the leased vehicle being deemed a "total loss".

"Insureds", as used in the Settlement Class definition, include only NJM insured lessees of NJM insured vehicles that sustained a "total loss" on or after March 19, 2015, to the date the motion for preliminary approval of Settlement is granted by the Court.

Excluded from the Settlement Class are: (i) NJM's officers, directors, employees, or legal representatives; (ii) all Superior Court of New Jersey Judges to whom this case is or was assigned, along with any members of their immediate families; (iii) all Insureds for whom sales tax was already paid by NJM; and (iv) any person who timely opts out of the Settlement Class.

### If I Am a Settlement Class Member, What Are My Options?

If you are a Settlement Class Member, you have four options.

#### **Option 1: Submit a Claim Form for Payment.**

If you are a Settlement Class Member, you may submit a timely and valid Claim Form to be eligible to receive the Leased Vehicle Sales Tax Payment. You can submit a claim by signing the Claim Form you received in the mail, carefully tearing at the perforation, and putting the Claim Form in the mail. You can call 1-[INSERT NUMBER], or visit [www.\[INSERT WEBSITE\]](http://www.[INSERT WEBSITE]) and request that the Settlement Administrator send you a Claim Form.

If you submit a Claim Form in the mail, it must be postmarked no later than **[CLAIMS DEADLINE]** and mailed to:

*McCullough, et al., v. New Jersey Manufacturers Ins. Co.*  
Class Action Administrator  
**[INSERT ADDRESS/PO BOX]**

If the address you submit on your Claim Form changes, you must contact the Settlement Administrator to provide a current address or you may not receive your Settlement Class Member Payment.

You can also submit a Claim Form online at [\[settlement website\]](#) by entering your Claimant ID or Total Loss Claim Number and unique PIN. Online Claim Forms must be submitted by 11:59pm EST on **[Date]**. Your Claimant ID and PIN can be found on the postcard and email notices you received.

#### **Option 2. Exclude yourself from the Settlement.**

If you are a Settlement Class Member, 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 **[OPT-OUT DEADLINE]** as described below. You do not need to hire your own lawyer to request exclusion from the Settlement Class. If you exclude yourself from the Settlement Class, you give up your right to receive any benefits as part of this Settlement, and you will not be bound by any judgments or orders of the Court, whether favorable or unfavorable. However, you will keep any right you may have to file a separate lawsuit at your own expense against NJM if you choose to pursue one.

To exclude yourself from this Lawsuit, the Settlement Class, and/or preserve any right you may have to bring a separate lawsuit at your own expense, you must make a request to be excluded in writing and, with sufficient postage, mail the request to:

*McCullough, et al., v. New Jersey Manufacturers Ins. Co.*  
Class Action Administrator  
**[INSERT ADDRESS/PO BOX]**

A request for exclusion must be postmarked on or before **[OPT-OUT DEADLINE]**.

If you are a Settlement Class Member, your request for exclusion must contain the following:

1. The name of the lawsuit (*McCullough, et al., v. New Jersey Manufacturers Insurance Company*);
2. The Docket Number (MER-L-001401-20);
3. Your full name;
4. Your current address;
5. Your current phone number;
6. A clear statement that you wish to be excluded from the Settlement Class, such as: “I request exclusion from the Settlement Class”; and
7. Your signature.

The Settlement Administrator will file your request for exclusion with the Court. If you are signing on behalf of a Settlement Class Member as a legal representative (such as an estate, trust, or incompetent person), please include your full name, contact information, and the basis for your authority. A request for exclusion must be exercised individually and not on behalf of a group.

### **Option 3: Object to the Terms of the Settlement.**

The full terms of the Settlement can be found here: **[INSERT WEBSITE]**. If you are a Settlement Class Member, and if you think the terms of the Settlement are not fair, reasonable, or adequate to the Settlement Class Members, you may file a Notice of Intent to Object to the terms of the Settlement. If you object to the terms of the Settlement, you cannot request exclusion from the Settlement. If you object to the terms of the Settlement you will still be bound by the terms of the Settlement and all rulings and orders from the Court.

To properly object to the terms of the Settlement, you must send, with sufficient postage, a Notice of Intent to Object to the terms of the Settlement (described below) to the following:

*McCullough, et al., v. New Jersey Manufacturers Ins. Co.*  
Class Action Administrator  
**[INSERT ADDRESS/PO BOX]**

The Notice of Intent to Object to the terms of the Settlement must include all of the following information:

1. The name of the case and case number;
2. Your name, current address, current telephone number, and signature;
3. A verification under oath that you are a Settlement Class member, including a verification under oath of the approximate date of your total loss or attaching documents establishing, or providing information sufficient to allow the Parties to confirm, that you are a Settlement Class Member;
4. The specific reasons why you object to the terms of the Proposed Settlement;
5. Any documents that you believe support your objection;
6. The name, address, bar number, and telephone number of any lawyer who represents you and/or may be entitled to compensation for any reason related to your intention to object to the terms of the Settlement;
7. Whether you and/or your lawyer intend to appear at the Fairness Hearing and whether you and/or your lawyer will request permission to address the Court at the Fairness Hearing;
8. The case name and number of any other case in which you have objected in the last five (5) years

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

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

Notices of Intent to Object must be postmarked by [**OBJECTION DEADLINE**]. If any Settlement Class Member files a Notice of Intent to Object to the Settlement that is not postmarked by the deadline set forth above, or which does not comport with the requirements listed above, then that Settlement Class Member will waive the right to be heard at the Fairness Hearing. If you file a Notice of Intent to Object, you will waive the right to request exclusion from the Settlement Class and will be bound by any decisions and orders from the Court and by the terms of the Settlement if it is finally approved by the Court. If you do not want to be bound by the Settlement and any decisions and rulings by the Court, you must file a timely and valid request for exclusion and not a Notice of Intent to Object to the Settlement.

**Option 4. Do Nothing Now. Stay in the Lawsuit.**

If you are a Settlement Class Member, you have the right to do nothing. If you do nothing, you will be bound by the terms of the Settlement and any orders of the Court, will not be eligible to receive a Settlement Class Member Payment, and will release and relinquish any and all legal claims you may have against NJM relating to the facts and circumstances alleged in the Lawsuit.

<p><b>Who Is Representing the Settlement Class?</b></p>
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The Court has preliminarily appointed Plaintiff, Cotoyya Morgan, to be the Class Representative. The Court has also preliminarily appointed the following lawyers as Class Counsel for the Settlement Class: Shamis & Gentile, P.A.; Normand PLLC; and Edelsberg Law, P.A.

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

Class Counsel will be seeking attorneys' fees of up to \$2,000,000.00, and costs up to \$21,000.00, with all amounts to be approved by the Court.

Class Counsel will also seek a Service Award for Plaintiff Morgan as the Class Representative in the amount of \$5,000.00, subject to Court approval. The Service Award is designed to reward the Class Representative for securing the recovery awarded to members of the Settlement Class, and to acknowledge the time spent by the Plaintiff participating in the lawsuit for the benefit of the Settlement Class.

### **What Legal Claim(s) Against NJM Are Class Members Releasing?**

As a part of the Settlement, Settlement Class Members agree not to sue NJM and/or the Released Persons for any and all legal claims arising out of or relating in any way to the facts and circumstances alleged in the Lawsuit, including any and all legal claims that arise out of, relate, pertain, and/or seek sales taxes allegedly owed in connection with NJM's settlement of covered first-party leased vehicle total loss claims made during the Class Period beginning on March 19, 2015, and concluding on [insert date on which the motion for preliminary approval is granted by the Court]. Released Claims do not include any timely and valid legal claims for personal injury, medical payment, uninsured motorist, or underinsured motorist benefits. Full terms of the Released Claims and Released Persons can be found in the proposed Settlement Agreement at [INSERT WEBSITE].

### **When and Where will the Court Decide Whether to Approve the Settlement?**

The Court will hold a **Fairness Hearing** on [HEARING DATE], at [HEARING TIME]. EST on the 3rd Floor of Mercer County Civil Courthouse, 175 South Broad Street, Trenton, New Jersey 08650. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide Class Counsel's application for attorneys' fees and expenses and the Class Representative's application for a service award. We do not know how long these decisions will take. The Court may change the date or time of the Fairness Hearing without further notice, so please check the Settlement Website for any changes.

### **Do I need to Attend the Fairness Hearing?**

No. Settlement Class Members are not required to attend the Fairness Hearing, but you may attend the hearing at your own expense or pay your own lawyer to attend the hearing on your behalf if you wish. Class Counsel will answer any questions the Court may have at the Fairness Hearing.

If you send a written objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection on time and followed the instructions above, the Court will consider it. However, if you want to speak about your objection, you may attend the hearing at your own expense and speak at the hearing only if you have clearly written "Intention to Appear" on your written objection letter.

### **How Do I Find Out More About This Lawsuit?**

If you have any questions about the Lawsuit or any matter raised in this Notice, please call toll-free at [INSERT NUMBER] or go to [INSERT WEBSITE].

This [INSERT WEBSITE] website provides:

1. A blank Claim Form;
2. The full terms of the Settlement;
3. Information and requirements for submitting a Claim Form, requesting exclusion, or filing an objection to the terms of the Settlement;
4. A copy of the Complaint filed by Plaintiff; and
5. Other general information about the Lawsuit.

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

DATED: \_\_\_\_\_, 2025

## **EXHIBIT 5**

**EXHIBIT 5**

**CLAIM FORM**

*McCullough, et al., v. New Jersey Manufacturers Insurance Company*

To submit a claim, please: (1) provide your full name; (2) confirm you are a New Jersey Manufacturers Insurance Company (“NJM”) policyholder or otherwise entitled to payment by providing the Claim Number associated with the total loss or, if the claim number is unknown, your NJM Policy Number at the time of the total loss and the year, make, and model of each totaled leased vehicle; (3) provide your address; (4) sign and date this form; and (5) submit the completed form online no later than **[15 days after Final Approval Hearing]** or mail the completed form postmarked on or before **[15 days after Final Approval Hearing]** to the following address:

McCullough, et al., v. NJM Settlement Claims Administrator  
P.O. Box  
City, State, Zip

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(city) (state) (zip)

NJM Claim Number: \_\_\_\_\_

**OR, IF THE CLAIM NUMBER IS UNKNOWN**

NJM Policy Number and the Year, Make, and Model of each Totaled Leased Vehicle:

\_\_\_\_\_

**REQUIRED AFFIRMATION (if this affirmation is not signed your claim will be denied):**  
By signing below, I certify under oath that: (1) I am (check one): [ ] the person who made the insurance claim identified above, or [ ] the legally authorized personal representative, guardian, or trustee of the person who made the insurance claim identified above; (2) I, or the person who made the insurance claim identified above, sustained a total loss in a leased vehicle insured by NJM on or after March 19, 2015, to **[date motion for preliminary approval of Settlement is granted]**; (3) I am, or the person who made the insurance claim identified above is, entitled to a Leased Vehicle Sales Tax Payment from NJM in accordance with the Class Action Settlement Agreement; and (4) the information on this Claim Form is true and correct.

Signature: \_\_\_\_\_

Dated \_\_\_\_\_

Name (please print): \_\_\_\_\_

## **EXHIBIT 6**

JOSEPH MCCULLOUGH and COTOYYA MORGAN, individually and on behalf of all others similarly situated,

Plaintiffs,

v.

NEW JERSEY MANUFACTURERS INSURANCE COMPANY, a New Jersey Corporation,

Defendant.

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION: MERCER COUNTY  
DOCKET NO.: MER-L-1401-20

Civil Action

**[PROPOSED] FINAL ORDER APPROVING CLASS ACTION SETTLEMENT**

AND NOW, this \_\_\_\_\_ day of \_\_\_\_\_, 2025, upon consideration of Plaintiff, Cotoyya Morgan’s (“Plaintiff” or “Ms. Morgan”), unopposed motion to grant final approval to the proposed Class Action Settlement (the “Settlement”) memorialized in a Class Action Settlement Agreement (the “Settlement Agreement”),<sup>1</sup> and for related relief, following briefing and a public fairness hearing on [insert fairness hearing date] it is hereby ORDERED that:

1. Solely for purposes of effectuating the proposed Settlement, the Court finds that this action is appropriately treated for settlement purposes as a class action under Rule 4:32-1 and Rule 4:32-2 for the reasons set forth in the Court’s Preliminary Approval Order of [date]. Additionally, and solely for the purposes of effectuating the proposed Settlement, the Court finds the Settlement Class as preliminarily defined in the Court’s Preliminary Approval Order of [insert date of preliminary approval] is hereby certified for settlement purposes.

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<sup>1</sup> Capitalized terms used in this Order have the same meaning as those used in the Settlement Agreement.

The Court therefore determines, for purposes of settlement only, that this action satisfies the prerequisites for class certification set forth in Rule 4:32-1(a) and (b)(3). The Settlement, the Settlement Agreement, the Court's Preliminary Approval Order of [insert date of preliminary approval], and this Order are not, and shall not be construed as an adjudication, admission, or concession of: (a) the truth of any allegations advanced in this action; or (b) any fault, wrongdoing, or liability of any kind to Plaintiff or the Settlement Class, which NJM and all Released Persons continue to vigorously deny.

