

THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

REGIS MURPHY, individually
and on behalf of all others
similarly-situated,

Plaintiff,

v.

THE AUTO CLUB GROUP,

Defendant.

CASE NO.: 5:24-cv-11168-JEL-CI

The Honorable Judith Ellen Levy

Magistrate Judge Curtis Ivy, Jr.

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING

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

This **Notice of Proposed Class Action Settlement and Hearing** provides important information regarding your right to participate in a proposed settlement in a putative class action lawsuit (referred to in this notice as the “Settlement”). Named Plaintiff, Regis Murphy (“Plaintiff”), filed a lawsuit against Defendant, The Auto Club Group (“Defendant”), alleging that Defendant provided him and other putative class members with an untimely COBRA Notice that did not adequately inform class members how to exercise their right to elect COBRA coverage. Plaintiff and Defendant are referred to in this notice together as the “Parties.” Defendant disputes the allegations and has asserted that the COBRA Notice complied with all applicable laws including as to both content and notice. That case is pending in the U.S. District Court, Eastern District of Michigan, Ann Arbor Division. The judge has not made any determination about who is right or wrong in the case. A summary of the claims asserted in the lawsuit and the proposed Settlement follows.

- The notice at issue is called a “COBRA” Notice, and the continuation of health insurance coverage after separation of employment is called “COBRA continuation coverage,” after the Consolidated Omnibus Budget Reconciliation Act of 1985. The COBRA Notice is designed to provide former employees who were covered under employer-sponsored group healthcare plans with information and details regarding their right to continue their healthcare coverage and the terms and conditions of that COBRA continuation coverage. 29 U.S.C. § 1166(a) (2), (a)(4), (c).
- The lawsuit generally alleges Defendant provided Plaintiff and other putative class members with an untimely and deficient COBRA Notice. Plaintiff asserted that the COBRA Notice sent on behalf of Defendant was provided late and did not adequately inform him and the putative class members about how to exercise their rights to elect COBRA continuation coverage because, in violation of 29 C.F.R. § 2590.606–4(b)(4) *et seq.*, it failed to state the amount it would cost to continue health insurance coverage under the plan.
- Defendant denies that the COBRA Notices were untimely or deficient in any manner and denies that it has any liability to Plaintiff or the putative class whatsoever. Rather, Defendant has asserted that the COBRA Notices complied with any and all applicable laws, including COBRA and ERISA. Furthermore, had the Parties proceeded in the litigation, Defendant further denies that the matter would have proceeded on a class action basis.
- At this point in the case, the presiding judge has not made any determination about who is right or wrong. Rather, instead of proceeding with potentially years of litigation with uncertain outcomes, the Parties have agreed to resolve the lawsuit through a Court-supervised settlement to avoid further cost and uncertainty.

- The Parties seek to settle this dispute on behalf of Plaintiffs and a “Settlement Class,” which the Parties have agreed to define as follows: “All participants and beneficiaries in Defendant’s Health Plan who were not provided with a timely and compliant COBRA Continuation Coverage Election Notice by Defendant as a result of a qualifying event from May 1, 2018, through May 1, 2024, as determined by Defendant’s records, and did not elect continuation coverage” (referenced herein as the “Settlement Class”).
- Membership in the Settlement Class will be determined based upon Defendant’s records reflecting who was sent the specific COBRA Notice at issue during the Class Period. It is estimated that the Settlement Class is comprised of 184 potential members.
- You received notice of this Settlement by mail, which directed you to this website, because Defendant’s records indicate that you are a “Settlement Class Member” and eligible to receive payment from this proposed class action settlement.
- Your rights and options—and the deadlines to exercise them—are explained in this Notice. The following is a brief summary of your rights and options.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Do Nothing	If you do nothing and the Court approves this settlement, you will receive a settlement payment (the amount of which is described below). As a member of the Settlement Class, you will release Defendant and others from any potential liability regarding the COBRA Notice, including but not limited to the issues raised in this lawsuit.
Object by October 17, 2025	If you do not like the Settlement, or any of its specific terms, you may “object.” To object, you must file a written objection with the Court and send a copy of your objection to the Settlement Administrator by October 17, 2025. Your written objection must (i) state the case name and number; (ii) provide the specific grounds for your objection; (iii) state whether your objection pertains to just you individually, or all or some of the proposed Settlement Class; (iv) state your name, address, telephone number, and email address; (v) state whether you intend to appear and speak at the Final Approval Hearing, either with or without your own counsel; and (vi) include your personal signature (and your counsel’s signature, if you have your own representation).
Go to a Hearing on December 4, 2025	If you wish to be heard, you may attend the Final Approval Hearing at your own cost and ask to speak in Court about the fairness of the Settlement. You are not required to attend the hearing.

