

**IF YOU ARE OR WERE A MEMBER OF PONY NATIONAL AND PURCHASED A GENERAL COMMERCIAL, ACCIDENT, DIRECTORS AND OFFICERS, AUTO, AND/OR OTHER TYPE OF INSURANCE POLICY BOUNDED BY GAGLIARDI INSURANCE SERVICES, INC. IN THE UNITED STATES ON OR AFTER JANUARY 1, 2018 THROUGH TO JANUARY 28, 2021, YOU MAY BE ENTITLED TO COMPENSATION.**

**NOTICE OF CLASS ACTION SETTLEMENT**

*Del Obispo Youth Baseball, Inc. v. The Ambassador Group LLC, et al.*  
United States District Court for the Central District of California  
Case No. 8:21-cv-00199-SPG-DFM

**PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT A PROPOSED CLASS ACTION SETTLEMENT. YOUR RIGHTS MAY BE AFFECTED BY THIS SETTLEMENT.**

The purpose of this Notice is to inform Class Members about a proposed settlement of a class action lawsuit that is pending in the United States District Court for the Central District of California (the “Court”). The lawsuit is *Del Obispo Youth Baseball, Inc. d/b/a Dana Point Youth Baseball v. The Ambassador Group LLC d/b/a Ambassador Captive Solutions, et al.*, Case 8:21-cv-00199-SPG-DFM (the “Lawsuit”).

This Notice explains what the Lawsuit is about, the main terms of the Settlement, and Class Members’ rights and options under the Settlement.

**I. What the Lawsuit Is About**

The Lawsuit alleges that Defendants were involved in a scheme (the “Scheme”) to defraud Plaintiff and Class Members by selling counterfeited and nonexistent insurance policies, which purported to provide general commercial, accident, directors and officers, auto, product liability, and other types of insurance to Plaintiff and class members (the “Insurance Policies”), throughout the United States. The Lawsuit is brought on behalf of a Class defined as follows:

All members of PONY National that purchased a general commercial, accident, directors and officers, auto, and/or other type of insurance policy bounded by Gagliardi Insurance Services, Inc. and that made such purchase in the United States on or after January 1, 2018 through January 28, 2021 (the “Class Period”).

Excluded from the Settlement Class are (i) Ambassador and its officers and directors; (ii) all Settlement Class Members who timely and validly request exclusion from the Settlement Class; and (iii) the Judge or Magistrate Judge to whom the action is assigned and, any member of those Judges’ staffs or immediate family members.

Each individual or entity within the foregoing Class definition is referred to as a “Class Member.”

The proposed Settlement Agreement (the “Settlement”) was entered into by Plaintiff Del Obispo Youth Baseball, Inc. d/b/a Dana Point Youth Baseball (“DPYB”) and Defendants The Ambassador Group LLC d/b/a Ambassador Captive Solutions (“The Ambassador Group”) and Brandon White (“White”) (collectively, “Ambassador” or the “Settling Defendants”). As a result of the alleged Scheme, the other defendants named in the Lawsuit underwent bankruptcy or foreign liquidation proceedings or have limited assets unable to have a material effect on class recovery. Consequently, the Settling Defendants are the only defendants that have actively participated in the litigation and are the only defendants that are parties to the Settlement.

The Settling Defendants and Plaintiff (the “Parties”) have exchanged detailed information about the claims and defenses at issue in the Lawsuit. The Parties also exchanged detailed information about the limited assets of the defendants, including the Settling Defendants. After settlement negotiations overseen by an independent mediator, the Parties reached a Settlement that, if approved by the Court, will resolve the claims asserted in the Lawsuit. The proposed Settlement is entered into without any admission of liability or wrongdoing by the Settling Defendants.

The Court entered an order granting preliminary approval to the Settlement on June 11, 2024 (the “Preliminary Approval Date”). This means the Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. A final determination of these issues will be made at a final approval hearing scheduled for February 19, 2025 at 1:30 p.m. at the U.S. District Court, Central District of California, First Street Courthouse, 350 West 1st Street, Courtroom 5C, Los Angeles, CA 90012.

On June 11, 2024, the Court also certified the Class for settlement purposes; appointed the law firms of Morgan & Morgan and Nelson & Fraenkel LLP as Class Counsel for settlement purposes; appointed DPYB as the Class Representative for settlement purposes; designated CPT Group, Inc. as the Settlement Administrator; and authorized the Parties to provide this notice to the Class.