2. The Class has been given Notice of the proposed Class Action Settlement consistent with the New Jersey Court Rules and due process, in accordance with the Court's Preliminary Approval Order dated [insert date of Prelim approval]. Such Notice has been provided in an adequate and sufficient manner, constitutes the best notice practicable under the circumstances, and satisfies the requirements of due process. The Notice apprised the members of the Settlement Class of the pendency of the litigation, of all material elements of the proposed Settlement, of the res judicata effect on the members of the Settlement Class, and of their opportunity to opt out of the Settlement, to comment on and object to the Settlement, and to appear at the Fairness Hearing. Full opportunity has been afforded to the members of the Settlement Class to participate in the Fairness Hearing.

3. The class Settlement set forth in the Settlement Agreement was arrived at as a result of arm's-length negotiations conducted in good faith by counsel for the parties, and is supported by the class representative, Cotoyya Morgan, and by the vast majority of the members of the Settlement Class.

4. The Court finds that, solely for purposes of settlement, the Class Settlement as set forth in the Settlement Agreement is fair, reasonable, and adequate to the members of the Settlement Class in light of the complexity, expense, and likely duration of litigation, NJM's

defenses to the claims alleged in this action, and the considerable risks involved in establishing liability, damages, and in maintaining the class action through trial and appeal.

5. The Court finds that, solely for purposes of settlement, the relief provided under the Settlement Agreement constitutes fair value given in exchange for the releases of the Released Claims against the Released Persons.

6. Plaintiff's motion for final approval of the class Settlement and related relief is GRANTED for settlement purposes only.

IT IS THEREFORE ORDERED THAT:

A. This action is finally certified solely for settlement purposes as a class action on behalf of a Settlement Class defined as follows:

All Insureds of leased vehicles covered under any New Jersey automobile insurance policy issued by New Jersey Manufacturers Insurance Company ("NJM") covering first-party claims for auto physical damage for comprehensive or collision loss that made a first party property damage claim on or after March 19, 2015, to the date the motion for preliminary approval of Settlement was granted by the Court, which resulted in the leased vehicle being deemed a "total loss".

"Insureds", as used in the Settlement Class definition, include only NJM insured lessees of NJM insured vehicles that sustained a "total loss" on or after March 19, 2015, to the date the motion for preliminary approval of Settlement was granted by the Court.

Excluded from the Settlement Class are: (i) NJM's officers, directors, employees, or legal representatives; (ii) all Superior Court of New Jersey Judges to whom this case is or was assigned, along with any members of their immediate families; (iii) all Insureds for whom sales tax was already paid by NJM; and (iv) any person who timely opts out of the Settlement Class.

B. Solely for the purposes of Settlement, the Court grants final approval to the proposed class action Settlement as set forth in the Settlement Agreement, as agreed to by all parties and counsel and approved by the Court.

C. Pursuant to the Settlement, Plaintiff's Complaint and all amended pleadings are hereby DISMISSED WITH PREJUDICE. Any and all claims of Plaintiff and Settlement Class

Members against NJM and Released Persons which arise out of, relate to, and/or pertain to the claims, allegations, and/or purported facts pleaded in the Complaint and all amended pleadings are hereby DISMISSED WITH PREJUDICE. Upon the Effective Date set forth in the Settlement Agreement, Plaintiffs, Releasing Persons, and all Settlement Class Members, and their heirs, estates, trustees, executors, administrators, principals, beneficiaries, representatives, agents, assigns, and successors, and/or anyone claiming through them or acting or purporting to act for them or on their behalf, shall be forever bound by this Order and conclusively deemed to have fully released, acquitted, and forever discharged NJM and all Released Persons from all Released Claims—including, without limitation, any and all Released Claims for sales taxes—specified in the Settlement Agreement.

D. Attached as Exhibit A is a list of any and all persons who timely and properly requested to be—and hereby are—excluded from the Settlement Class. Those individuals listed in Exhibit A shall not be entitled to any monetary benefits of the Settlement Agreement and are not bound by this Order. All members of the Settlement Class, except those individuals listed on Exhibit A, are bound by the Settlement Agreement, this Order, and by the final judgment entered pursuant to this Order.

E. Class counsel's Petition for Fees and Costs is GRANTED. The Court finds that, solely for the purposes of settlement, the requested award of \$2,000,000.00 for attorneys' fees and \$21,000.00 for costs is reasonable, appropriate, and well within the typical range of attorneys' fees awarded in a class action. Accordingly, the award of attorneys' fees and costs to Class counsel in the amount of \$2,021,000.00 is approved solely for the purposes of settlement and is to be paid in accordance with the terms of the Settlement Agreement.

F. The request for a service award of \$5,000.00 to the named Plaintiff, Cotoyya Morgan, is approved solely for the purposes of settlement and is to be paid in accordance with

the terms of the Settlement Agreement.

G. Without affecting the finality of this Final Approval Order in any way, the Court retains jurisdiction over (1) implementation and enforcement of the Settlement Agreement until the parties have performed the required actions thereunder; (2) any other action necessary to conclude this Settlement or to implement the Settlement Agreement; and (3) the enforcement, construction, and interpretation of the Agreement.

H. The Settlement Agreement, the Court's Preliminary Approval Order of [insert date of preliminary approval], and this Order shall not be construed as, offered as, received as, used as, or deemed to be evidence of any kind in this action, any other action, or in any judicial, administrative, regulatory, or other proceeding, except in a proceeding to enforce the Settlement Agreement or the rights of the Parties under the Settlement Agreement. Neither the Court's Preliminary Approval Order of [insert date], this Order, the Settlement, the Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as, offered as, received as, used as, or deemed to be evidence or an adjudication, admission, or concession of any liability or wrongdoing whatsoever on the part of any person or entity, including, but not limited to, NJM and the Released Persons, or as a waiver by NJM or the Released Persons of any applicable privileges, claims, or defenses. Notwithstanding the foregoing, nothing in this Order shall be interpreted to prohibit the use of this Order in a proceeding to consummate or enforce the Settlement or this Order, or to defend against the assertion of Released Claims in any other proceeding, or as otherwise required by law.

IT IS SO ORDERED.

Dated: \_\_\_\_\_

\_\_\_\_\_  
**BRIAN McLAUGHLIN, J.S.C.**



SUPERIOR COURT OF NEW JERSEY  
MERCER COUNTY – LAW DIVISION

JOSEPH MCCULLOUGH and COTOYYA  
MORGAN, individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

NEW JERSEY MANUFACTURERS  
INSURANCE COMPANY, a New Jersey  
Corporation,

Defendant.

CASE NO.: MER-L-1401-20

**DECLARATION OF EDMUND A. NORMAND**

1. My name is Edmund A. Normand. I am over the age of majority, provide this declaration voluntarily, and it is based on personal knowledge.

2. I am the shareholder in the law firm Normand PLLC and am one of counsel of record representing Plaintiffs in the above-styled lawsuit.

3. This is a putative class action lawsuit (the “Lawsuit”) filed by Plaintiffs, Joseph McCullough (“Mr. McCullough”),<sup>1</sup> and Cotoyya Morgan (“Ms. Morgan”), who are the named insureds under separate Standard New Jersey Personal Auto Policies issued by Defendant, New Jersey Manufacturers Insurance Company (“NJM”). Plaintiff Morgan alleges that NJM’s Standard Personal Auto Policy (the “Policy”), which provides a potential basis for private passenger auto physical damage comprehensive and collision coverage, promises to pay for “loss” to covered automobiles subject to certain limitations on liability, including a potential

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<sup>1</sup> On June 18, 2021, the Court entered an Order dismissing Plaintiff McCullough’s claims against NJM with prejudice and dismissed Plaintiff McCullough from the case, but not Plaintiff Morgan. See Trans ID: LCV20211491656.

limitation of liability to the “Actual Cash Value” or “ACV” of the damaged or stolen property. Ms. Morgan claims that NJM underpaid sales taxes allegedly owed to her and certain insured lessees of certain leased vehicles when settling those insureds’ total loss claims. NJM denies all claims asserted in the Lawsuit and denies all wrongdoing and liability of any kind.

4. The procedural background recounted in the Motion for Preliminary Approval is true and correct.

5. A Settlement (the “Settlement”) has been reached and memorialized in a Class Action Settlement Agreement (the “Settlement Agreement” or “Agreement”).<sup>2</sup> The Agreement was reached pursuant to arms-length negotiations without collusion. The negotiation process was rigorous and highly contested by sophisticated counsel. The Agreement is not the product of collusion nor there are any side agreements not reflected in the Agreement.

6. The Agreement provides for NJM to pay the full estimated “Leased Vehicle Sales Tax” at the applicable state rate based on the policy address and date of loss to each Settlement Class Member that submits a timely, valid, and complete Claim Form.

7. Plaintiff Morgan alleges that approximately 7,375 Insureds that submitted first party leased vehicle total loss claims during the Settlement Class period were allegedly not paid the full Sales Taxes Plaintiff claims were owed under the Policy.

8. NJM will pay the full estimated “Leased Vehicle Sales Tax Payment” at the applicable state rate based on the policy address and date of loss to Settlement Class Members that submit timely, valid, and complete Claim Forms. The “Leased Vehicle Sales Tax” is calculated as the average estimated sales tax on the lease capitalized cost minus all sales taxes paid by NJM to each Settlement Class Member that submits a timely and valid Claim Form. The

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<sup>2</sup> Capitalized terms used herein have the same meaning as those used in the Settlement Agreement.

settlement formula that will govern each settlement payment issued to each Settlement Class Member that submits a timely and valid claim form is as follows: Actual Cash Value of the totaled leased vehicle on the date of loss as determined by NJM  $\times$  the applicable New Jersey tax rate on the date of the total loss  $\times$  75.4% – all sales taxes already paid by NJM in connection with each Settlement Class Member's leased vehicle total loss claim.

9. For the purposes of Settlement, the parties agree that the formula for calculating Leased Vehicle Sales Tax fairly estimates the full amount of sales taxes allegedly owed to every member of the Settlement Class. The factual basis for this conclusion is that when a consumer purchases a vehicle, the sales tax is typically paid on the full retail cost. However, when a consumer leases a vehicle, the sales tax is typically paid only on the total of lease payments. Generally, lease payments will add up to less than the full retail price of the vehicle because, among other reasons, there is a residual value for the car at the end of the lease so the consumer pays only for the vehicle depreciation incurred, plus the lease charges. Thus, the sales tax the lessee pays will almost always be less than the sales tax on purchasing the same vehicle and incurring sales tax on the full retail sales amount. According to Plaintiff's consulting expert, for a typical lease or purchase of the same vehicle, the ratio of the lease sales tax to the purchase sales tax is 75.4%. This assumes that the lease rate equates to 9.75% with a lease term of 48 months and the purchase price is the same amount as the capitalized cost of the lease.

10. The Settlement also includes significant non-monetary relief. Specifically, as part of the Settlement, beginning on the Effective Date of the Settlement, NJM will pay applicable Leased Vehicle Sales Tax on leased total loss vehicles at the time of loss based on the Leased Vehicle Sales Tax formula provided in the Agreement (Actual Cash Value of the totaled leased vehicle on the date of loss as determined by NJM multiplied by the applicable New Jersey tax rate on the date of the total loss multiplied by 75.4%), without requiring the lessee to provide

proof that the lessee purchased a replacement vehicle. This business practice change will ensure that insured lessees obtain full ACV sales tax payments on their totaled leased vehicles going forward, subject to a change in applicable law, or appropriate changes to the terms of the applicable insurance policies.

11. The Settlement Administrator chosen by NJM is Epiq Class Action & Claims Solutions, Inc. (“Epiq”) and will be supervised jointly by counsel of record.

12. This was a highly contested lawsuit wherein Plaintiff sought to obtain allegedly underpaid sales taxes under an unsettled legal theory with inconsistent authority. NJM adamantly denies the allegations of this Lawsuit, maintains that it fully complied with the terms and provisions of its auto insurance policies and the law, and expressly denies all wrongdoing and liability of any kind. The parties agreed to a Settlement of the Lawsuit to avoid the further burdens, expenses, risks, and inconveniences of litigation and have amicably entered into an Agreement that fully and finally resolves the parties’ dispute.

13. The proposed Agreement provides that Class Counsel may apply for, and NJM will not oppose attorneys’ fees of \$2,000,000.00, an Expense Award of \$21,000.00, and a Service Award of \$5,000.00.

14. Class counsel devoted substantial time on numerous issues, including (i) pre-suit investigation; (ii) reviewing and analyzing policies and state laws and regulations; (iii) drafting the Complaint and amended pleadings; (iv) fully briefing various motions, including dispositive motions and appellate briefs; (v) propounding written discovery, (vi) reviewing troves of production documents, (vii) retaining experts and providing expert reports, and (viii) reviewing voluminous claims data produced by Defendant in discovery.

15. The total costs expended in the pursuit of litigating this case are \$21,000.00. There are expected to be additional costs incurred, including travel to the Final Approval

Hearing.

16. Notably, Plaintiff and Class Counsel have expended significant costs—including retaining and paying experts, copying costs, discovery costs, soft costs, and so forth, and have expended hundreds of hours of time, including reviewing thousands of lines of data in the extensive spreadsheet data, reviewing voluminous documents, litigating multiple motions, briefing Plaintiff’s Motion for Preliminary Approval, and conducting oral argument. Moreover, this litigation has included numerous complicated and unresolved issues relating to the merits and Plaintiff’s interpretation of the NJM Policy.

