

IN THE SUPERIOR COURT OF MUSCOGEE COUNTY  
STATE OF GEORGIA

\_\_\_\_\_X  
EDMUND H. YODLOWSKI, INDIVIDUALLY  
AND ON BEHALF OF ALL OTHERS  
SIMILARLY SITUATED,

Plaintiffs,

v

CIVIL ACTION FILE  
NO. SU02CV2272

MERASTAR INSURANCE COMPANY,  
PRUDENTIAL PROPERTY AND CASUALTY  
INSURANCE COMPANY, PRUDENTIAL  
GENERAL INSURANCE COMPANY,  
VICTORIA FIRE AND CASUALTY  
COMPANY, and VICTORIA  
SELECT INSURANCE COMPANY,

Defendants

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND RELEASE OF CLAIMS**

THIS NOTICE IS SENT TO YOU BY ORDER OF THE COURT TO INFORM YOU THAT YOU MAY BE ELIGIBLE FOR BENEFITS FROM THE PROPOSED SETTLEMENT OF A LAWSUIT FILED ON YOUR BEHALF. IT DESCRIBES THE PROPOSED SETTLEMENT OF A CLASS ACTION. YOUR RIGHTS MAY BE AFFECTED BY THE LEGAL PROCEEDINGS DESCRIBED BELOW.

YOU DO NOT NEED TO RESPOND TO THIS NOTICE IN ORDER TO RECEIVE SETTLEMENT BENEFITS. IF YOU DO NOT WANT TO BE PART OF THE SETTLEMENT, YOU MUST TAKE THE STEPS DESCRIBED IN THIS NOTICE BY JANUARY 6, 2003. OTHERWISE, YOU MAY BE BOUND BY ALL OF THE TERMS OF THE PROPOSED SETTLEMENT.

IF YOU CURRENTLY HAVE OR INTEND TO MAKE A CLAIM AGAINST PRUDENTIAL REGARDING A PHYSICAL DAMAGE CLAIM ARISING UNDER THE COMPREHENSIVE, COLLISION COVERAGE OR UNDER THE UNINSURED MOTORIST COVERAGE OF A GEORGIA AUTOMOBILE INSURANCE POLICY FOR A LOSS THAT OCCURRED BETWEEN JULY 17, 1996, AND JULY 17, 2002, THE PROPOSED SETTLEMENT MAY AFFECT YOUR RIGHTS.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL 1 (888) 769-7751 AND SPEAK TO A REPRESENTATIVE OR YOU MAY VISIT THE WEBSITE LOCATED AT

**[www.yodlowskidiminishedvaluesettlement.com](http://www.yodlowskidiminishedvaluesettlement.com)**

**PLEASE DO NOT CONTACT THE COURT, THE CLERK OF THE COURT, OR PRUDENTIAL.**

You have been sent this Notice because you may be eligible for benefits that will be provided as part of the proposed settlement of a class action lawsuit brought in the Superior Court of Muscogee County, Georgia (the "Court"), against Merastar Insurance Company, Prudential Property and Casualty Insurance Company, Prudential General Insurance Company, Victoria Fire and Casualty Company and Victoria Select Insurance Company (collectively, "Prudential")

**The lawsuit is about plaintiffs' claim** that vehicles lose value after they have been involved in accidents and that Prudential should pay its insureds for that alleged loss of value, even if the vehicle is properly repaired. On November 28, 2001, the Supreme Court of Georgia ruled that the Georgia insurance contracts there at issue provide first party coverage for any diminished value which may occur as a result of an insured loss. Prudential does not admit liability on any individual claim.

The plaintiffs and Prudential have concluded that settlement is in the best interest of Prudential's Georgia policyholders because of the uncertainty, expenses, risks, and delays of litigation. *Settlement benefits will be available only if the Court approves the settlement.* On January 15, 2003, the Court will hold a hearing (the "Fairness Hearing") to decide whether to do so.

The Court has certified a Settlement Class for injunctive, equitable and monetary relief.

**The Class is defined as:** All persons insured under a Georgia personal lines automobile insurance policy issued by Prudential who reported valid physical damage claims for vehicle damage under that policy's collision or comprehensive coverages, which loss occurred between and including July 17, 1996 and July 17, 2002, or a reported valid physical damage claim under the uninsured motorist coverage of a Georgia personal lines automobile insurance policy issued by Prudential which loss occurred between and including July 17, 1998, and July 17, 2002, but excluding: (1) claims resulting in total losses; (2) claims relating to non-owned (as that term is defined in Prudential's Georgia automobile policies) or temporary substitute vehicles; (3) claims for glass repair or replacement, (4) claims relating to partial theft; (5) claims closed without payment; (6) claims in which the policyholder was actually paid for diminished value; (7) claims relating to loss of personal property

If you are a Class Member, you need to decide whether to decline further participation in the Class.

If you do not want to be in the Class, you must send written notice of your individual intent to opt out to the address set forth below so that it is received by January 6, 2003. If you exclude yourself, you will not receive any benefit available under the proposed settlement and you will not be bound by any orders or judgments entered in this case. To be excluded, you must send a written notice stating "I request to be excluded from the settlement class. I understand that this exclusion means that I will not receive any benefit available under the proposed settlement." Your written notice also must contain your name, address, automobile insurance policy number(s) and claim number(s), and must be signed and dated by you. Failure to comply with any of these requirements may result in your written notice being declared invalid. **SEND YOUR WRITTEN NOTICE TO THE FOLLOWING ADDRESS:**

Yodlowski Diminished Value Settlement  
P.O. Box 9000 # 6048  
Merrick, NY 11566-9000

Your written notice must be received no later than January 6, 2003. Your written notice to opt out must be filed in an individual capacity, not by any representative.

