

**IN THE CIRCUIT COURT OF ST. LOUIS COUNTY
STATE OF MISSOURI**

MICHAEL PREGON, individually and
on behalf of all others similarly situated,

Plaintiff,

v.

STATE FARM FIRE AND CASUALTY
COMPANY,

Defendant.

Case No. 24SL-CC03130

**PLAINTIFF’S MOTION FOR
FINAL APPROVAL OF CLASS SETTLEMENT**

Pursuant to Missouri Supreme Court Rule 52.08, Plaintiff Michael Pregon (“Plaintiff”), on behalf of himself and the proposed Settlement Class, respectfully moves for an order certifying this case as a class action for purposes of settlement, and further ordering final approval in accordance with the terms and conditions set forth in the proposed Final Order and Judgment attached as Exhibit 5 to the settlement agreement (“Settlement” or “SA”), which was filed with the Court on October 1, 2025. Defendant State Farm Fire and Casualty Company (“Defendant”) does not oppose this motion for final approval of the proposed class settlement.¹

For purposes of final approval of the Settlement, the parties seek final certification of the

¹ However, State Farm does not join in, approve of, or admit Plaintiff’s allegations or averments of fact or law contained in this motion or in any accompanying memoranda or submissions. As Paragraphs 1.6 and 1.7 of the Settlement make clear, State Farm denies every allegation of liability, wrongdoing, and damages; is not objecting to settling the case to achieve final resolution of the issues on fair and just compromise terms; and believes it has substantial factual and legal defenses to all claims and class allegations asserted in this case that it will continue to pursue in the event the settlement is not approved.

following Settlement Class provisionally certified by the Court on October 10, 2025:

All Persons insured under a State Farm structural damage policy who: (1) made a structural damage claim for property located in Missouri with a date of loss on or after June 5, 2012; and (2) received an ACV Payment on that claim where either estimated Non-Material Depreciation or estimated General Contractor Overhead and Profit Depreciation was deducted, or who would have received an ACV Payment but for the deduction of estimated Non-Material Depreciation and/or estimated General Contractor Overhead and Profit Depreciation causing the calculated ACV figure to drop below the applicable deductible.

Preliminary Approval Order at ¶ 3.a., No. 24SL-CC03130, (Mo. Cir. Ct., St. Louis Cnty. Oct. 10, 2025) (hereinafter “*Pregon* PA Order”); SA ¶ 2.33.

The Settlement Class does not include: (a) claims arising under State Farm policy forms (including endorsement form FE-3650) expressly permitting the “depreciation” of “labor” within the text of the policy form; (b) claims in which State Farm’s ACV Payments exhausted the applicable limits of insurance; (c) members of the judiciary and their staff to whom this Action was assigned; (d) State Farm and its affiliates, officers, and directors; and (e) Class Counsel. *Pregon* PA Order at ¶ 3.b.; SA ¶ 2.33.

In support of this unopposed motion, Plaintiff states and shows as follows:

1) A proposed settlement class is properly certified when it meets the requirements of Rule 52.08(a) and the requirements of Rule 52.08(b)(1), (2) or (3). Rule 52.08(a) requires that the class be sufficiently numerous (numerosity), that questions of law or fact are common to the class (commonality), that the claims or defenses of the class representative are typical of the claims or defenses of the class (typicality), and the class representative will adequately represent the interests of the class (adequacy). MO. S. CT. R. 52.08(a)(1)-(4). Plaintiff seeks to certify a Rule 52.08(b)(3) class for settlement purposes, which further requires that “questions of law or fact common to the members of the class predominate over any questions affecting only individual members” (predominance) and that a class action be “superior to other available methods for the fair and

efficient adjudication of the controversy” (superiority). Mo. S. CT. R. 52.08(b)(3). Here, all requirements necessary for final approval of a settlement class are satisfied.

2) Numerosity under Rule 52.08(a)(1) is satisfied for the proposed Settlement Class because notice was issued to thousands of potential class members.

3) Commonality under Rule 52.08(a)(2) is satisfied for the proposed Settlement Class because there are questions of law or fact common to all members of the proposed class, including but not limited to the single, predominating question presented: whether Defendant can withhold estimated Non-Material Depreciation and/or estimated GCOP Depreciation under its property insurance policies. In addition to the Non-Material Depreciation and the GCOP Depreciation withholdings themselves, Class Members’ entitlement to prejudgment interest also presents a common question.

4) Typicality under Rule 52.08(a)(3) is satisfied for the proposed Settlement Class because Plaintiff and the putative class members made claims under their standard-form insurance policies, and Defendant withheld estimated Non-Material Depreciation and/or estimated GCOP Depreciation in making ACV Payments to them. Plaintiff’s claims arose from the underpayment of his ACV claim, and his claims are identical in all material respects to the claims of the putative class.

5) Adequacy under Rule 52.08(a)(4) is satisfied for the proposed Settlement Class because: (1) Plaintiff has fairly and adequately represented and protected the interests of the putative class; (2) Plaintiff is a member of the proposed class; (3) Plaintiff’s interests are perfectly aligned with the proposed class, as he seeks to maximize everyone’s recovery of compensatory damages and prejudgment interest resulting from Defendant’s allegedly improper withholding of

Non-Material Depreciation and/or GCOP Depreciation from ACV Payments; and (4) Plaintiff retained counsel competent and experienced in class action and insurance litigation.