17. There is no conflict of interest between the named Plaintiff and the members of the Settlement Class. To the contrary, Ms. Morgan has been committed to representing putative class members by ensuring that their interests are protected to the best of her ability, and she does not possess any interest in conflict with the Class.

18. Plaintiff has been an active participant throughout this litigation, including by: (a) gathering and providing documents to counsel to be produced to NJM, (b) engaging in the pre-suit investigation process by submitting documents and policies to counsel to review, speaking in person and/or over phone or email to discuss various questions counsel had, (c) conferring with class counsel throughout the litigation, and (d) seeking to understand what “class actions” are and what it means to be a fiduciary and a class representative. Plaintiff is further committed to representing the Settlement Class and ensuring their interests are protected to the best of her ability. Plaintiff was insured under an NJM Policy and claims to have suffered damages due to NJM’s failure to pay sales taxes allegedly owed in connection with her leased vehicle total loss claim.

19. In entering into the Agreement, Plaintiff manifested her belief that the Agreement reached is beneficial to the Settlement Class.

20. Plaintiff and Class Counsel have adequately protected the interests of the Settlement Class.

21. Moreover, class counsel is experienced in litigating class actions and complex litigation, including successfully litigating a class action with similar issues. For example, Plaintiff's Counsel have been appointed class counsel in *Roth v. GEICO*, Case No. 16-cv62942-WPD (S.D. Fla., filed 2016), *Joffe v. GEICO Indemnity Co.*, No. 18-cv-61361-WPD (S.D. Fla.); *Sos v. State Farm Mutual Insurance Company*, Case No. 6:17-cv-890-orl-18KRS (M.D. Fla., filed 2017), and *Jones v. Geico*, Case No.: 6:17-cv-891-Orl-40KRS (M.D. Fla., filed 2017) (Byron, J.). Recently, Plaintiff's Counsel were named as class counsel in two similar cases as that at issue here, one in the Southern District of Texas (*Angell v. Geico Advantage Ins. Co.*, No. 4:20-CV-0799 2021 U.S. Dist. LEXIS 2287343 (S.D. Tex. Nov. 30, 2021)), and the other in the Eastern District of Ohio (*Davis v. GEICO Casualty Co.*, Case No. 2:19-cv-2477, 2021 U.S. Dist. LEXIS 237288 (E.D. Ohio, Dec. 13, 2021)).

22. The average sales taxes allegedly owed to each Settlement Class Member are a relatively small amount when compared to the cost of litigating a breach of contract case against a large insurance company.

23. Plaintiff's counsel gained sufficient information about the strengths and weaknesses of the Plaintiff's case to make a reasoned judgment about the desirability of settling the cases on the terms set forth in the Agreement. This included propounding substantial written discovery, reviewing thousands of pages of production documents, retaining experts and preparing expert reports concerning the entitlement to and computation of alleged class damages, and reviewing voluminous claims data produced by NJM in discovery.

24. Through these efforts, Plaintiff has gained a complete understanding of all issues in this litigation. Also Class Counsel has collectively litigated numerous substantively identical

claims in Florida, Indiana, Ohio, California, New Jersey, and Georgia—including six cases in which class certification was granted and five cases that were litigated through summary judgment—and have, through those cases, obtained comprehensive knowledge of common procedures, practices, data systems, and data retention policies, which have significantly assisted us in assessing the pros and cons of the claims and the likelihood of success.

25. Class Counsel are confident in the strengths of their case, but they are also aware of the risks of continued litigation and various defenses available to Defendant, which could result in the dismissal of all claims and a zero-sum outcome for the Settlement Class. This is a complex case with complex issues and further litigation would be taxing and costly to the Parties and the Court including the likely need to resolve discovery disputes, summary judgment motions, class certification motions, Daubert motions, trial, and appeals after a verdict. Continued litigation would be impracticable and preliminary approval of the Settlement would save court resources and prevent repetitive, unnecessary litigation. The Settlement makes immediate relief available to thousands of past, current, and future insureds and is the best vehicle for Settlement Class members to receive the relief they are allegedly entitled to in a prompt and efficient manner.

26. I, along with the rest of Class Counsel, believe that securing what we estimate to be 100% of the sales tax allegedly owed to the applicable insureds of certain totaled leased vehicles is an excellent result for the Settlement Class, particularly given the robust Notice and simple claims process agreed to, paid separately by Defendant, and given the inherent risk of no recovery at all.

I declare under penalty of perjury under the laws of the State of New Jersey and the United States of America that the foregoing is true and correct.

Executed this 7<sup>th</sup> day of July 2025 in Orlando, Florida.

/s/ Edmund A. Normand

**Edmund A. Normand, Esq.**

NORMAND PLLC

3165 McCrory Place, Suite 175

Orlando, FL 32803

Tel: (407) 603-6031

Email: [ed@ednormand.com](mailto:ed@ednormand.com)

JOSEPH MCCULLOUGH and COTOYYA MORGAN, individually and on behalf of all others similarly situated,

Plaintiffs,

v.

NEW JERSEY MANUFACTURERS INSURANCE COMPANY, a New Jersey Corporation,

Defendant.

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION: MERCER COUNTY  
DOCKET NO.: MER-L-1401-20

Civil Action

**CLASS ACTION SETTLEMENT AGREEMENT**

This Class Action Settlement Agreement (“Settlement Agreement” or “Agreement”) memorializes a Class Action Settlement (the “Settlement”) made by and between (1) Plaintiff, Cotoyya Morgan (“Plaintiff,” “Morgan,” or “Class Representative”), on behalf of herself and as representative of the Settlement Class defined below, and (2) Defendant New Jersey Manufacturers Insurance Company (“NJM” or “Defendant”). Plaintiff and NJM are referred to collectively as “the Parties.”

This Settlement Agreement effects a full and final settlement and dismissal with prejudice of all the Released Claims against all Released Persons relating to the above-captioned lawsuit (the “Action”) on the terms set forth below, subject to the Court’s approval.

**EXHIBITS**

- Exhibit 1: [Proposed] Preliminary Approval Order
- Exhibit 2: Mail Notice (included pre-filled Claim Form)
- Exhibit 3: Email Notice (included click through notice)
- Exhibit 4: Long Form Notice
- Exhibit 5: Blank Claim Form
- Exhibit 6: [Proposed] Final Approval Order

## RECITALS

WHEREAS, on August 5, 2020, Plaintiff Joseph McCullough (“McCullough”) filed a Class Action Complaint against New Jersey Manufacturers Insurance Company (“NJM”) in the Superior Court of New Jersey Mercer County – Law Division, asserting a claim for breach of contract (Trans ID: LCV20201345860);

WHEREAS, on March 19, 2021, Plaintiffs Joseph McCullough and Cotoyya Morgan filed an Amended Class Action Complaint against NJM, asserting a claim for breach of contract (Trans ID: LCV2021598587);

WHEREAS, on April 8, 2021, NJM filed a Motion to Dismiss Plaintiffs’ Amended Complaint (Trans ID: LCV2021922077);

WHEREAS, on June 18, 2021, the Court entered an Order granting NJM’s Motion to Dismiss Plaintiffs’ Amended Complaint, dismissed Plaintiff McCullough’s claims against NJM with prejudice, and dismissed Plaintiff McCullough from the case, but not Plaintiff Morgan (Trans ID: LCV20211491656);

WHEREAS, on August 13, 2021, NJM filed a Motion for Summary Judgment (Trans ID: LCV20211885679);

WHEREAS, on December 16, 2022, the Court entered an Order denying NJM’s Motion for Summary Judgment (Trans ID: LCV20224233221);

WHEREAS, from August 2021 through December 2022, the parties conducted a first round of discovery, producing and reviewing thousands of pages of documents, and responding to numerous written interrogatories;

WHEREAS, on January 4, 2023, NJM filed a Motion for Reconsideration of the Court’s December 16, 2022, Interlocutory Order denying NJM’s Motion for Summary Judgment, which

Plaintiff Morgan opposed (Trans IDs: LCV202350404 and LCV2023371465);

WHEREAS, on June 20, 2023, the Court entered Orders denying NJM's Motion to Reconsider, granting Plaintiff Morgan's Motion for Discovery, and denying Plaintiff Morgan's Motion for Leave to File Amended Complaint (Trans IDs: LCV20231845012, LCV20231840969, and LCV20231845023);

WHEREAS, on July 10, 2023, Defendant filed a Motion for Leave to Appeal the Interlocutory Order denying NJM's Motion for Summary Judgment to the Appellate Division, which the Appellate Division subsequently denied on August 9, 2023;

WHEREAS, on August 29, 2023, Defendant filed a Motion for Leave to Appeal the Interlocutory Order denying NJM's Motion for Summary Judgment to the Supreme Court, which the Supreme Court subsequently denied on January 12, 2024;

WHEREAS, from February 2024 through January 2025, the parties conducted a second round of extensive discovery of both class issues and the merits, producing and reviewing thousands of pages of documents, and responding to numerous written interrogatories;

WHEREAS, on September 6, 2024, the Parties engaged in a private mediation session with attorney Michael N. Ungar, in an attempt to resolve this action, but were unable to reach an agreement at that mediation;

WHEREAS, after continuing negotiations concerning discovery matters, the Parties engaged in a second private mediation session with attorney Michael N. Ungar on March 18, 2025, in an attempt to resolve this action, and continued that mediation on a third full day on March 27, 2025. The Parties reached an agreement in principle but continued their negotiations over the next several weeks to finalize all material terms, which were ultimately incorporated in a "Confidential Settlement Term Sheet" that was executed by the Parties on or about April 21, 2025;

WHEREAS, NJM denies and continues to deny all material allegations asserted against it in the Action, maintains that it acted in accordance with the insurance policies and all applicable New Jersey laws and regulations, and abided by all its contractual and statutory obligations;

WHEREAS, the Parties have engaged in extensive litigation, including extensive fact and expert discovery, and have had a full and fair opportunity to evaluate the strengths and weaknesses of their respective positions. This Settlement Agreement was reached after extensive review of the underlying facts, arms-length negotiations between Class Counsel and NJM's counsel, and multiple mediations conducted by Mr. Ungar;

WHEREAS, Plaintiff and Class Counsel, while believing that the claims asserted in the Action are meritorious, have considered the risks associated with the continued prosecution of this litigation, including the uncertainty of any outcome at trial and the risk associated with potential appeals, the relief secured in this Settlement Agreement, as well as the likelihood of success on the appeal of the Action, and believe that, in consideration of all the circumstances, the Settlement Agreement is fair, reasonable, adequate, and in the best interests of the proposed Settlement Class Members; and

WHEREAS, NJM, while denying wrongdoing and liability of any kind and without admitting wrongdoing or liability, nevertheless, agrees to enter into this Settlement Agreement to avoid further burden, expense and risk of litigation and to effect a full and final settlement of the claims asserted in the Action on the terms set forth below.

NOW, THEREFORE, IT IS HEREBY AGREED, by and among the Parties, through their respective counsel, that the Action be settled and compromised by the Plaintiff, the Settlement Class, and NJM on the following terms and conditions, subject to the approval of the Court after hearing:

## I. DEFINITIONS

As used in this Agreement and the annexed Exhibits hereto, the following terms and phrases have the following meanings, unless a section or subsection of this Settlement Agreement or its Exhibits provides otherwise. Unless otherwise indicated, defined terms include the plural as well as the singular. Other capitalized terms used in this Settlement Agreement but not defined below shall have the meaning ascribed to them in this Settlement Agreement and the Exhibits attached hereto:

- a. “Action” means the class action lawsuit titled McCullough, et al., v. New Jersey Manufacturers Insurance Company, Docket No. MER-L-001401-20, pending in the Superior Court of New Jersey Law Division – Mercer County.
- b. “Attorneys’ Fees Award” means the amount of attorneys’ fees approved by the Court and awarded to Class Counsel. NJM agrees to pay the Class Counsel attorneys’ fees in the amount of \$2,000,000.00. As detailed in Paragraph 30, below, the parties agree that NJM will be permitted to deduct each Settlement Class Member’s pro-rata percentage of Court approved Attorneys’ Fees and documented litigation costs from each Claim Payment made in response to each timely and valid Claim Form.
- c. “Blank Claim Form” shall mean the Court-approved paper (not electronic) claim form, substantially in the form of Exhibit 5, that is not pre-filled with the Settlement Class Member name, date of loss, or claim number that a Settlement Class Member may submit to be considered for payment under the Settlement. The Blank Claim Form will be posted to the Settlement Website when the first Notice is provided and will be so posted and maintained to the end of the Notice Period.
- d. “Confidential Information” means the names, addresses, policy numbers and any and all data provided by NJM relating to potential Settlement Class Members, and any other proprietary business information of NJM, including any testimony or documents marked confidential in discovery associated with the Action or otherwise.
- e. “Claim Form” means the Court-approved paper claim form included in the Mail Notice substantially in the form attached as Exhibit 2 that a Settlement Class Member may submit to be considered for payment under the Settlement.
- f. “Claim Payment” means the payment issued by NJM to the Settlement Administrator, who will deliver the payment to Settlement Class Members who submit valid, complete, and timely claims, as set forth in Paragraphs 19 through 24.
- g. “Claims Submission Deadline” means the date by which the Blank Claim Forms and the Prefilled Claim Forms must be postmarked, and the Electronic Claim Forms must

be electronically submitted to be considered timely. The Claims Submission Deadline shall be 15 days after the Final Approval Hearing.