If you want to remain in the Class, you do not need to respond to this Notice. If you remain in the Class, your interests will be represented without cost by class counsel, and you will be bound by all orders and judgments entered by the Court, whether favorable or unfavorable to the Class.

**Benefits and Consequences:** If the settlement is approved and you do not exclude yourself from the Class, you will be entitled to a diminished value settlement payment. Under the proposed settlement, approximately 12,600 of the Class Members to be identified by the Defendants and consisting of Class Members whose vehicles at the time their claims were submitted were less than 10 years old (model years same as year of incident plus nine (9) additional model years) will be paid a pro rata share of between \$150 and \$215, less the adjustments provided for in the Settlement Agreement; an additional approximate 1,744 of the Class Members to be identified by the Defendants and consisting of other Class Members whose vehicles at the time their claim was submitted were 10 years old or older will be paid a pro rata share of \$50, with the adjustments previously mentioned. All other claims that have been or could have been asserted in the respective class periods in the Action will be released. In addition, if Prudential assesses future diminished value claims using a court-authorized formula, Class Members will be unable to claim that the formula is not an appropriate method for assessing diminished value; however, Class Members are still permitted to dispute the amount resulting from Prudential's use of this formula.

The Court has designated the following counsel to represent the Class for the purposes of settlement of this lawsuit:

Pope, McGlamry, Kilpatrick, Morrison  
& Norwood, LLP  
P.O. Box 2128  
Columbus, Georgia 31902-2128

Hatcher, Stubbs, Land, Hollis  
& Rothschild, LLP  
P.O. Box 2707  
Columbus, Georgia 31902-2707

C. Ronald Ellington  
135 Beaver Trail  
Athens, Georgia 30605

You will not be charged for the services of these or any other counsel representing the Class in this Action. You have the right to retain your own attorney in this matter, but if you do, you will be responsible for paying your own attorneys' fees and expenses.

Plaintiffs will apply to the Court for an award of attorneys' fees and costs not to exceed a total of \$760,000.00 on behalf of the counsel who have represented the plaintiffs in this class action. If the Court approves the application, the settlement fund will be reduced by that amount.

The Court will hold a hearing on January 15, 2003 ("Fairness Hearing"), to consider whether to approve the proposed settlement and to determine the amount of attorneys' fees and expenses to award to the plaintiffs' counsel, in the courtroom of the Honorable Douglas C. Pullen, Judge of the Superior Court of Muscogee County, Georgia, 100 10th Street, 10<sup>th</sup> Floor, Columbus, Georgia, at 10:00 a.m.

Unless you request exclusion, you may file a written objection by January 6, 2003, to any aspect of the proposed settlement or the amount of attorneys' fees, but you will be bound by the orders and judgments entered in this case, even if the Court does not agree with your objections. Each written objection should include (i) a statement of your objection(s), as well as the specific reasons you have for each objection, including any legal support you wish to bring to the Court's attention and any evidence you wish to introduce in support of your objection(s), (ii) your name, address and telephone number, (iii) the policy number(s) of your policy(ies), and (iv) the claim number(s) of your claim(s).

**Objections should be sent to the following addresses:**

Clerk of the Court  
Superior Court of Muscogee County  
P.O. Box 2145  
Columbus, GA 31902-2145

Pope, McGlamry, Kilpatrick, Morrison  
& Norwood LLP  
Attn: Dawn Scurry  
P.O. Box 2128  
Columbus, GA 31902  
Plaintiffs' Lead Counsel

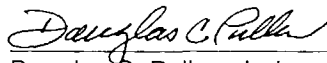
Troutman Sanders LLP  
5200 Bank of America Plaza  
600 Peachtree Street  
Atlanta, Georgia 30308  
Attn: Cathy Sutherland  
Prudential's Lead Counsel

Your written objection(s) must be received no later than January 6, 2003. If you file and serve a timely written objection, you may appear at the Fairness Hearing, either in person or through an attorney retained and paid by you. If you or your attorney intends to appear at the Fairness Hearing, you or your attorney must file a notice of intention to appear with the Clerk of the Court by January 6, 2003, with copies received by the plaintiffs' counsel and Prudential's counsel, at the addresses provided above.

Please call 1 (888) 769-7751 with any questions you may have about the settlement or visit the website located at [www.yodlowskidiminishedvaluesettlement.com](http://www.yodlowskidiminishedvaluesettlement.com)

**PLEASE DO NOT CALL THE COURT, THE CLERK OF THE COURT, OR PRUDENTIAL.**

DATED: October 31, 2002

  
\_\_\_\_\_  
Douglas C. Pullen, Judge  
Muscogee County Superior Court

**Yodlowski Diminished Value Settlement**  
**P.O. Box 9000 #6048**  
**Merrick, NY 11566-9000**

**Return Service Requested**

*Presorted*  
First Class Mail  
U S Postage  
PAID  
Philadelphia, PA  
Permit No 5634