

EXHIBIT 1

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

WALTER BLACK III, KEITH BARR, WAYNE
BEST, and DAVID FANT SR., individually and
on behalf of all others similarly situated,

Plaintiffs,

v.

USAA GENERAL INDEMNITY COMPANY,
GARRISON PROPERTY AND CASUALTY
INSURANCE COMPANY, UNITED SERVICES
AUTOMOBILE ASSOCIATION, USAA
CASUALTY INSURANCE COMPANY,

Defendants.

Case No. 8:21-CV-01581-LKG

SETTLEMENT AGREEMENT AND RELEASES

This Settlement Agreement and Release, entered into as of the date of the last signature below, is between and among Plaintiffs Water Black III, Keith Barr, Wayne Best, and David Fant Sr. (collectively, “Plaintiffs”), individually and on behalf of the Settlement Class, as defined below, and Defendants, USAA General Indemnity Company (“GIC”), Garrison Property and Casualty Insurance Company (“Garrison”), United Services Automobile Association (“USAA”), and USAA Casualty Insurance Company (“CIC”) (collectively, “Defendants”). The Parties hereby agree to the following terms in full settlement of the Action, subject to Final Approval.

I. Recitals

1. Prior to August 27, 2011, Defendants had received the approval of the Maryland Insurance Administration (“MIA”), reflected in billing plans, to charge a \$10 Late Fee payment to policyholders who did not pay their premium by the required deadline. On June 27, 2011,

Defendants submitted a filing, SERFF number USAA-127294392, withdrawing their billing plans effective August 27, 2011.

2. On April 15, 2019, the MIA commenced a market conduct exam against Defendants. In particular, MIA alleged that by withdrawing their billing plans in 2011, Defendants were no longer permitted by law to charge a Late Fee to Maryland policyholders. Defendants disagreed because, among other arguments, Defendants contended that there is a distinction between receiving the Commissioner's approval to charge fees, which had been obtained, and statutory filing requirements. MIA further contended that late fees in excess of \$10 could not be charged for insurance on Maryland risks even if the policyholder resided or had a billing address outside of Maryland in a state in which a higher late fee was allowed.

3. In October 2019, representatives of Defendants met with representatives of MIA in Maryland to discuss a final resolution of the market conduct exam. Defendants and the MIA ultimately agreed to enter into a Consent Order, Case No. MIA-2020-08-002, pursuant to which Defendants refunded all Late Fees charged to Maryland policyholders between August 27, 2011 and January 23, 2019. It likewise issued refunds for policyholders charged late fees greater than \$10 from January 23, 2019 to September 30, 2019. MIA did not require Defendants to pay interest on charges being refunded, but the Consent Order permitted civil actions in connection with the proceedings.

4. On June 25, 2021, Plaintiff Walter Black III filed a Class Action Complaint ("Original Complaint") in the United States District Court for the District of Maryland seeking monetary damages and other relief from Defendants based on their allegedly unlawful and unfair retention of the interest and/or monetary gains accrued on the Late Fees refunded pursuant to the

Consent Order. The Original Complaint asserted claims for breach of contract, money had and received, and unjust enrichment.

5. On October 25, 2021, Defendants moved to dismiss the Original Complaint for lack of subject matter jurisdiction and for failure to state a claim, arguing that the MIA had exclusive jurisdiction over Plaintiff Black's claims and that Plaintiff Black could not pursue claims against the three Defendants by whom Plaintiff Black was not insured (USAA, GIC, and Garrison). The Parties engaged in letter briefing regarding the propriety of limited jurisdictional discovery.

6. Before a ruling was issued on Plaintiff Black's request for limited jurisdiction discovery, the case was assigned to Judge Messitte who sua sponte issued a Letter Order on October 19, 2022 directing the parties to appear before the MIA and issuing an administrative stay pending exhaustion by the MIA.

7. On January 11, 2023, per Judge Messitte's order, Plaintiff Black filed an administrative complaint before the MIA to determine whether it intended to exercise jurisdiction over the claims. On March 25, 2023, the MIA confirmed that the matter was administratively closed. The Parties jointly moved the Court to lift the administrative stay on May 23, 2023.

8. On July 10, 2023, Defendants again moved to dismiss the Original Complaint for lack of subject matter jurisdiction and for failure to state a claim. Defendants again asserted that Plaintiff Black could not maintain claims against USAA, GIC, and Garrison.

9. Following full briefing on the motion and oral argument before Judge Messitte, on June 11, 2024, the Court issued an Order and Opinion granting in part and denying in part Defendants' motion to dismiss. The Court concluded that Plaintiff Black adequately alleged claims for unjust enrichment and money had and received against all Defendants, while dismissing Plaintiff Black's breach of contract claim.

10. On July 18, 2024, the Parties jointly moved the Court to set an agreed upon discovery and trial schedule. From July 18, 2024 through June 3, 2025, the Parties engaged in substantial discovery efforts, including the exchange of written and document discovery. Plaintiffs deposed several of Defendants' witnesses.

11. The Parties also engaged the mediation services of the Honorable Benson E. Legg (Ret.). The Parties prepared comprehensive mediation statements—with expert calculations and analyses—in advance of a mediation on November 7, 2024. The Parties were unable to resolve their claims at mediation but continued communicating with Judge Legg to work toward resolution, including by presenting supplemental briefings and written materials.

12. On January 24, 2025, the Action was reassigned to Judge Lydia Kay Griggsby following the passing of Judge Peter J. Messitte.

13. On March 24, 2025, Plaintiff Black timely amended the Complaint to add Plaintiffs Barr, Best, and Fant, who are insured by Defendants USAA, Garrison, and GIC, respectively. Defendants moved to dismiss Plaintiffs' First Amended Complaint on April 7, 2025. The motion was fully briefed by May 5, 2025.

14. Following the briefing on the motion to dismiss the First Amended Complaint, the Parties continued to discuss the prospect of settlement, communicating at times directly and through Judge Legg. The Parties ultimately agreed to the mediator's proposal on key settlement terms on June 3, 2025.

15. On June 4, 2025, the Parties filed a Notice of Settlement, alerting the Court that a Settlement was reached and asking the Court to stay all deadlines pending the filing of the Agreement.

16. On June 11, 2025, the Court adjourned all deadlines in the Action and directed the filing of a status update by August 11, 2025. On August 11, 2025, the Parties filed a status update, noting that Plaintiffs expected to file a motion to preliminarily approve the settlement within 21 days.

17. The Parties negotiated the full terms of this Agreement and executed it, effective as of the date set forth on the first page of this Agreement.

18. The Parties now agree to settle the Action in its entirety, without any admission of liability, with respect to all Released Claims of the Releasing Parties. The Parties intend this Agreement to bind Plaintiffs, Defendants, and all Settlement Class Members.

NOW, THEREFORE, in light of the foregoing, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties agree, subject to approval by the Court, as follows.

II. Definitions

In addition to the terms defined at various points within this Agreement, the following Defined Terms apply throughout this Agreement:

19. “Action” means *Black et al. v. USAA General Indemnity Company, et al.* in the District of Maryland 8:21-CV-01581-LKG .

20. “Application for Attorneys’ Fees, Costs, and Service Award” means the application to be submitted to the Court by Class Counsel, as part of the Motion for Final Approval, requesting an award of attorneys’ fees for Class Counsel, reimbursement of litigation costs incurred by Class Counsel, and Service Awards for the Settlement Class Representatives.

21. “Check” means an original paper check or substitute check.

22. “Class Counsel” means Jonathan Kagan of Kagan Stern Marinello & Beard LLC, Keith T. Vernon and Andrew W. Knox of Timoney Knox, LLP; and Andrea R. Gold and Gemma Seidita of Tycko & Zavareei LLP.

23. “Consent Order” means the Consent Order signed in 2020 between Defendants and the Maryland Insurance Association pursuant to which Late Fees were refunded to the Settlement Class.

24. “Consent Order Files” means the two Excel spreadsheets produced by Defendants titled “Late Fee Details at transaction level,” Bates labeled USAA00000001, and “MD Late Fee Data Set 3.26.2020 to MIA,” Bates labeled USAA00000002, as well as the Excel file titled “Black Class Settlement_Contact_Info_Output” delivered to Plaintiffs on August 20, 2025, containing updated contact information for persons who received Late Fee refunds in 2020.

25. “Court” means the United States District Court for the District of Maryland.

26. “Current Policyholder” means a Settlement Class Member who holds a policy with any Defendant as of the Effective Date as specified herein.

27. “Defendants” means USAA General Indemnity Company, Garrison Property and Casualty Insurance Company, United Services Automobile Association, and USAA Casualty Insurance Company.

28. “Defendants’ Counsel” means Norton Rose Fulbright US LLP.

29. “Effective Date” means ten days after the date the Final Judgment becomes final and not capable of being appealed, either after the time to appeal or seek judicial review has expired or after all possibility of appeals has been exhausted.

30. “Email Notice” means a short form of Notice that shall be sent by email to Current Policyholders or Former Policyholders in the Settlement Class who provided an email address to Defendants in the form attached as Exhibit 1A.

31. “Escrow Account” means the interest-bearing account to be established by the Settlement Administrator consistent with the terms and conditions described in Section IV below.

32. “Final Approval” means the date that the Court enters, without material change from the proposed Final Approval Order, the Final Approval Order granting final approval to the Settlement and determines the amount of attorneys’ fees and costs awarded to Class Counsel and the amount of any Service Awards to the Class Representatives.

33. “Final Approval Hearing” is the hearing held before the Court wherein the Court will consider granting Final Approval to the Settlement and further determine the amount of attorneys’ fees and costs awarded to Class Counsel and the amount of any Service Awards to the Class Representatives.

