

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE**

JOCELYN ROBERTS,)	CASE NUMBER: 01CC08478
)	
Plaintiff,)	
)	
v.)	
)	
COAST NATIONAL INSURANCE COMPANY,)	
)	
Defendants.)	

NOTICE OF CLASS ACTION SETTLEMENT

TO: All persons who, from June 25, 1997 through November 3, 2002, have been employed, or are currently employed, in California as claims adjusters for the purpose of adjusting claims arising out of policies of insurance issued by COAST NATIONAL INSURANCE COMPANY and whose employers were COAST NATIONAL INSURANCE COMPANY, BAYVIEW ADJUSTMENT BUREAU, INC. AKA BAYVIEW ADJUSTMENT COMPANY or BRISTOL WEST INSURANCE SERVICES, INC. OF FLORIDA, and/or any of their affiliated or subsidiary companies:

On December 23, 2002, the Court tentatively approved a proposed settlement in this Action. If the settlement is granted final approval, the Action will be dismissed and the defendants will be released of all claims related to this case. This Notice is to advise you of the proposed settlement, your rights to object to the terms of the proposed settlement, and how to obtain more information about the settlement.

**Please Read This Entire Notice Carefully.
Your Rights May Be Affected By The Proposed Settlement Described Below.**

I. Summary of The Litigation.

On June 25, 2001, a lawsuit was filed against (1) Coast National Insurance Company, (2) Bristol West Insurance, Inc., of Florida, (3) Bayview Adjustment Bureau, Inc., (4) Bristol West Insurance Group and (5) Bristol West Insurance of California, Inc. on behalf of former and current claims adjusters of those companies (referred to in this Notice as "Claims Adjusters") who have worked in California in connection with the adjusting of property damage and/or bodily injury claims. The case seeks recovery of overtime pay which plaintiffs contend is owed to all present and former Claims Adjusters who adjusted claims and who actually worked overtime in California from June 25, 1997 through November 3, 2002. The defendants claimed that Claims Adjusters were properly classified as exempt employees who were not entitled to overtime compensation and/or did not actually work overtime.

On May 3, 2002, the court certified this matter as a class action. Class notice was sent to all class members at their last known address (as provided by the defendants) via first class U.S. Mail. Thereafter, by agreement of the parties, and order of the court, the matter was submitted to binding arbitration before retired Court of Appeal Justice John Trotter. After commencement of the binding arbitration, the parties entered into settlement discussions, ultimately reaching the proposed settlement which is the subject of this Notice.

II. Class Definition.

The court defined the certified class as follows:

All persons who, from June 25, 1997 through November 3, 2002, have been employed, or are currently employed, in California as claims adjusters for the purpose of adjusting claims arising out of policies of insurance issued by Coast National Insurance Company and whose employers were Bayview Adjustment Bureau, Inc. aka Bayview Adjustment Company or Coast National Insurance Company or Bristol West Insurance Services, Inc. of Florida, and/or any of their affiliated or subsidiary companies.

III. Class Representatives and Class

The Court has appointed plaintiffs Jocelyn Roberts, Diana Timmel and Sean Bonnevie to represent the class. The court appointed the following attorneys to represent the class:

Marlin & Saltzman
Louis M. Marlin
2400 E. Katella Ave., Suite 1030
Anaheim, CA 92806

R. Rex Parris Law Firm
R. Rex Parris
963 W. Avenue J.
Lancaster, CA 93534

Marlin & Saltzman
Stanley D. Saltzman
29229 Canwood St., Suite 208
Agoura Hills, CA 91301

Mazursky, Schwartz & Angelo
Arnold Schwartz
10990 Wilshire Blvd., Suite 1200
Los Angeles, CA 90024

IV. Summary of Settlement Terms.

The following is a summary of the proposed settlement contained in the Settlement Agreement that is on file with the Clerk of the Orange County California Superior Court in Santa Ana, California. The complete Stipulation may be inspected during normal business hours at the offices of the Clerk or online at www.overtimelawsuit.com under the heading of "Coast National Insurance Company".