- h. “Claimant” means a Settlement Class Member who submits a valid, complete, and timely Claim Form to the Settlement Administrator.
- i. “Class Counsel” means Edmund A. Normand of Normand PLLC, Adam Schwartzbaum and Scott Edelsberg of Edelsberg, Law, P.A., and Andrew Shamis of Shamis & Gentile, P.A.
- j. “Court” means the Superior Court of New Jersey Law Division: Mercer County.
- k. “Defendant” or “NJM” means New Jersey Manufacturers Insurance Company.
- l. “Defense Counsel” means Michael J. Marone and Michael D. Celentano of McElroy, Deutsch, Mulvaney & Carpenter LLP.
- m. “Email Notice” means the Court-approved notice forms for the first and second emails, substantially in the form of Exhibit 3, to be e-mailed to the Settlement Class Members for whom NJM has email addresses, as provided in Paragraph 6, and Paragraph 9. To ensure a high degree of deliverability of the Email Notice and to avoid spam filters, the Settlement Administrator must utilize industry-recognized best practices and comply with the Can-Spam Act. The Email Notice shall have a hyperlink to the Prefilled Electronic Claim Form to be electronically signed on the Settlement Website.
- n. “Effective Date” means the date that is five (5) days after the following conditions have been met:
  - 1. the Final Order and Judgment has been entered; and
  - 2. (i) if reconsideration and/or appellate review is not sought from the Final Order and Judgment, the expiration of the time for the filing or noticing of any motion for reconsideration, appeal, petition, and/or writ; or (ii) if reconsideration and/or appellate review is sought from the Final Order and Judgment: (A) the date on which the Final Order and Judgment is affirmed and no longer subject to judicial review, or (B) the date on which the motion for reconsideration, appeal, petition, or writ is dismissed or denied and the Final Order and Judgment are no longer subject to judicial review.
- o. “Electronic Claim Form” means the Court-approved pre-filled electronic (not paper) Claim Form, which will be substantially in the form of the Claim Form attached as Exhibit 5, but which may be modified to meet the requirements of the Settlement Administrator to maintain functionality, that a Settlement Class Member may submit electronically to be considered for payment under the Settlement. The Electronic Claim Form will be posted to the Settlement Website and a hyperlink to the Electronic

Claim Form will be included in the Email Notice.

- p. “Eligible Class Member” means a Settlement Class Member who submits a timely, valid, and complete Claim Form in accordance with Paragraphs 13 and 19-27, and satisfies the eligibility criteria stated in Paragraph 13 and 19-27, below.
- q. “Expense Award” means documented litigation costs of class counsel (less certain entertainment and travel expenses) of approximately \$21,000.00 (twenty-one thousand dollars and zero cents), incurred by Class Counsel in connection with commencing, litigating, and settling the Action. As detailed in Paragraph 30, below, the parties agree that NJM will be permitted to deduct each Settlement Class Member’s pro-rata percentage of Court approved Attorneys’ Fees and documented litigation costs of class counsel from each Claim Payment made in response to each timely and valid Claim Form.
- r. “Final Approval” means the Court’s entry of a Final Order and Judgment approving the Settlement and Settlement Agreement, dismissing and disposing of all claims asserted in the Action with prejudice, and settling and releasing all claims consistent with the terms of this Settlement Agreement.
- s. “Fairness Hearing” means the hearing held by the Court that is to take place after the entry of a Preliminary Approval Order and after the Notice Period for purposes of (a) determining whether the Settlement should be approved as fair, reasonable, adequate and in the best interests of the Class Members; (b) entering the Final Order and Judgment and dismissing the Action with prejudice; and (c) ruling upon an application by Class Counsel for an Attorneys’ Fees Award of \$2,000,000.00, an Expense Award of approximately \$21,000.00, and Service Award of \$5,000.00. The Parties shall request that the Court schedule the Fairness Hearing.
- t. “Final Settlement” means the Settlement embodied in this Settlement Agreement after receiving Final Approval by the Court in the Final Order and Judgment.
- u. “Final Order and Judgment” means the Court’s Order and Judgment approving the Settlement Agreement, disposing of all claims asserted in the Action with prejudice, and settling and releasing all claims consistent with the terms of this Settlement Agreement, substantially in the form attached as Exhibit 6.
- v. “First Mail Notice” means the Court-approved short form notice (i.e., postcard notice), substantially in the form of Exhibit 2, mailed via first-class mail with a detachable prepaid postage Prefilled Claim Form to potential Settlement Class Members, as provided in Paragraph 1(h), Paragraph 6(b) and Paragraph 9.
- w. “First Mail Notice Date” means the date that the initial mailing of the First Mail Notice to potential Settlement Class Members, as set forth in Paragraph 1(h), Paragraph 6(b) and Paragraph 9, is completed.

- x. “Insureds” means only NJM insured lessees of NJM insured vehicles covered under any New Jersey automobile insurance policy issued by NJM covering first-party claims for auto physical damage for comprehensive or collision loss, that sustained a “total loss” in an NJM insured leased vehicle on or after March 19, 2015, to the date the motion for preliminary approval of Settlement is granted by the Court.
- y. “Legally Authorized Representative” means an administrator/administratrix, personal representative, or executor/executrix of a deceased Settlement Class Member's estate; a guardian, conservator, or next friend of an incapacitated Settlement Class Member; or any other legally appointed Person or entity responsible for handling the affairs of a Settlement Class Member. For purposes of completing a Claim Form, a surviving spouse of a deceased class member will be considered a Legally Authorized Representative for purposes of this Agreement if no estate has been opened, and no other Person has legal authority for handling the affairs of the deceased Settlement Class Member.
- z. “Long-Form Notice” means the long form notice of Settlement, substantially in the form attached hereto as Exhibit 4. Long-Form Notice will be posted on the Settlement Website.
- aa. “Neutral Evaluator” means a neutral third party agreed to by the Parties, whose duties are limited to those set forth in Paragraph 25(h).
- bb. “Notice” means notice of the proposed settlement of this Action that is ordered by the Court. Notice includes the Long-Form Notice substantially in the form attached hereto as Exhibit 4 and Short-Form Notice substantially in the form attached hereto as Exhibits 2 and 3 provided to the Class as provided herein, which may be modified as necessary to comply with the provisions of the Preliminary Approval Order or other order entered by the Court.
- cc. “Notice and Administration Costs” means the costs, fees, and/or expenses incurred by or on behalf of the Settlement Administrator for all tasks performed in furtherance of preparing and disseminating Notice to the Settlement Class and completing the claims administration process set forth in this Agreement, which may be modified as necessary to comply with the provisions of the Preliminary Approval Order or other order entered by the Court.
- dd. “Notice Period” means the period of time where notice of the Proposed Settlement is sent to Settlement Class Members from the date a Preliminary Approval Order is entered by the Court through the Settlement Class Member Opt-Out and Objection Deadline, which shall be no later than thirty (30) days prior to the Fairness Hearing.
- ee. “Objection” means written objections to the Settlement, as provided in Paragraphs 43 through 50 of this Agreement, submitted by Settlement Class Members that must (1) state the basis of the objection and all required information from the Notice; (2) be mailed to the Settlement Administrator, Class Counsel, and Defense Counsel; and (3)

be filed with the Court by the Opt-Out and Objection Deadline.

- ff. “Online Claim Form” means the Blank Claim Form posted electronically on the Settlement Website that can be completed by the Settlement Class Member online and electronically submitted through the Settlement Website.
- gg. “Opt-Out and Objection Deadline” means the date to be set by the Court as the deadline for Settlement Class Members to submit Objection Statements and Requests for Exclusion. The Parties shall request that the Court set an Opt-Out and Objection Deadline after the Notice Period and at least thirty (30) days prior to the Fairness Hearing
- hh. “Opt-Out List” means the list of valid and timely requests for exclusion from the Settlement Class compiled by the Settlement Administrator, as set forth in Paragraph 1(t), Paragraph 9 and Paragraphs 38 through 50.
- ii. “Person” means any natural person, individual, corporation, association, partnership, trust, or any other type of legal entity.
- jj. “Prefilled Claim Form” means the Court-approved paper claim form, substantially in the form attached to the Mail Notice attached hereto as Exhibit 2, that is pre-filled with the Settlement Class Member name and address, Class C ID (i.e., claim number), and date of loss, that a Settlement Class Member may submit to be considered for payment under the Settlement. The Prefilled Claim Form is attached to the First Mail Notice and Second Mail Notice.
- kk. “Preliminary Approval Order” means the order, substantially in the form attached hereto as Exhibit 1, issued by the Court: (i) granting preliminary approval of this Agreement; (ii) certifying the Settlement Class for settlement purposes; (iii) appointing the Class Representatives and Class Counsel; (iv) approving the form and manner of the Notice and appointing a Settlement Administrator; (v) establishing deadlines for objecting, opting-out, and making claims; (vi) finding that the Parties have complied with New Jersey Court Rule 4:32-2(b); and (vii) scheduling the Fairness Hearing.
- ll. “Released Claims” means and includes any and all known and unknown claims, rights, actions, suits, demands, or causes of action of any kind or nature, whether statutory, common law, contractual, legal, or equitable, of any and all NJM Insureds of leased vehicles covered under any New Jersey automobile insurance policy issued by NJM covering first-party claims for auto physical damage for comprehensive or collision loss, that relate, pertain, or seek allegedly unpaid and/or allegedly underpaid sales taxes that arise out of, relate to, and/or are allegedly owed in connection with first-party leased vehicle total loss claims made during the Class Period beginning on March 19, 2015, and concluding on the date the motion for preliminary approval of the Settlement is granted by the Court. Notwithstanding the preceding, Released Claims shall not include any claims for personal injury, medical payment, or

uninsured motorist or underinsured motorist benefits. Upon the Effective Date, the Releasing Parties will be bound by the Final Order and Judgment and conclusively deemed to have fully released, acquitted, and forever discharged all Released Persons from all Released Claims.

- mm. “Releasing Persons” means: (a) Plaintiff and (b) Settlement Class Members who do not otherwise timely opt-out of the Settlement Class (whether or not such members submit claims) and their respective present, former, or subsequent assigns, estates, heirs, successors, predecessors, parents, subsidiaries, officers, directors, shareholders, members, managers, partners, principals, representatives, agents, employees and anyone working on their behalf.
- nn. “Released Persons” means (a) Defendant; (b) all divisions, parent entities, affiliates, and subsidiaries of Defendant; (c) all past and present officers, directors, agents, attorneys, employees, stockholders, successors, assigns, independent contractors, insurers and reinsurers of any of the entities or Persons listed in this Paragraph; and (d) all heirs, estates, successors, assigns, and legal representatives of any of the entities or Persons listed in this Paragraph.
- oo. “Request for Exclusion” or “Opt-Out” is the written communication that a Settlement Class Member must submit to the Settlement Administrator by the Opt-Out and Objection Deadline in order to be excluded from the Settlement as provided for in Paragraphs 38 through 50 below.
- pp. “Leased Vehicle Sales Tax Payments” or “Leased Vehicle Sales Tax Payment” means the Actual Cash Value of the totaled leased vehicle on the date of loss as determined by NJM multiplied by the applicable New Jersey tax rate on the date of the total loss multiplied by 75.4% minus all sales taxes already paid by NJM in connection with each Settlement Class Member’s leased vehicle total loss claim. As detailed in Paragraph 30, below, the parties agree that NJM will be permitted to deduct each Settlement Class Member’s pro-rata percentage of Court approved Attorneys’ Fees and documented litigation costs from each Leased Vehicle Sales Tax Payment made in response to each timely and valid Claim Form.
- qq. “Settlement Agreement” or “Agreement” means this Settlement Agreement and its Exhibits, attached hereto and incorporated herein, including all subsequent amendments agreed to in writing by the Parties and any exhibits to such amendments.
- rr. “Settlement Class,” “Settlement Class Members,” “Class Members,” or “Class” means all Insureds of leased vehicles covered under any New Jersey automobile insurance policy issued by New Jersey Manufacturers Insurance Company covering first-party claims for auto physical damage for comprehensive or collision loss that made a first-party property damage claim on or after March 19, 2015, to the date the motion for preliminary approval of Settlement is granted by the Court, which resulted in the leased vehicle being deemed a “total loss,” excluding any such NJM Insureds who timely opt-out from the Settlement Class. “Insureds”, as used in the Settlement

Class definition, will include only NJM insured lessees of NJM insured vehicles that sustained a “total loss” on or after March 19, 2015, to the date the motion for preliminary approval of Settlement is granted by the Court. NJM Insureds that do not timely opt-out of the Settlement Class shall be Settlement Class Members and shall be bound by the terms and conditions of the Settlement and this Settlement Agreement.

Excluded from the Settlement Class are: (i) NJM's officers, directors, employees, or legal representatives; (ii) all Superior Court of New Jersey Judges to whom this case is or was assigned, along with any members of their immediate families; (iii) all Insureds for whom sales tax was already paid by NJM; and (iv) any person who timely opts out of the Settlement Class.