## **II. The Main Terms of the Settlement**

Subject to Court approval, the main terms of the Settlement are as follows:

1. Monetary Consideration. The Settling Parties will create a common fund (“Settlement Fund”) consisting of One Hundred and Ninety-Five Thousand Dollars (\$195,000.00) in cash that the Settling Defendants have agreed to pay. The Settlement Fund will be used to make monetary payments to Settlement Class Members and to pay the costs of Settlement Administration, Class Counsel’s requested Attorneys’ Fees and Expenses, and a Service Award to the Representative Plaintiff. The amount of the Settlement Fund is based on the unique financial circumstances of the defendants named in the Lawsuit, including bankruptcies filed by certain defendants and the limited assets available to pay any judgment or settlement, including that of the Settling Defendants.

2. Settlement Benefit Fund/Settlement Payments to Participating Class Members. The “Settlement Benefit Fund” means the Settlement Fund less the costs of Settlement Administration, Proposed Class Counsel’s Attorneys’ Fees, Expenses, and a Service Award to the Representative Plaintiff. All Settlement Class Members shall receive a pro rata share of the Settlement Benefit Fund based upon the total premium payments paid by each Settlement Class Member in purchasing its Insurance Policy during the Class Period. The Claims Administrator will calculate the total amount paid for each Insurance Policy by each Settlement Class Member based on data available to the Settlement Administrator (the “Direct Damages”). Each Settlement Class Member will be informed of the estimated amount of its Direct Damages in the Mailed Notice sent to each Settlement Class Member. Settlement Class Members may contest the Settlement Administrator’s calculation by sending in a written notice and providing information and evidence to show the total amount of premiums paid. If there is not enough money in the Settlement Benefit Fund to pay the Direct Damages for each Settlement Class Member, there will be a pro rata reduction of each Benefit Amount.

3. Attorneys’ Fees and Litigation Expenses. Class Counsel will file a motion requesting an award of attorneys’ fees and costs of up to 33-1/3% of the Settlement Fund or \$65,000. These amounts are all subject to Court approval.

4. Settlement Administration. The anticipated cost of notice and administration is estimated to be \$20,000.
5. Service Award. Class Counsel will file a motion requesting a Service Award to the Class Representative of \$1,000. The amount of any such Service Award is subject to Court approval.
6. Release. Class Members who do not exclude themselves from the Settlement will be deemed to release all of the claims described in Section IV below.

### **III. Class Members' Rights and Options Under the Settlement**

Class Members have three options under the Settlement. If you are a Class Member, you may: (1) do nothing, in which case you will be deemed to be a Participating Class Member and you will be entitled to receive a share of the Settlement Benefit Fund following the Effective Date; (2) exclude yourself from the Settlement; or (3) object to the Settlement. The following paragraphs explain these options in more detail.

1. Do Nothing/No Action Is Necessary for Class Members to Participate In the Settlement. If you do nothing, you will be deemed to be a Participating Class Member and, if the Settlement is given final court approval and becomes effective, you will be entitled to a settlement payment in accordance with the terms of the Settlement. If you wish to contest the amount that the Settlement Administrator has estimated to be your Direct Damages you must do so in writing by November 8, 2024.

2. Request To Be Excluded From the Settlement. Any Class Member who wishes to be excluded from the Settlement must complete and sign a document requesting to be excluded from the lawsuit ("Exclusion Request"). The Exclusion Request must be sent to the Settlement Administrator no later than November 8, 2024. The Exclusion Request must identify the name and address of the entity seeking to be excluded and a statement that the Class Member wants to be excluded that makes clear the intention to be excluded from the Lawsuit and be signed and dated by Class Member or an authorized signatory. Exclusion Requests can be mailed or delivered to the Settlement Administrator, as follows: *Del Obispo Youth Baseball, Inc. v. The Ambassador Group LLC* c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606; email: AmbassadorGroupSettlement@cptgroup.com. If the completed Exclusion Request is returned by U.S. Mail, the date of return will be the date of the postmark. If the completed Exclusion Request is returned by personal delivery or email, the date of return will be the date the Exclusion Request is received by the Settlement Administrator. Those Class Members who submit timely Exclusion Request will be referred to as "Excluded Class Members." Excluded Class Members will not receive any consideration under the Settlement and will not be bound by any provision of the Settlement including but not limited to the Release. A judgment in the action will bind all Class Members who do not timely request exclusion.