34. “Final Approval Order” means the final order that the Court enters granting Final Approval to the Settlement. The proposed Final Approval Order shall be in a form agreed upon by the Parties and shall be attached as an exhibit to the Motion for Final Approval. Final Approval Order also includes the orders, which may be entered separately, determining the amount of attorneys’ fees and costs awarded to Settlement Class Counsel and the amount of any Service Awards to the Class Representatives.

35. “Final Judgment” means the judgment and order of dismissal with prejudice to be entered by the Court, pursuant to Federal Rule of Civil Procedure 23(e).

36. “Former Policyholder” means a Settlement Class Member who held a policy with any Defendant prior to the Effective Date as specified herein, but no longer holds a policy with any Defendant.

37. “Late Fee” refers to fees charged by Defendants to certain Maryland policyholders that were refunded pursuant to the Consent Order.

38. “Long Form Notice” means the form of Notice that shall be posted on the Settlement Website and shall be available to the Settlement Class in English and Spanish by mail on request made to the Settlement Administrator in the form attached as Exhibit 1C.

39. “Motion for Final Approval” means the motion requesting the Court grant Final Approval to the Settlement pursuant to Fed. R. Civ. P. 23(a), (b)(3), and (e).

40. “Motion for Preliminary Approval” means the motion requesting the Court grant Preliminary Approval to the Settlement pursuant to Fed. R. Civ. P. 23(a), (b)(3), and (e).

41. “Net Settlement Fund” means the Settlement Fund, minus Court approved attorneys’ fees and costs to Class Counsel, and any Court approved Service Awards to the Class Representatives.

42. “Notice” means the Email Notice, Postcard Notice, and Long Form Notice that the Parties will ask the Court to approve in connection with the Motion for Preliminary Approval of the Settlement.

43. “Notice Program” means the methods provided for in this Agreement for giving the Notice of the Settlement and consists of Postcard Notice, Email Notice, and Long Form Notice, which shall be substantially in the forms as the exhibits attached to this Agreement.

44. “Objection Period” means the period that begins the day after the earliest date on which the Notice is first distributed, and that ends no later than 30 days before the original date

scheduled for the Final Approval Hearing. The deadline for the Objection Period will be specified in the Notice.

45. “Opt-Out Period” means the period that begins the day after the earliest date on which the Notice is first distributed, and that ends no later than 30 days before the original date scheduled for the Final Approval Hearing. The deadline for the Opt-Out Period will be specified in the Notice.

46. “Party” means each of Plaintiffs or Defendants, and “Parties” collectively means Plaintiffs and Defendants.

47. “Plaintiffs” means Walter Black III, Keith Barr, Wayne Best, and David Fant Sr.

48. “Plaintiffs’ Counsel” means Jonathan Kagan of Kagan Stern Marinello & Beard LLC; Keith T. Vernon and Andrew W. Knox of Timoney Knox, LLP; Andrea R. Gold and Gemma Seidita of Tycko & Zavareei LLP; Karen M. Kohn of the Kohn Law Group PLCC; and Jonathan Shub of Shub Law Firm LLC.

49. “Postcard Notice” shall mean the short form of Notice that shall be sent by mail to Former Policyholders in the Settlement Class, Current Policyholders who did not agree to receive electronic communications from Defendants, or any Settlement Class Member for whom the Settlement Administrator is unable to send Email Notice using the email address provided by Defendants, in the form attached as Exhibit 1B.

50. “Preliminary Approval” means the date that the Court enters, without material change from the proposed Preliminary Approval Order, the Preliminary Approval Order granting preliminary approval to the Settlement.

51. “Preliminary Approval Order” means the order the Court enters granting Preliminary Approval of this Settlement. The proposed Preliminary Approval Order shall be in a

form agreed upon by the Parties and shall be substantially in the form attached as an exhibit to the Motion for Preliminary Approval.

52. “Releases” means all the releases contained in Section XII.

53. “Released Claims” means any and all liabilities, rights, claims, actions, causes of action, demands, damages, costs, attorneys’ fees, losses and remedies, whether known or unknown, existing or potential, suspected or unsuspected, liquidated or unliquidated, legal, statutory, or equitable, based on contract, tort or any other theory, that arise from or relate to Late Fees charged between August 27, 2011 and September 30, 2019.

54. “Released Parties” means Defendants and each of its present and former parents, subsidiaries, divisions, affiliates, predecessors, successors and assigns, and the present and former directors, officers, employees, agents, insurers, members, attorneys, advisors, consultants, representatives, partners, joint venturers, independent contractors, wholesalers, resellers, distributors, retailers, predecessors, and successors.

55. “Releasing Parties” means Plaintiffs and all Settlement Class Members, and each of their respective executors, representatives, heirs, predecessors, assigns, beneficiaries, successors, bankruptcy trustees, guardians, joint tenants, tenants in common, tenants by entireties, agents, attorneys, and all those who claim through them or on their behalf.

56. “Residual Funds” means the portion of the Net Settlement Fund that remains undistributed as further described in Section XI.

57. “Service Award” means any Court ordered payment to Plaintiffs for serving as Settlement Class Representatives, which is in addition to any payment due Plaintiffs as Settlement Class Members.

58. “Settlement Administrator” means JND Legal Administration (“JND”). Settlement Class Counsel and Defendants may, by agreement, substitute a different organization as Settlement Administrator, subject to approval by the Court if the Court has previously approved the Settlement preliminarily or finally. In the absence of agreement, either Settlement Class Counsel or Defendants may move the Court to substitute a different organization as Settlement Administrator, upon a showing that the responsibilities of Settlement Administrator have not been adequately executed by the incumbent.

59. “Settlement Administration Costs” means all costs and fees of the Settlement Administrator regarding Notice and Settlement administration.

60. “Settlement Class” means all individuals who, per the Consent Order, received Late Fee refunds. Excluded from the class are the Honorable Lydia Kay Grigsby and any and all court staff who would otherwise qualify as the putative class members, Plaintiffs’ Counsel who would otherwise qualify as the putative class members, and Defendants’ Counsel who would otherwise qualify as the putative class members.

61. “Settlement Class List” means the list of individuals in the Settlement Class who are to be sent Notice of the Settlement, and the list of Settlement Class Members following Final Approval to receive Settlement Class Member Payments.

62. “Settlement Class Member” means any member of the Settlement Class who has not opted-out of the Settlement and who is entitled to the benefits of the Settlement, including a Settlement Class Member Payment.

63. “Settlement Class Member Payment” means the cash distribution that will be made from the Net Settlement Fund to each Settlement Class Member, pursuant to the payment

allocation terms of the Settlement. In the case of Current Policyholders, Settlement Class Member Payments shall be issued by Defendants in the form of a statement credit.

64. "Settlement Class Representatives" means Plaintiffs Water Black III, Keith Barr, Wayne Best, and David Fant Sr.

65. "Settlement Fund" means the \$5,000,000.00 common fund Defendants are obligated to pay under the Settlement.

66. "Settlement Website" means the website that the Settlement Administrator will establish as a means for the Settlement Class to obtain notice of and information about the Settlement, through and including hyperlinked access to this Agreement, the Long Form Notice, Preliminary Approval Order, Final Approval Order, Final Judgment, and such other documents as the Parties agree to post or that the Court orders posted on the website. These documents shall remain on the Settlement Website at least until Final Approval. The URL of the Settlement Website shall be www.usaalatefeelitigation.com, if available at typical or average registration costs, or such other URL as Class Counsel and Defendants' Counsel agree upon in writing.

67. "Value of the Settlement" means the Settlement Fund plus the Settlement Administration Costs.

III. Certification of the Settlement Class

68. For settlement purposes only, Plaintiffs will move for, and Defendants will not oppose, Preliminary Approval and Final Approval of the Settlement Class.

IV. Settlement Consideration and Escrow Account

69. Subject to approval by the Court, Defendants shall deposit into the Escrow Account a Settlement Fund of \$5,000,000.00. Defendants shall separately pay all Settlement Administration Costs, including all costs and expenses related to the CAFA Notice. The Settlement Fund shall be used to pay Settlement Class Members their respective Settlement

Class Member Payments; any and all attorneys' fees and costs awarded to Class Counsel; any Service Awards to the Class Representatives; and any distribution of Residual Funds as required under this Agreement. Defendants shall not be responsible for any other payments under this Agreement. The Settlement Fund shall be paid by Defendants into the Escrow Account within 10 business days of the entry of the Preliminary Approval Order.

71. The funds in the Escrow Account shall be deemed a "qualified settlement fund" within the meaning of United States Treasury Reg. § 1.468B-1 at all times since creation of the Escrow Account. All taxes (including any estimated taxes, and any interest or penalties relating to them) arising with respect to the income earned by the Escrow Account or otherwise, including any taxes or tax detriments that may be imposed upon Defendants, Defendants' Counsel, Plaintiffs, and/or Class Counsel with respect to income earned by the Escrow Account, for any period during which the Escrow Account does not qualify as a "qualified settlement fund" for the purpose of federal or state income taxes or otherwise, shall be paid out of the Escrow Account. Defendants and Defendants' Counsel and Plaintiffs and Class Counsel shall have no liability or responsibility for any of the taxes. The Escrow Account shall indemnify and hold Defendants and Defendants' Counsel and Plaintiffs and Class Counsel harmless for all taxes (including, without limitation, Taxes payable by reason of any such indemnification).