- ss. “Second Mail Notice” means the Court-approved short form notice (i.e., postcard notice), substantially in the form of Exhibit 2 mailed via first-class mail with a detachable prepaid postage Prefilled Claim Form to potential Settlement Class Members, as provided in Paragraph 1(h), Paragraph 6(b) and Paragraphs 8 through 9.
- tt. “Second Mail Notice Date” means the date the Second Mail Notice to potential Settlement Class Members, as set forth in Paragraph 1(h), Paragraphs 4 through 7, and Paragraphs 8 through 9, is completed.
- uu. “Service Award” means any award sought by Plaintiff Morgan and approved by the Court that is payable to Plaintiff Morgan for her role as the Class Representative and/or named Plaintiff and for the responsibility and work attendant to that roles. NJM agrees to pay Plaintiff Morgan a Service Award of \$5,000.00.
- vv. “Settlement Administrator” means an administrator mutually chosen and supervised by Class Counsel and counsel to NJM provided it agrees to undertake notice and administration in accordance with this Agreement or as otherwise ordered by the Court. The Settlement Administrator shall, among other things, provide settlement notice, and administer and oversee the processing, handling, reviewing, and approving of claims made by Claimants, communicating with Claimants, and distributing payments to qualified Claimants. If the Court declines to appoint the Administrator chosen by the Parties’, the Parties will work in good faith to propose an alternative Settlement Administrator. If the Parties cannot agree on an alternative Settlement Administrator, the Parties will ask the Court to appoint one.
- ww. “Settlement Website” means a dedicated website to be established by the Settlement Administrator for the purpose of providing Notice, Claim Forms, and other information regarding this Agreement. The Settlement Website will be activated no later than three (3) business days before the Notice is first disseminated.

- xx. “Underpaid Insureds” are Insureds who received some amount of sales tax in connection with a leased vehicle total loss, but less than the Leased Vehicle Sales Tax Payment.
- yy. “Unpaid Insureds” are Insureds who received \$0.00 in sales tax in connection with a leased vehicle total loss.

**II. PRELIMINARY CERTIFICATION OF THE SETTLEMENT CLASS**

1. Plaintiff shall submit this fully executed Settlement Agreement to the Court, and request entry of the Preliminary Approval Order, substantially in the form of Exhibit 1, for the purpose of:

- a. Finding that the Court possesses jurisdiction over the subject matter of the Action and over all Parties to the Action, including Plaintiff and all Settlement Class Members;
- b. Certifying a Settlement Class under New Jersey Court Rule 4:32-2, appointing Plaintiff Morgan as the representative of the Settlement Class and Class Counsel as counsel for the Settlement Class;
- c. Finding that the Settlement Agreement is sufficiently fair, reasonable, and adequate to warrant providing notice to the Settlement Class and preliminarily approving the Settlement Agreement;
- d. Approving and authorizing the contents and distribution of the Notice;
- e. Approving and appointing the Settlement Administrator;
- f. Determining that the Notice of the Settlement Agreement and the Fairness Hearing: (i) is the best practicable notice under the circumstances; (ii) is reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, the terms of the Settlement Agreement, and their rights to participate in, object to, or exclude themselves from the Settlement Agreement; and (iii) complies with all legal requirements, including but not limited to, New Jersey Court Rule 4:32;

- g. Approving the Blank Claim Form, Prefilled Claim Form, and Electronic Claim Form to be distributed to and/or used by Settlement Class Members;
- h. Setting a First Mail Notice Date, Second Mail Notice Date, and a Claims Submission Deadline by which the Claim Forms and Electronic Claim Forms must be submitted in order to be deemed timely, which shall be fifteen (15) days after the Fairness Hearing;
- i. Approving the Settlement Website as described in Paragraph (ww) and Paragraph 6(b)(iii), which may be amended as appropriate and agreed to by the Parties and which shall be maintained for at least 180 days after the Claims Submission Deadline;
- j. Directing the Settlement Administrator to maintain the Settlement Website and a toll-free Interactive Voice Response (“IVR”) telephone system containing recorded answers to frequently asked questions, to be agreed upon by the Parties;
- k. Providing that Class Members wishing to exclude themselves from the Settlement Agreement will have until the date specified in the Notice and the Preliminary Approval Order (postmarked no later than thirty (30) days prior to the Fairness Hearing) to submit a valid written request for exclusion or opt-out to the Settlement Administrator;
- l. Providing a procedure for Settlement Class Members to request Exclusion or Opt-Out from the Settlement Agreement, which complies with the requirements in Paragraphs 38 through 50;
- m. Providing that any objections by any Settlement Class Member to the certification of the Settlement Class, the Settlement Agreement, the entry of the Final Order and Judgment, or Class Counsel's application for an Attorneys' Fees Award of \$2,000,000.00, Expense Award of approximately \$21,000.00, or Service Award of \$5,000.00 shall be heard and any papers submitted in support of said objections shall

- be considered by the Court at the Fairness Hearing only if, on or before the date(s) specified in the Notice and Preliminary Approval Order, such objector files with the Court, and submits to the Parties' counsel and the Settlement Administrator, a written objection and notice of any intention by the objector to appear at the Fairness Hearing, and otherwise complies with the requirements in Paragraphs 38 through 50 of this Settlement Agreement;
- n. Directing the Settlement Administrator to provide copies of all objections, requests for exclusion, motions to intervene, notices of intention to appear, or other communications that come into its possession to Class Counsel and Defense Counsel, within three business days of receipt;
  - o. Directing the Settlement Administrator to retain and record all notice and claim procedures and provide weekly updates to Class Counsel and Defense Counsel during the Notice Period;
  - p. Establishing dates by which the Parties shall file and serve all papers in support of the application for final approval of the Settlement and/or in response to any valid and timely objections;
  - q. Establishing a date by which Class Counsel's application for an Attorneys' Fees Award of \$2,000,000.00, Expense Award of approximately \$21,000.00, and Service Award of \$5,000.00 shall be filed;
  - r. Providing that all Class Members will be bound by the Final Order and Judgment dismissing the Action with prejudice unless such Class Members timely file valid written requests for Exclusion or Opt-Out in accordance with this Settlement Agreement and the Notice;

- s. Scheduling the Fairness Hearing to consider the fairness, reasonableness, and adequacy of the Settlement Agreement and Class Counsel's application for an Attorneys' Fees Award of \$2,000,000.00, an Expense Award of approximately \$21,000.00, and Service Award of \$5,000.00, and whether they should be finally approved by the Court on a date not sooner than 90 days after entry of the Preliminary Approval Order;
- t. Requiring the Settlement Administrator to file proof of completion of Notice at least ten (10) days prior to the Fairness Hearing, along with the Opt-Out List, which shall be a list of all Persons who timely and properly requested exclusion from the Settlement Class, and an affidavit attesting to the accuracy of the Opt-Out List;
- u. Staying all proceedings in the Action until further order of the Court, except that the Parties may conduct proceedings necessary to implement the Settlement Agreement or effectuate its terms;
- v. Directing the Parties, pursuant to the terms and conditions of this Settlement Agreement, to take all necessary and appropriate steps to establish the means necessary to implement the Settlement Agreement.

2. In the event that the Settlement Agreement is not consummated for any reason (including, but not limited to, reversal on appeal): (a) the Parties and their attorneys shall proceed as though the Settlement Agreement had never been entered and neither the Parties nor their counsel shall cite or reference this Settlement Agreement (or negotiations relating to it), (b) the fact that this Settlement Agreement was entered into and/or negotiations relating to this Agreement shall not be offered, received or construed as an admission or as evidence for any purpose in any proceeding, including certification of a class, (c) the Parties shall be restored to their respective

positions existing immediately before April 21, 2025. NJM, however, shall pay the Notice and Administration Costs actually incurred to date, if any, associated with this Settlement Agreement.

### **III. DATA PRODUCTION RELATING TO SETTLEMENT CLASS**

3. No later than 20 days after the Court's entry of a Preliminary Approval Order, NJM shall produce data relating to the Settlement Class from the start of the Settlement Class period (March 19, 2015) through the date of the Preliminary Approval Order for New Jersey Manufacturers Insurance Company. Such production shall include data for each Settlement Class Member, including the claim numbers, policyholder names, known email addresses, and known mailing or street addresses of all persons within the Settlement Class.

### **IV. CLASS NOTICE AND ADMINISTRATION**

4. NJM will bear all Notice and Administration Costs associated with Notice and administering the settlement claims.

5. The forms and plan of disseminating notice to the Settlement Class shall be in a form that complies with all applicable requirements of the New Jersey Constitution, New Jersey Court Rules, and any order by the Court.

6. The Parties shall ask the Court to approve Notice in accordance with the forms agreed to in the Settlement Agreement, which include the following:

- a. Long-Form Notice will be posted on the Settlement Website and sent to Settlement Class Members who so request.
- b. Short-form Notice, which will be sent in two ways: (1) via postcard, pre-paid postage, and served by direct mail to the policy address or last known address of the Insured, including skip trace remailing for any undelivered mail ("Mailed Notice") and (2) via Email Notice to the extent such addresses are kept by NJM.

- i. The Settlement Administrator shall send Email Notice to the Settlement Class Members for whom NJM has email addresses on two occasions on dates suggested by the Settlement Administrator as approved by the Parties and in accordance with the Court's orders. The Email Notice will include a hyperlink to a prefilled Claim Form on the Settlement Website. To ensure a high degree of deliverability of the email notice and to avoid spam filters, the Settlement Administrator must utilize industry-recognized best practices and comply with the CAN-SPAM Act.
- ii. The Settlement Administrator shall send mailed Short-Form Notice to the Settlement Class on two occasions on dates suggested by the Settlement Administrator as approved by the Parties and in accordance with any Court orders; and
  - A. For Settlement Class Members for whom NJM maintains last known physical addresses and email addresses, those individuals shall be sent both Mailed Notice and Email Notice.
- iii. The Settlement Website is to be established at least three (3) business days before Notice is first disseminated and will: (i) notify the Settlement Class Members of their rights to opt out or exclude themselves from the Settlement Class; (ii) notify the Settlement Class Members of their right to object to this Agreement; (iii) notify the Settlement Class Members that no further notice will be provided to them that the Settlement has been approved; (iv) inform the Settlement Class Members that they should monitor the Settlement Website for further developments; (v) inform the Settlement Class Members of their right to attend

the Fairness Hearing conducted by the Court; (vi) include a copy of the Notice; and (vii) include any other information or materials that may be required by the Court or agreed to by the Parties. The Parties shall have the right to review and approve the content of the Settlement Website. The Settlement Administrator shall establish the Settlement Website using a website name to be mutually agreed upon by the Parties.

- iv. The Settlement Administrator shall set up an automated call center to answer Settlement Class Members' questions, using an agreed-upon script of information about this Settlement, including information about the Claim Form, utilizing the relevant portions of the language contained in the Notice and Claim Form. The phone number shall remain open and accessible through the Claim Submission Deadline. The Settlement Administrator shall make reasonable provision for Class Counsel and Defense Counsel to be promptly advised of recorded messages left on the phone number by potential Settlement Class Members concerning the Action or this Settlement Agreement, so that Class Counsel, Defense Counsel, and/or the Settlement Administrator may timely and accurately respond to such inquiries; provided, however, the Settlement Administrator shall review the recorded messages before providing them to Class Counsel and Defense Counsel, and if one or more of the messages requests a Blank Claim Form or other similar administrative assistance only, then the Settlement Administrator shall handle such administrative requests, but the Settlement Administrator shall provide all other messages to Class Counsel and Defense Counsel for any further response to the Settlement Class Member.

7. The Settlement Administrator shall retain and record all such notice procedures and provide weekly updates to Class Counsel and Defense Counsel during the Notice Period.

**V. SETTLEMENT ADMINISTRATOR**

8. The Settlement Administrator shall be mutually chosen and supervised by Class Counsel and counsel to NJM. The Parties agree that NJM has the option to involve itself in settlement administration by, for example and without limitation, advising the Settlement Administrator of the amount of sales taxes paid by NJM to each Settlement Class Member that submits a timely and valid Claim Form. NJM shall be solely responsible for the payment of the Settlement Administrator's fees and costs relating to the effectuation of notice and administrative tasks as described herein. The Settlement Administrator's fees and costs are separate from, and are not included as, part of the Attorneys' Fees and documented litigation costs that NJM is permitted to deduct on a pro-rata basis from each Claim Payment made in response to each timely and valid Claim Form as set forth in Paragraphs 28 through 36 below if approved by the Court.

9. The Settlement Administrator shall assist with the various administrative tasks set forth herein and any others necessary to implement the terms of this Agreement and the Proposed Settlement as preliminarily approved, including (i) mailing and emailing or arranging for the mailing and emailing, respectively, of the First and Second Mail Notices ("Mailed Notices") and Email Notices and submitting to Class Counsel, Defense Counsel, and Court an affidavit offering proof thereof; (ii) handling mail returned as not delivered and making additional mailings required under the terms of the Agreement; (iii) posting notices on the Settlement Website, Claim Forms, and other related documents, (iv) responding, as necessary, to inquiries from Settlement Class Members; (v) providing to the Parties, within three (3) business days of receipt, copies of all objections, motions to intervene, notices of intent to appear, and requests for exclusion from the

Settlement Class; (vi) preparing a list of all Persons who timely request exclusion from the Settlement Class and submitting to the Court the Opt-Out List and supporting affidavit ten (10) days before the Fairness Hearing scheduled by the Court; (vii) preparing a list of all Persons who submitted objections to the Settlement Agreement and submitting an affidavit testifying to the accuracy of that list ten (10) days before the Fairness Hearing scheduled by the Court; (viii) preparing a list of all Persons who make a timely claim; (ix) implementing procedures for processing and handling Claim Form submissions; (x) promptly responding to requests for information and documents from Class Counsel or NJM; (x) receiving and processing claims and distributing cash payments to Settlement Class Members who submit a valid, complete, and timely Claim Form; and (xi) otherwise assisting with implementation and administration of the Settlement Agreement's terms.