The Court still has to decide whether to approve this settlement, which may take some time, as explained below.

BASIC INFORMATION

1. Why did I receive this notice?

You were sent notice by mail of this proposed Settlement because you are currently a member of the Settlement Class. Membership in the Settlement Class is based upon Defendant's records. The Notice of Settlement you received by mail directed you to the Settlement Administrator's website, which provides additional information regarding this Settlement, including this more detailed Notice of Proposed Class Action Settlement and Hearing. As a member of the Settlement Class you have a right to know about the proposed settlement of this case as a class action and about your options to participate as a Settlement Class Member, your ability to object to the Settlement terms as a class member, before the Court decides whether to grant final approval of the Settlement. If the Court approves the Settlement, and after all objections or appeals relating to that Settlement are resolved, the payment provided for by the Settlement will be available to all Settlement Class Members.

This Notice explains the lawsuit, the proposed Settlement, your legal rights, the Settlement payment, who will be eligible to receive a payment from the Settlement Account, and the basis upon which payments will be made. A copy of the Class Action Settlement Agreement and Release (referred to in this Notice as the "Agreement") is available to Settlement Class Members on this website.

2. What is the lawsuit about?

Plaintiff filed this class action lawsuit against Defendant for allegedly providing an untimely and defective COBRA Notice to him and other putative class members. As alleged in the Class Action Complaint, Plaintiff was a participant in Defendant's health plan. Defendant, through its COBRA administrator, provided a COBRA Notice to Plaintiff, which Plaintiff claims was provided late and was deficient. More specifically, Plaintiff alleges that the COBRA Notice did not adequately inform him of how to exercise his rights to elect COBRA continuation coverage because, in violation of 29 C.F.R. § 2590.606-4(b)(4) *et seq.*, the COBRA Notice failed to provide a description of the amount, if any, that Plaintiff would be required to pay for continuation coverage. As a result of the alleged violations in the Complaint, Plaintiff sought statutory penalties, injunctive relief, attorneys' fees, costs and expenses on behalf of himself and all others similarly situated.

Defendant disputes Plaintiff's allegations and denies all liability to Plaintiff and the Settlement Class. Defendant has affirmatively asserted that the COBRA Notice at issue complied with any and all applicable laws. Further, Defendant has, at all relevant times, asserted that Plaintiff's claims are not appropriate for class action treatment in the absence of a settlement.

Although the Court has authorized this Notice of Proposed Class Action Settlement and Hearing, the Court has not determined or ruled upon the merits of the claims or defenses asserted by either side in the lawsuit. The Court has not found that Defendant violated the law in any way. The Court also has not found that the Plaintiff would prevail in this case. The Court has not made any determination that Plaintiff will recover any damages in this litigation.

3. Why is this case a class action?

Class actions are lawsuits in which the claims and rights of many people are decided in a single proceeding. In a class action, as here, the plaintiff ("Class Representative") seeks to assert claims on behalf of himself and all members of a putative class who received untimely and/or the same allegedly deficient COBRA Notice. In a class action, individuals with similar claims are generally treated alike. The Court will supervise the prosecution of the class claims by Counsel for the Settlement Class ("Class Counsel") to assure that all members of the Settlement Class are adequately and fairly represented. Settlement Class Members are not individually responsible for the costs or fees of Class Counsel, which are subject to court award, and which will be paid out of the Settlement Account.

4. Why is there a settlement?

The Court has not decided the merits of this case in favor of the Class Representative or Defendant. Instead, Class Counsel investigated the facts and applicable law regarding the Class Representative's claims and Defendant's defenses. The parties engaged in lengthy and arm's-length negotiations to reach this settlement before an experienced mediator. The Class Representative and Class Counsel believe that the proposed settlement is fair, reasonable, and adequate and in the best interests of the Settlement Class Members.

Both sides agree that, by settling, Defendant is not admitting any liability or that Defendant did anything wrong. Additionally, both sides want to avoid the uncertainties and expense of further litigation.