V. Settlement Approval

72. Upon execution of this Agreement by all Parties, Class Counsel shall promptly file a Motion for Preliminary Approval. The proposed Preliminary Approval Order that will be attached to the motion shall be in a form agreed upon by the Parties. The Motion for Preliminary Approval shall, among other things, request that the Court: (1) approve the terms of the Settlement as within the range of fair, adequate, and reasonable; (2) provisionally certify the Settlement Class pursuant to Fed. R. Civ. P. 23(a) and (b)(3) for settlement purposes only; (3) approve the Notice

Program set forth herein and approve the form and content of the Notices of the Settlement; (4) approve the procedures set forth herein below for Settlement Class Members to opt-out from the Settlement Class or for Settlement Class Members to object to the Settlement and/or the Application for Attorneys' Fees, Costs, and Service Awards; (5) stay the Action pending Final Approval of the Settlement; and (6) schedule a Final Approval Hearing for a time and date mutually convenient for the Court, Class Counsel, and Defendants' Counsel, at which the Court will conduct an inquiry into the fairness of the Settlement, determine whether it was made in good faith, and determine whether to approve the Settlement and Class Counsel's Application for Attorneys' Fees, Costs and Service Awards.

73. To comply with the Class Action Fairness Act (CAFA), 28 U.S.C. § 1715, CAFA Notice will be sent by Defendants or the Settlement Administrator no later than 10 days after the Proposed Settlement Agreement is filed with the Court to the appropriate state and federal government officials.

VI. Settlement Class Late Fee Data and Contact Information

74. Class Counsel and Defendants have engaged in significant discovery related to liability and damages. The Consent Order Files contain information on the Late Fees charged and refunded per the Consent Order, member names and policy numbers, charge dates and amounts, refund check amounts, each recipient's most recent contact information, e-mail address, whether each is a Current or Former Policyholder, and whether each has consented to electronic notices. The Consent Order Files are based solely on the information contained in Defendants' current policy software system. Defendants have no obligation to provide any information that may reside on legacy, inactive, archival or other similar data storage devices or systems. Defendants will provide the Administrator with a copy of the Consent Order Files. The Consent Order Files will be used by the Settlement Administrator to fulfill its obligations in this Settlement.

VII. Settlement Administrator

75. The Settlement Administrator shall administer the Settlement as described in this Agreement, including, but not limited to, effectuating the Notice Program and distributing the Settlement Fund as provided herein.

76. The duties of the Settlement Administrator include:

77. In advance of the Motion for Preliminary Approval, prepare a declaration to submit to the Court detailing the Settlement Administrator's relevant experience and the proposed Notice Program to be used in the administration of the Settlement;

78. Use the Settlement Class List provided by Defendants in connection with the Notice Program approved by the Court, for the purpose of sending the Email Notice and mailing the Postcard Notice, and later mailing distribution checks to Former Policyholder Settlement Class Members, and to Current Policyholder Settlement Class Members where it is not feasible or reasonable for Defendants to make the payment by a credit to the Settlement Class Members' Accounts;

79. Establish and maintain a post office box for requests to opt-out from the Settlement Class;

80. Establish and maintain the Settlement Website;

81. Establish and maintain an automated toll-free telephone line for Settlement Class Members to call with Settlement-related inquiries, and answer the frequently asked questions of the Settlement Class who call with or otherwise communicate such inquiries;

82. Respond to any mailed Settlement Class inquiries;

82. Process all opt-out requests from the Settlement Class;

83. Prior to the Final Approval Hearing, provide weekly reports to Class Counsel and Defendants that summarize the number of opt-out requests and objections received that week, the total number of opt-out requests and objections received to date, and other pertinent information;

84. In advance of the Final Approval Hearing, prepare a declaration to submit to the Court confirming the Notice Program was completed, describing how the Notice Program was completed, providing the names of each Settlement Class Member who timely and properly opted-out from the Settlement Class, and other information as may be necessary to allow the Parties to seek and obtain Final Approval;

85. Distribute Settlement Class Member Payments by check as required herein and provide at least monthly reports to Class Counsel and Defendants on the number and amount of checks cashed, the number and amount of checks remaining, and other pertinent information;

86. Provide to Defendants the amount of the Settlement Class Member Payments to Current Policyholder Settlement Class Members from the Settlement Fund and work with Defendants to the extent necessary to initiate the credits of Settlement Class Member Payments to Current Policyholder Settlement Class Members.

87. Pay administrative costs for expenses required and approved by Class Counsel and Defendants' Counsel, as provided in this Agreement; and

88. Any other Settlement-administration-related function not addressed herein at the instruction of Class Counsel and Defendants.

VIII. Notice to Settlement Class

89. Notice shall be provided to Settlement Class Members in three different ways: (a) Email Notice to Current and Former Policyholders for whom Defendants have email addresses; (b) Postcard Notice to those Current and Former Policyholders for whom Defendants do not have email addresses and for those who have not agreed to electronic transactions with Defendants, or

for which the Email Notice is returned undeliverable; and (c) Long Form Notice with greater detail than the Email Notice and Postcard Notice, which shall be available on the Settlement Website and/or via mail upon request by a Settlement Class Member to the Settlement Administrator. Not all Settlement Class Members will receive all three forms of Notice, as detailed herein.

90. The Parties may by mutual written consent make non-substantive changes to the Notices without Court approval.

91. As soon as practicable after Preliminary Approval of the Settlement, at the direction of Class Counsel and Defendants' Counsel, the Settlement Administrator shall implement the Notice Program provided herein, using the forms of Notice in a substantially similar form as those approved by the Court. The Notice shall include, among other information: a description of the material terms of the Settlement; a deadline by which Settlement Class Members may opt-out of the Settlement Class; a deadline by which Settlement Class Members may object to the Settlement and/or the Application for Attorneys' Fees, Costs, and Service Awards; the Final Approval Hearing, location, date, and time; and the Settlement Website address at which Settlement Class Members may access this Agreement and other related documents and information. Class Counsel and Defendants shall insert the correct dates and deadlines in the Notice before the Notice Program commences, based upon those dates and deadlines set by the Court in the Preliminary Approval Order. Notices provided under or as part of the Notice Program shall not bear or include the Defendants' logos or trademarks or the return address of Defendants, or otherwise be styled to appear to originate from Defendants.

92. The Long Form Notice also shall include a procedure for Settlement Class Members to opt-out of the Settlement Class at any time during the Opt-Out Period, provided the

opt-out notice is postmarked no later than the last day of the Opt-Out Period. Requests to opt-out of the Settlement must be sent by U.S. Mail or private courier (*e.g.*, Federal Express) to the Settlement Administrator. The opt-out request must be personally signed by the Settlement Class Member and contain the name, last four digits of the policy number(s) or former policy number(s), postal address, email address (if any), telephone number, a brief statement identifying membership in the Settlement Class, and a statement that indicates a desire to be excluded from the Settlement Class. A Settlement Class Member may opt out on an individual and personal basis only; so-called “mass” or “class” opt-outs shall not be allowed. Any Settlement Class Member who does not timely and validly request to opt out shall be bound by the terms of this Agreement. If a policy has more than one policyholder, and if one policyholder opts-out himself or herself from the Settlement Class, then all policyholders on that same policy shall be deemed to have opted-out of the Settlement with respect to that policy, and no policyholder shall be entitled to a payment under the Settlement.

93. The Long Form Notice also shall include a procedure for Settlement Class Members to make a written objection to the Settlement and/or to the Application for Attorneys' Fees, Costs, and Service Awards, which must be submitted no later than the last day of the Objection Period, as specified in the Notice. Once the Settlement Administrator has the Settlement Class List, the Settlement Administrator shall proceed with the Notice Program. For those Settlement Class Members for whom Defendants do not have email addresses, for those Settlement Class Members who have not agreed to transact business electronically or for whom the Email Notice is returned undeliverable, the Settlement Administrator shall run the physical addresses provided by Defendants through the National Change of Address Database and shall mail the

Postcard Notice to all such Settlement Class Members. The initial Postcard and Email Notice shall be referred to as "Initial Mailed Notice."

94. The Settlement Administrator shall perform reasonable address traces for any Postcard Notice that is returned as undeliverable. By way of example, a reasonable tracing procedure would be to run addresses of returned postcards through the Lexis/Nexis database that can be utilized for such purpose. No later than 60 days before the original date set for the Final Approval Hearing, the Settlement Administrator shall complete the re-mailing of Postcard Notice to those Settlement Class Members whose new addresses were identified as of that time through address traces. The Settlement Administrator shall also send Postcard Notices to all Settlement Class Members whose emails were returned as undeliverable and complete such Notice pursuant to the deadlines described herein as they relate to the Notice re-mailing process.

95. The Notice Program shall be completed no later than 60 days before the original date set for the Final Approval Hearing.

96. The Settlement Administrator shall maintain a database showing mail and email addresses to which each Notice was sent and any Notices that were not delivered by mail and/or email. In addition to weekly updates to the Parties regarding the progress of the Notice Program and the declaration by the Settlement Administrator in advance of the Final Approval Hearing and in support of the Motion for Final Approval, a summary report of the Notice Program shall be provided to the Parties three days prior to the Final Approval Hearing. The database maintained by the Settlement Administrator regarding the Notices shall be available to the Court upon request. It shall otherwise be confidential and shall not be disclosed to any third party.

97. Defendants shall, on or before ten (10) calendar days following the Final Approval Hearing, file with the Court proof of compliance with CAFA.

IX. Objections To The Settlement Agreement

98. Objections to the Settlement may be made in accordance with these requirements. The objection must be filed or mailed to the Clerk of the Court and mailed to the Settlement Administrator. If submitted by mail, a written objection shall be deemed to have been submitted when posted if received with a postmark date indicated on the envelope if mailed first-class postage prepaid and addressed in accordance with the instructions. If submitted by private courier (*e.g.*, Federal Express), an objection shall be deemed to have been submitted on the shipping date reflected on the shipping label.