10. As set forth herein, the Settlement Administrator shall set up, coordinate, maintain and implement (a) the Settlement Website described in Paragraph (ww) and Paragraph 6(b)(iii); and (b) the toll-free IVR number described in Paragraph 6(b)(iv).

11. The Settlement Administrator shall retain and record all notice procedures and provide weekly updates to Class Counsel and Defense Counsel during the Notice Period.

12. Within five (5) calendar days of the Claims Submission Deadline, the Settlement Administrator shall provide the Parties with a declaration attesting to completion of the Notice process set forth in this Settlement Agreement, consistent with any modifications thereto that may be ordered by the Court.

## **VI. SETTLEMENT CONSIDERATION/CLAIMS PAYMENTS**

13. To be eligible for a Claim Payment under this Settlement, a Settlement Class Member or his or her Legally Authorized Representative must timely submit a valid and complete

Claim Form or Electronic Claim Form and must not have submitted a request for exclusion.

14. NJM shall not be obligated to make any Claim Payments until after the Effective Date.

15. In consideration of the Settlement Agreement and Release given herein, NJM will make the following available to Settlement Class Members that submit timely, valid, and complete Claim Forms:

- a. NJM will pay the full estimated “Leased Vehicle Sales Tax Payment” at the applicable state rate based on the policy address and date of loss. The “Leased Vehicle Sales Tax” is calculated as the average estimated sales tax on the lease capitalized cost minus all sales taxes paid by NJM to each Settlement Class Member that submits a timely and valid Claim Form. For the purpose of settlement only, the Parties agree that the sales tax on the lease capitalized cost is 75.4 percent of the sales tax on the full vehicle value as determined by NJM on the date of loss. The settlement formula that will govern each settlement payment issued to each Settlement Class Member that submits a timely and valid claim form is as follows: *Actual Cash Value of the totaled leased vehicle on the date of loss as determined by NJM × the applicable New Jersey tax rate on the date of the total loss × 75.4% – all sales taxes already paid by NJM in connection with each Settlement Class Member’s leased vehicle total loss claim*. Timely, valid, and complete Claim Forms pertaining to totaled leased electric vehicles shall be subject to payment of the estimated Leased Vehicle Sales Tax—if any—based upon the applicable electric vehicle state sales tax rate in place on the date of loss. The Settlement Administrator shall deny—and NJM shall have no obligation to pay—any claims by Settlement Class Members for whom full sales tax was already paid by NJM, or who

are otherwise ineligible for a Claim Payment due to the existence of a prior release of such claims or for any other reason, including, without limitation, the filing of duplicative Claim Forms, the failure to submit a timely Claim Form, the submission of a deficient Claim Form, or the failure to fully complete the Claim Form.

- b. The Funds Made Available amount—which is the total amount of funds made available to Settlement Class Members that submit timely, valid, and complete claim forms—shall not be specifically disclosed as a dollar amount, shall not be disclosed to the public in any way, and shall remain strictly confidential. If the Court requests disclosure of the total amount of funds made available to the Settlement Class, then the parties will request the Court’s permission to submit that figure under seal and/or directly to chambers in lieu of filing that information to the public docket. If the Court requires public disclosure of the total amount of funds made available to the Settlement Class, then the parties shall endeavor to keep that information as confidential as possible while still complying with the Court’s instructions.

16. There will be no interest assessed on the monetary consideration paid.

17. NJM will have no obligation to pay any Settlement Class Member for which a timely, valid, and complete Claim Form is not submitted. For amounts paid in response to timely, valid, and complete Claim Forms where the settlement payment check remains uncashed after it has become stale, those amounts will be reverted to NJM and NJM shall have no further payment obligation of any kind.

18. **Non-Monetary Consideration:** As part of the Settlement, beginning on the Effective Date of the Settlement, NJM will pay applicable Leased Vehicle Sales Tax on leased total loss vehicles at the time of loss based on the Leased Vehicle Sales Tax formula provided herein (Actual Cash Value of the totaled leased vehicle on the date of loss as determined by NJM

multiplied by the applicable New Jersey tax rate on the date of the total loss multiplied by 75.4%), without requiring the lessee to provide proof that the lessee purchased a replacement vehicle.

- a. NJM reserves the right to change its practices in the event of a change in applicable law, or appropriate changes to the terms of the applicable insurance policies.

## **VII. CLAIMS SUBMISSION**

19. The Prefilled Claim Form shall be substantially in the form included in Exhibit 2, and the Blank Claim Form and Electronic Claim Forms shall be substantially in the form of Exhibit 5, except for changes necessary for conversion to electronic format or that may be directed by the Court.

20. Each Settlement Class Member will be provided an opportunity to submit, at his or her option, either a timely, valid, and complete Prefilled Claim Form or timely, valid, and complete Blank Claim Form requesting a payment calculated in accordance with Paragraph 16.

21. A Claim Form submitted for a Settlement Class Member who has more than one claim under the terms of this Agreement shall constitute a Claim Form for all covered claims of the Settlement Class Member.

22. To be considered for payment, a Claim Form must be postmarked no later than the Claims Submission Deadline or must be submitted electronically no later than the Claims Submission Deadline, at which point the Settlement Administrator shall deactivate the Electronic Claim Form.

23. If not pre-populated as set forth above, a Settlement Class Member must include in a Blank Claim Form (i) the name and current address of the Settlement Class Member (and the name and/or address at the time of the total loss, if different from the current name and/or address) and (ii) the claim number associated with the total loss for which Claim Payment is sought or, if

the claim number is unknown, the Settlement Class Member's policy number at the time of the total loss and the year, make, and model of each totaled leased vehicle. The name, address, and claim number or policy number must match NJM's records in order for the Claimant to be eligible for a Claim Payment. The Claim Form will require the Claimant to certify that he/she: (1) sustained a total loss in a leased vehicle insured by NJM on or after March 19, 2015, to the date of the motion for preliminary approval of Settlement is granted by the Court; and (2) is entitled to a Leased Vehicle Sales Tax Payment from NJM in accordance with Paragraph 15, above.

24. The Prefilled Claim Form and Blank Claim Form must contain a signature, and in the case of an Electronic Claim Form, an electronic signature, certifying the claim. For signatures or electronic signatures not that of the Settlement Class Member, the Settlement Administrator must take appropriate steps to ensure that the signature or electronic signature that is on the Claim Form is that of a Legally Authorized Representative of the Settlement Class Member.

#### **VIII. CLAIMS ADMINISTRATION**

25. Claim forms that are timely mailed to the correct address or electronically submitted shall be processed as follows:

- a. If a timely-submitted Claim Form is unsigned, illegible, or does not include the claim number or policy number involved in the claim, the Settlement Administrator shall send the Claimant a letter, after consultation with Defense Counsel and Class Counsel, informing of the defect(s) and providing the Claimant with thirty (30) days to cure the defect(s). If the Claimant does not subsequently provide a Claim Form curing the defect(s) that, in the case of Prefilled Claim Forms and Blank Claim Forms, is postmarked within thirty (30) days of the date of the Settlement Administrator's letter, or, in the case of an Electronic Claim Form, is submitted electronically no later

than thirty (30) days of the date of the Settlement Administrator's letter, that Claim Form shall be deemed defective and not eligible for Claim Payment, and the Claimant shall not have an additional opportunity to cure the defect.

b. Within ninety (90) days after the later of the Claims Submission Deadline or the Final Order and Final Judgment, NJM shall:

i. inform Class Counsel of any claims (other than claims determined by the Settlement Administrator to be untimely) that the Settlement Administrator or NJM believes are invalid and, as to each such claim, include the Settlement Class Member's name, claim number, and a brief description as to why the Settlement Administrator or NJM believes the claim to be invalid. Class Counsel will have fourteen (14) days from the date of NJM informing Class Counsel that it believes a claim is invalid to dispute that determination. Defense Counsel and Class Counsel shall cooperate in an effort to resolve any dispute as to a Claim Payment within fourteen (14) days after Defense Counsel receives a response, if any, from Class Counsel; and

ii. For those claims that the Settlement Administrator or NJM does not challenge as invalid, NJM or the Settlement Administrator shall inform Class Counsel of the amount of payment for each claim. The Settlement Administrator and NJM will calculate the amount of each Claim Payment to be issued in response to each timely, valid, and complete Claim Form in accordance with the settlement formula detailed in Paragraph 15(a). Class Counsel will have fourteen (14) days from the provision of the Claim Payment amount to dispute the validity of the

claim and the amount of Claim Payment. Defense Counsel and Class Counsel shall cooperate in an effort to resolve any dispute as to a Claim Payment within fourteen (14) days. In the event that the Parties are not able to reach agreement, any Party may submit the issue to the Court for resolution.

- c. Within ninety (90) days after the later of the Claims Submission Deadline or the Final Order and Judgment, whichever is later, NJM shall provide the Settlement Administrator with the funds necessary to make Claim Payments in response to timely, valid, and complete Claim Forms by mailing the Settlement Administrator a check for the full amount of all Claim Payments or, if authorized to do so, by making an electronic transfer of funds for the full amount of the Claim Payments to the Settlement Administrator. The Settlement Administrator and NJM will calculate the amount of each Claim Payment to be issued in response to each timely, valid, and complete Claim Form in accordance with the settlement formula detailed in Paragraph 15(a).
- d. Within thirty (30) days after the Settlement Administrator receives the funds necessary to make Claim Payments from NJM, Eligible Class Members will be paid by a check issued by the Settlement Administrator, and the check will be mailed by first-class U.S. Mail by the Settlement Administrator to the Settlement Class Member. The check shall be valid for 180 days after the date of the check. If, within 30 days of the void date, the claimant requests another check be issued, it shall be reissued. After that date all uncashed checks will be void, payment shall revert to Defendant, and NJM shall have no further payment obligation of any

kind. The Settlement Administrator will also provide a form on the Settlement Website that Settlement Class Members may visit to (a) provide an updated address for sending a check; or (b) elect to receive the Settlement Benefit by an electronic payment platform (such as Venmo, Zelle, PayPal, etc.) subject to approved cybersecurity protocols instead of a paper check. Settlement Class Members must provide an updated address and/or elect to receive the Settlement Benefit by an electronic payment platform no later than sixty (30) days after the Effective Date.

- e. If any Claim Payment mailed to any Eligible Settlement Class Member is returned to the Settlement Administrator as undeliverable, the Settlement Administrator will promptly log each Claim Payment that is returned as undeliverable and provide copies of the log to Class Counsel and Defense Counsel upon request. The Settlement Administrator will run the address through the National Change of Address database (“NCOA”). If there is an updated address, the Settlement Administrator shall resend the Claim Payment to that address. If the Claim Payment mailing is returned to the Settlement Administrator with a forwarding address, the Settlement Administrator shall forward the Claim Payment mailing to that address. If neither a forwarding address nor an updated address through NCOA is found, the Settlement Administrator shall email the Eligible Class Member requesting a new address to which the Claim Payment can be mailed and providing instructions to receive the Claim Payment by Venmo or PayPal.
- f. For defective or disputed Claims discussed in Paragraphs 25(a) and 25(b), above, thirty (30) days after resolution of any dispute of the validity of any Claim Forms

or the amount of Claim Payments, NJM shall make the Claim Payment to the Settlement Administrator as identified in Paragraphs 25(b)(ii) through 25(e) for the resolved full amount of Claim Payment. Within thirty (30) days after the Settlement Administrator receives those Claim Payments from NJM, the Settlement Administrator shall deliver Claim Payments to all Settlement Class Members for whom disputes as to the validity of any Claim Forms or the amount of Claim Payments have been resolved.

- g. For defective or disputed Claims discussed in Paragraphs in Paragraphs 25(a) and 25(b), above, within thirty (30) days of receiving NJM's or Class Counsel's determinations, the Settlement Administrator shall mail to all Settlement Class Members who submitted claims challenged by NJM or Class Counsel as invalid an explanation approved by NJM and Class Counsel of why NJM or Class Counsel deemed the claim to be invalid ("Explanation Letter"). The Explanation Letter will include the process by which the defect may be cured and inform the Settlement Class Member that it may re-submit a Claim Form to correct the deficiency, or, if NJM or Class Counsel determined in its opinion that the defect is not curable, will inform the Settlement Class Member that they may contest the determination by mailing a written explanation as to why NJM's or Class Counsel's determination was incorrect. The mailing contesting NJM's or Class Counsel's determination must be postmarked no later than thirty (30) days after the date of the Explanation Letter to be deemed timely.
- h. Within thirty (30) days of receiving any re-submissions or contestations from Settlement Class Members as set forth in Paragraphs 25(a) and/or (g) above, if

NJM, Defense Counsel, or Class Counsel still believes the claim is invalid, the claim will be submitted to a Neutral Evaluator agreed to by the Parties. The decision by the Neutral Evaluator shall be binding on NJM, Defense Counsel, Class Counsel, and the Settlement Class Member. The Neutral Evaluator shall provide an explanation of any decision to Defense Counsel and Class Counsel. Within ten (30) days of the Neutral Evaluator's determination, NJM or the Settlement Administrator will mail a payment to any Settlement Class Member determined by the Neutral Evaluator to have submitted or re-submitted a valid claim, or the Settlement Administrator shall mail an explanation to any Settlement Class Member approved by NJM and Class Counsel that the Neutral Evaluator determined submitted an invalid claim.