3. Object to the Settlement. Any Class Member who wishes to object to the Settlement must complete and sign an objection ("Objection") and return it to the Settlement Administrator no later than November 8, 2024. The Objection shall state: (i) the objector's full name, address, telephone number, and e-mail address (if any); (ii) information identifying the objector as a Settlement Class Member, including proof that the objector is a member of the Settlement Class; (iii) a written statement of all grounds for the objection, accompanied by any legal support for the objection the objector believes applicable; (iv) the identity of all counsel representing the objector; (v) the identity of all counsel representing the objector who will appear at the final approval hearing; (vi) a list of all persons, if any, who will be called to testify at the final approval hearing in support of the objection; (vii) a statement confirming whether the objector intends to personally appear and/or testify at the final approval hearing; (viii) the objector's signature and the signature of the objector's duly authorized attorney or other duly authorized representative (along with documentation setting forth such representation); (ix) a list, by case name, court, and docket number, of all other cases in which the objector (directly or through counsel) has filed an objection to any proposed class action settlement within the last 3 years; (x) a list, by case name, court, and docket number, of all

other cases in which the objector's counsel (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last 3 years; and (xi) a list, by case name, court, and docket number, of all other cases in which the objector has been a named plaintiff in any class action or served as a lead plaintiff or class representative. Objections can be mailed or delivered to the Settlement Administrator, as follows: *Del Obispo Youth Baseball, Inc. v. The Ambassador Group LLC* c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606; email: AmbassadorGroupSettlement@cptgroup.com. If the completed Objection Form is returned by U.S. Mail, the date of return will be the date of the postmark. If the completed Objection Form is returned by personal delivery or email, the date of return will be the date the objection is received by the Settlement Administrator. You may not submit both an Objection Form and an Exclusion Form. If you submit an Objection and the Court approves the Settlement, you will be entitled to receive a payment in accordance with the terms of the Settlement and you will be bound by any judgment entered by the Court. Any Class Member who does not request to be excluded from the Settlement may enter an appearance through counsel, at the Class Member's own expense.

#### **IV. Release of Claims by Class Members**

If the Settlement is approved by the Court and becomes effective, and provided that the Settling Parties have paid the full Settlement Amount, each Class Member who has not timely requested exclusion from the Settlement will be deemed to release and discharge the Settling Parties, and their current and former parents, subsidiaries, affiliated companies, and divisions, whether indirect or direct, as well as these entities' respective predecessors, successors, directors, officers, employees, principals, agents, attorneys, insurers, and reinsurers from any and all claims alleged in the Complaint, based solely upon the facts alleged in the Complaint and claims made or which could have been made regarding the Scheme. Released persons does not include Dominic Cyril Gagliardi, Gagliardi Insurance, Performance Insurance Company or Goldenstar Specialty Insurance LLC or any of their predecessors, successors, directors, heirs, officers, employees, principals, agents, attorneys, insurers or reinsurers, except that Released persons expressly includes Brandon White.

#### **V. Final Approval Hearing**

The Court will hold a hearing on February 19, 2025 at 1:30 p.m. to determine whether the Settlement should be finally approved and to rule on Class Counsel's motion for award of attorneys' fees, reimbursement of litigation expenses, and Class Representative's requested Service Award. The Court is located at the First Street Courthouse, 350 West 1st Street, Courtroom 5C, Los Angeles, CA 90012. You are not required to attend the hearing, but you may if you choose.

#### **VI. For More Information**

The pleadings and other records in this litigation may be examined online on the electronic website Public Access to Court Electronic Records ("PACER") at <https://pacer.uscourts.gov/>. After arriving at the website, click "Search for a Case" then click "Search by National Index", then enter 8:21-cv-00199-SPG-DFM as the case number and click "SEARCH." Images of every document filed in the Lawsuit may be viewed through the "Docket Report" at a minimal charge. If you do not have a PACER account, you will need to register for one at <https://pacer.psc.uscourts.gov/pscwf/registration.jsf>. The PACER User Manual can also be found at <https://pacer.uscourts.gov/sites/default/files/files/PACER-User-Manual.pdf>.

This Notice contains only a summary of the terms of the proposed Settlement. The full version of the Settlement Agreement was filed with the Court as part of Exhibit 1 to the Declaration of Michael F. Ram in Support of Plaintiff's Motion for Preliminary Approval of Amended Class Action Settlement, filed on April 22, 2024. The full version of the Settlement Agreement is also available on the Settlement website along with other pleadings from the case: [www.cptgroupcaseinfo.com/AmbassadorGroupSettlement](http://www.cptgroupcaseinfo.com/AmbassadorGroupSettlement).

**PLEASE DO NOT CONTACT THE COURT ABOUT THIS NOTICE.**

If you have questions about the Settlement, please contact the Settlement Administrator or Class Counsel, as follows:

Settlement Administrator

*Del Obispo Youth Baseball, Inc. v. The Ambassador Group LLC*

Settlement Administrator

c/o CPT Group, Inc.

50 Corporate Park

Irvine, CA 92606

Tel: 1-888-544-3930

Email: AmbassadorGroupSettlement@cptgroup.com

Class Counsel

Michael F. Ram

Marie N. Appel

MORGAN & MORGAN

COMPLEX LITIGATION GROUP

711 Van Ness Avenue, Suite 500

San Francisco, CA 94102

Email: delobisposettlement@forthepeople.com