99. For an objection to be considered by the Court, the objection must also set forth:

- a. the name of the Action;
- b. a brief statement identifying membership in the Settlement Class;
- c. the objector's full name, address, email address (if any), the last four digits of the policy number(s) or former policy number(s) or the objector's USAA Member number, and telephone number;
- d. all grounds for the objection, accompanied by any legal support for the objection known to the objector or objector's counsel;
- e. the number of times the objector has objected to a class action settlement within the five years preceding the date that the objector files the objection, the caption of each case in which the objector has made such objection, and a copy of any orders related to or ruling upon the objector's prior objections that were issued by the trial and appellate courts in each listed case;
- f. the identity of all counsel who represent the objector, including any former or current counsel who may be entitled to compensation for any reason

related to the objection to the Settlement or Application for Attorneys' Fees, Costs, and Service Awards;

- g. the number of times in which the objector's counsel and/or counsel's law firm have objected to a class action settlement within the five years preceding the date that of the filed objection, the caption of each case in which counsel or the firm has made such objection and a copy of any orders related to or ruling upon counsel's or the counsel's law firm's prior objections that were issued by the trial and appellate courts in each listed case in which the objector's counsel and/or counsel's law firm have objected to a class action settlement within the preceding 5 years;
- h. any and all agreements that relate to the objection or the process of objecting—whether written or oral—between objector or objector's counsel and any other person or entity;
- i. the identity of all counsel (if any) representing the objector who will appear at the Final Approval Hearing;
- j. a list of all persons who will be called to testify at the Final Approval Hearing in support of the objection;
- k. a statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and
- l. the objector's signature (an attorney's signature is not sufficient).

100. Class Counsel and/or Defendants' Counsel may conduct limited discovery on any objector consistent with the Federal Rules of Civil Procedure including taking a deposition.

X. Final Approval Order and Final Judgment

101. Plaintiffs' Motion for Preliminary Approval of the Settlement will include a request to the Court for a scheduled Final Approval Hearing date, time, and location. Plaintiffs shall file their Motion for Final Approval of the Settlement no later than 45 days before the original date set for the Final Approval Hearing. At the Final Approval Hearing, the Court will hear argument on the Motion for Final Approval and the Application for Attorneys' Fees, Costs and Service Awards. In the Court's discretion, the Court also will hear argument at the Final Approval Hearing from any Settlement Class Members (or their counsel) who object to the Settlement or the Application for Attorneys' Fees, Costs, and Service Awards. If the date or location of the Final Approval Hearing changes, that information will be included on the Settlement Website for the Settlement Class's benefit.

102. At or following the Final Approval Hearing, the Court will determine whether to enter the Final Approval Order granting Final Approval of the Settlement and final judgment thereon, and whether to approve the Application for Attorneys' Fees, Costs, and Service Awards. Such proposed Final Approval Order shall, among other things:

- a. Determine that the Settlement is fair, adequate, and reasonable;
- b. Finally certify the Settlement Class for settlement purposes only;
- c. Determine that the Notice provided satisfies Fed. R. Civ. P. 23 and Due Process requirements;
- d. Bar and enjoin all Releasing Parties from asserting any of the Released Claims; bar and enjoin all Releasing Parties from pursuing any Released Claims against the Released Parties at any time, including during any appeal from the Final Approval Order; and retain jurisdiction over the enforcement of the Court's injunctions;

- e. Release Defendants and the other Released Parties from the Released Claims; and
- f. Reserve the Court's continuing and exclusive jurisdiction over the Parties to this Agreement, including Defendants, all Settlement Class Members, and all objectors, to administer, supervise, construe, and enforce this Agreement in accordance with its terms.

XI. Calculation and Disbursement of Settlement Class Member Payments

103. The Settlement Administrator will calculate Settlement Class Member Payments using the Consent Order Files. The Net Settlement Fund shall be paid to the Settlement Class Members as follows. Each Settlement Class Member will be allocated a \$5 minimum payment from the Net Settlement Fund. The remaining funds will be allocated proportionately by the amount of interest that the Settlement Class Member would have received on March 20, 2020, had simple interest been included in the late fee refund at eight (8) percent per annum. In the event information to perform this calculation for any individual Settlement Class Member is unavailable, a calculation will be performed that assumes the amount refunded was charged in a single sum on March 20, 2016 (four years prior to the refund). The following calculation will be used to proportionately allocate the Net Settlement Fund:

(Settlement Class Member's Late Fee Interest / Sum of All Settlement Class Members' Late Fee Interest) X Net Settlement Fund

Fractions of a penny that are .5 or higher shall be rounded up and fractions of a penny that are .4 or lower shall be rounded down. Under no circumstances may Settlement Class Member Payments exceed the Net Settlement Fund. Nothing herein precludes Class Counsel and Defendants' Counsel from working together to perform the calculations required herein and providing such file to the Administrator.

104. The Parties agree the foregoing payment allocation formula is exclusively for purposes of computing, in a reasonable and efficient fashion, the amount each Settlement Class Member should receive from the Net Settlement Fund. The fact that this payment allocation formula will be used is not intended and shall not be used for any other purpose or objective whatsoever.

105. Within 15 days after the Effective Date, the Settlement Administrator shall provide to Defendants' Counsel and Class Counsel two lists. The first list shall include the amount of Settlement Class Member Payments owed to each Current Policyholder. The second list shall include the amount of Settlement Member Payments owed to each Former Policyholder.

106. As soon as practicable but no later than 60 days after the Effective Date, Defendants and the Settlement Administrator shall distribute the Net Settlement Fund to Settlement Class Members, as follows:

- a. Settlement Class Member Payments to Current Policyholders shall be made by a credit to those Policyholders' Accounts maintained individually at the time of the credit. The Settlement Administrator shall transfer the funds necessary for Defendants to make these credits no later than 30 days after the Effective Date. Defendants shall notify Current Policyholders of any such credit on the statement on which the credit is reflected by stating "Late Fee Litigation Credit" or something similar. Defendants will bear any costs associated with implementing the credits and notification required by this paragraph. If by the deadline for Defendants to apply credits of Settlement Class Member Payments to the statements Defendants are unable to complete certain credits, or it is not feasible or reasonable to make the

payment by a credit, Defendants shall deliver the total amount of such unsuccessful Settlement Class Member Payment credits to the Settlement Administrator to be paid by check in accordance with subparagraph b. below.

- b. Settlement Fund Payments to Former Policyholders will be made by check with an appropriate legend, in a form approved by Class Counsel and Defendants' Counsel, to indicate that it is from the Settlement Fund. Checks will be cut and mailed by the Settlement Administrator and will be sent to the addresses that the Settlement Administrator reasonably believes is valid. Checks initially sent shall be valid for 180 days. Reissued checks shall be valid for 60 days. Checks will be made payable to the same person or estate as was used for late fee refunds per the Consent Order Files unless agreed otherwise by counsel for Plaintiffs and Defendants given the facts and circumstances of a particular request. The Settlement Administrator will make reasonable efforts to locate the current address for any intended recipient of Settlement Funds whose check is returned by the Postal Service as undeliverable (such as by running addresses of returned checks through the Lexis/Nexis database that can be utilized for such purpose), and will re-mail it once if an updated address is located. In the event of any complications arising in connection with the issuance or cashing of a check, the Settlement Administrator shall provide written notice to Class Counsel and Defendants' Counsel (e-mail is acceptable). Absent specific instructions from Class Counsel and Defendants' Counsel, the Settlement

Administrator shall proceed to resolve the dispute using its best practices and procedures to ensure that the funds are fairly and properly distributed to the person or persons who are entitled to receive them. All costs associated with the process of printing and mailing the checks and any accompanying communication to Former Policyholders shall be borne by Defendants separately.

107. The amount of the Net Settlement Fund attributable to uncashed or returned checks sent by the Settlement Administrator shall be held by the Settlement Administrator for up to nine months from the date that the Settlement Administrator mails the first distribution check.

XII. Charitable Donation of Residual Funds

108. For Net Settlement Funds which remain nine months after the settlement checks are initially mailed—consisting of checks that were successfully delivered but not timely negotiated, and checks deemed undeliverable through reasonable efforts by the Settlement Administrator utilizing standard practices (collectively, “Residual Funds”), any such funds will be donated in equal parts to the Wounded Warrior Project (<https://www.woundedwarriorproject.org/>) and Face the Fight (<https://facethefight.psycharmor.org/>) as the *cy pres* recipients.

109. Costs for delivery of Residual Funds to a *cy pres* recipient. Any costs associated with this donation shall also come from the Residual Funds.

XIII. Releases

110. As of the Effective Date, the Releasing Parties shall automatically be deemed to have fully and irrevocably released and forever discharged the Released Parties of and from the Released Claims.

111. Each Settlement Class Member is barred and permanently enjoined from bringing on behalf of themselves, or through any person purporting to act on their behalf or purporting to

assert a claim under or through them, any of the Released Claims against the Released Parties in any forum, action, or proceeding of any kind.

112. Plaintiffs or any Settlement Class Member may hereafter discover facts other than or different from those that he/she knows or believes to be true with respect to the subject matter of the Released Claims, or the law applicable to such claims may change. Nonetheless, each of those individuals expressly agrees that, as of the Effective Date, he/she shall have automatically and irrevocably waived and fully, finally, and forever settled and released any known or unknown, suspected or unsuspected, asserted or unasserted, liquidated or unliquidated, and contingent or non-contingent claims with respect to all of the matters described in or subsumed by herein. Further, each of those individuals agrees and acknowledges that he/she shall be bound by this Agreement, including by the release herein and that all of their claims in the Action shall be released, whether or not such claims are concealed or hidden; without regard to subsequent discovery of different or additional facts and subsequent changes in the law; and even if he/she never receives actual notice of the Settlement and/or never receives a distribution of funds or credits from the Settlement.