- i. Class Counsel shall also be informed by the Settlement Administrator and Defense Counsel of any challenges and determinations for any claim NJM or Defense Counsel determined to be invalid under Paragraph 25(b)(i) above.
- j. The Neutral Evaluator shall be a licensed attorney in the State of New Jersey. If the Parties cannot agree upon the Neutral Evaluator, such person shall be appointed by the Court. Claim Forms that are not postmarked, not timely postmarked, or not timely submitted electronically, as determined by the Settlement Administrator, will not be considered for payment.

26. The Settlement Administrator and the Parties will have the right to audit claims.

27. All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement Agreement, until all payments and obligations

contemplated by the Settlement Agreement have been fully carried out.

#### **IX. ATTORNEYS' FEES AND COSTS AND SERVICE AWARDS**

28. Class Counsel's entitlement, if any, to an Attorneys' Fees Award, Expense Award, and the Plaintiff's entitlement to any Service Award, will be determined by the Court. The terms of any such awards, fees, costs, or expenses were not negotiated until after all material elements of the Settlement Agreement were resolved, and the terms of this Settlement Agreement are not conditioned upon any maximum or minimum Attorneys' Fees Award, Expense Award, or Service Award, except as explicitly stated herein.

29. Subject to Court approval, NJM agrees to pay the following: (a) attorneys' fees payable to Class Counsel in a total amount of \$2,000,000.00 ("Maximum Attorneys' Fees Award"); (b) an award of litigation costs and expenses in the amount of \$21,000.00 (the "Maximum Expense Award"); and (c) a service award to Plaintiff Cotoyya Morgan of \$5,000.00 ("Maximum Service Award").

30. The parties agree that NJM will be permitted to deduct each Settlement Class Member's pro-rata percentage of attorneys' fees and documented litigation costs from each settlement payment made in response to each timely and valid Claim Form. For example, if the court approves an Attorneys' Fees Award and an Expense Award that collectively amount to 26% of the confidential Funds Made Available amount (i.e., the total amount of funds made available to Settlement Class Members that submit timely, valid, and complete Claim Forms), then each settlement payment issued to each Settlement Class Member that submits a timely, valid, and complete Claim Form will be reduced by 26%. The lawsuit costs and expenses are separate from and in addition to the Notice and Administration Costs that NJM shall pay pursuant to Paragraph 4, Paragraph 8, and Paragraph 55. The Parties agree that the Long Form Notice shall inform

Settlement Class Members of the approximate percentage by which their Claim Payments may be reduced because of NJM's deduction of each Settlement Class Member's pro-rata percentage of attorneys' fees and documented litigation costs from each Claim Payment made in response to each timely and valid Claim Form.

31. NJM will not oppose or object to a motion requesting an award of attorneys' fees, costs, and expenses to be paid to Class Counsel in an amount not exceeding the Maximum Attorneys' Fees Award of \$2,000,000.00, Maximum Costs Award of \$21,000.00, or Maximum Service Award to Plaintiff Morgan of \$5,000.00.

32. NJM agrees to pay up to the Maximum Attorneys' Fees Award of \$2,000,000.00, Maximum Expense Award of \$21,000.00, and Maximum Service Award to Plaintiff Morgan of \$5,000.00, including any lesser amounts the Court may award.

33. Plaintiff and Class Counsel will not seek to enforce or recover any Attorneys' Fees Award, Expense Award, and/or Service Award in excess of the Maximum Attorneys' Fees Award of \$2,000,000.00, Maximum Costs Award of \$21,000.00, and/or Maximum Service Award to Plaintiff Morgan of \$5,000.00.

34. In the event the Court awards attorneys' fees or costs, NJM's sole obligation with respect to those fees or costs shall be to wire—or mail a check for—the amount of fees or costs awarded into an account(s) designated by Class Counsel. Class Counsel will provide NJM with all necessary accounting and tax information, including W-9 forms, with reasonable advance notice of at least 10 days to allow NJM to pay the Attorneys' Fees Award and Expense Award as set forth herein. Class Counsel shall have the sole and absolute discretion to allocate the Attorneys' Fees Award and Expense Award amongst Class Counsel and any other attorneys for Plaintiff. NJM shall have no liability or other responsibility for allocation of any such Attorneys' Fees Award and

Expense Award, and, in the event that any dispute arises relating to the allocation of fees or expenses, Class Counsel agree to defend, indemnify, and hold NJM harmless from any and all such liabilities, costs, fees, and expenses of such dispute.

35. This Agreement is not conditioned on the Court approving a Service Award at all or in any amount. Plaintiff Morgan understands and acknowledges that she may receive no monetary payment, and her agreement to the Settlement Agreement is not conditioned on the possibility of receiving monetary payment. To the extent this Court approves a Service Award for Plaintiff Morgan, however, NJM agrees to pay up to the Maximum Service Award of \$5,000.00 to Plaintiff Morgan. Plaintiff will provide NJM with all necessary accounting and tax information, including a W-9 form, with reasonable advance notice of at least 10 days to allow NJM to pay the Service Award as set forth herein.

36. Any Attorneys' Fees Award, Expense Award, and/or Service Award made by the Court must be paid by NJM making payment into an account(s) designated by Class Counsel. NJM's payment of the Attorneys' Fees Award, Expense Award and/or Service Award shall be made no later than the Effective Date so long as Plaintiff provides NJM with all necessary accounting and tax information, including a W-9 form, at least 10 days prior to the Effective Date

#### **X. FINAL APPROVAL OF PROPOSED SETTLEMENT**

37. At least thirty-five (35) days prior to the Fairness Hearing, Class Counsel will file a motion seeking the Court's final approval of the Settlement Agreement. Class Counsel shall provide a draft of such motion, and Class Counsel's motion for preliminary approval of this Settlement Agreement, to Defense Counsel for review at least 14 days prior to filing each motion. The motion seeking this Court's final approval of the Settlement Agreement shall request, at minimum, the Court to enter a Final Order and Judgment that:

- a. Finds the Court has subject matter jurisdiction over the claims asserted in the

Action, personal jurisdiction over all Settlement Class Members, and, that venue is proper in Mercer County Superior Court;

- b. Grants final approval of this Settlement Agreement pursuant to New Jersey Court Rule 4:32-2(e) and directs the Parties and counsel to comply with and consummate the terms of the Settlement Agreement;
- c. Finds that Class Counsel and Plaintiff Morgan adequately represented the Settlement Class;
- d. Finds that the terms of this Settlement Agreement are fair, reasonable, and adequate to the Settlement Class Members;
- e. Finds that Notice was completed in compliance with the Court's orders and that it (i) constituted the best practicable notice under the circumstances; (ii) was reasonably calculated to apprise potential Settlement Class Members of the pendency of the Action, their right to object to or exclude themselves from the Settlement Agreement, and to appear at the Fairness Hearing; and (iii) complied with all laws, including, but not limited to, the New Jersey Constitution and New Jersey Court Rules;
- f. Finds that the Opt-Out List is a complete list of all Settlement Class Members, if any, who have timely requested exclusion from the Settlement Class and, accordingly, are the only Settlement Class Members that neither share in nor are bound by the Final Order and Judgment;
- g. Provides that Plaintiff, all Settlement Class Members who have not been excluded from the Settlement Class as provided in the Opt-Out List, and their heirs, estates, trustees, executors, administrators, principals, beneficiaries, representatives, attorneys, agents, assigns, and successors, and/or anyone

claiming through them or acting or purporting to act for them or on their behalf, regardless of whether they have submitted a Claim Form or Electronic Claim Form, and regardless of whether they have received actual notice of the Proposed Settlement, have conclusively compromised, settled, discharged, and released all Released Claims—including, without limitation—any and all Released Claims for sales taxes—against Defendant and the Released Persons, and are bound by the provisions of this Agreement;

- h. Dismisses all claims in the Action on the merits and with prejudice, and without fees or costs except as provided herein, and enters final judgment thereon;
- i. Determines the amount of the Attorneys' Fees Award and Expense Award to Class Counsel and Service Award to Plaintiff; and
- j. Retains jurisdiction relating to the administration, consummation, enforcement, and interpretation of this Settlement Agreement, the Final Order and Judgment, any final order approving attorneys' fees and expenses, and for any other necessary purpose.

## **XI. REQUESTS FOR EXCLUSION (OPT OUTS) AND OBJECTIONS**

### **Exclusions/Opt-Out**

38. Any Settlement Class Member, other than the Class Representative, may elect to be excluded from the Settlement Agreement and from the Settlement Class by Opting-Out of the Settlement Class. Settlement Class Members who wish to be excluded from the Settlement Class must submit timely and written requests for exclusion.

39. To be effective, Settlement Class Members wishing to opt out of the Settlement Agreement must send to the Settlement Administrator by U.S. mail (to the address set forth in

the Notice) a personally signed letter or other writing including (a) their full name; (b) current address; (c) current phone number; (d) a clear statement communicating that they elect to be “excluded” from the Settlement; (e) their signature or the signature of the Legally Authorized Representative of the Settlement Class Member; and (f) the case name and case number (McCullough v. New Jersey Manufacturers Insurance Company, Docket No. MER-L-001401-20).

40. To be effective, the request must be mailed to the Settlement Administrator at the address provided in the Notice and postmarked no later than thirty (30) days before the Fairness Hearing. Requests for exclusion must be exercised individually by the Settlement Class Member and are only effective as to the individual Settlement Class Member requesting exclusion. Members of the Settlement Class who timely and properly opt out of the Settlement Agreement will not release their claims pursuant to this Settlement Agreement and may pursue a separate and independent remedy against NJM by complying with the exclusion provisions set forth herein and in compliance with the Court's orders.

41. All Settlement Class Members who do not timely and properly exclude themselves from the Settlement Class shall be bound by this Settlement Agreement, irrespective of whether they have and/or submit a valid claim, Claim Form, or Electronic Claim Form, and this Action shall be dismissed with prejudice and all of the Settlement Class Members' Released Claims—including, without limitation, any and all claims for sales taxes—shall be released as provided for herein.

42. The Settlement Administrator shall promptly log and prepare a list of all Settlement Class Members who timely and properly requested exclusion from the Settlement Class and shall submit an affidavit to the Court, which includes and attests to the accuracy of

the Opt-Out List no later than ten (10) days prior to the Fairness Hearing set by the Court.

### **Objections**

43. Settlement Class Members, who do not timely submit a valid request for exclusion from the Settlement Class, shall have the right to appear and present Objections as to any reason why the terms of this Agreement, any Attorneys' Fees Award, Expense Award and/or any Service Award should not be given final Court approval. Settlement Class Members who fail to file with the Court, physically or electronically through the New Jersey Superior Court's eCourts system, or through any other method in which the Court will accept filings, if any, and serve upon the Settlement Administrator, Class Counsel, and Defense Counsel timely written objections in the manner specified in this Settlement Agreement and the Court as set forth in the Court approved Notice shall be deemed to have waived all objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement Agreement.

44. Any Settlement Class Member who intends to object to the fairness, reasonableness, and/or adequacy of the Settlement Agreement must, in addition to timely filing a written objection with the Court, send the written objection by U.S. mail (to the mailing address set forth in the Notice) or e-mail (to the e-mail address set forth in the Notice) to the Settlement Administrator with a copy by U.S. mail or email to Class Counsel and Defense Counsel (at the addresses set forth below) postmarked no later than the date specified in the Preliminary Approval Order.

45. Class Members who object must set forth and provide: (a) their full name; (b) current address; (c) current telephone number; (d) a written statement of their objection(s) and the reasons for each objection; (e) identify any documents such objector desires the Court to consider; (f) their signature; (g) the case name and case number (McCullough v. New Jersey

Manufacturers Insurance Company, Docket No. MER-L-001401-20); (h) a statement of his or her membership in the Settlement Class, including a verification under oath of the approximate date of their total loss or attach documents establishing, or providing information sufficient to allow the Parties to confirm, that the objector is a Settlement Class Member; (i) the case name and number of any other case in which they have objected in the last five (5) years; (j) the identity of any current or former lawyer who may be entitled to compensation for any reason related to the objection; (k) a statement of whether the objector or the objector's attorney intends to appear at the Fairness Hearing; and (l) any additional information required by the Court.

Objections must be served on Class Counsel and Defense Counsel as follows:

Upon Class Counsel at:  
Edmund A. Normand, Esq.  
Normand PLLC  
3165 McCrory Place, Suite 175  
Orlando, FL 32803  
ed@normandpllc.com

Upon Defense Counsel at:  
Michael D. Celentano, Esq.  
McElroy, Deutsch, Mulvaney & Carpenter, LLP  
1300 Mount Kemble Avenue  
Morristown, New Jersey 07962  
mcelentano@mdmc-law.com

46. Furthermore, any attorney hired by a Settlement Class Member (at the Class Member's expense) for the purpose of objecting to any term or aspect of this Agreement or for purpose of intervening in this Action is required to provide a notice of appearance as directed in this Agreement and Long-Form Notice to the Settlement Administrator (who shall forward it to Class Counsel and NJM's counsel) and to also file that notice with the Court.