WHO IS INCLUDED IN THE SETTLEMENT

5. How do I know if I am part of the Settlement?

You are included in the Settlement if you fit the definition of "Settlement Class" above. If you received a notice of settlement in the mail, Defendant's records indicate you are a member of the Settlement Class. If you are not certain whether you are or should be a member of the Settlement Class, you may contact the Settlement Administrator to find out (*see* contact information in section 21 below). In all cases, the question of Settlement Class membership will be determined based on Defendant's records.

THE SETTLEMENT PAYMENT—WHAT YOU MAY RECEIVE

6. What does the Settlement provide?

If you are a member of the Settlement Class, you are eligible to receive a payment under the Settlement. Defendant has agreed to pay a total of \$1,000,000 into a Settlement Account. The Settlement Account will be divided equally on a *pro rata* basis among all Settlement Class Members. Certain deductions will be made from the Settlement Account, as approved by the Court, for Class Counsel's attorneys' fees and litigation costs, the costs of settlement administration, and a Service Award to the Class Representative. If the Court awards the amounts sought for these awards and expenses, the net amount payable to each Settlement Class Member will be approximately \$3,451.00.

Each Settlement Class Member shall have sixty (60) days from the date which appears on the face of check issued to him/her to negotiate his/her settlement check. If any funds remain in the Settlement Account after the 60-day deadline for Settlement Class Members to negotiate their settlement checks as a result of uncashed or undeliverable checks, the Settlement Administrator shall retain such funds in the Settlement Account for a period of ten (10) business days to allow for the processing and payment of any checks that may still be in the bank's check clearing process. Thereafter, the Settlement Administrator shall close out the Settlement Account by issuing a check for any remaining balance to the Court-approved *cy pres* recipient. The Parties have asked the Court to name Legal Services of Eastern Michigan, a 501(c)(3) non-profit legal aid organization, as the *cy pres* recipient.

7. How do I receive a payment from the Settlement?

To receive a check with your settlement payment, you do not have to do anything. Your interest in this matter will be represented by the Named Plaintiff as Class Representative and Class Counsel. As a Settlement Class Member, you will be bound by the terms of the Agreement and any judgment arising from the Settlement. If the Court approves the Settlement at or after the Final Approval Hearing, you will automatically receive a settlement check for your share of the funds remaining in the Settlement Account after deduction for Court-approved awards (attorneys' fees and costs, settlement administration fees, and service awards for the Class Representative).

8. When would I receive my payment?

The Court will hold the Final Approval Hearing on December 4, 2025 at 10:30 a.m. at the United States District Court for the Eastern District of Michigan, Federal Building, 200 E. Liberty Street, Suite 300. Ann Arbor, MI 48104, in Courtroom 100. The hearing may be postponed to a later date, so you should visit this website for updates prior to the hearing date set forth above. It may also be conducted via telephone or by Zoom without further notice. If the Court approves the Settlement, there may be appeals or objections that must be resolved before the Settlement will become effective. Settlement payments to members of the Settlement Class will be made only if the Settlement is finally approved by the Court and only after all appeals or objections are resolved. This may take some time, so please be patient. You may check on the status of this approval process by visiting this website.

9. Do I have to participate in the Settlement?

Yes. Upon the Court's approval of the Settlement, all members of the Settlement Class will fully release Defendant; Defendant's officers, directors, employees and affiliates; Defendant's health plan and plan fiduciaries; the COBRA administrator and other administrators for the plans; and other related entities (the "Released Parties," as defined in the Agreement) from any and all claims that have been or could have been brought in this lawsuit with respect to the COBRA Notice sent to each Settlement Class Member at issue in the Named Plaintiff's Class Action Complaint.

Auto Club COBRA Settlement
P.O. Box 2002
Chanhausen, MN 55317-2002
(866) 654-7437

THE LAWYERS REPRESENTING THE SETTLEMENT CLASS

10. Will I have a lawyer in this case?

The Court has appointed Regis Murphy as the Class Representative. The Court has also appointed Eric Lechtzin of Edelson Lechtzin LLP and Luis A. Cabassa and Brandon J. Hill of Wenzel Fenton Cabassa, P.A., as Class Counsel. Class Counsel's contact information is as follows:

Eric Lechtzin
EDELSON LECHTZIN LLP
411 S. State Street, Suite N-300
Newtown, PA 18940
Telephone: (215) 867-2399

Luis A. Cabassa, Esq.
Brandon J. Hill, Esq.
Wenzel Fenton Cabassa, P.A.
1110 N. Florida Ave., Suite 300
Tampa, FL 33602
Telephone: (813) 224-0431

Class Counsel represent the interests of all of the Settlement Class Members. You may hire your own attorney to advise you regarding this matter and the proposed settlement if you so choose, but you are not required to do so. If you hire your own attorney, you will be responsible for paying that attorney's fees and costs.