113. In addition to the releases made by Plaintiffs and Settlement Class Members above, Plaintiffs, including each and every one of their agents, representatives, attorneys, heirs, assigns, or any other person acting on their behalf or for their benefit, and any person claiming through them, makes the additional following general release of all claims, known or unknown, in exchange and consideration of the Settlement set forth in this Agreement: This named Plaintiff agrees to a general release of the Released Parties from all claims, demands, rights, liabilities, grievances, demands for arbitration, and causes of action of every nature and description

whatsoever, known or unknown, pending or threatened, asserted or that might have been asserted, whether brought in tort or in contract, whether under state or federal or local law.

XIV. Payment of Attorneys' Fees and Costs and Service Awards

114. Defendants agree that Class Counsel shall be entitled to request an award of reasonable attorneys' fees and request reimbursement of reasonable litigation costs, to be determined by the Court. Any award of attorneys' fees and costs to Class Counsel shall be payable solely out of the Settlement Fund and together with the Service Awards discussed below shall not exceed \$2 million, resulting in at least \$3 million of the Settlement Fund being distributed as Settlement Class Member Payments. The Parties agree the Court's failure to approve, in whole or in part, any award for attorneys' fees and costs shall not prevent the Settlement from becoming effective, nor shall it be grounds for termination.

115. Within 10 business days of the Court's entry of the Final Approval Order, the Settlement Administrator shall pay Class Counsel all Court-approved attorneys' fees and costs from the Settlement Fund either 1) by check made out to all Class Counsel; or 2) pursuant to written wiring instructions approved by all Class Counsel. In the event the award of attorneys' fees and costs is reduced on appeal, or if the Effective Date does not occur (either because approval of the Settlement is overturned or the Agreement is terminated for any reason), Class Counsel shall reimburse the Settlement Fund, within 10 business days of the entry of the order reducing the fees, overturning the approval of the Settlement on appeal, or the termination of the Agreement, the difference between the amount distributed and the reduced amount (in the event of a reduction) or the entirety of the amount (in the event approval is overturned or the Agreement is terminated).

116. Class Counsel shall be solely responsible for distributing each Class Counsel firm's allocated share of such fees and costs to that firm. Defendants shall have no responsibility for any allocation, and no liability whatsoever to any person or entity claiming any share of the funds to

be distributed for payment of attorneys' fees and costs or any other payments from the Settlement Fund not specifically described herein.

117. In the event the Effective Date does not occur, or the attorneys' fees or cost award is reduced following an appeal, each counsel and their law firms who have received any payment of such fees or costs shall be jointly and severally liable for the entirety. Further, each counsel and their law firms consent to the jurisdiction of the Court for the enforcement of this provision.

118. Defendants agree that Class Counsel shall be entitled to request the Court to approve a Service Award to each Settlement Class Representative as follows: to Plaintiff Walter Black in an amount up to \$7,500.00, and to Plaintiffs Keith Barr, Wayne Best, and David Fant Sr. in an amount up to \$3,500.00. The Service Awards shall be paid by the Settlement Administrator to the Settlement Class Representative within 10 days of the Effective Date. The Service Awards shall be paid to the Settlement Class Representatives in addition to their Settlement Class Member Payment. The Parties agree the Court's failure to approve a Service Award, in whole or in part, shall not prevent the Settlement from becoming effective, nor shall it be grounds for termination.

119. The Application for Attorneys' Fees, Costs, and Service Awards shall be filed not later than 45 days before the Final Approval Hearing.

120. The Parties negotiated and reached agreement regarding attorneys' fees and costs and Service Awards only after reaching agreement on all other material terms of this Settlement.

XV. Termination of Settlement

121. This Settlement may be terminated by either Plaintiffs or Defendants by serving on counsel for the opposing Parties and filing with the Court a written notice of termination within 30 days (or such longer time as may be agreed in writing between the Parties) after any of the following occurrences:

- a. the Parties agree to termination;

- b. the Court rejects, materially modifies, materially amends, or changes, or declines to grant Preliminary Approval or Final Approval;
- c. an appellate court vacates or reverses the Final Approval Order, and the Settlement is not reinstated and finally approved without material change by the Court on remand within 365 days after such reversal;
- d. any court incorporates into, or deletes or strikes from, or modifies, amends, or changes, the Preliminary Approval Order, Final Approval Order, or the Settlement in a way that a Plaintiff or Defendant seeking to terminate the Settlement reasonably considers material;
- e. the Effective Date does not occur; or
- f. any other ground for termination provided for elsewhere in this Agreement.

122. Defendants also shall have the right to terminate the Settlement by serving on Class Counsel and filing with the Court a notice of termination within 15 days after its receipt from the Settlement Administrator of any report indicating that the number of Settlement Class Members who timely opt-out from the Settlement Class equals or exceeds 5% of the total number of Settlement Class Members.

XVI. Effect of a Termination

123. The grounds upon which this Agreement may be terminated are set forth herein above. In the event of a termination, this Agreement shall be considered null and void; all of Plaintiffs', Class Counsel's, and Defendants' obligations under the Settlement shall cease to be of any force and effect; and the Parties shall return to the status *quo ante* in the Action as if the Parties had not entered into this Agreement. In addition, in the event of such a termination, all of the Parties' respective pre-Settlement rights, claims and defenses will be retained and preserved.

124. In the event of termination, Defendants shall have no right to seek reimbursement from Plaintiffs, Class Counsel, or the Settlement Administrator, for Settlement Administration Costs paid by Defendants. After payment of any invoices or other fees or costs mentioned in this Agreement that have been incurred and are due to be paid from the Settlement Fund, to the extent any such fees or costs have been incurred given Defendants' obligation to directly pay Settlement Administration Costs, the Settlement Administrator shall return the balance of the Settlement Fund to Defendants within 7 days of termination.

125. The Settlement shall become effective on the Effective Date unless earlier terminated in accordance with the provisions hereof.

126. Certification of the Settlement Class shall have no bearing in deciding whether the claims asserted in the Action are or were appropriate for class treatment in the absence of settlement. If this Agreement terminates or is nullified, the provisional class certification shall be vacated by its terms, and the Action shall revert to the status that existed before execution of this Agreement. Thereafter, Plaintiffs shall be free to pursue any claims available to them, and Defendants shall be free to assert any defenses available, including but not limited to, denying the suitability of this case for class treatment. Nothing in this Agreement shall be argued or deemed to estop any Party from the assertion of such claims and defenses.

127. In the event the Settlement is terminated in accordance with the provisions of this Agreement, any discussions, offers, or negotiations associated with this Settlement shall not be discoverable or offered into evidence or used in the Action or any other action or proceeding for any purpose. In such event, all Parties to the Action shall stand in the same position as if this Agreement had not been negotiated, made, or filed with the Court.

XVII. No Admission of Liability

128. Defendants continue to dispute its liability for the claims alleged in the Action. Defendants do not admit any liability or wrongdoing of any kind, by this Agreement or otherwise. Defendants have agreed to enter into this Agreement to avoid the further expense, inconvenience, and distraction of burdensome and protracted litigation, and to be completely free of any further claims that were asserted or could possibly have been asserted in the Action.

129. Plaintiffs and Class Counsel believe that the claims asserted in the Action have merit, and they have examined and considered the benefits to be obtained under the proposed Settlement set forth in this Agreement, the risks associated with the continued prosecution of this complex, costly, and time-consuming litigation, and the likelihood of success on the merits of the Action. Class Counsel fully investigated the facts and law relevant to the merits of the claims, conducted significant formal discovery including extensive written discovery, document review, and multiple depositions, and conducted independent investigation of the challenged practices. Class Counsel concluded that the proposed Settlement set forth in this Agreement is fair, adequate, reasonable, and in the best interests of the Settlement Class Members.

130. The Parties understand and acknowledge that this Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Parties either previously or in connection with the negotiations or proceedings connected with this Agreement shall be deemed or construed to be an admission of the truth or falsity of any claims or defenses heretofore made, or an acknowledgment or admission by any party of any fault, liability, or wrongdoing of any kind whatsoever.

131. Neither the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Settlement: (a) is or may be deemed to be, or may be used as, an admission of, or evidence of, the validity of any claim made by the Plaintiffs or Settlement Class Members,

or of any wrongdoing or liability of the Released Parties; or (b) is or may be deemed to be, or may be used as, an admission of, or evidence of, any fault or omission of any of the Released Parties, in the Action or in any proceeding in any court, administrative agency, or other tribunal.

132. In addition to any other defenses Defendants may have at law, in equity, or otherwise, to the extent permitted by law, this Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit or other proceeding that may be instituted, prosecuted, or attempted in breach of this Agreement or the Releases contained herein.

XVIII. Miscellaneous Provisions

133. Gender and Plurals. As used in this Agreement, the masculine, feminine or neutral gender, and the singular or plural number, shall each be deemed to include the others whenever the context so indicates.

134. Binding Effect. This Agreement shall be binding upon, and inure to for the benefit of, the successors and assigns of the Releasing Parties and the Released Parties.

135. Cooperation of Parties. The Parties to this Agreement agree to cooperate in good faith to prepare and execute all documents, to seek Court approval, uphold Court approval, and do all things reasonably necessary to complete and effectuate the Settlement described in this Agreement.