A. Monetary Award:

The proposed settlement requires the defendants to pay all overtime hours worked by class members who submit a Proof of Claim Form for the period June 25, 1997 through November 3, 2002 subject to Defendant's right under the settlement agreement to challenge the overtime hours claimed by each class member unless the class member elects a non-challengeable amount. Overtime compensation will be paid at the rate of 1½ times the class member's average computed hourly rate during the class period, unless a class member elects to be paid an amount designated as a non-challengeable amount in the Claim Form. If a class member elects to be paid an amount designated as non-challengeable in the Claim Form, the class member will be paid the net amount as listed in the Claim Form and the Defendants will pay all applicable State and Federal Taxes associated with this payment. If a Class Member does not select an amount designated as non-challengeable, overtime compensation due (either by agreement by the Defendants or as a result of a challenge hearing) will be paid at the rate of 1½ times the class member's average computed hourly rate during the class period. By example, if a class member's average salary was \$40,000 per year, his/her computed hourly rate would be \$19.23 per hour, and his/her overtime rate for purposes of this settlement would be \$28.85 per hour for each hour of overtime worked. In addition, unpaid overtime will bear interest at the rate of 10% per annum until paid.

In addition, class members who are no longer employees of the defendants as of the date of the settlement will receive "waiting time penalties" under California law. Those penalties will also earn interest at 10% per annum.

B. Injunctive Relief:

In addition to the monetary award to class members, the defendants will be ordered to classify all Claims Adjusters as "non-exempt" employees who are entitled to overtime compensation. Defendants have re-classified their current employees as of November 4, 2002.

C. The Claims Process:

Enclosed with this Notice you will find a Claim Form and a W-4 Form. This Claim Form and W-4 Form must be completed, signed under penalty of perjury, and returned to Gilardi & Co. LLC within 90 days of the mailing of the same. **THEREFORE, FOR YOUR CLAIM TO BE CONSIDERED TIMELY, IT MUST BE POSTMARKED NO LATER THAN APRIL 15, 2003.** Claims postmarked after that date will be considered as late claims and may be subject to rejection. Please follow the directions on the claim form carefully. If you require assistance, you may contact class counsel as identified at the end of this notice.

As Claim Forms are received, they will be reviewed. Defendants may choose to challenge the amount claimed by any class member except for those payment amounts designated as non-challengeable as set forth on the Claim Form.

If you select a payment designated as non-challengeable on the Claim Form, Defendants will make payment directly to you forthwith upon receiving the Claim Form and a properly completed W-4 form. Any claim that is not challenged will be paid. If a challenge is made, it shall be heard by Justice John Trotter (Ret.), the court appointed Referee for all purposes. Challenge hearings will be brief and informal. Class members need not be present at a challenge hearing if they do not wish to be.

Class counsel will provide representation to any class member whose claim is challenged at no cost to the class member. It is anticipated that challenge hearings will take less than 30 minutes to complete. They will be held at Justice Trotter's offices in Orange, California. Any class member who resides more than 150 miles from Justice Trotter's office may participate in a challenge hearing via the telephone. Any class member who does not attend a challenge hearing in person or via telephone may be required to provide deposition testimony to defendants. Deposition testimony may be via the telephone for Class Members who reside more than 150 miles from Justice Trotter's offices.

The Referee will promptly rule upon all challenges and his ruling shall be final and non-appealable. The defendants shall expend their best efforts to make payment of the net amount (after deduction of withheld taxes) within 60 days, but no more than 90 days, of determination of the amount due. Payment shall be made by delivering a check to Class Counsel made payable to Class Counsels' trust account for the benefit of each class member.

D. Notice and Administration.

Defendants have agreed to pay the costs of providing notice of this settlement, as well as all costs associated with the challenge process, including the fees of the Referee.

E. Release and Waiver.

(1) If the settlement is approved by the Court, then upon the Effective Date of the settlement, all Settlement Class Members shall be deemed to have agreed that except for the obligations imposed by this settlement, Defendants shall be forever released and discharged from all Released Claims and that the Class Representatives and all Class Members shall be barred and enjoined from suing the Released Parties for any liability in any way related to or arising out of any Released Claim.

(2) For purposes of the settlement, "Released Claims" means any and all claims, of every kind and nature, known or unknown, that were or could have been asserted against the Defendants by the Class Representatives or Class Members in any type of proceeding, for unpaid overtime compensation and/or statutory penalties, or any other relief sought in the First Amended Complaint in this matter for the period June 25, 1997 through November 3, 2002. Said Release does not excuse the Released Persons from complying with the injunctive relief requirements of the settlement agreement.