47. If the Settlement Class Member or his or her attorney requests permission to speak at the Fairness Hearing, a notice of intent to object must also contain the following

information:

- a. A detailed statement of the legal and factual basis for each objection;
- b. A list of any and all witnesses the Settlement Class Member may seek to call at the Fairness 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;
- c. A list of any legal authority the Settlement Class Member will present at the Fairness Hearing;
- d. Documentary proof of membership in the Settlement Class; and
- e. Any additional information or documents as the Court may direct.

48. No member of the Settlement Class shall be entitled to be heard at the Fairness Hearing or object to the Settlement Agreement, and no written objections or briefs submitted by any member of the Settlement Class shall be received or considered by the Court at the Fairness Hearing, unless copies of any written objections and/or briefs and notice of an intent to appear at the Fairness Hearing shall have been filed with the Court and served on the Settlement Administrator, Class Counsel, and Defense Counsel on or before the date specified in the Preliminary Approval Order. Objections that are not filed pursuant to the Court's rules, filed with the Court but not served on the Parties, or served on the Parties but not filed with the Court, shall not be received or considered by the Court at the Fairness Hearing.

49. The Parties shall have the right to respond to or file a reply to any objection, as described in Paragraphs 43 through 48 of this Section, no later than seven (7) calendar days before the Fairness Hearing, or as the Court may otherwise direct.

50. Settlement Class Members who object to the Settlement Agreement shall remain

Settlement Class Members and waive their right to pursue any and all independent remedies, including, without limitation, any and all claims for sales taxes, against Defendant and Released Persons. To the extent any Settlement Class Member objects to the Settlement Agreement, and such objection is overruled in whole or in part, such Settlement Class Member will be forever bound by the Final Order and Judgment of the Court. Settlement Class Members can avoid being bound by the Settlement Agreement and any Order of the Court only by complying with the exclusion provisions set forth herein.

## **XII. DENIAL OF LIABILITY**

51. NJM denies any and all fault, wrongdoing, and/or liability to Plaintiff, or the Settlement Class, for monetary damages or other relief, but believes that the Settlement Agreement herein is desirable to avoid the further burden, expense, risk, and inconvenience of litigation, and the distraction and diversion of its personnel and resources. Neither this Settlement Agreement, the negotiations concerning it, nor any settlement negotiations may be used, offered, or admitted as evidence of fault, wrongdoing, and/or liability, or for any purpose, or filed with the Court for any reason.

## **XIII. DISMISSAL OF ACTION AND RELEASE OF CLAIMS**

52. Upon the Effective Date, Plaintiff, all Settlement Class Members who have not been excluded from the Settlement Class as provided in the Opt-Out List, and their heirs, estates, trustees, executors, administrators, principals, beneficiaries, representatives, agents, assigns, and successors, and/or anyone claiming through them or acting or purporting to act for them or on their behalf, regardless of whether they have and/or have submitted a claim, Claim Form, or Electronic Claim Form, will be bound by the Settlement Agreement and the Final Order and Judgment and conclusively deemed to have fully released, acquitted, and forever discharged all Released Persons from all Released Claims including, without limitation, any and all claims for sales taxes.

53. Upon entry of the Final Order and Judgment, the Action will be dismissed with prejudice as to NJM, Plaintiff, and all Settlement Class Members who have not been excluded from the Settlement Class as provided in the Opt-Out List, and their heirs, estates, trustees, executors, administrators, principals, beneficiaries, representatives, agents, assigns, and successors, and/or anyone claiming through them or acting or purporting to act for them or on their behalf, regardless of whether they have and/or have submitted a claim, Claim Form, or Electronic Claim Form, and Plaintiff, Settlement Class Members, and all Releasing Persons will release all Released Persons from all Released Claims including, without limitation, any and all claims for sales taxes. It is the intent of the Parties to this Settlement Agreement that dismissal of the claims with prejudice and release of the claims shall have the res judicata effect of dismissal and release the claims identified herein as Released Claims. It is the intent of the Parties that this Settlement Agreement and the Action's dismissal will not operate as a bar to any member of the Settlement Class from pursuing any claim that is not a Released Claim. If required by the Court, counsel for the Parties shall execute a Stipulation of Dismissal with Prejudice of all claims asserted and all claims that could have been asserted in the Action.

#### **I. RETENTION OF RECORDS**

54. The Settlement Administrator, Class Counsel, and Defense Counsel shall retain copies or images of all returned Notices, Claim Forms (and/or data resulting therefrom) and correspondence relating thereto, for a period of up to two (2) years after the Effective Date. After this time, Class Counsel, upon written request from NJM or Defense Counsel, shall destroy any documentary records in their possession including, without limitation, any Confidential materials produced by NJM during discovery, settlement negotiations, approval motions, and/or settlement administration.

**XVI. MISCELLANEOUS PROVISIONS**

55. NJM will pay all costs incurred by the Settlement Administrator to implement and effectuate this Settlement Agreement, including, but not limited to, administrative costs, notice costs, claims handling cost, postage, settlement website maintenance, costs to email, and all other costs necessary to comport with this Settlement Agreement. These costs are separate from, and not included within, the lawsuit costs and expenses NJM has agreed to pay, if ordered by the Court, as part of the Attorneys' Fees Award and/or Expense Award.

56. The Parties agree that the recitals are contractual in nature and form a material part of this Settlement Agreement.

57. Each Party to this Settlement Agreement warrants that he, she, or it is fully authorized to enter into this Agreement, and is acting upon his, her, or its independent judgment and upon the advice of his, her, or its counsel and not in reliance upon any warranty or representation, express or implied, of any nature or kind by any other party, other than the warranties and representations expressly made in this Settlement Agreement.

58. The Parties and undersigned counsel agree to cooperate fully and in good faith with one another and to use their best efforts to effectuate this Settlement Agreement, including without limitation, providing any information counsel to the Parties or the Settlement Administrator believe is reasonably necessary to ensure compliance with and implementation of the Settlement Agreement and the terms of this Settlement Agreement; taking all steps and efforts contemplated by this Settlement Agreement, and any other reasonable steps and efforts which may become necessary by order of the Court or otherwise.

59. In the event that the Court fails to approve the Settlement Agreement or fails to issue the Final Order and Judgment, the Parties agree to use all reasonable efforts, consistent with

this Settlement Agreement, to cure any defect identified by the Court.

60. The headings and captions contained in this Settlement Agreement are for reference purposes only and in no way define, extend, limit, describe, or affect the scope, intent, meaning, or interpretation of this Settlement Agreement.

61. Effect of Judicial Non-Approval of Settlement. If the Settlement Agreement does not receive final and non-appealable Court approval, NJM shall not be obligated to make any payments or provide any other monetary or non-monetary relief to Plaintiff or the Settlement Class Members; any attorneys' fees or expenses to Class Counsel; or any representative service award to Plaintiff. However, NJM will pay any Notice and Administration Costs actually incurred by the Settlement Administrator.

62. Unless otherwise noted, all references to “days” in this Settlement Agreement shall be to calendar days. In the event any date or deadline set forth in this Settlement Agreement falls on a weekend or federal or state legal holiday, such date or deadline shall be on the first business day thereafter.

63. This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. This Settlement Agreement shall be deemed to have been executed upon the last date of execution by all the undersigned Parties and/or counsel.

64. This Settlement Agreement may be signed with a facsimile or electronic signature and in counterparts, each of which shall constitute a duplicate original.

65. Except as otherwise provided in a written amendment executed by the Parties or their counsel, this Settlement Agreement contains the entire agreement of the Parties hereto and supersedes any prior agreements or understandings between them. The Parties further agree that

this Settlement Agreement contains the entire understanding between the parties with respect to the transaction contemplated herein, that there is no representation, agreement or obligation regarding the Settlement Agreement which is not expressly set forth in this Settlement Agreement, and that no representation, inducement, promise, or agreement not expressly set forth in the text of this Settlement Agreement shall be of any force or effect.

66. The terms of this Settlement Agreement are and shall be binding upon each of the Parties and their agents, attorneys, employees, successors, and assigns, and upon all other Persons claiming any interest in the subject matter hereof through any of the Parties hereto, including any Settlement Class Member.

67. The waiver by any Party of a breach of any term of this Settlement Agreement shall not operate or be construed as a waiver of any subsequent breach by any Party. The failure of a Party to insist upon strict adherence to any provision of this Settlement Agreement shall not constitute a waiver or thereafter deprive such Party of the right to insist upon strict adherence.

68. The Parties reserve the right, by agreement and subject to the Court's approval, to grant any reasonable extension of time that might be needed to carry out any of the provisions of this Settlement Agreement.

69. This Settlement Agreement shall be subject to, governed by, construed, and enforced pursuant to the laws of the State of New Jersey, without regard to principles of conflicts of law. Moreover, any action arising under the Settlement Agreement shall be commenced and maintained only in the Superior Court for New Jersey Law Division – Mercer County.

70. The Exhibits to this Settlement Agreement are integral parts of it and are hereby incorporated and made parts of this Agreement.

71. To the extent permitted by law, this Settlement Agreement may be pleaded as a full

and complete defense to any action, suit, or other proceeding which may be instituted, prosecuted, or attempted in breach of this Agreement.

72. Information marked “Confidential” subject to the Consent Discovery Confidentiality Order (Trans ID: LCV2024658323) (“Confidential Information”) shall be protected from disclosure by Class Counsel and the Plaintiff to any Persons other than the Settlement Administrator, the Neutral Evaluator, and any Person the Court orders be allowed to access Confidential Information.

73. The Parties agree that Plaintiffs, Class Counsel, and anyone associated with Class Counsel's firms shall not use of any of the Confidential Information in any other litigation, whether pending or future, unless independently obtained through discovery or other procedures in that litigation.

74. The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of this Settlement Agreement, and all parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement Agreement.

75. This Settlement Agreement is deemed to have been prepared by counsel for all Parties, as a result of arms-length negotiations with the aid of a neutral mediator. All Parties have substantially and materially contributed to the preparation of this Settlement Agreement, it shall not be construed more strictly against one Party than another.

76. The Parties may terminate this Settlement Agreement within twenty (20) days after notice of an occurrence as set forth below, by providing written notice of termination where (i) the Court or any appellate court(s) rejects, modifies, or denies approval of the Settlement Agreement or portion thereof which materially alters the Released Claims, Released Persons, and/or the amounts NJM is obligated to pay under the terms set forth in this Settlement Agreement, except

that rejection, modification, or disapproval of the Attorneys' Fees Award and/or Expense Award and/or Service Award does not allow Plaintiff or NJM the right to terminate this Agreement unless the Court approved Attorneys' Fees Award and/or Expense Award and/or Service Award is greater than the amounts set forth in this Agreement, (ii) any financial obligation is imposed on NJM in addition to and/or greater than those accepted by NJM in this Settlement Agreement, or (iii) if the Court allows a certified class of Persons who are members of the Settlement Class to Opt-Out of the Settlement Agreement.

77. If more than ten percent (10%) of the Settlement Class Members Opt-Out, NJM reserves its right to terminate the Settlement Agreement within fourteen (14) days of the Opt-Out and Objection Deadline. Within five (5) days of such notice, Class Counsel and Defense Counsel shall meet and confer concerning the termination of the Settlement Agreement and to select a mediator to schedule a mediation.

78. This Settlement Agreement may be amended or modified only by a written instrument signed by all Parties. Amendments and modifications may be made without additional notice to the potential Settlement Class Members unless such notice is required by the Court.

79. If any Party is required to give notice to another Party under the Settlement Agreement, such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand delivery or email transmission, with confirmation of receipt. Notice shall be provided as follows:

If to the Class Representative or Class Counsel:

Edmund A. Normand, Esq.  
Normand PLLC  
3165 McCrory Place, Suite 175  
Orlando, FL 32803  
ed@normandpllc.com

If to NJM:

Michael D. Celentano, Esq.  
McElroy, Deutsch, Mulvaney & Carpenter, LLP  
1300 Mount Kemble Avenue  
Morristown, New Jersey 07962  
mcelentano@mdmc-law.com

IN WITNESS WHEREOF, the Parties hereto, by and through their respective attorneys,  
and intending to be legally bound hereby, have duly executed this Settlement Agreement as of  
the date set forth below.

**PLAINTIFF**

Catoyya Morgan

\_\_\_\_\_  
By: Catoyya Morgan  
Plaintiff

Signature:   
Catoyya Morgan (Jul 1, 2025 18:40 EDT)  
Email: cmorgan328@gmail.com

**PLAINTIFF'S COUNSEL AND CLASS  
COUNSEL**

Dated: July 7th, 2025

/s/ Ed Normand  
\_\_\_\_\_  
By: Edmund A. Normand (admitted pro hac  
vice)  
NORMAND PLLC  
Attorney for Plaintiff and the Class

Dated: July 7th, 2025

/s/ Adam Schwartzbaum  
\_\_\_\_\_  
By: Adam A. Schwartzbaum (admitted pro  
hac vice)  
EDELSBERG LAW, P.A.  
Attorney for Plaintiff and the Class

Dated: July 7th, 2025

/s/ Andrew Shamis  
\_\_\_\_\_  
By: Andrew Shamis (admitted pro hac vice)

SHAMIS & GENTILE, P.A.  
Attorney for Plaintiff and the Class

**DEFENDANT**

Dated: July 7th, 2025

/s/ Michael Celentano

By: Michael D. Celentano  
McElroy, Deutsch, Mulvaney & Carpenter  
LLP  
Attorneys for New Jersey Manufacturers  
Insurance Company