136. Obligation to Meet and Confer. Before filing any motion in the Court raising a dispute arising out of or related to this Agreement, the Parties shall consult with each other and certify to the Court that they have consulted.

137. Integration. This Agreement constitutes a single, integrated written contract expressing the entire agreement of the Parties relative to the subject matter hereof. No covenants,

agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto, except as provided for herein.

138. No Conflict Intended. Any inconsistency between the headings used in this Agreement and the text of the paragraphs of this Agreement shall be resolved in favor of the text.

139. Governing Law. Except as otherwise provided herein, the Agreement shall be construed in accordance with, and be governed by, the laws of the State of Maryland, without regard to the principles thereof regarding choice of law.

140. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, even though all Parties do not sign the same counterparts. Original signatures are not required. Any signature submitted by facsimile or through email of an Adobe PDF shall be deemed an original.

141. Jurisdiction. The Court shall retain jurisdiction over the implementation, enforcement, and performance of this Agreement, and shall have exclusive jurisdiction over any suit, action, proceeding, or dispute arising out of or relating to this Agreement that cannot be resolved by negotiation and agreement by counsel for the Parties. The Court shall retain jurisdiction with respect to the administration, consummation, and enforcement of the Agreement. The Court shall also retain jurisdiction over all questions and/or disputes related to the Notice Program and the Settlement Administrator. As part of their agreement to render services in connection with this Settlement, the Settlement Administrator shall consent to the jurisdiction of the Court for this purpose. The Court shall retain jurisdiction over the enforcement of the Court's injunction barring and enjoining all Releasing Parties from asserting any of the Released Claims

and from pursuing any Released Claims against Defendant or its affiliates at any time, including during any appeal from the Final Approval Order.

142. Notices. All notices to Class Counsel and Defendants' counsel provided for herein, shall be sent by email with a hard copy sent by overnight mail to:

KAGAN STERN MARINELLO & BEARD, LLC

Jonathan Kagan
238 West Street
Annapolis, MD 21401

TIMONEY KNOX, LLP

Keith T. Vernon
1717 K Street NW, Suite 900
Washington, DC 20006

TIMONEY KNOX, LLP

Andrew W. Knox
400 Maryland Drive
Fort Washington, PA 19034

TYCKO & ZAVAREEI LLP

Andrea R. Gold
Gemma Seidita
2000 Pennsylvania Ave., NW
Suite 1010
Washington, D.C. 20006

NORTON ROSE FULBRIGHT US LLP

Adam T. Schramek
98 San Jacinto Blvd., Suite 1100
Austin, TX 78701

The notice recipients and addresses designated above may be changed by written notice. Upon the request of any of the Parties, the Parties agree to promptly provide each other with copies of objections, requests for exclusion, or other filings received as a result of the Notice Program.

143. Modification and Amendment. This Agreement may not be amended or modified, except by a written instrument signed by Class Counsel and Defendants' Counsel and, if the Settlement has been approved preliminarily by the Court, approved by the Court.

144. No Waiver. The waiver by any Party of any breach of this Agreement by another Party shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Agreement.

145. Authority. Class Counsel (for the Plaintiffs and the Settlement Class Members) represent and warrant that the persons signing this Agreement on their behalf have full power and authority to bind every person, partnership, corporation, or entity included within the definitions of Plaintiffs to all terms of this Agreement. Any person executing this Agreement in a representative capacity represents and warrants that he or she is fully authorized to do so and to bind the Party on whose behalf he or she signs this Agreement to all of the terms and provisions of this Agreement.

146. Agreement Mutually Prepared. Neither Defendants nor Plaintiffs, nor any of them, shall be considered to be the drafter of this Agreement or any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement.

147. Independent Investigation and Decision to Settle. The Parties understand and acknowledge that they: (a) have performed an independent investigation of the allegations of fact and law made in connection with this Action; and (b) that even if they may hereafter discover facts in addition to, or different from, those that they now know or believe to be true with respect to the subject matter of the Action as reflected in this Agreement, that will not affect or in any respect limit the binding nature of this Agreement. Defendants have provided and will provide information that Plaintiffs reasonably request to identify Settlement Class Members and the alleged damages they incurred. The Parties agree that this Settlement is reasonable and will not attempt to renegotiate or otherwise void or invalidate or terminate the Settlement irrespective of what any

unexamined data later shows. It is the Parties' intention to resolve their disputes in connection with this Action pursuant to the terms of this Agreement now and thus, in furtherance of their intentions, the Agreement shall remain in full force and effect notwithstanding the discovery of any additional facts or law, or changes in law, and this Agreement shall not be subject to rescission or modification by reason of any changes or differences in facts or law, subsequently occurring or otherwise.

148. Receipt of Advice of Counsel. Each Party acknowledges, agrees, and specifically warrants that they have fully read this Agreement and the Releases contained herein, received independent legal advice with respect to the advisability of entering into this Agreement and the Releases, and the legal effects of this Agreement and the Releases, and fully understands the effect of this Agreement and the Releases.

FOR PLAINTIFFS:


boxSIGN 19KQWZXQ-1J2WWW98
WALTER BLACK III

Sep 12, 2025
DATE


boxSIGN 4KPKQ23X-1J2WWW98
KEITH BARR

Sep 15, 2025
DATE


boxSIGN 17PV8272-1J2WWW98
WAYNE BEST

Sep 15, 2025
DATE


boxSIGN 1J3KPQ8Y-1J2WWW98
DAVID FANT SR.

Sep 12, 2025
DATE

FOR DEFENDANTS USAA GENERAL INDEMNITY COMPANY, GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY, UNITED SERVICES AUTOMOBILE ASSOCIATION and USAA CASUALTY INSURANCE COMPANY:



9/11/25

DATE

DANIEL PLUNKETT
USAA ATTORNEY, PRINCIPAL

EXHIBIT A

To: [Settlement Class Member email address]
From: info@USAALateFeeLitigation.com
Subject: USAA Late Fee Settlement

Records show that you may be entitled to money from a \$5 million class action settlement

**For complete information,
visit www.USAALateFeeLitigation.com or call 1-877-206-2306.**

*You are not being sued. This is not a solicitation from a lawyer.
This Email Notice was authorized by U.S. District Court for the District of Maryland.*

Dear [Settlement Class Member]:

You received this notice because records indicate you are a Settlement Class Member and you have the right to know about the settlement and your rights and options before the Court decides the outcome.

Am I a Settlement Class Member?

You are a Settlement Class Member if you meet the following criteria:

- ✓ You were charged a late fee by USAA General Indemnity Company, Garrison Property and Casualty Insurance Company, United Services Automobile Association, or USAA Casualty Insurance Company (collectively, “USAA Defendants”) on a Maryland insurance policy prior to 2020;
- ✓ You received a refund for those late fee charges pursuant to Maryland Consent Order MIA-2020-08-002;
- ✓ You did **not** receive accrued interest and/or gains on the late fee refund.

What is the lawsuit about?

A settlement has been reached in a class action lawsuit called *Black et al. v. USAA General Indemnity Company et. al.*, No. 8:21-CV-01581-LKG pending in the United States District Court for the District of Maryland. The lawsuit concerns certain late fees that were refunded by USAA Defendants on Maryland insurance policies. Plaintiffs believe that USAA Defendants should have refunded the gains and/or interest they accrued on the late fees. USAA Defendants deny they did anything wrong or owe anyone money. The Settlement is a compromise to end the lawsuit – it does not determine who is right.

What does the settlement provide?

USAA Defendants have agreed to create a **\$5,000,000** Settlement Fund. The exact payment amount you will get depends on several things including how many late fees you were charged and how long ago you paid the late fee(s), as well as the total number of Settlement Class Members (less any who

opt out of the settlement). If there is money left after the claims process is completed, it will be donated to Wounded Warrior Project and Face the Fight.

Your options

You have three options:

1. **Do nothing.** Automatically get a payment either in the form of a statement credit (for Current Policyholders) or in the form of a check (for Former Policyholders). Be bound by settlement.
2. **Opt Out of the settlement by [DATE].** Get no payment. This is the only option that allows you to keep the right to sue USAA Defendants about the same issues that the settlement resolves.
3. **Object by [DATE].** Tell the court why you don't like the settlement. Still get an automatic payment and be bound by the settlement.

Who represents the Settlement Class?

The Court appointed Andrea R. Gold and Gemma Seidita of Tycko & Zavareei LLP; Jonathan Kagan of Kagan Stern Marinello & Beard LLC; and Keith T. Vernon and Andrew W. Knox of Timoney Knox, LLP to represent the Settlement Class as Settlement Class Counsel. Settlement Class Counsel will ask the Court to approve a payment of up to \$2,000,000 total in attorneys' fees plus the reimbursement of out-of-pocket expenses, and a payment of \$7,500 to Settlement Class Representative Walter Black III, and \$3,500 each to Settlement Class Representatives Keith Barr, Wayne Best, and David Fant, Sr. for the time and effort they contributed to the case.

These payments will be deducted from the \$5,000,000 Settlement Fund.

What happens next?

The Court will hold a Final Approval hearing to decide whether to approve the settlement. The hearing will be held at [time] on [date] at 500 Cherrywood Lane, Suite 400, Greenbelt, MD 20770. Payments will only be made if the Court approves the settlement. You don't have to attend the hearing, but you may at your own expense. You may also ask the Court for permission to speak and express your opinion about the settlement.

Questions?

Visit www.USAALateFeeLitigation.com or call 1-877-206-2306.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.

To unsubscribe from this list, please click on the following link: [Unsubscribe](#)

EXHIBIT B



United States District Court for the District of Maryland
Black et al. v. USAA General Indemnity Company et al.
Case No. 8:21-cv-01581-LKG



Example QR Code.
Replace this with case
specific QR Code.