F. Attorneys' Fees:

Attorneys' fees will not be deducted from the overtime and other benefits paid to class members. Rather, the defendants have agreed to make an additional payment for attorneys' fees and litigation costs in the amount of \$6,750,000 to counsel for the class. This sum represents approximately 25% of Class Counsels' estimate of the total value of the settlement to be paid to Class Members, which includes as a component injunctive relief based upon the Defendants' re-classification of the Class Members as non-exempt employees. Attorneys' fees will not be taken from the monies to be received by class members. Defendants strongly disagree with Plaintiffs Counsel's estimated value of the settlement, but intend to pay all supported overtime claims as reported on a Claim Form after inspecting all of its records. Class Counsel will make an application to the Court for an award of attorneys fees, costs and expenses (collectively "Attorneys' Fees") in this amount. Class Counsel have agreed that the attorneys' fees awarded to them may be paid by the defendants over a 21 month period.

V. Settlement Approval Hearing.

A Hearing has been scheduled on March 17, 2003 at 9:00 a.m. before the Honorable John Trotter (Ret.) at 500 N. State College Blvd., Suite 600, Orange, California at which time the Referee will determine: (1) whether the proposed settlement should be approved as fair, reasonable and adequate to Class Members; and (2) whether the application of Class Counsel for an award of attorneys' fees and expenses should be approved and in what amount.

You Are Not Required To Attend The Settlement Hearing.

VI. Right To Object to the Settlement.

If you fall within the Class definition and are a Class Member, you will be bound by any Final Judgment related to this settlement. You need not take any action in order to remain in the Settlement Class. However, If you do not properly complete and mail in a Claim Form in a timely manner you will not receive any award under the settlement. All Class Members will be bound by a Final Judgment in this Action.

At the Settlement Hearing, any Class Member may appear in person or by counsel of his or her own choosing and at his or her own expense. To the extent allowed by the Court, such a Class Member may be heard in opposition to the fairness, reasonableness and adequacy of the settlement, or to the application for an award of attorneys' fees and reimbursement of expenses and costs.

However, no Objector shall be heard in opposition to the settlement and/or the application for attorneys fees and expenses, nor shall any paper or brief submitted by the Objector be accepted or considered by the Court, unless, on or before March 1, 2003 ("the Objection Deadline"), the Objector (a) files with the Court written notice of such person's intention to appear, together with a written notice of objection and a statement providing the basis for the objection, along with any and all documentation in support of such objection, and (b) simultaneously serves copies of such notice, statement, and documentation, together with copies of any other papers or briefs filed with the Referee, upon Class Counsel: Louis M. Marlin of Marlin & Saltzman, 2400 E. Katella Ave., Suite 1030, Anaheim, CA 92806, and upon Defendant's Counsel: Steven Weinstein, Barger & Wolen, 515 S. Flower St., 34th Floor, Los Angeles, CA 90071.

Any Objector who does not object in the manner provided above shall be deemed to have waived such objection, and shall forever be foreclosed from objecting to the fairness, reasonableness or adequacy of the proposed settlement, or any award of attorneys' fees or reimbursement of costs and expenses.

VII. Reminder of Important Settlement Dates and Deadlines.

The following are important dates and deadlines under the proposed settlement:

Objection Deadline:	March 1, 2003
Settlement Hearing:	March 17, 2003
Proof of Claim Deadline:	April 15, 2003

VIII. Additional Information.

For more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Settlement Agreement, to the Orders entered by the Court and the Referee, and to the other papers filed in the Action, which may be inspected at the Clerk of the Superior Court of the County of Orange, State of California, during regular business hours. In addition, the Settlement Agreement can be viewed online at www.overtimelawsuit.com under the "Coast National" tab.

Any questions concerning the matters contained in this Notice may be directed to any of the Class Counsel identified above in writing, via e-mail links at www.overtimelawsuit.com, or by calling Class Counsel at:

888-587-7100

You may also seek the advice and counsel of your own attorney, at your own expense, if you desire. **Do Not Contact The Court Or The Referee.**