6) As required by Rule 52.08(b)(3), questions of law or fact common to members of the proposed Settlement Class predominate over any questions affecting only individual members, and a class action is superior to other available methods for fairly and efficiently adjudicating the controversy. Predominance is satisfied because the predominating question in this lawsuit for purposes of settlement class certification remains whether estimated Non-Material Depreciation and/or estimated GCOP Depreciation can be withheld under Defendant's property insurance policies. Superiority is also satisfied because of the thousands of small value claims at issue, and the interests of the parties and judicial economy favor settlement.

7) Plaintiff states that the only agreement sought to be approved is the Stipulation and Settlement Agreement filed with the Court on October 1, 2025.

8) Pursuant to Rule 52.08(e), "[a] class action shall not be dismissed or compromised without the approval of the court, and notice of the proposed dismissal or compromise shall be given to all members of the class in such manner as the court directs." *Id.* A class action settlement may be approved as fair, reasonable, and adequate based upon the following considerations: (1) the existence of fraud or collusion behind the settlement; (2) the complexity, expense, and likely duration of further litigation; (3) the stage of the proceedings and the amount of discovery completed; (4) the probability of the plaintiff's success on the merits; (5) the range of possible recovery; and (6) the opinions of class counsel. *Bachman v. A.G. Edwards, Inc.*, 344 S.W.3d 260, 266 (Mo. App. 2011). Among these, "[t]he most important consideration in determining if a settlement is fair, reasonable, and adequate is the strength of the plaintiffs' case on the merits balanced against the offered settlement." *Id.*

9) As more fully set forth in the accompanying Memorandum and supporting Declarations, the Settlement is appropriate for final approval. In summary, the Settlement provides the following categories of relief:

Group A: Settlement Class Members Who Previously Received ACV Payments and Did Not Receive Full RCBs. The Claim Settlement Payments to Settlement Class Members who received an ACV Payment from which either estimated Non-Material Depreciation and/or estimated GCOP Depreciation was initially deducted and did not subsequently recover all available Depreciation through payments of RCBs, will be equal to 90% of the estimated Non-Material Depreciation that was initially deducted from the ACV Payment and was not yet recovered through payments of RCBs, plus 50% of the estimated GCOP Depreciation (if any) that was initially deducted from the ACV Payment and was not yet recovered through payments of RCBs, plus simple interest at 8.9% per annum on those additional amounts to be paid from August 6, 2021, through the date the Settlement Agreement is fully executed.

Group B: Settlement Class Members Who Previously Received Full RCBs After Initially Receiving an ACV Payment. The Claim Settlement Payments to Settlement Class Members who received an ACV Payment from which either estimated Non-Material Depreciation and/or estimated GCOP Depreciation was initially deducted and subsequently recovered all available Depreciation through payments of RCBs will be equal to simple interest at 8.9% per annum on 90% of the amount of estimated Non-Material Depreciation initially applied but subsequently recovered, plus simple interest at 8.9% per annum on 50% of the estimated GCOP Depreciation (if any) that was initially applied but subsequently recovered, calculated from the date of the initial ACV Payment through the final RCB payment.

Group C: Settlement Class Members Who Would Have Received an ACV Payment But For Application of Non-Material Depreciation and/or GCOP Depreciation. The Claim Settlement Payments to Settlement Class Members who did not receive an ACV Payment due to the application of estimated Non-Material Depreciation and/or GCOP Depreciation causing the calculated ACV figure to drop below the applicable deductible shall be equal to 90% of the portion of the estimated Non-Material Depreciation and 50% of the portion of the estimated GCOP Depreciation (if any) that the policyholder did not receive in excess of the applicable deductible, plus simple interest at 8.9% per annum on those amounts to be paid from August 6, 2021, through the date the Settlement Agreement is fully executed.

SA ¶¶ 6.4.1-6.4.3.

10) Attorneys' fees, costs, litigation expenses, and/or service award are to be paid separately by Defendant and will *not* reduce the amount of any Class Member's recovery.

11) As set forth in the Settlement, upon the Effective Date, Class Members will release claims arising from or in any way related to Depreciation of any kind on insurance claims within the Class Period, but without giving up any claims or arguments unrelated to those matters. All unrelated matters will continue to be adjusted and handled by State Farm in its ordinary course of business.

12) The Settlement was reached through arm's-length settlement negotiations, as attested to by Class Counsel in the accompanying Declarations, filed concurrently herewith:

February 19, 2026 Declaration of Erik D. Peterson

February 19, 2026 Declaration of Christopher E. Roberts

13) The proposed settlement is fair, reasonable, and in the best interest of the Settlement Class. As the requirements of Rule 52.08 are satisfied, the Court should grant final approval of the Settlement.

14) The proposed Final Order and Judgment is attached as Exhibit 5 to the Settlement. Exhibit 1 to the proposed Final Order and Judgment is a list of all Persons who timely and properly excluded themselves from the Settlement Class. Five (5) Persons who correspond to four unique insurance claims have sought to exclude themselves from the Settlement Class (regardless of whether such exclusion was sought timely or properly).

WHEREFORE, for these reasons and those set forth in the accompanying Memorandum and Declarations of Class Counsel, Plaintiff respectfully moves the Court to enter—

- (1) a Final Order and Judgment in substantially the same form attached as Exhibit 5 to the Settlement without material change, a copy of which will be submitted to chambers

in Word format; together with

(2) Exhibit 1 thereto, a copy of which will also be submitted to chambers.

February 23, 2026

/s/Christopher E. Roberts

David T. Butsch #37539

Christopher E. Roberts #61895

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was filed and served via the Court's electronic filing system, which will send electronic notices of same to all counsel of record on this the 23rd day of February, 2026.

/s/Christopher E. Roberts