Class Action Notice

Authorized by the U.S. District Court

Did USAA refund you
Late Fees without
interest and/or gains in
connection with a
Maryland insurance
policy?

You may get money
in a \$5 million class
action settlement.

No action required
to be a part of this
settlement.

Records indicate you are affected. You have three options:

1. **Do nothing.** Automatically get a payment. Be bound by the settlement.
2. **Opt out by [Date].** Get no payment. This is the only option that allows you to sue USAA Defendants about the same issues this settlement resolves.
3. **Object by [Date].** Tell the Court why you don't like the settlement. Still get a payment and be bound by the settlement.

Learn more at www.USAALateFeeLitigation.com, call 1-877-206-2306 or scan the QR code.

Court-Approved Legal Notice



This is an important notice about
a class action lawsuit.
To learn more, visit:

www.USAALateFeeLitigation.com

Black v. USAA

c/o JND Legal Administration
P.O. Box 91109
Seattle, WA 98111

«Mailing Barcode»

Postal Service: Please do not mark barcode

Unique ID: «NameNumber»

«Fullname»

«AddressLine1»

«AddressLine2»

«AddressCity», «AddressState»

«AddressPostalCode»

EXHIBIT C



United States District Court for the District of Maryland

Black et al. v. USAA General Indemnity Company et al.

Case No. 8:21-cv-01581-LKG

Class Action Notice

Authorized by the U.S. District Court

Did USAA refund you Late Fees without interest and/or gains in connection with a Maryland insurance policy?

You may get money in a \$5 million class action settlement.

No action required to be a part of this settlement.

If you are a Settlement Class Member and take no action, you will automatically receive a payment and be bound by the settlement, and your rights will be affected. Learn more at: www.USALateFeeLitigation.com.

- This settlement resolves a lawsuit over whether the Defendants should have paid interest and/or monetary gains in connection with the late fees it refunded to Settlement Class Members.
- The Defendants deny that they did anything wrong or owe anyone money.
- The exact amount each Settlement Class Member will get (in the form of a statement credit or a check) depends on a number of factors, including the number of late fees each Settlement Class Member was charged, and the date that the fees were refunded, as well as the number of Class Members who opt out from the settlement (if any).

Table of Contents

Table of Contents.....	2
About This Notice	3
Why was this notice issued and am I affected?	3
What do I do next?.....	4
What are the most important dates?.....	4
Learning About the Lawsuit	4
What is this lawsuit about?	4
Why is there a settlement in this lawsuit?.....	5
What happens next in this lawsuit?	5
Learning About the Settlement.....	6
What does the settlement provide?.....	6
How much will my payment be?	6
Deciding What to Do.....	7
How do I weigh my options?.....	7
What is the best path for me?	8
Participating as a Settlement Class Member.....	9
How do I get a payment if I am a Settlement Class Member?	9
Do I have a lawyer in this lawsuit?	9
Do I have to pay the lawyers in this lawsuit?	9
Opting Out.....	10
What if I don't want to be part of this settlement?.....	10
How do I opt out?	10
Objecting	11
What if I disagree with the settlement?	11
Key Resources	13
How do I get more information?	13

About This Notice

Why was this notice issued and am I affected?

This notice was issued to tell you about the settlement that was reached in a class action lawsuit called *Black et al. v. USAA General Indemnity Company et al.* The lawsuit was brought on behalf of a Settlement Class. You are a Settlement Class Member if you meet the following criteria:

- ✓ You were charged a late fee by USAA General Indemnity Company, Garrison Property and Casualty Insurance Company, United Services Automobile Association, or USAA Casualty Insurance Company (collectively, "USAA Defendants") on a Maryland insurance policy prior to 2020;
- ✓ You received a refund for those late fee charge(s) pursuant to Maryland Consent Order MIA-2020-08-002;
- ✓ You did **not** receive accrued interest and/or gains on the late fee refund(s).

Settlement Class Members have the right to know about the Settlement and their rights and options before the Court decides the outcome.

What do I do next?

Read this notice to understand the settlement and to determine if you are a Settlement Class Member. Then, decide if you want to:

Options	More information about each option
Do Nothing and Remain in the Settlement Class	Get an automatic payment either in the form of a statement credit (for Current Policyholders) or in the form of a mailed check (for Former Policyholders). Be bound by the settlement.
Opt Out of the Settlement	Get no payment. This is the only option that allows you to bring another lawsuit against the USAA Defendants about the same issues that the settlement resolves.
Object and Remain in the Settlement Class	Tell the Court why you don't like the settlement. Still get an automatic payment and be bound by the settlement.

Read on to understand the specifics of the settlement and what each choice would mean for you.

What are the most important dates?

Deadline to object or opt out: [date]

Settlement approval hearing: [date]

Learning About the Lawsuit

What is this lawsuit about?

Following a market conduct examination by the Maryland Insurance Commissioner, the USAA Defendants entered into a Consent Order with the MIA regarding the USAA Defendants' assessment of certain late fees against policyholders with insured risks in Maryland. In connection with the Consent Order, USAA Defendants refunded the principal amount of the late fees to affected policyholders, but they did **not** include any interest and/or gains that they made on the late fees. Plaintiffs allege that they, and others similarly situated, should have received such monies in addition to the refund of the principal amount of the late fee(s).

The USAA Defendants deny that they did anything wrong or owe anyone money.

Where can I learn more?

You can get a complete copy of the proposed settlement and other key documents in this lawsuit at:

www.USAALateFeeLitigation.com

Why is there a settlement in this lawsuit?

In September 2025, the parties agreed to settle, which means they have reached an agreement to resolve the lawsuit. Both sides want to avoid the risk and expense of further litigation.

The settlement is on behalf of the policyholders who brought the case and on behalf of the Settlement Class. The Court has not decided this case in favor of either side.

What is a class action settlement?

A class action settlement is an agreement between the parties to resolve and end the case. Settlements can provide money to class members and changes to the practices that caused the harm.

What happens next in this lawsuit?

The Court will hold a Final Approval hearing to decide whether to approve the settlement. The hearing will be held at:

Where: 6500 Cherrywood Lane, Suite 400, Greenbelt, MD 20770.

When: [time] on [date].

The Court has directed the parties to provide this notice about the proposed settlement. Because the settlement of a class action decides the rights of all members of the proposed class, the Court must give final approval to the settlement before it can take effect. Payments will only be made if the Court approves the settlement.

You don't have to attend the hearing, but you may at your own expense. You may also ask the Court for permission to speak and express your opinion about the settlement. If the Court does not approve the settlement or the parties decide to end it, it will be void and the lawsuit will continue. The date of the hearing may change without further notice to members of the class. To learn more and confirm the hearing date, go to www.USAALateFeeLitigation.com.

Learning About the Settlement

What does the settlement provide?

The USAA Defendants have agreed to create a **\$5,000,000** Settlement Fund to be allocated among all Settlement Class Members who do not opt out of the settlement. This money will also be used to pay for costs and lawyer fees approved by the Court. The USAA Defendants are separately paying for the costs of administering this settlement. Settlement Class Members will “release” their claims as part of the settlement, which means they cannot sue USAA General Indemnity Company, Garrison Property and Casualty Insurance Company, United Services Automobile Association or USAA Casualty Insurance Company for the same issues and legal violations raised in this lawsuit. The full terms of the release can be found [\[here\]](#).

If there is money left over after the claims process is completed, it will be donated to Wounded Warrior Project and Face the Fight.

How much will my payment be?

The exact amount of your payment will depend on how many late fees you were charged and how long ago you paid the late fee(s), as well as the total number of Settlement Class Members (less any who opt out of the settlement). Current USAA Policyholders will receive payment in the form of a statement credit, and Former USAA Policyholders will receive a mailed check. If you are still unsure if you are a Settlement Class Member, call 1-877-206-2306, visit www.USAALateFeeLitigation.com, or email USAALateFeeLitigation.com to see if you are eligible.