11. How will Class Counsel be paid?

Class Counsel will apply to the Court for an award of attorneys' fees, in an amount not to exceed one-third (33.33%) of the Settlement Account, plus reimbursement of litigation costs of up to \$10,000. The Court may award less than the amounts Class Counsel are requesting at its discretion. Costs of administration incurred by the Settlement Administrator (estimated at \$12,000 or less) will also be paid from the Settlement Account. The amounts approved by the Court for these awards, fees, and costs will be paid directly from the Settlement Account, and not by you or the other Settlement Class Members.

OBJECTING TO THE SETTLEMENT

12. How do I tell the Court that I don't like the settlement?

You may still object to any aspect of the proposed Settlement by filing and serving a written objection. Your written objection must include the information listed on page 3 above.

You must file any objection with the Clerk of the Court at the address below within sixty (60) days of the postmarked date on the Notice of Settlement that you received by mail:

United States District Court
Eastern District of Michigan
200 E. Liberty Street
Ann Arbor, MI 48104

In any mailing to the Court, be sure to include the case number and the case name (*Murphy. v. The Auto Club Group*, E.D. Mich. Case No. 5:24-cv-11168-JEL-CI).

You must also send your objection by first-class U.S. Mail, postmarked on or before October 17, 2025, to the Settlement Administrator at this address:

Auto Club COBRA Settlement
P.O. Box 2002
Chanhausen, MN 55317-2002

Any member of the Settlement Class who does not file and serve an objection in the time and manner described above will not be permitted to raise an objection later.

13. Where and when will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing on December 4, 2025 at 10:30 a.m. at the United States District Court for the Eastern District of Michigan, Federal Building, 200 E. Liberty Street, Suite 300. Ann Arbor, MI 48104, in Courtroom 100. The hearing may be postponed to a later date so you should visit this website for updates prior to the hearing date set forth above. It may also be conducted via telephone or by Zoom without further notice.

The purpose of the hearing is to determine the fairness, reasonableness, and adequacy of the terms of the Settlement; whether the Settlement Class is adequately represented by the Class Representative and Class Counsel; and whether an order and final judgment should be entered approving the proposed Settlement. The Court also will consider Class Counsel's application for an award of attorneys' fees and expenses, and Class Representative's requests for a service award.

You will be represented at the Final Approval Hearing by Class Counsel unless you choose to enter an appearance in person or through your own attorney. The appearance of your own attorney is not necessary to participate in the Final Approval Hearing. Again, should you choose to hire your own attorney, it will be at your own expense.

14. Do I have to come to the Final Approval Hearing?

No. Class Counsel will represent the Settlement Class Members at the Final Approval Hearing, but you are welcome to attend the hearing at your own expense. If you file an objection, you do not have to come to Court to talk about it. As long as you filed and mailed your written objection on time, the Court will consider it. You may also pay your own attorney to attend if you wish.

15. May I speak at the Final Approval Hearing?

You may ask the Court for permission to speak at the Final Approval Hearing. If you intend to attend and speak at the Final Approval Hearing, you must so note in your objection.

GETTING MORE INFORMATION

16. Are there more details about the Settlement?

For more details regarding the lawsuit or the Settlement, you may refer to the papers filed in this case during regular business hours at the Clerk of the Court's office, Federal Building, 200 E. Liberty Street, Ann Arbor, MI 48104, Clerk's office, File: *Murphy. v. The Auto Club Group*, E.D. Mich. Case No. 5:24-cv-11168-JEL-CI.

You may also access papers filed in this case on-line through the Public Access to Court Electronic Records ("PACER") service at www.pacer.gov; however, you may need to create an account and certain fees may apply. You may also obtain a copy of the full Settlement Agreement and certain papers filed in this case by sending a written request to the Settlement Administrator, at the address above. You may also access the full Settlement Agreement and certain pleadings filed in this case on this website.

17. How may I get more information?

You may contact the Settlement Administrator or Class Counsel. Mailing addresses and phone numbers for each are listed below.

Settlement Administrator:

Auto Club COBRA Settlement
P.O. Box 2002
Chanhassen, MN 55317-2002
(866) 654-7437

Class Counsel:

Eric Lechtzin
EDELSON LECHTZIN LLP,
411 S. State Street, Suite N-300
Newtown, PA 18940
Telephone: (215) 867-2399

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