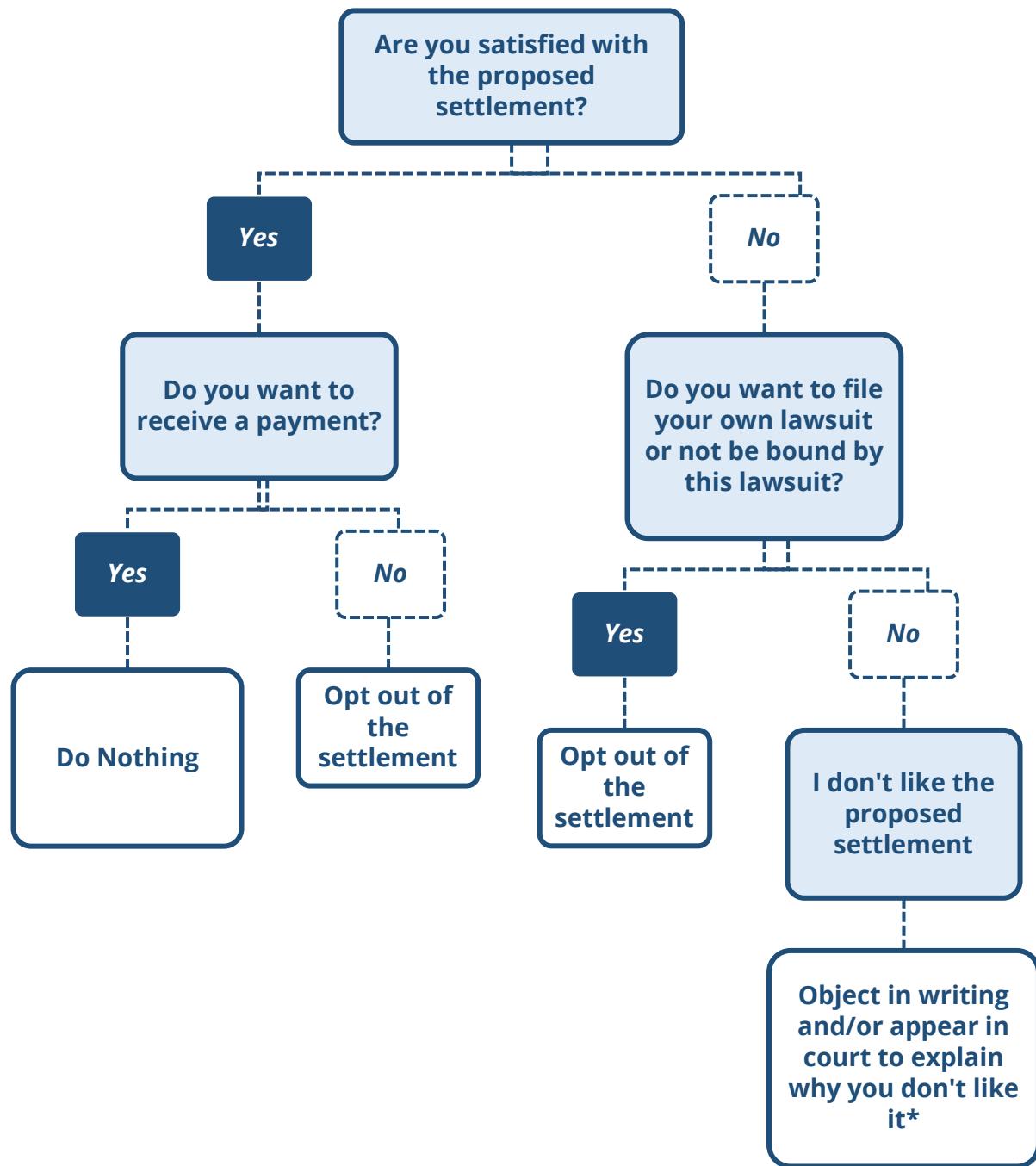
Deciding What to Do

How do I weigh my options?

You have three options: (1) you can do nothing; (2) you can opt out of the settlement; or (3) you can object to the settlement. This chart shows the effects of each option:

	Do Nothing	Opt Out	Object
Can I receive settlement money if I ...	YES	NO	YES
Am I bound by the terms of this lawsuit if I ...	YES	NO	YES
Can I pursue my own lawsuit if I ...	NO	YES	NO
Will the class lawyers represent me if I ...	YES	NO	NO

What is the best path for me?



**If you object to the settlement you will remain in the Settlement Class and receive payment.*

Participating as a Settlement Class Member

How do I get a payment if I am a Settlement Class Member?

If you wish to get money, you do not need to do anything. For Current Policyholders, payments will be issued in the form of a statement credit, and for Former Policyholders, payments will be issued in the form of a check.

Do I have a lawyer in this lawsuit?

In a class action, the court appoints class representatives and lawyers to work on the case and represent the interests of all the class members. For this settlement, the Court has appointed the following individuals and lawyers.

Your Settlement Class Representatives: Walter Black III, Keith Barr, Wayne Best, and David Fant Sr.

Your lawyers: Andrea R. Gold and Gemma Seidita of Tycko & Zavareei LLP; Jonathan Kagan of Kagan Stern Marinello & Beard LLC; and Keith T. Vernon and Andrew W. Knox of Timoney Knox, LLP. These are the lawyers who negotiated this settlement on your behalf.

If you want to be represented by your own lawyer, you may hire one at your own expense.

Do I have to pay the lawyers in this lawsuit?

You will not have to pay the lawyers directly. Lawyers' fees and costs will be paid from the Settlement Fund.

To date, your lawyers have not been paid any money for their work or the expenses that they have paid for the case. To pay for some of their time and risk in bringing this case without any guarantee of payment unless they were successful, your lawyers will request, as part of the final approval of this settlement, that the Court approve a payment of

up to \$2,000,000 total in attorneys' fees plus the reimbursement of out-of-pocket expenses.

Lawyers' fees and expenses will only be awarded if approved by the Court as a fair and reasonable amount. You have the right to object to the lawyers' fees even if you think the settlement terms are fair.

Your lawyers will also ask the Court to approve a payment of \$7,500 to Settlement Class Representative Walter Black III, and \$3,500 each for Settlement Class Representatives Keith Barr, Wayne Best, and David Fant, Sr. for the time and effort they contributed to the case. If approved by the Court, the Service Awards will be paid from the Settlement Fund.

Opting Out

What if I don't want to be part of this settlement?

You can opt out. If you do, you will not get a payment and you cannot object to the settlement. However, you will not be bound or affected by anything that happens in this lawsuit. That means you keep the right to sue USAA General Indemnity Company, Garrison Property and Casualty Insurance Company, United Services Automobile Association or USAA Casualty Insurance Company or be part of another case against them about the issues in this lawsuit. **If you have a pending lawsuit against USAA General Indemnity Company, Garrison Property and Casualty Insurance Company, United Services Automobile Association or USAA Casualty Insurance Company that asserts claims similar to the ones in this class action, speak to your lawyer in that case immediately.** You must exclude yourself from the Settlement Class to continue your own lawsuit. This settlement will not impact any pending lawsuit against USAA Defendants concerning any insurance claims.

How do I opt out?

To opt out of the settlement, you must send a written request to opt out to the Settlement Administrator by U.S. Mail or private courier, postmarked no later than **[DATE]**, the last day of the Opt Out Period. The written opt out request must include the following information:

- (1) your name, address, email address (if any), telephone number;
- (2) the last four digits of the applicable policy number(s) or former policy number(s) for your policies with the USAA Defendants;
- (3) a brief statement identifying your membership in the Settlement Class;
- (4) a statement indicating your desire to be excluded from the Settlement Class; and
- (5) your personal signature

You must personally sign your opt out request, and any person who opts out must do so on their own, no “mass” or “class” opt outs are permitted.

Opt Out Requests must be mailed by [date] to the Settlement Administrator at:

Black v. USAA
c/o JND Legal Administration
PO Box 91109
Seattle, WA 98111

Objecting

What if I disagree with the settlement?

If you disagree with any part of the settlement (including the lawyers' fees) but don't want to opt out, you may object. You must give reasons why you think the Court should not approve the settlement and say whether your objection applies to just you, a part of the class, or the entire class. The Court will consider your views. The Court can only approve or deny the settlement—it cannot change the terms of the settlement. You may, but don't need to, hire your own lawyer to help you.

To object, you must file or send a letter to the Court and to the Settlement Administrator by **DATE** that includes:

- (1) the case name and number (*Black et al. v. USAA General Indemnity Company et al.*, No. 8:21-CV-01581-LKG);

- (2) your full name, address and telephone number, the last four digits of the applicable policy number(s) or former policy number(s) for your policies with the USAA Defendants, and email address (if you have one);
- (3) a statement of the reasons for your objection, including any legal support known to you or your lawyer (if you have one);
- (4) a statement of the number of times you have objected to a class action settlement within the past five years from the date of your objection, including the caption of each case in which you have made an objection, and a copy of any orders related to or ruling on your prior objections in each listed case;
- (5) a statement of whether you have a lawyer, and the identity of that lawyer (including any former or current lawyers who may be entitled to compensation for any reason related to your objection to the settlement);
- (6) a statement of the number of times your lawyer(s) and/or their law firm(s) have objected to a class action settlement within the past five years from the date of your objection, including the caption of each case in which they have made an objection, and a copy of any orders related to or ruling on their prior objections in each listed case;
- (7) any agreements relating to the objection or the process of objecting to this proposed Settlement, whether written or oral, between you and your attorney(s) or any other person or entity;
- (8) a statement of whether you or your lawyer intend to appear at the final approval hearing, and if you or your lawyer are attending, a list of all persons who will be called to testify at the Final Approval Hearing in support of the objection; and
- (9) your signature (signature from your attorneys is insufficient).

Mail the letter to:

Black v. USAA
c/o JND Legal Administration
PO Box 91109
Seattle, WA 98111
1-877-206-2306

U.S. District Court for the District of Maryland – Greenbelt Division
6500 Cherrywood Lane
Greenbelt, MD 20770

Key Resources

How do I get more information?

This notice is a summary of the proposed settlement. To get a copy of the settlement agreement or answers to your questions, you may use any of the resources below:

Resource	Contact Information
Case website	www.USAALateFeeLitigation.com
Settlement Administrator	Black v. USAA c/o JND Legal Administration PO Box 91109 Seattle, WA 98111
Your Lawyers (Settlement Class Counsel)	<p>Tycko & Zavareei LLP agold@tzlegal.com; gseidita@tzlegal.com 2000 Pennsylvania Avenue, Suite 1010 Washington, DC 20006</p> <p>Kagan Stern Marinello & Beard LLC kagan@kaganstern.com 238 West Street Annapolis, MD 21401</p> <p>Timoney Knox LLP kvernon@timoneyknox.com; 1717 K Street NW, Suite 900 Washington, DC 20006</p> <p>Timoney Knox LLP aknox@timoneyknox.com 400 Maryland Drive Fort Washington, PA 19034</p>
Court's PACER System Do Not Contact the Court	Access at: U.S. District Court for the District of Maryland – Greenbelt Division 6500 Cherrywood Lane Greenbelt, MD 20770 [add website]